

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you as a registered Equity Shareholder of BSE Limited as on the Record Date i.e., Monday, July 29, 2019 in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018. If you require any clarifications about the action to be taken, you should consult your stock broker or investment consultant or the Manager to the Buyback i.e., Edelweiss Financial Services Limited or the Registrar to the Buyback i.e., Karvy Fintech Private Limited. Please refer to the section “*Definition of Key Terms*” on page 3 for the definition of the capitalised terms used herein.

BSE LIMITED

CIN: L67120MH2005PLC155188

Registered Office & Correspondence Address: 25th Floor, P.J. Towers, Dalal Street, Mumbai- 400 001, India

Tel. No.: +91 22 2272 1233/34 | Fax No.: Not available

Contact Person: Smt. Prajakta Powle, Company Secretary and Compliance Officer

E-mail: bse.shareholders@bseindia.com | Website: www.bseindia.com



OFFER TO BUYBACK NOT EXCEEDING 67,64,705 (SIXTY SEVEN LAKH SIXTY FOUR THOUSAND SEVEN HUNDRED AND FIVE ONLY) FULLY PAID-UP EQUITY SHARES OF THE COMPANY OF THE FACE VALUE OF ₹ 2/- EACH, REPRESENTING 13.06% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE TOTAL PAID-UP EQUITY CAPITAL OF THE COMPANY AS AT MARCH 31, 2019, FROM ALL ELIGIBLE SHAREHOLDERS (EQUITY SHAREHOLDERS AS ON THE RECORD DATE, BEING MONDAY, JULY 29, 2019) ON A PROPORTIONATE BASIS, THROUGH THE ‘TENDER OFFER’ PROCESS, AT A PRICE OF ₹ 680/- (RUPEES SIX HUNDRED AND EIGHTY ONLY) PER EQUITY SHARE, PAYABLE IN CASH, FOR AN AGGREGATE MAXIMUM AMOUNT OF ₹ 460 CRORE (RUPEES FOUR HUNDRED AND SIXTY CRORE ONLY) EXCLUDING THE TRANSACTION COSTS.

- (1) The Buyback is being undertaken in accordance with Article 23 of the Articles of Association of the Company, Sections 68, 69, 70, 110 and other applicable provisions of the Companies Act, including any statutory modification(s) or re-enactment thereof and applicable rules made thereunder including the Share Capital and Debentures Rules, the Management and Administration Rules, to the extent applicable, and the SEBI Buyback Regulations and SEBI Listing Regulations. The Buyback is subject to receipt of such approvals, permissions, consents, sanctions and exemptions of the statutory, regulatory or governmental authorities, as may be required under the applicable laws including from SEBI, RBI and/ or NSE.
- (2) The Buyback Offer Size is ₹ 460 crore (Rupees Four Hundred and Sixty Crore only) excluding the Transaction Costs, which represents 24.73% of the aggregate of the paid-up capital and free reserves as per the standalone audited financial statements of the Company as on March 31, 2019 (the last audited standalone financial statements available as on the date of the Board Meeting, recommending the proposal of the Buyback). The Buyback Offer Size is within the statutory limit of 25% of the aggregate of the paid-up capital and free reserves of the Company as per Section 68(2)(c) of the Companies Act and Regulation 4(i) of the SEBI Buyback Regulations.
- (3) The Letter of Offer will be sent to all Eligible Shareholders (Equity Shareholders as on the Record Date, being Monday, July 29, 2019).
- (4) For details of the procedure for tender and settlement, please refer to the “*Procedure for Tender Offer and Settlement*” on page 34. The Tender Form is enclosed together with this Draft Letter of Offer.
- (5) For details of the procedure for Acceptance, please refer to the “*Process and Methodology for the Buyback*” on page 30. For mode of payment of cash consideration to the Eligible Shareholders, please refer to “*Procedure for Tender Offer and Settlement - Method of Settlement*” on page 38.
- (6) A copy of the Public Announcement published on July 17, 2019 and this Draft Letter of Offer (including the Tender Form) shall be made available on the website of SEBI i.e., www.sebi.gov.in and on the website of the Company i.e. www.bseindia.com.
- (7) Eligible Shareholders are advised to read this Draft Letter of Offer and in particular refer to “*Details of the Statutory Approvals*” and “*Note on Taxation*” on pages 28 and 39, respectively, before tendering their Equity Shares in the Buyback.

MANAGER TO THE BUYBACK

REGISTRAR TO THE BUYBACK



Edelweiss Financial Services Limited

14th Floor, Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098, Maharashtra, India

Tel. No.: +91 22 4009 4400

Fax No.: +91 22 4086 3610

Email: bse.buyback2019@edelweissfin.com

Contact Person: Disha Doshi

Website: www.edelweissfin.com

SEBI Registration No.: INM0000010650

CIN: L99999MH1995PLC094641

Validity Period: Permanent



Karvy Fintech Private Limited

Karvy Selenium Tower B Plot 31 & 32, Gachibowli, Financial District, Nanakramguda Serilingampally, Hyderabad Rangareddi, Telangana 500 032, India

Tel. No.: +91 40 6716 2222

Fax No.: +91 40 2343 1551

Email: bse.buyback@karvy.com

Contact Person: M Murali Krishna

Investor Grievance Id: einward.ris@karvy.com

Website: www.karvyfintech.com

SEBI Registration No.: INR000000221

CIN: U72400TG2017PTC117649

Validity Period: Permanent

BUYBACK PROGRAMME

BUYBACK OPENS ON [●] (●)

BUYBACK CLOSES ON [●] (●)

LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS BY THE REGISTRAR TO THE BUYBACK [●] (●)

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1. SCHEDULE OF ACTIVITIES FOR THE BUYBACK

Sr. No.	Activity	Schedule of Activities	
		Date	Day
1.	Date of Board Meeting approving the proposal for the Buyback	May 7, 2019	Tuesday
2.	Date of declaration of the result of the shareholders' resolution, approving the Buyback	July 15, 2019	Monday
3.	Date of publication of the Public Announcement for the Buyback in newspapers	July 17, 2019*	Wednesday
4.	Record Date for determining the names of the Eligible Shareholders and the Buyback Entitlement	July 29, 2019	Monday
5.	Buyback Opening Date	[●]	[●]
6.	Buyback Closing Date	[●]	[●]
7.	Last date of receipt of completed Tender Form and other specified documents (if and as applicable) by the Registrar to the Buyback	[●]	[●]
8.	Last date of verification of Tender Form by Registrar to the Buyback	[●]	[●]
9.	Last date of intimation to NSE regarding Acceptance or non-acceptance of Equity Shares by the Registrar to the Buyback	[●]	[●]
10.	Last date of completion of settlement of bids on NSE	[●]	[●]
11.	Last date of payment to Eligible Shareholders/ return of unaccepted demat shares by NSE to Eligible Shareholders	[●]	[●]
12.	Last date of extinguishment of the Equity Shares bought back	[●]	[●]

*Publication in all editions of the English and Hindi national daily newspapers, namely Financial Express and Jansatta, respectively, and the Mumbai edition of the Marathi daily newspaper, namely Navshakti (Marathi being the regional language of Mumbai wherein the registered office of the Company is located).

Note: Where last dates are mentioned for certain activities, such activities may take place on or before the respective last dates.

2. DEFINITION OF KEY TERMS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI Buyback Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.

Term	Description
Acceptance	Acceptance of Equity Shares tendered by the Eligible Shareholders in the Buyback
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange i.e., NSE in the form of a separate window in accordance with the SEBI Circular

Term	Description
Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder up to the extent of Equity Shares held by such Eligible Shareholder on the Record Date
Articles of Association	Articles of Association of the Company, as amended from time to time
Board Meeting	Meeting of the Board of Directors held on May 7, 2019, wherein among other things, the proposal for the Buyback was approved
Board/ Board of Directors	Board of directors of the Company which expression shall include the committee constituted by the Board to exercise its power related to the buyback i.e., the Buyback Committee
Buyback Closing Date	[●]
Buyback Committee	A committee constituted by the Board (comprising of Justice Vikramajit Sen, Public Interest Director and Chairman of the Board, Shri Sumit Bose, Public Interest Director and Chairman of the Audit Committee of the Company, and Shri Ashishkumar Chauhan Managing Director & CEO) pursuant to a circular resolution passed by the Board dated April 16, 2019, to exercise its certain powers in relation to the Buyback
Buyback Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback, which is computed based on the number of Equity Shares held by such Eligible Shareholder as on the Record Date and the ratio/ percentage of Buyback applicable in the category, to which such Eligible Shareholder belongs
Buyback Opening Date	[●]
Buyback Offer Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e., ₹ 680/- (Rupees Six Hundred and Eighty only) per Equity Share, payable in cash
Buyback Offer Size	Number of Equity Shares proposed to be bought back i.e., up to 67,64,705 Equity Shares multiplied by the Buyback Offer Price (i.e., ₹ 680/- per Equity Share) aggregating up to ₹ 460 crore (Rupees Four Hundred and Sixty Crore only). The Buyback Offer Size does not include any expenses incurred or to be incurred for the Buyback viz. brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and services tax (if any), stamp duty, advisors' fees, filing fees, printing and dispatch expenses and other incidental and related expenses and charges
Buyback Period	The period between the date of the declaration of results of the special resolution meeting i.e., July 15, 2019 and the date on which the payment of consideration to the Eligible Shareholders who have accepted the Buyback is made
Buyback or Buyback Offer or Offer	Offer by the Company to buy back not exceeding 67,64,705 fully paid-up Equity Shares at a price of ₹ 680/- per Equity Share from all the Eligible Shareholders, through the Tender Offer process, on a proportionate basis in terms of the SEBI Buyback Regulations read with SEBI Circular
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Clearing Corporation	NSE Clearing Limited (formerly known as National Securities Clearing Corporation Limited)
Companies Act	Companies Act, 2013, as amended and rules framed thereunder
“Company” or “Our Company” or “we” or “us” or “our”	BSE Limited
Company Demat Account	A demat account of the Company wherein Demat Shares bought back in the Buyback would be transferred
Company's Broker	Edelweiss Securities Limited
Depositories	Together, National Securities Depository Limited and Central Depository Services (India) Limited
Depositories Act	Depositories Act, 1996, as amended and rules framed thereunder
Designated Stock Exchange	National Stock Exchange of India Limited
DIN	Director Identification Number
Director(s)	Director(s) of the Company
DP	Depository Participant
Draft Letter of Offer	This draft letter of offer dated July 19, 2019, filed with SEBI
Eligible Shareholders	Equity Shareholders eligible to participate in the Buyback and would mean all shareholders/ beneficial owners of the Equity Shares of the Company on the Record Date being Monday, July 29, 2019, and do not include such shareholders/ beneficial owners of the Equity Shares who are not permitted under the applicable law to tender shares in the Buyback
EPS	Earnings per Equity Share
Equity Shareholder(s)/ Shareholder(s)	Holders of Equity Shares and includes beneficial owners thereof
Equity Share(s)	Fully paid-up equity share(s) of the Company having the face value of ₹ 2 (Rupee Two only) each
Escrow Account	The Escrow Account in the name and style of ‘Escrow Account - BSE Limited Buyback 2019 Offer’ opened with ICICI Bank Limited in accordance with the SEBI Buyback Regulations
Escrow Agent	ICICI Bank Limited

Term	Description
Escrow Agreement	The agreement dated July 19, 2019 entered into between the Company, Edelweiss Financial Services Limited and ICICI Bank Limited
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time, including regulations, circulars, directions, and notifications issued thereunder
FII(s)	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investors as defined under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
General Category	Eligible Shareholders other than the Small Shareholders
HUF	Hindu Undivided Family
IT Act/ Income Tax Act	Income Tax Act, 1961, as amended
Letter of Offer	The letter of offer dated [●] to be filed with SEBI
LTCG	Long-Term Capital Gains
Management and Administration Rules	The Companies (Management and Administration) Rules, 2014, as amended
Manager to the Buyback	Edelweiss Financial Services Limited
NA	Not applicable
Non-Resident Shareholders	Includes non-resident Indians (NRI), FPI and foreign corporate bodies (including erstwhile overseas corporate bodies)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
Public Announcement	Public announcement dated July 15, 2019 in connection with the Buyback in accordance with the SEBI Buyback Regulations which was published on July 17, 2019 in all editions of the English and the Hindi national daily newspapers, namely Financial Express and Jansatta, respectively, and the Mumbai edition of the Marathi daily newspaper namely, Navshakti (Marathi being the regional language of Mumbai wherein the registered office of the Company is located)
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the Buyback Entitlement and the names of the Eligible Shareholders to whom the Letter of Offer (including the Tender Form) will be sent, and who are eligible to participate in the proposed Buyback in accordance with the SEBI Buyback Regulations. The Record Date for the Buyback is Monday, July 29, 2019
“Registrar to the Buyback” or “Registrar”	Karvy Fintech Private Limited
Reserved Category	Small Shareholders eligible to tender Equity Shares in the Buyback
Share Capital and Debenture Rules	The Companies (Share Capital and Debenture) Rules, 2014, as amended
SEBI	Securities and Exchange Board of India
SEBI Buyback Regulations	Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, for the time being in force including any statutory modifications and amendments from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SECC Regulations	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended
Shareholder’s Broker	The stock brokers (who is a member of NSE) of an Eligible Shareholder through whom the order for selling the Equity Shares will be placed in the Acquisition Window
Small Shareholder	As defined under Regulation 2(i)(n) of the SEBI Buyback Regulations and in relation to the Buyback means an Eligible Shareholder who holds Equity Shares of market value of not more than ₹ 2,00,000 (Rupees Two Lakh only), on the basis of closing price on NSE as on the Record Date
SEBI Circular	The mechanism for acquisition of shares through stock exchange specified by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and such other circulars as may be applicable, including any further amendments thereof
STCG	Short-Term Capital Gains
Tender Form	Form of acceptance-cum-acknowledgement to be filled in and sent to the Registrar by the Eligible Shareholders to participate in the Buyback
Tender Offer	Method of buyback as defined in Regulation 2(i)(q) of the SEBI Buyback Regulations
Tendering Period	Period of 10 Working Days from the Buyback Opening Date ([●]) till the Buyback Closing Date ([●]) (both days inclusive)
Transaction Costs	Any expenses incurred or to be incurred for the buyback viz. brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and services tax (if any), stamp duty, advisors’ fees, filing fees, printing and dispatch expenses and other incidental and related expenses and charges
TRS	Transaction Registration Slip generated by the exchange bidding system

Term	Description
U.S.	The United States of America
Working Day(s)	Working day as defined in the SEBI Buyback Regulations

Certain conventions, currency of presentation, use of financial information and stock market data

Page Numbers and Paragraph Numbers

Unless otherwise stated, all references to page numbers and paragraph numbers in this Draft Letter of Offer are to page numbers of this Draft Letter of Offer.

Currency and Units of Presentation

All references to “*Rupee(s)*”, “*Rs.*” Or “₹” or “INR” are to Indian Rupees, the official currency of the Republic of India.

Financial and Other Data

Unless stated or the context requires otherwise, our financial information in this Draft Letter of Offer is derived from our audited standalone and consolidated financial statements for the fiscal year 2019, 2018 and 2017.

Our Company’s fiscal year commences on April 1 of each year and ends on March 31 of the next year (referred to herein as “**Fiscal**”, “**Fiscal Year**” or “**FY**”).

All data related to financials are given in ₹ lakhs, unless otherwise stated.

Stock Market Data

Unless stated or the context requires otherwise, stock market data included in this Draft Letter of Offer is derived from the website of NSE.

3. DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buyback i.e., Edelweiss Financial Services Limited, has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act and SEBI Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buyback.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback i.e., Edelweiss Financial Services Limited, has furnished to SEBI a due diligence certificate dated July 19, 2019 in accordance with the SEBI Buyback Regulations, which reads as follows:

“We have examined various documents and materials relevant to the Buyback, as part of the due diligence carried out by us in connection with the finalisation of the Public Announcement published on Wednesday, July 17, 2019 and the Draft Letter of Offer dated July 19, 2019. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback;
- All the legal requirements connected with the said offer including Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, have been duly complied with;

- The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buyback; and
- Funds used for the Buyback shall be as per the provisions of the Companies Act.”

The filing of this Draft Letter of Offer with SEBI does not, however, absolve the company from any liabilities under the provisions of the Companies Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The Board of Directors declare and confirm that no information/ material likely to have a bearing on the decision of Eligible Shareholders has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to a mis-statement/ misrepresentation, the directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the SEBI Buyback Regulations.

The Board of Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buyback.

3.1 **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 defined in Regulations of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorised 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.

3.2 **Disclaimer for persons in other foreign countries:**

This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. 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 would subject the Company or the Manager to the Buyback to any new or additional requirements or registrations. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any applicable legal requirement or restrictions.

This Draft Letter of Offer has been prepared for the purposes of compliance with the SEBI Buyback Regulations. Accordingly, the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer. The Letter of Offer shall be dispatched to all Eligible Shareholders (Equity Shareholders as on the Record Date) either through email or physically. However, receipt of the Letter of Offer by any Equity Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Equity Shareholders as an offer being made to them. Any Equity Shareholder who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorised under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

3.3 **Forward Looking Statement:**

This Draft Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as ‘believe’, ‘aim’, ‘anticipate’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘project’, ‘will’, ‘will pursue’, or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ

materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, *inter-alia*, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which the Company operates.

4. TEXT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS

Quote

“RESOLVED THAT pursuant to Article 23 of the Articles of Association of the Company and in accordance with the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (**“Companies Act”**) read with the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014 and other relevant Rules made thereunder, each as amended from time to time and the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**“SEBI Buyback Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (**“SEBI Listing Regulations”**) (including statutory amendment(s), modification(s) or re-enactment of the Companies Act or the rules made thereunder or the SEBI Buyback Regulations or the SEBI Listing Regulations) and subject to such other approvals, permissions, consents, sanctions and exemptions of Securities and Exchange Board of India (**“SEBI”**), Reserve Bank of India (**“RBI”**) and/ or other authorities, institutions or bodies (together with SEBI and RBI, the **“Appropriate Authorities”**), as may be necessary, and subject to such conditions, alterations, amendments and modifications as may be prescribed or imposed by them while granting such approvals, permissions, consents, sanctions and exemptions which may be agreed and subject to the approval by the shareholders by way of a special resolution in the ensuing fourteenth annual general meeting, the consent of the Board of Directors of the Company (**“Board”**), which term shall be deemed to include any committee of the Board and/ or officials, which the Board may constitute/ authorise to exercise its powers, including the powers conferred by this resolution) be and is hereby accorded for the buyback by the Company of its fully paid-up equity shares having a face value of Rs. 2/- (Rupees Two only) each (**“Equity Shares”**), not exceeding 67,64,705 Equity Shares (representing 13.06 % of the total number of Equity Shares in the total paid-up equity capital of the Company) at a price of Rs. 680/- (Rupees Six Hundred and Eighty only) per Equity Share (**“Buyback Offer Price”**) payable in cash for an aggregate maximum amount of Rs. 460 crore (Rupees Four Hundred and Sixty Crore only), excluding any expenses incurred or to be incurred for the buyback viz. brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and services tax (if any), stamp duty, advisors fees, filing fees, printing and dispatch expenses and other incidental and related expenses and charges (**“Transaction Costs”**) (such maximum amount hereinafter referred to as the **“Buyback Offer Size”**) which represents 24.73 % of the aggregate of the Company’s paid-up capital and free reserves as on March 31, 2019 as per the standalone audited financials of the Company for the year ended as on March 31, 2019 from the shareholders/ beneficial owners of the Equity Shares of the Company as on a record date to be subsequently decided by the Board, through the **“tender offer”** route, on a proportionate basis as prescribed under the SEBI Buyback Regulations (hereinafter referred to as the **“Buyback”**).

RESOLVED FURTHER THAT as required under Regulation 6 of the SEBI Buyback Regulations, the Company may buyback Equity Shares from the existing equity shareholders as on record date, on a proportionate basis, provided that 15% of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders as defined in the SEBI Buyback Regulations.

RESOLVED FURTHER THAT the Company shall implement the Buyback using the *“Mechanism for acquisition of shares through Stock Exchange”* notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI’s circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, or such other circulars or notifications, as may be

applicable and the Company shall approach the National Stock Exchange of India Limited (“NSE”), as may be required, for facilitating the same.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders as on record date in a manner the Board may consider appropriate, from out of its free reserves and/or securities premium account and/or such other sources or by such mechanisms as may be permitted by applicable laws, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

RESOLVED FURTHER THAT as required under the provisions of section 68(6) of the Companies Act read with Regulation 8 of the SEBI Buyback Regulations, the draft of the declaration of solvency prepared in the prescribed form along with the supporting affidavit and other documents, placed before the meeting be and is hereby approved for filing with the Registrar of Companies, Mumbai and SEBI and that Shri Umakant Jayaram, Public Interest Director and Shri Ashishkumar Chauhan, Managing Director & Chief Executive Officer, of the Company be and are hereby, jointly, authorized to sign the same on behalf of the Board.

RESOLVED FURTHER THAT the Buyback from shareholders/ beneficial owners who are persons resident outside India, including the foreign portfolio investors, erstwhile overseas corporate bodies and non-resident Indians, etc., shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999, as amended and the rules, regulations framed thereunder, if any.

RESOLVED FURTHER THAT confirmation is hereby made by the Board that:

- (i) all Equity Shares of the Company are fully paid-up;
- (ii) the Company shall not issue any shares or other securities from the date of this resolution including by way of bonus issue till the expiry of the buyback period i.e. date on which the payment of consideration to shareholders who have accepted the buyback offer is made in accordance with the Companies Act and the SEBI Buyback Regulations;
- (iii) as per Regulation 24(i)(f) of the SEBI Buyback Regulations, the Company shall not raise further capital for a period of one year from the expiry of the buyback period i.e. the date on which the payment of consideration to shareholders who have accepted the buyback offer is made except in discharge of subsisting obligations which is including but not limited to the allotment of 7,80,000 Equity Shares which are kept in abeyance pursuant to a notification issued by SEBI dated May 20, 2005 under the Securities Contract (Regulation) Act, 1956, thereby approving the BSE (Corporatisation and Demutualisation) Scheme, 2005 submitted by the Company;
- (iv) the Company shall not buyback its Equity Shares or other specified securities from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- (v) the aggregate maximum amount of the Buyback i.e. Rs. 460 crore (Rupees Four Hundred and Sixty Crore only) does not exceed 25% of the aggregate of the paid-up capital and free reserves as per the latest standalone audited financial statements of the Company as on March 31, 2019;
- (vi) the number of Equity Shares proposed to be purchased under the Buyback i.e. 67,64,705 (Sixty Seven Lakhs Sixty Four Thousand Seven Hundred and Five only) Equity Shares does not exceed 25% of the total number of Equity shares in the total paid-up equity capital of the Company;
- (vii) there are no pending schemes of amalgamation or compromise or arrangement pursuant to the Companies Act (“Scheme”) involving the Company, and no public announcement of the Buyback shall be made during pendency of any such Scheme;
- (viii) the Company shall not make any further offer of buyback within a period of one year reckoned from the expiry of the buyback period i.e. date on which the payment of consideration to shareholders who have accepted the buyback offer is made;

- (ix) Since the Company does not have any promoter, promoter group or persons in control, the confirmation pertaining to public shareholding holding post buyback not falling below the minimum level required as per Regulation 38 of the SEBI Listing Regulations is not applicable to the Company;
- (x) the Company shall not withdraw the Buyback offer after the draft letter of offer is filed with the SEBI or the public announcement of the offer of the Buyback is made;
- (xi) the Company shall comply with the statutory and regulatory timelines in respect of the buyback in such manner as prescribed under the Companies Act and/or the SEBI Buyback Regulations and any other applicable laws;
- (xii) the Company shall not utilize any money borrowed from banks or financial institutions for the purpose of buying back its shares;
- (xiii) the Company shall not directly or indirectly purchase its own Equity Shares through any subsidiary company including its own subsidiary companies, if any or through any investment company or group of investment companies;
- (xiv) the Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Companies Act;
- (xv) there are no defaults (either in the past or subsisting) in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company;
- (xvi) the Company will not buyback Equity Shares which are locked-in or non-transferable, until the pendency of such lock-in, or until the time the Equity Shares become transferable, as applicable;
- (xvii) the ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall not be more than twice its paid-up capital and free reserves;
- (xviii) the Company shall transfer from its free reserves or securities premium account and/ or such sources as may be permitted by law, a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited financial statements;
- (xix) the Buyback shall not result in delisting of the Equity Shares from NSE.

RESOLVED FURTHER THAT as required by clause (x) of Schedule I in accordance with Regulation 5(iv)(b) of the SEBI Buyback Regulations, the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

- (i) immediately following the date of this resolution and the date on which the results of the shareholders' resolution in the ensuing annual general meeting with regard to the proposed Buyback are declared ("**Special Resolution**"), there will be no grounds on which the Company can be found unable to pay its debts;
- (ii) as regards the Company's prospects for the year immediately following the date of this resolution and for the year immediately following the Special Resolution, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this resolution as well as from the date of the Special Resolution;
- (iii) in forming the aforesaid option, the Board has taken into account the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016 (to the extent notified).

RESOLVED FURTHER THAT in partial modification to the earlier resolution passed by the Board by way of circulation on April 16, 2019 relating to the powers of the Buyback Committee, the consent of the Board be and is hereby accorded to amend the powers of the Buyback Committee, to the extent as follows:

- (i) For the clause (1) of the powers of the Buyback Committee, the following clause shall be substituted, namely:-

“1. finalizing the terms of Buyback including the mechanism for the Buyback, the schedule of activities including the dates of opening and closing of the Buyback, record date, entitlement ratio, the timeframe for completion of the Buyback,”

- (ii) the clause (2) of the powers of the Buyback Committee shall be deleted.

- (iii) For the clause (6) of the powers of the Buyback Committee, the following clause shall be substituted, namely:-

“6. preparing, executing and filing of various documents as may be necessary or desirable in connection with or incidental to the Buyback including declaration of solvency, public announcement, draft and final letter of offer, and post-completion advertisement which are required to be filed in connection with the Buyback on behalf of the Board,”

- (iv) After the clause (6) of the powers of the Buyback Committee, the following clause shall be inserted, namely:-

“6(a). extinguishment of shares to be bought back in the Buyback and filing of certificate of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/ or Board, as required under applicable law,”

“6(b). to deal with NSE and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, including any further amendments thereof;

RESOLVED FURTHER THAT except as amended by the aforementioned resolution, all other terms of the resolution dated April 16, 2019 for constitution of the Buyback Committee shall continue to be in full force and effect.

RESOLVED FURTHER THAT the Common Seal of the Company be affixed on any relevant documents, deeds or writings required to be executed for the Buyback in presence of any two of:

- (i) Shri Ashishkumar Chauhan, Managing Director & Chief Executive Officer,
- (ii) Shri Nehal Vora, Chief Regulatory Officer,
- (iii) Shri Nayan Mehta, Chief Financial Officer,
- (iv) Shri Neeraj Kulshrestha, Chief of Business Operations, and
- (v) Smt. Prajakta Powle, Company Secretary and Compliance Officer

RESOLVED FURTHER THAT Smt. Prajakta Powle, the Company Secretary & Compliance Officer of the Company be and is hereby appointed as the Compliance Officer for the Buyback in terms of Regulation 24(iii) of the SEBI Buyback Regulations.

RESOLVED FURTHER THAT Edelweiss Securities Limited be and is hereby appointed as the broker for the Buyback, to inter alia carry out the activities as brokers under the SEBI Buyback Regulations, on terms and conditions as may be mutually decided.

RESOLVED FURTHER THAT Karvy Fintech Private Limited, registrar and share transfer agent of the Company be and is hereby appointed as the investors service centre for the purposes of the Buyback in terms of Regulation 24(iii) of the SEBI Buyback Regulations.

RESOLVED FURTHER THAT the Board hereby takes on record the report dated May 7, 2019 issued by S. R. Batliboi & Co. LLP, Chartered Accountants, the statutory auditor of the Company, as required under clause (xi) of Schedule I of the SEBI Buyback Regulations.

RESOLVED FURTHER THAT the Company shall, before opening of the Buyback offer, create an escrow account, either in form of bank guarantee or cash deposit or deposit of securities with appropriate margin or a combination thereof, towards security performance of its obligations as may be prescribed under the Companies Act and the SEBI Buyback Regulations and, on such terms, and conditions as the Board or the Buyback Committee thereof may deem fit.

RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any shareholder to offer, and/or confer any obligation on the Company or the Board or the Buyback Committee to buy back any shares, or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such Buyback, if permitted by law.

RESOLVED FURTHER THAT the Company shall maintain a register of Equity Shares bought back wherein details of Equity Shares so bought, consideration paid for the Equity Shares bought back, date of cancellation of Equity Shares and date of extinguishing and physically destroying the Equity Shares and such other particulars as may be prescribed in relation to the Buyback shall be entered and that Smt. Prajakta Powle, Company Secretary & Compliance Officer of the Company be and is hereby authorized to authenticate the entries made in the said register.

RESOLVED FURTHER THAT the particulars of the Equity Share certificates extinguished and destroyed shall be furnished by the Company to the NSE within seven days of such extinguishment or destruction of the certificates and the dematerialised Equity Shares shall be extinguished and destroyed in the manner as specified under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and the bye-laws, circulars, guidelines framed thereunder, each as amended, and that Smt. Prajakta Powle, Company Secretary & Compliance Officer be and is hereby authorized to do all such acts as may be required for this purpose.

RESOLVED FURTHER THAT Shri Ashishkumar Chauhan, Managing Director & Chief Executive Officer, Shri Nehal Vora, Chief Regulatory Officer, Shri Nayan Mehta, Chief Financial Officer, Shri Neeraj Kulshrestha, Chief Business Officer and Smt. Prajakta Powle, Company Secretary and Compliance Officer be and are hereby severally authorized to send the necessary intimations to SEBI, NSE and any other authority in relation to this resolution, as may be required under applicable laws and regulations.

RESOLVED FURTHER THAT Shri Ashishkumar Chauhan, Managing Director & Chief Executive Officer, Shri Nayan Mehta, Chief Financial Officer and Smt. Prajakta Powle, Company Secretary and Compliance Officer be and are hereby severally authorized to file necessary e-forms with the Registrar of Companies, and to do all such acts, deeds and things or incidental for signing and filing of forms, payment of fees etc. and to do all such other acts, things and deeds, as may be required for the aforesaid purpose or other services as that may be necessary to give effect to the above resolutions.

RESOLVED FURTHER THAT the Executive Management Committee of the Company be and are hereby authorized to appoint and /or fix fees of other intermediaries, advisors, consultants and incur other costs subject to maximum expenses of Rs. 4.91 crore (excluding bank charges, regulatory and statutory costs) and the expenses pursuant to bank charges, regulatory & statutory costs will be paid on actual basis, for the proposed buy-back transaction.”

Unquote

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with Regulation 7 of the SEBI Buyback Regulations, the Company has made a Public Announcement for the Buyback which was published on Wednesday, July 17, 2019 in the newspapers mentioned below, which is within two Working Days from the date of declaration of the results of the shareholders' resolution in the fourteenth annual general meeting, for approving the Buyback (i.e. Monday, July 15, 2019):

Name of the Newspaper	Language	Editions
Financial Express	English	All Editions

Jansatta	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition

The Company will publish further notices or corrigenda, if any, in the abovementioned newspapers.

A copy of the Public Announcement is available on the Company's website i.e., www.bseindia.com, the website of SEBI i.e., www.sebi.gov.in and on the website of NSE i.e., www.nseindia.com.

6. DETAILS OF THE BUYBACK

Pursuant to the resolution passed by the Board of Directors of the Company on May 7, 2019 and the special resolution dated July 15, 2019, passed by the shareholders of the Company in the fourteenth annual general meeting, the results of which were declared on July 15, 2019, the Company, hereby, announces the buyback of not exceeding 67,64,705 (Sixty Seven Lakh Sixty Four Thousand Seven Hundred and Five only) fully paid-up Equity Shares of the Company (representing 13.06% of the total number of Equity Shares in the total paid-up equity capital of the Company) from the shareholders/ beneficial owners of Equity Shares of the Company as on the Record Date i.e., Monday, July 29, 2019 (for further details in relation to the Record Date, refer to paragraph 20.4 of this Draft Letter of Offer), on a proportionate basis, through the “tender offer” process as prescribed under the SEBI Buyback Regulations, at a price of ₹ 680/- (Rupees Six Hundred and Eighty only) per Equity Share, payable in cash, for an aggregate maximum amount of ₹ 460 crore (Rupees Four Hundred and Sixty Crore only). The Buyback Offer Size and the Buyback Offer Price do not include any expense incurred or to be incurred for the Buyback viz. brokerage costs, fees, turnover charges, taxes such as securities transaction tax and goods and services tax (if any), stamp duty, advisors’ fees, filing fees, printing and dispatch expenses and other incidental and related expenses and charges. The Buyback Offer Size represents 24.73% of the aggregate of the Company’s paid-up capital and free reserves as per the standalone audited financials of the Company for the year ended March 31, 2019 (the latest standalone audited financial statements available as on the date of the Board Meeting, recommending the proposal of the Buyback). The Buyback is subject to receipt of such approvals, permissions, consents, sanctions and exemptions of the statutory, regulatory or governmental authorities, as may be required under the applicable laws including from RBI, SEBI, and/ or NSE.

The Buyback is pursuant to Article 23 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act and the relevant rules made thereunder including the Share Capital and Debentures Rules, Management and Administration Rules, to the extent applicable, and the provisions of the SEBI Buyback Regulations and SEBI Listing Regulations.

The Buyback shall be undertaken on a proportionate basis from the Equity Shareholders of the Company as on the Record Date through the Tender Offer process prescribed under Regulation 4(iv)(a) of the SEBI Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by SEBI in its circular bearing reference number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular bearing reference number and CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and such other circulars as may be applicable, including any further amendments thereof. Please refer to paragraph 20.4 below for further details regarding the Record Date and shareholders’ entitlement to tender the Equity Shares in the Buyback.

The aggregate of the paid-up capital and free reserves as on March 31, 2019 is ₹ 1,860.18 crore (Rupees One Thousand Eight Hundred Sixty Crore and Eighteen Lakh only). Under the provisions of the Companies Act and the SEBI Buyback Regulations, the Buyback shall not exceed 25% of the aggregate of the paid-up capital and free reserves of the Company i.e. ₹ 465.05 crore (Rupees Four Hundred Sixty Five Crore and Five Lakh only) as per the latest standalone audited financial statements of the Company available as on the date of Board meeting recommending the proposal of the Buyback. The maximum amount proposed to be utilized for the Buyback is ₹ 460 crore (Rupees Four Hundred and Sixty Crore only) excluding Transaction Costs and is therefore within the above-mentioned limit.

Further, under the Companies Act and the SEBI Buyback Regulations, the number of Equity Shares that can be bought back in any financial year shall not exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 1,29,47,250 Equity Shares. Since the Company proposes to buy back up to 67,64,705 Equity Shares, the same is within the aforesaid 25% limit.

The Buyback of Equity Shares from shareholders who are person resident outside India including foreign portfolio investors, erstwhile overseas corporate bodies and non-resident Indians, etc., shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the RBI under FEMA, if any and such approvals shall be required to be taken by such non-resident Indian shareholders.

In terms of the SEBI Buyback Regulations, under the tender offer method, the promoter and members of the promoter group have the option to participate in the Buyback. However, the Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control, therefore, the disclosure of intention of the promoter, promoter group and persons in control to tender Equity Shares in the Buyback is not applicable.

Since the Company does not have any promoter, promoter group or persons in control, the confirmation pertaining to public shareholding post buyback not falling below the minimum level required as per Regulation 38 of the SEBI Listing Regulations is not applicable to the Company. Additionally, consequent to the Buyback and based on the number of Equity Shares bought back by the Company, the shareholding pattern of the Company would undergo a change, however public shareholding shall not fall below 51% of the total fully paid-up equity share capital of the Company as required under the SECC Regulations.

6.1 Shareholding of the promoter and members of the promoter group:

The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control, therefore, the disclosures as required as per paragraphs (vii) and (viii) of the Schedule I and paragraphs (xi) and (xii) of the Schedule IV of the SEBI Buyback Regulations are not applicable.

6.2 Shareholding of the Directors and/ or the key managerial personnel of the Company

None of the Directors or key managerial personnel of the Company (“KMPs”) hold any Equity Shares in the Company, as on the date of the Public Announcement.

7. AUTHORITY FOR THE BUYBACK

The Buyback is being undertaken in accordance with Article 23 of the Articles of Association, Sections 68, 69, 70, 110 and other applicable provisions of the Companies Act, and applicable rules thereunder including the Share Capital and Debentures Rules, Management and Administration Rules, to the extent applicable, and the SEBI Buyback Regulations and SEBI Listing Regulations. The Buyback is subject to receipt of such approvals, permissions and sanctions, as may be required under the applicable laws including from SEBI, RBI and/ or NSE.

The Buyback has been authorised by the resolution of the Board of Directors passed at their meeting which was held on Tuesday, May 7, 2019, and the special resolution passed by the Equity Shareholders in the fourteen annual general meeting of the Company, the results of which were declared on Monday, July 15, 2019.

8. NECESSITY OF THE BUYBACK

8.1 The Board at its meeting held on May 7, 2019, considered the accumulated free reserves as well as the cash liquidity reflected in the last standalone audited financial statements as on March 31, 2019 and considering these, the Board decided to allocate up to ₹ 460 crore (Rupees Four Hundred and Sixty Crore only) excluding the Transaction Costs for distributing to the shareholders holding Equity Shares of the Company as on the Record Date through the Buyback. The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.

8.2 After considering several factors and benefits to the shareholders holding Equity Shares of the Company, the Board decided to buyback the Equity Shares at a price of ₹ 680/- (Rupees Six Hundred and Eighty only) per Equity Share for an aggregate maximum amount of ₹ 460 crore (Rupees Four Hundred and Sixty crore only). Buyback is being undertaken, *inter-alia*, for the following reasons:

- (a) The Buyback will help the Company to return surplus cash to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;

- (b) The Buyback, which is being implemented through the tender offer route as prescribed under the SEBI Buyback Regulations, would involve allocation of number of Equity Shares as per their entitlement or 15% of the number of Equity Shares to be bought back whichever is higher, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as ‘small shareholder’ as per Regulation 2(i)(n) of the SEBI Buyback Regulations;
- (c) The Buyback may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders’ value;
- (d) The Buyback gives an option to the shareholders holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.

9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1** The Buyback is expected to enhance overall long term shareholders’ value for continuing shareholders, without compromising on the future growth opportunities of the Company, as well as provide an exit opportunity to the public shareholders. The Buyback is not likely to cause any material adverse impact on the earnings of the Company, except a reduction in the treasury income which the Company could have otherwise earned from investments in fixed deposits and mutual funds. The Company will also bear the cost of the Buyback transaction.
- 9.2** The Buyback is proposed, considering the accumulated surplus funds available with the Company, being in excess of the surplus amount needed to be retained by the Company for future growth of the Company as envisaged by the Board.
- 9.3** The Buyback will be funded from the accumulated surplus funds available with the Company, in the form of cash and/or investments in fixed deposits and mutual funds, and will be drawn out of free reserves and the securities premium account of the Company and in accordance with Section 68(1) of the Companies Act and Regulation 4(iv)(a) of the SEBI Buyback Regulations.
- 9.4** The Buyback may lead to reduction in existing Equity Shares, improvement in ‘earnings per share’ and enhanced return on equity, assuming that the Company would earn similar profits as in the past.
- 9.5** In terms of the SEBI Buyback Regulations, under the tender offer method, the promoter and members of the promoter group have the option to participate in the Buyback. However, the Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control, therefore, the disclosure of intention of the promoter, promoter group and persons in control to tender Equity Shares in the Buyback is not applicable. Additionally, the Buyback is not expected to result in a change in control or otherwise affect the existing management structure of the Company.
- 9.6** Consequent to the Buyback and based on the number of Equity Shares bought back from the Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the shareholding under each category may undergo a change.
- 9.7** The Company is debt free. Therefore, as required under Section 68(2)(d) of the Companies Act and Regulation 4(ii) of the SEBI Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice its paid-up Equity Share capital and free reserves post completion of the Buyback on a consolidated and standalone basis.
- 9.8** In compliance with the provisions of the Companies Act and SEBI Buyback Regulations, the Company shall not raise further capital for a period of one year from the date of expiry of the buyback period i.e., the date on which the payment of consideration to shareholders who have accepted the buyback offer is made except in discharge of subsisting obligations which is including but not limited to the allotment of 7,80,000 Equity Shares which are kept in abeyance pursuant to a notification issued by SEBI dated May 20, 2005 under the Securities Contract (Regulation) Act, 1956, thereby approving the BSE (Corporatisation and Demutualisation) Scheme, 2005 submitted by the Company.

- 9.9** Further, the Company shall not issue any Equity Shares or other securities including by way of bonus issue till the expiry of the buyback period i.e., the date on which the payment of consideration to shareholders who have accepted the buyback offer is made.
- 9.10** The Company believes that the Buyback will not in any manner impair their ability to pursue the growth opportunities or meet its cash requirements for business operations.
- 9.11** Salient financial parameters consequent to the Buyback based on the last standalone and consolidated audited financial statements as on March 31, 2019 are set forth below:

Parameter	Audited Standalone Financial Statements		Audited Consolidated Financial Statements	
	Pre-Buyback*	Post-Buyback*	Pre-Buyback*	Post-Buyback*
Net worth [#] (₹ lakhs)	1,85,872	1,39,872	2,16,811	1,70,811
Return on net worth [#] (%)	10.82%	14.37%	9.19%	11.67%
Basic earnings per Equity Share (₹)	38.08	43.68	37.75	43.30
Book value per Equity Share [#] (₹)	358.90	310.66	418.64	379.38
P/E as per the latest audited financial results [@]	16.73	14.59	16.88	14.72
Total Debt/Equity Ratio [#]	NA	NA	NA	NA

[#] Excluding capital reserves and statutory reserves.

*Pre and post buyback calculation are based on financial numbers as on March 31, 2019. The post-buyback numbers are calculated assuming full acceptance of Equity Shares in the Buyback.

[@] Market price considered is based on the closing price as of May 7, 2019 on NSE.

The key ratios have been computed as below:

Key Ratios	Basis
Basic earnings per Equity Share (₹)	Net Profit attributable to equity shareholders / Weighted average number of Equity Shares outstanding during the year
Net worth	Equity Capital + Reserves and Surplus
Total Debt	Long Term Borrowings + Other Long Term Liabilities + Short Term Borrowings + Current Maturities of Long Term Borrowings
Book value per Equity Share (₹)	(Paid up Equity Share Capital + Free Reserves and Surplus) / Number of Equity Shares subscribed outstanding at year end
Debt-Equity Ratio	Total Debt / Net Worth (excluding capital reserves and statutory reserves)
Return on net worth (%)	Net profit after tax attributable to the equity shareholders / Net Worth (excluding capital reserves and statutory reserves)

10. BASIS OF CALCULATING THE BUYBACK OFFER PRICE

- 10.1 The Buyback Offer Price being ₹ 680/- (Rupees Six Hundred and Eighty Only) per Equity Share has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average market prices of the Equity Shares on NSE, i.e., the stock exchange where the Equity Shares are listed, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per Equity Share.
- 10.2 The Buyback Offer Price represents:
- Premium of 14.80 % over the volume weighted average market price of the Equity Shares on NSE, during the three months preceding February 19, 2019, being the date of intimation to NSE for the Board Meeting to consider the proposal of the Buyback (“**Intimation Date**”).
 - Premium of 19.87 % over the volume weighted average market price of the Equity Shares on NSE for two weeks preceding the Intimation Date.
 - Premium of 24.45 % over the closing price of the Equity Shares on NSE as on the Intimation Date.

- 10.3 The closing market price of the Equity Shares as on the Intimation Date was ₹ 546.40 on NSE. For trends in the market price of the Equity Shares, please refer to “*Stock Market Data*” on page 27 of this Draft Letter of Offer.
- 10.4 Certain financial ratios as at March 31, 2019 (“**Pre-Buyback**”) as derived from our standalone and consolidated audited financial statements and the corresponding ratios assuming full acceptance of Equity Shares in the Buyback (“**Post-Buyback**”) are set forth below:

Particulars	Audited Standalone Financial Statements		Audited Consolidated Financial Statements	
	Pre-Buyback*	Post-Buyback*	Pre-Buyback*	Post-Buyback*
Book value per Equity Share# (₹)	358.90	310.66	418.64	379.38
Earning per share (₹)	38.08	43.68	37.75	43.30
Return on net worth# (%)	10.82%	14.37%	9.19%	11.67%

Excluding capital reserves and statutory reserves.

* Pre and post buyback calculation are based on financial numbers as on March 31, 2019. The post-buyback numbers are calculated assuming full acceptance of Equity Shares in the Buyback.

11. SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptance, the funds that would be utilised by the Company for the purpose of the Buyback would be ₹ 460 crore (Rupees Four Hundred and Sixty Crore only) excluding the Transaction Costs.
- 11.2 The funds required for implementation of the Buyback (including the Transaction Costs) will be sourced out of the free reserves of the Company (including securities premium account) or such other source as may be permitted by the SEBI Buyback Regulations and the Companies Act. The Company will transfer from its free reserves and/or securities premium account a sum equal to the nominal value of the Equity Shares bought back pursuant to the Buyback to the capital redemption reserve account and details of such transfer will be disclosed in the subsequent audited financial statements of the Company. The Company has neither raised nor does it intend to raise additional debt in connection with the Buyback. The Company will not be using any borrowed funds for the Buyback.
- 11.3 The Company confirms that the funds for the Buyback will be made available out of its internal accruals.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- 12.1 In accordance with Regulation 9(xi) of the SEBI Buyback Regulations, the Company has appointed ICICI Bank Limited, having its registered office at ICICI Bank Towers, Near Chakli Circle, Old Padra Road, Vadodra 390 015 Gujarat, India as the Escrow Agent for Buyback, and an Escrow Agreement (dated July 19, 2019) has been entered into amongst the Company, Edelweiss Financial Services Limited and Escrow Agent.
- 12.2 In accordance with the Escrow Agreement, the Company shall open an Escrow Account with the Escrow Agent in the name and style “*Escrow Account - BSE Limited Buyback 2019 Offer*” bearing account number [●]. In accordance with the Regulation 9(xi) of the SEBI Buyback Regulations, the Company will deposit a sum of ₹ 61,00,00,000/- (Rupees Sixty One Crore only), in cash, in the Escrow Account, which is the aggregate of 25% up to ₹ 100 crore (Rupees Hundred Crore only) and 10% thereafter of the Buyback Offer Size on or before the Buyback Opening Date ([●]) in accordance with the SEBI Buyback Regulations. In accordance with the SEBI Buyback Regulations, the Manager to the Buyback is empowered under the Escrow Agreement to operate the Escrow Account.

13. FIRM FINANCIAL ARRANGEMENT

- 13.1 Mittal Agarwal & Company, Chartered Accountants through their Partner, Piyush Agarwal (Membership Number: 135505) have issued a certificate dated July 19, 2019, certifying that the Company has adequate and firm financial resources to fulfil its obligations under the Buyback. The contact details of the Mittal Agarwal & Company, Chartered Accountants are set forth below:

Mittal Agarwal & Company

Chartered Accountant

404, Madhu Industrial Estate, Mogra Cross Road, Andheri East, Mumbai - 400 069

Tel. No.: +91 99205 95795

Fax No.: 022 2830 4533

ICAI Firm Registration No.: 131025W

Peer Review No.: 010901

- 13.2** Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the SEBI Buyback Regulations.

14. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 14.1** The present and the post-Buyback capital structure of the Company are set forth below:

Particulars	Present	Post completion of the Buyback
Authorised share capital	₹ 300 crore (150,00,00,000 Equity Shares of ₹ 2 each)	₹ 300 crore (150,00,00,000 Equity Shares of ₹ 2 each)
Issued capital*	₹ 10.51 crore (5,25,69,002 Equity Shares of ₹ 2 each)	₹ 9.16 crore (4,58,04,297 Equity Shares of ₹ 2 each) [#]
Subscribed and paid-up share capital	₹ 10.36 crore (5,17,89,002 Equity Shares of ₹ 2 each)	₹ 9.00 crore (4,50,24,297 Equity Shares of ₹ 2 each) [#]

[#]Note: Assuming the full Acceptance of the Buyback Offer Size. However, the post-Buyback issued, subscribed and paid-up capital may differ depending upon the actual number of Equity Shares bought back.

* 7,80,000 equity shares of the face value of ₹2/- each have been kept in abeyance on account of various regulatory reasons.

- 14.2** Details of buyback programmes by the Company in the last 3 (three) years from the date of this Draft Letter of Offer are given below:

Sr. No.	Opening Date	Closing Date	Method of Buyback	Equity Shares bought back
1.	February 1, 2018	July 9, 2018	Open market through stock exchange mechanism	20,19,170

- 14.3** As on the date of this Draft Letter of Offer:

- (a) all Equity Shares are fully paid-up and there are no partly-up shares or calls-in-arrears;
(b) there are no outstanding convertible securities; and
(c) no scheme of amalgamation or compromise or arrangement pursuant to the Companies Act is pending in relation to the Company.

- 14.4** The shareholding pattern of the Company as on the date of the Public Announcement i.e., July 15, 2019 (pre-Buyback) and post-Buyback is set forth below:

Category of Shareholder	Pre-Buyback		Post-Buyback [#]	
	No. of Equity Shares	% to the existing Equity Share capital	No. of Equity Shares	% to the post-Buyback Equity Share Capital
Promoters and persons acting in concert (collectively "the Promoter")	Nil	Nil	4,50,24,297	100.00
Foreign Investors (including Non-Resident Indians/ FIIs / Foreign Mutual Funds)	1,37,01,519	26.46		
Financial Institutions/Banks/ Banks & Mutual Funds promoted by Banks/ Institutions	67,71,181	13.07		
Others (Public, Public Bodies Corporate etc.)	3,13,16,302	60.47		
Total	5,17,89,002	100.00	4,50,24,297	100.00

[#]Note: Assuming the full Acceptance of the Buyback Offer Size in accordance with the Buyback Entitlement for all Eligible Shareholders. However, the post-Buyback shareholding pattern may differ.

14.5 The Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control, hence requirement of providing details of the promoter’s shareholding post-buyback will not be applicable.

14.6 Assuming full acceptance of the Buyback, the issued, subscribed and paid up equity share capital of the Company would be as fully set out in paragraph 14.1 of this Draft Letter of Offer.

15. BRIEF INFORMATION ABOUT THE COMPANY

15.1 The Company was incorporated as a public company under the name “Bombay Stock Exchange Limited” under the provisions of the Companies Act, 1956 and received a certificate of incorporation dated August 8, 2005. Subsequently, the name of the Company was changed to “BSE Limited” and received a fresh certificate of incorporation pursuant to change of name dated July 8, 2011. The registered office of the Company is at 25th floor, P. J. Towers, Dalal Street, Mumbai 400 001, Maharashtra, India. The Company is engaged in providing a capital-raising platform and a platform for trading in equity, debt instruments, derivatives and mutual funds. The Company also provides a platform for trading in equities of small-and-medium enterprises (“SME”). The Company operates in three primary lines of business, namely: (i) Listing business consisting of the primary market, which relates to the issuance of new securities; (ii) Market business consisting of trading in various types of securities permitted by SEBI from time to time; and (iii) Data business consisting of the sale and licensing of information products. Pursuant to the BSE (Corporatization and Demutualization) Scheme, 2005 (the Scheme) notified by SEBI on May 20, 2005, the Company completed Demutualization and Corporatization in May 2007 bringing about the separation of the ownership and management. The Corporate Identification Number of the Company (CIN) is L67120MH2005PLC155188.

15.2 During April 1, 2018 to March 31, 2019, the Company achieved consolidated revenue from operations of ₹ 45,030 lakh (Rupees Forty Five Thousand and Thirty Lakh only) which was lower by 11.22% over consolidated revenue from operations of the previous year. Further, the net profit after tax from continuing operation decreased by 9.58% in the year ending March 31, 2019 on the same basis over the same period as above. For further details on financial information about our Company for the fiscal years 2017, 2018 and 2019, see “Financial information about the Company” on page 25 of this Draft Letter of Offer.

15.3 Details of the listing of the equity shares on the various stock exchanges is set forth below:

Name of the stock exchange	Date of listing	Whether continues to be listed
NSE	February 3, 2017	Yes

15.4 The Equity Shares are currently traded in compulsory dematerialised mode under the trading code(s) ‘BSE’ at NSE. The ISIN of the Equity Shares is INE118H01025.

15.5 The following table sets forth the history of the equity share capital of the Company since incorporation:

Date of allotment/ Date of Extinguishment	Number of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares	Cumulative paid up equity share capital (₹)
August 8, 2005	500,000	1	1	Cash	Subscription to the Memorandum	500,000	500,000
August 18, 2005	5,560,000	1	1	Cash	Pursuant to Demutualisation Scheme	6,060,000	6,060,000
December 12, 2005	560,000	1	1	Cash	Pursuant to Demutualisation Scheme	6,620,000	6,620,000
January 21, 2006	50,000	1	1	Cash	Pursuant to Demutualisation Scheme	6,670,000	6,670,000

Date of allotment/ Date of Extinguishment	Number of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares	Cumulative paid up equity share capital (₹)
March 22, 2006	100,000	1	1	Cash	Pursuant to Demutualisation Scheme	6,770,000	6,770,000
September 8, 2006	90,000	1	1	Cash	Pursuant to Demutualisation Scheme	6,860,000	6,860,000
December 19, 2006	40,000	1	1	Cash	Pursuant to Demutualisation Scheme	6,900,000	6,900,000
February 22, 2007	50,000	1	1	Cash	Pursuant to Demutualisation Scheme	6,950,000	6,950,000
May 9, 2007	772,222	1	5,200	Cash	Preferential allotment	7,722,222	7,722,222
December 5, 2007	80,000	1	1	Cash	Pursuant to Demutualisation Scheme	7,802,222	7,802,222
April 9, 2008	40,000	1	1	Cash	Pursuant to Demutualisation Scheme	7,842,222	7,842,222
April 9, 2008	12,222	1	5,200	Cash	Preferential allotment	7,854,444	7,854,444
May 15, 2008	10,000	1	1	Cash	Pursuant to Demutualisation Scheme	7,864,444	7,864,444
September 5, 2008	10,000	1	1	Cash	Pursuant to Demutualisation Scheme	7,874,444	7,874,444
December 8, 2008	10,000	1	1	Cash	Pursuant to Demutualisation Scheme	7,884,444	7,884,444
March 19, 2009	94,493,328	1	-	Other than cash	Bonus issue of shares in the ratio of 12:1	102,377,772	102,377,772
May 22, 2009	30,000	1	1	Cash	Pursuant to Demutualisation Scheme	102,407,772	102,407,772
May 22, 2009	480,000	1	-	Other than cash	Bonus issue of shares in the ratio of 12:1	102,887,772	102,887,772
October 16, 2009	20,000	1	1	Cash	Pursuant to Demutualisation Scheme	102,907,772	102,907,772
October 16, 2009	240,000	1	-	Other than cash	Bonus issue of shares in the ratio of 12:1	103,147,772	103,147,772
March 26, 2010	10,000	1	1	Cash	Pursuant to Demutualisation Scheme	103,157,772	103,157,772
March 26, 2010	120,000	1	-	Other than cash	Bonus issue of shares in the ratio of 12:1	103,277,772	103,277,772
May 24, 2010	10,000	1	1	Cash	Pursuant to Demutualisation Scheme	103,287,772	103,287,772
May 24, 2010	120,000	1	-	Other than cash	Bonus issue of shares in the ratio of 12:1	103,407,772	103,407,772

Date of allotment/ Date of Extinguishment	Number of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares	Cumulative paid up equity share capital (₹)
July 1, 2011	10,000	1	1	Cash	Pursuant to Demutualisation Scheme	103,417,772	103,417,772
July 1, 2011	120,000	1	-	Other than cash	Bonus issue of shares in the ratio of 12:1	103,537,772	103,537,772
July 16, 2012	10,000	1	1	Cash	Pursuant to Demutualisation Scheme	103,547,772	103,547,772
July 16, 2012	120,000	1	-	Other than cash	Bonus issue of shares in the ratio of 12:1	103,667,772	103,667,772
September 16, 2013	10,000	1	1	Cash	Pursuant to Demutualisation Scheme	103,677,772	103,677,772
September 16, 2013	120,000	1	-	Other than cash	Bonus issue of shares in the ratio of 12:1	103,797,772	103,797,772
February 12, 2015	10,000	1	1	Cash	Pursuant to Demutualisation Scheme	103,807,772	103,807,772
February 12, 2015	120,000	1	-	Other than cash	Bonus issue of shares in the ratio of 12:1	103,927,772	103,927,772
June 4, 2015	3,428,572	1	383.30	Other than cash	Allotment of Equity Shares pursuant to USE Scheme of Amalgamation	107,356,344	107,356,344
November 28, 2016	-	2	-	-	The face value of Equity Shares of the Exchange was consolidated from ₹1 each into ₹2 each	53,678,172	107,356,344
March 27, 2017	10,000	2	2	Cash	Pursuant to Demutualisation Scheme	53,688,172	107,376,344
March 27, 2017	1,20,000	2	-	Other than cash	Bonus issue of shares in the ratio of 12:1	53,808,172	107,616,344
February 14, 2018	(1,06,680)	2	-	NA	Buyback through open market route	53,701,492	107,402,984
February 28, 2018	(1,06,680)	2	-	NA	Buyback through open market route	53,594,812	107,189,624
March 9, 2018	(91,440)	2	-	NA	Buyback through open market route	53,503,372	107,006,744
March 19, 2018	(1,06,680)	2	-	NA	Buyback through open market route	53,396,692	106,793,384
March 27, 2018	(91,440)	2	-	NA	Buyback through open market route	53,305,252	106,610,504
April 6, 2018	(91,440)	2	-	NA	Buyback through open market route	53,213,812	106,427,624

Date of allotment/ Date of Extinguishment	Number of equity shares	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Nature of transaction	Cumulative number of equity shares	Cumulative paid up equity share capital (₹)
April 18, 2018	(1,21,920)	2	-	NA	Buyback through open market route	53,091,892	106,183,784
April 27, 2018	(1,06,680)	2	-	NA	Buyback through open market route	52,985,212	105,970,424
May 9, 2018	(1,06,680)	2	-	NA	Buyback through open market route	52,878,532	105,757,064
May 21, 2018	(1,37,460)	2	-	NA	Buyback through open market route	52,741,072	105,482,144
May 30, 2018	(2,04,000)	2	-	NA	Buyback through open market route	52,537,072	105,074,144
June 11, 2018	(2,04,000)	2	-	NA	Buyback through open market route	52,333,072	104,666,144
June 21, 2018	(2,04,000)	2	-	NA	Buyback through open market route	52,129,072	104,258,144
July 3, 2018	(1,78,500)	2	-	NA	Buyback through open market route	51,950,572	103,901,144
July 12, 2018	(1,61,570)	2	-	NA	Buyback through open market route	51,789,002	103,578,004

Note: 7,80,000 equity shares of the face value of ₹2/- each have been kept in abeyance on account of various regulatory reasons

15.6 The following table sets forth details regarding the Board of the Directors as on the date of the Public Announcement:

Name, Qualification, Occupation, Age (in years) and DIN	Designation	Date of appointment/ reappointment	Other Directorships
Shri Ashishkumar Chauhan <i>Qualification:</i> B. Tech (Mechanical, IIT Bombay), PGDM (IIM Calcutta) <i>Occupation:</i> Service <i>Age:</i> 51 years <i>DIN:</i> 00898469	Managing Director & CEO	November 2, 2012	1. India International Exchange (IFSC) Limited 2. India International Clearing Corporation (IFSC) Limited 3. BSE Sammaan CSR Limited 4. Marketplace Technologies Private Limited 5. BSE Investments Limited 6. BSE Institute Limited 7. ICSI Institute of Insolvency Professionals
Justice Vikramajit Sen <i>Qualification:</i> B.A. History Hons., LLB <i>Occupation:</i> Professional <i>Age:</i> 68 years <i>DIN:</i> 00866743	Public Interest Director and Chairman of the Board	May 19, 2016	1. DCM Shriram Limited
Shri Sumit Bose	Public Interest Director	May 19, 2016	1. Coromandel International Limited

<p><i>Qualification:</i> MSc. (Social Policy and Planning), London School of Economics, Master of Arts (History), St. Stephen's College, University of Delhi, Indian School Certificate, The Doon School, Dehradun</p> <p><i>Occupation:</i> Professional</p> <p><i>Age:</i> 65 years</p> <p><i>DIN:</i> 03340616</p>			<ol style="list-style-type: none"> 2. HDFC Life Insurance Company Limited 3. Tata AIG General Insurance Company Limited 4. Oil and Natural Gas Corporation Limited 5. Foundation to Educate Girls Globally 6. Jal Seva Charitable Foundation 7. Vidhi Centre for Legal Policy
<p>Shri S. S. Mundra</p> <p><i>Qualification:</i> B.Com, University of Sagar, M.Com University of Poona, Fellow Indian Institute of Banking & Finance (FIIB), D.Phil (Honoris Causa) Amity University</p> <p><i>Occupation:</i> Professional</p> <p><i>Age:</i> 64 years</p> <p><i>DIN:</i> 00979731</p>	Public Interest Director	January 17, 2018	<ol style="list-style-type: none"> 1. Ayana Renewable Power Private Limited 2. Airtel Payments Bank Limited 3. Acuite Ratings & Research Limited 4. Indiabulls Housing Finance Limited 5. DSP Investment Managers Private Limited
<p>Shri David Wright</p> <p><i>Qualification:</i> B.A. Oxford University in Politics, Economics and philosophy (PPE)</p> <p><i>Occupation:</i> Professional</p> <p><i>Age:</i> 67 years</p> <p><i>DIN:</i> 08064288</p>	Public Interest Director	March 16, 2018	-
<p>Shri Umakant Jayaram</p> <p><i>Qualification:</i> Masters in Management Studies from Jamnalal Bajaj Institute of Management Studies, University of Bombay, Bachelor of Technology from Indian Institute of Technology, Bombay, Certificate in Quantitative Finance – Wilmott Training, Certified Finance Risk Manager, Certified Six Sigma Black Belt for services Quality ASQ</p> <p><i>Occupation:</i> Professional</p> <p><i>Age:</i> 53 years</p> <p><i>DIN:</i> 08334815</p>	Public Interest Director	February 4, 2019	-
<p>Su Shri Jayshree Vyas</p> <p><i>Qualification:</i> Chartered Accountant and Bachelor of Commerce</p>	Public Interest Director	April 25, 2019	<ol style="list-style-type: none"> 1. Ananya Finance for Inclusive Growth Private Limited 2. Sewa Nirman Construction Workers Company Limited

<p><i>Occupation:</i> Service</p> <p><i>Age:</i> 66 years</p> <p><i>DIN:</i> 00584392</p>			<p>3. Rajasthan Shram Sarathi Association</p> <p>4. Invest India Micro Pension Services Private Limited</p> <p>5. Equitas Holdings Limited</p> <p>6. Village Financial Services Limited</p> <p>7. Sewa Trade Facilitation Centre</p>
<p>Smt. Usha Sangwan</p> <p><i>Qualification:</i> Post Graduate in Economics, Post Graduate Diploma holder in Human Resource Management and Licentiate from Insurance Institute of India</p> <p><i>Occupation:</i> Professional</p> <p><i>Age:</i> 60 years</p> <p><i>DIN:</i> 02609263</p>	Shareholder Director	September 4, 2015	<p>1. Axis Bank Limited</p> <p>2. Grasim Industries Limited</p>

15.7 The changes in our Board during the three years immediately preceding the date of the Public Announcement are as follows:

Name of Director, Designation and DIN	Appointment/Cessation	Effective Date	Reasons
Dr. Sanjiv Misra, Public Interest Director, DIN: 03075797	Cessation	April 22, 2016	Completion of tenure
Justice Vikramajit Sen, Public Interest Director, DIN: 00866743	Appointment	May 19, 2016	NA
Shri Sumit Bose, Public Interest Director, DIN: 03340616	Appointment	May 19, 2016	NA
Shri Roland Schwinn, Shareholder Director in place of Shri Thomas Bendixen, DIN: 07728316	Appointment	June 13, 2017	NA
Shri Sudhakar Rao, Public Interest Director, DIN: 00267211	Cessation	June 28, 2017	Completion of tenure
Shri Dharendra Swarup, Public Interest Director, DIN: 02878434	Cessation	November 2, 2017	Completion of tenure
Shri S. S. Mundra, Public Interest Director, DIN: 00979731	Appointment	January 17, 2018	NA
Dr. Krishnaswamy Kasturirangan, Public Interest Director, DIN: 01749241	Cessation	January 22, 2018	Completion of tenure

Name of Director, Designation and DIN	Appointment/ Cessation	Effective Date	Reasons
Shri David Wright, Public Interest Director, DIN: 08064288	Appointment	March 16, 2018	NA
Shri Roland Schwinn, Shareholder Director, DIN: 07728316	Cessation	April 2, 2018	Resignation
Shri S. Ravi, Public Interest Director, DIN: 00009790	Cessation	February 4, 2019	Completion of tenure
Shri Umakant Jayaram, Public Interest Director, DIN: 08334815	Appointment	February 4, 2019	NA
Dr. Sriprakash Kothari, Public Interest Director, DIN: 06824003	Cessation	February 28, 2019	Resignation
Su Shri Jayshree Vyas, Public Interest Director, DIN: 00584392	Appointment	April 25, 2019	NA
Smt. Rajeshree Sabnavis*, Shareholder Director, DIN: 06731853	Cessation	July 15, 2019	Retired by rotation

*Smt. Rajeshree Sabnavis retired from the position of the Shareholder Director of the Company with effect from July 15, 2019, at the fourteenth annual general meeting of the Company which was held on July 15, 2019 and the same was intimated by the Company to NSE on July 16, 2019.

15.8 The Buyback is not expected to result in any benefit to any directors of the Company (“**Directors**”) or group companies of the Company.

16. FINANCIAL INFORMATION ABOUT THE COMPANY

16.1 The salient financial information of the Company, as extracted from the standalone and consolidated audited financial statements for the fiscal year 2019, 2018, and 2017 are given below:

(Amount in ₹ lakhs)

Particulars	Audited Standalone Financial Statements			Audited Consolidated Financial Statements (Refer note 1 & 2 below)		
	For the year ended on March 31, 2019*	For the year ended on March 31, 2018*	For the year ended on March 31, 2017*	For the year ended on March 31, 2019*	For the year ended on March 31, 2018*	For the year ended on March 31, 2017*
Continuing Operation						
Revenue from Operations	37,976	43,378	33,196	45,030	50,720	37,365
Investment Income	19,581	19,464	18,969	20,218	16,870	19,806
Other Income	3,682	2,265	2,934	3,496	2,302	4,657
Total Income	61,239	65,107	55,099	68,744	69,892	61,828
Total Expense (excluding Finance Cost, Depreciation & Amortisation, Tax and Exceptional Items)	35,444	31,325	30,361	43,368	39,954	35,815
Finance Cost/ Interest Expense	-	3	10	87	103	96
Depreciation & Amortisation	4,402	3,926	4,766	5,108	4,545	5,028
Exceptional Items [®] [Income/(expenses)]	457	31,556	364	-1,352	-260	-2,079

Profit Before Tax, Share of Profit of Associate	21,850	61,409	20,326	18,829	25,030	18,810
Share of Profit / (Loss) of Associate	-	-	-	2,923	1,990	107
Profit Before Tax	21,850	61,409	20,326	21,752	27,020	18,917
Total Tax Expenses	1,745	5,014	462	2,335	5,545	1,066
Net Profit for the year from Continuing Operation	20,105	56,395	19,864	19,417	21,475	17,851
Discontinued operation						
Net Profit for the year from discontinued operation	-	-	-	511	48,722	8,658
Total operation						
Net Profit for the year from total operation	20,105	56,395	19,864	19,928	70,197	26,509
Net Profit attributable to the non-controlling interest	-	-	-	-	1,325	4,452
Net Profit attributable to the shareholders of the Company	20,105	56,395	19,864	19,928	68,872	22,057
Other Comprehensive Income (net of tax)	-71	-68	-12	699	13	-642
Total operation						
Total Comprehensive Income for the year from total operation	20,034	56,327	19,852	20,627	70,210	25,867
Total Comprehensive Income attributable to the non-controlling interest	-	-	-	-	1,325	4,436
Total Comprehensive Income attributable to the shareholders of the Company	20,034	56,327	19,852	20,627	68,885	21,431
Paid-up Equity Share Capital	1,036	1,065	1,076	1,036	1,065	1,076
Reserve & Surplus [#]	1,84,836	1,99,647	1,65,151	2,15,775	2,30,031	1,88,454
Net worth [#]	1,85,872	2,00,712	1,66,227	2,16,811	2,31,096	1,89,530
Total debt	-	-	-	-	-	-

[#] Excluding capital reserves and statutory reserves.

* All the above information has been furnished based on the audited financial statements prepared under Indian Accounting Standards ("Ind AS")

[@] Details of Exceptional Items [Income/ (expenses)]:

(Amount in ₹ lakhs)

Particulars	Audited Standalone Financial Statements			Audited Consolidated Financial Statements		
	For the year ended on March 31, 2019	For the year ended on March 31, 2018	For the year ended on March 31, 2017	For the year ended on March 31, 2019	For the year ended on March 31, 2018	For the year ended on March 31, 2017
Net gain on partial disposal of investment in subsidiary measured at cost	511	31,603	2,443	-	-	-
Settlement guarantee fund (25% transfer of profit)	-	-	-2,079	-	-	-2,079
Voluntary retirement scheme	-54	-47	-	-54	-47	-
Liquidity enhancement scheme	-	-	-	-1,298	-213	-
TOTAL	457	31,556	364	-1,352	-260	-2,079

(Amount in ₹, except certain ratios)

Key Ratios	Audited Standalone Financial Statements			Audited Consolidated Financial Statements		
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic & Diluted Earnings per share from Continuing Operation (₹)	38.08	103.40	36.39	36.78	39.37	32.70
Basic & Diluted Earnings per share from Total Operation (₹)	38.08	103.40	36.39	37.75	126.27	40.41
Book value per Equity Share (₹)	358.90	376.86	308.93	418.64	433.91	352.23
Debt / Equity Ratio	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Return on net worth (%)	10.82%	28.10%	11.95%	9.19%	29.80%	11.64%

The key ratios have been computed as below:

Key Ratios	Basis
Basic Earnings per Share (₹)	Net Profit attributable to equity shareholders / Weighted average number of Equity Shares outstanding during the year
Diluted Earnings per Share (₹)	Net Profit attributable to equity shareholders / Weighted average number of Shares outstanding during the year (assuming issuance of all the shares kept in abeyance)
Book value per Share (₹)	(Paid up Equity Share Capital + Free Reserves and Surplus) / Number of Equity Shares subscribed outstanding at year end
Debt-Equity Ratio	Total Debt / Net Worth (excluding capital reserves and statutory reserves)
Return on net worth (%)	Net profit after tax attributable to the equity shareholders / Net Worth (excluding capital reserves and statutory reserves)

Notes:

1. The figures for the financial year ended on March 31, 2017 has been restated in the audited financial statement for the year ended on March 31, 2018 on account of discontinued operations, accordingly the figures for the financial year ended on March 31, 2017 are extracted from the annual audited financial statements for the year ended March 31, 2018.
2. During the financial year ended March 31, 2019, the contribution of the subsidiary company Indian Clearing Corporation Limited to Core SGF of ₹ 684 lakh is charged to Statement of Profit & Loss. Such contribution in the earlier years were earmarked from investments and not charged to Statement of Profit & Loss account. Due to this, comparative figures of the previous year have been re-stated in the consolidated financial statement of Company, accordingly the figures for the financial year ended on March 31, 2018 are extracted from the annual audited financial statements for the year ended March 31, 2019.

16.2 The Company hereby declares that it will comply with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, if it becomes applicable, in connection with the Buyback.

16.3 The Company hereby also declares that it has complied with and will comply with Sections 68, 69 and 70 of the Companies Act, and all other provisions of the Companies Act, as may be applicable to the Buyback.

17. STOCK MARKET DATA

17.1 The Equity Shares are currently traded in compulsory dematerialised mode under the trading code(s) 'BSE' at NSE.

17.2 The high, low and average market prices in preceding three fiscal years and the monthly high, low and average market prices for the six months preceding the date of publication of the Public Announcement and their corresponding volumes on NSE are given below:

Period	High ⁽¹⁾ (₹)	Date of High	Number of Equity Shares traded on that date	Low ⁽²⁾ (₹)	Date of Low	Number of Equity Shares traded on that date	Average Price ⁽³⁾ (₹)	Total volume of Equity Shares traded in the period (No. of Equity Shares)
Preceding three years								
Fiscal 2019	881.00	July 10, 2018	1,27,522	534.65	Feb 7, 2019	1,00,840	703.84	2,72,70,993
Fiscal 2018	1,178.35	July 14, 2017	12,79,795	726.00	Mar 23, 2018	2,35,825	970.94	4,16,96,147
From Feb 3, 2017 – March 31, 2017 ⁽⁴⁾	1,200.00	Feb 3, 2017	1,57,71,762	886.50	Mar 3, 2017	8,38,830	962.45	3,20,10,702
Preceding six months								
June 2019	627.00	Jun 6, 2019	48,280	599.80	Jun 28, 2019	1,38,330	615.22	16,71,360
May 2019	648.00	May 7, 2019	1,37,617	589.00	May 17, 2019	1,36,719	611.01	28,14,462
April 2019	630.80	Apr 8, 2019	2,33,012	606.50	Apr 5, 2019	1,90,400	618.38	20,27,555
March 2019	643.00	Mar 14, 2019	4,77,308	567.60	Mar 1, 2019	1,14,506	608.22	36,56,474
February 2019	594.00	Feb 1, 2019	40,285	534.65	Feb 7, 2019	1,00,840	567.29	13,57,854
January 2019	605.70	Jan 10, 2019	1,55,189	584.00	Jan 28, 2019	59,474	593.62	12,82,212

Source: www.nseindia.com

⁽¹⁾ High of daily high prices

⁽²⁾ Low of daily low prices

⁽³⁾ Average of the daily closing price

⁽⁴⁾ The Equity Shares of BSE Limited got listed on NSE on February 3, 2017

17.3 The closing market price of the Equity Shares of the Company:

- As on May 6, 2019 i.e., the trading day before May 7, 2019 being the date of Board Meeting approving the Buyback was ₹ 635.65 per Equity Share on NSE.
- As on May 7, 2019 i.e., the date of Board Meeting approving the Buyback was ₹ 637.15 per Equity share on NSE.
- As on May 8, 2019 i.e., the day immediately after May 7, 2019 being the date of Board Meeting approving the Buyback and also the date of notice convening the annual general meeting was ₹ 614.85 per Equity Share on NSE.

18. DETAILS OF THE STATUTORY APPROVALS

18.1 The Buyback will be subject to such necessary approvals as may be required under the applicable laws including from RBI, SEBI and/ or NSE, and the Buyback from Non-Resident Shareholders, erstwhile overseas corporate bodies and other applicable categories will be subject to such approvals of the Reserve Bank of India, if any, under FEMA.

18.2 The Buyback from each Eligible Shareholder is subject to all statutory consents and approvals as may be required by such Eligible Shareholder under applicable laws and regulations. The Eligible Shareholder shall be solely responsible for obtaining all such statutory consents and approvals (including, without limitation the approvals from the Reserve Bank of India, if any) as may be required by them in order to sell their Equity Shares to the Company pursuant to the Buyback. An Eligible Shareholder would be required to provide copies of all such consents and approvals obtained by them to the Registrar to the Buyback. The Company will have the right to make payment in respect of the Equity Shareholders for whom no prior approval from the RBI is

required and not accept Equity Shares from the Equity Shareholders in respect of whom prior approval from the RBI is required and in the event copies of such approvals are not submitted.

18.3 By agreeing to participate in the Buyback, the non-resident Eligible Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting if required by the Company.

18.4 As on date, the Company confirms that there is no other statutory or regulatory approval required by it for the Buyback as on the date of this Draft Letter of Offer. If any statutory or regulatory approval becomes applicable subsequently, the Buyback will be subject to such statutory or regulatory approval(s) and the Company shall obtain such statutory approvals as may be required, from time to time, if any. In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback, if any, shall be intimated to NSE.

18.5 Compliance with the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, as amended

Pursuant to Regulation 17 read with Regulation 19 of the SECC Regulations, all shareholders of the Company shall be responsible for adhering to the limits on their shareholding, whether held directly or indirectly, either individually or together with persons acting in concert, and for obtaining any approvals from SEBI, including as specified below, and shall comply with the 'fit and proper person' requirement as set out in Regulation 20 of the SECC Regulations:

- (a) for any person who acquires equity shares or voting rights in the Company, directly or indirectly, either individually or together with persons acting in concert, that entitles the person(s) so acquiring to exercise any voting rights in the range of 2% to 5%, shall seek approval of SEBI within 15 days of such acquisition. If approval is not granted by SEBI, such person shall forthwith divest his entire shareholding in the Company.
- (b) for stock exchanges, depositories, banking companies, insurance companies and public financial institutions directly or indirectly, either individually or together with persons acting in concert, up to 15% of the paid-up equity share capital of the Company subject to obtaining the approval of SEBI before crossing 5% of the paid-up equity share capital of the Company.
- (c) for foreign stock exchanges, foreign depositories, foreign banking companies, foreign insurance companies, foreign commodity derivatives exchanges and bilateral or multilateral financial institutions approved by the central government directly or indirectly, either individually or together with persons acting in concert, up to 15% of the paid-up equity share capital of the Company subject to obtaining the approval of SEBI before crossing 5% of the paid-up equity share capital of the Company.

Any application for seeking any of the aforesaid approvals shall be made to SEBI, in the manner as specified under Regulation 19(4) of the SECC Regulations, through the Company. Further, the 5% threshold, as indicated in paragraphs (b) and (c) above, will be determined based on the post-buyback equity share capital of the Company, assuming the Company buys back all the Equity Shares as proposed to be bought back i.e., 67,64,705 Equity Shares. However, please note that the actual post-buyback equity share capital of the Company may differ upon the number of Equity Shares bought back by the Company pursuant to the Buyback.

19. DETAILS OF REGISTRAR TO THE BUYBACK

Eligible shareholders are required to send Tender Form along with the other requisite document(s), as mentioned in "*Procedure for Tender Offer and Settlement*" on page 34 along with TRS generated by the stock exchange bidding system upon placing of a bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback, so that the same are received not later than 2 (two) days of Buyback Closing Date ([●]) by 5:00 p.m. The envelope should be super scribed as "***BSE Limited Buyback Offer 2019***". The Company has appointed Karvy Fintech Private Limited as the Registrar to the Buyback their contact details are set forth below:

Karvy Fintech Private Limited[#]

Karvy Selenium Tower B Plot 31 & 32, Gachibowli, Financial District, Nanakramguda
Serilingampally, Hyderabad Rangareddi, Telangana 500 032, India

Tel. No.: +91 40 6716 2222

Fax No.: +91 40 2343 1551

Email: bse.buyback@karvy.com

Contact Person: M Murali Krishna

Investor Grievance Id: einward.ris@karvy.com

Website: www.karvyfintech.com

SEBI Registration Number: INR000000221

[#]Karvy Computershare Private Limited has been amalgamated with Karvy Fintech Private Limited by order of the National Company Law Tribunal, Hyderabad dated October 23, 2018 and the said amalgamation was effective from November 17, 2018, and accordingly, Karvy Fintech Private Limited is acting as the Registrar to the Buyback.

In case of any query, the shareholders may contact the Registrar to the Buyback on any day, except Saturday, Sunday and public holidays between 10:00 a.m. and 4:00 p.m.

THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

20. PROCESS AND METHODOLOGY FOR THE BUYBACK

20.1 The Company has proposed the Buyback of not exceeding 67,64,705 (Sixty Seven Lakh Sixty Four Thousand Seven Hundred and Five only) Equity Shares, representing 13.06% of the total number of Equity Shares in the paid-up equity capital of the Company, from all Eligible Shareholders, on a proportionate basis, through the 'tender offer' process, at a price of ₹ 680/- (Rupees Sixty Hundred and Eighty only) per Equity Share, payable in cash, for an aggregate maximum amount of ₹ 460 crore (Rupees Four Hundred and Sixty Crore only) excluding the Transaction Costs, which represents 24.73% of the aggregate of the total paid-up capital and free reserves as per the standalone audited financial statements of the Company as on March 31, 2019 (the last standalone audited financial statements available as on the date of the Board Meeting recommending the proposal of the Buyback).

20.2 The Buyback is pursuant to Article 23 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act and the relevant rules made thereunder including the Share Capital and Debentures Rules, to the extent applicable, and the provisions of the SEBI Buyback Regulations and SEBI Listing Regulations. The Buyback is subject to receipt of such approvals, permissions, consents, sanctions and exemptions of the statutory, regulatory or governmental authorities, as may be required under the applicable laws including from the RBI, SEBI, and/ or the Stock Exchanges.

20.3 In terms of the SEBI Buyback Regulations, under the Tender Offer route, the promoter and promoter group have an option to participate in the Buy-back. However, the Company is professionally managed and does not have any identifiable promoters or promoter group or persons in control, therefore, the disclosure of intention of the promoter, promoter group and persons in control to tender Equity Shares in the Buyback is not applicable.

20.4 Record Date, ratio of Buyback and Buyback Entitlement:

(a) As required under the SEBI Buyback Regulations, the Company has fixed Monday, July 29, 2019 as the Record Date for the purpose of determining the entitlement and the names of the Eligible Shareholders of the Equity Shares, who are eligible to participate in the Buyback.

(b) The Equity Shares to be bought back, as part of the Buyback is divided into two categories and the entitlement of a shareholder in each category shall be calculated accordingly:

(i) Reserved category for Small Shareholders ("**Reserved Category**"); and

- (ii) General Category for all other Eligible Shareholders other than Small Shareholders (“**General Category**”).
- (c) ‘Small Shareholder’ has been defined under Regulation 2(i)(n) of the SEBI Buyback Regulations and in relation to the Buyback means an Eligible Shareholder who holds Equity Shares of market value of not more than ₹ 2,00,000 (Rupees Two Lakh only), on the basis of closing price on NSE in respect of the Equity Shares on the Record Date. As on the Record Date, the closing price of the Equity Shares was ₹ [●] and hence all Eligible Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback.
- (d) Based on the above definition, there are [●] Small Shareholders with aggregate shareholding of [●] Equity Shares (as on the Record Date), which constitutes [●]% of the outstanding number of Equity Shares of the Company and [●]% of the maximum number of Equity Shares which are proposed to be bought back as part of this Buyback.
- (e) In furtherance to Regulation 6 of the SEBI Buyback Regulations, the reservation for the Small Shareholders (Reserved Category), will be higher of:
- (i) 15% of the number of Equity Shares which the Company proposes to Buyback (15% of 67,64,705 Equity Shares), which works out to 10,14,706 Equity Shares; or
- (ii) The number of Equity Shares to which the Small Shareholders are entitled as per their shareholding as on the Record Date (i.e., [●]/ [●] × 67,64,705), which works out to [●] Equity Shares.
- (f) Based on the above and in accordance with Regulation 6 of the SEBI Buyback Regulations, [●] Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of [●] Equity Shares.
- (g) Based on the aforementioned, the entitlement ratio of Buyback for both categories is set forth below:

Category	Entitlement ratio in the Buyback*
Reserved Category	[●] Equity Shares out of every [●] Equity Shares held on the Record Date
General Category	[●] Equity Shares out of every [●] Equity Shares held on the Record Date

**The above ratio of Buyback is approximate and provides an indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above ratio may provide a slightly different number due to rounding off. The actual Buyback Entitlement for Reserved Category for Small Shareholders is [●]% and General Category for all other than eligible Shareholders is [●].%*

20.5 Fractional Entitlements:

If the Buyback Entitlement under Buyback, after applying the above mentioned ratios to the Equity Shares held on the Record Date, is not a round number (i.e. not in the multiple of 1 (one) Equity Share), then the fractional entitlement shall be ignored for computation of the Buyback Entitlement to tender Equity Shares in the Buyback for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on the Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender additional Equity Shares as part of the Buyback and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares.

20.6 Basis of Acceptance of Equity Shares validly tendered in the Reserved Category:

In accordance with this Draft Letter of Offer, the Acceptance in the Buyback from the Reserved Category will be implemented in the following order of priority:

- (a) Full Acceptance from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.

- (b) Post-acceptance as described in paragraph 20.6(a) above, in case there are any Equity Shares left to be bought back from the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered additional Equity Shares as part of the Buyback, shall be given preference and one Equity Share each from the additional Equity Shares applied by such Small Shareholders would be bought back in the Reserved Category.
- (c) Post-acceptance as described in paragraphs 20.6(a) and 20.6(b) above, in case there are any validly tendered unaccepted Equity Shares in the Reserved Category (“**Reserved Category Additional Equity Shares**”) and Equity Shares left to be bought back in the Reserved Category, the Reserved Category Additional Equity Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the SEBI Buyback Regulations (i.e., valid Acceptance per Small Shareholder shall be equal to the Reserved Category Additional Equity Shares validly tendered by them divided by the total Reserved Category Additional Equity Shares and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category). For the purpose of this calculation, the Reserved Category Additional Equity Shares taken into account for the Small Shareholders, from whom one Equity Share has been Accepted in accordance with paragraph 20.6(b) above, shall be reduced by one.
- (d) The procedure of adjustment for fractional results in case of proportionate Acceptance, as described in paragraph 20.6(c) above, is set forth below:
 - (i) For any Small Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - (ii) For any Small Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Buyback Committee or any person(s) authorized by the Buyback Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in paragraph 20 of this Draft Letter of Offer.

20.7 Basis of Acceptance of Equity Shares validly tendered in the General Category:

In accordance with this Draft Letter of Offer, the Acceptance in the Buyback from the General Category will be implemented in the following order of priority:

- (a) Full Acceptance (100%) in the General Category from the Eligible Shareholders who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- (b) Post-acceptance as described in paragraph 20.7(a) above, in case there are any validly tendered unaccepted Equity Shares in the General Category (“**General Category Additional Shares**”) and Equity Shares left to be bought back in the General Category, the General Category Additional Equity Shares shall be accepted in the proportionate manner and the acceptances shall be made in accordance with the SEBI Buyback Regulations (i.e., valid Acceptance per Eligible Shareholder shall be equal to the General Category Additional Equity Shares validly tendered by them divided by the total General Category Additional Equity Shares and multiplied by the total pending number of Equity Shares to be Accepted in General Category).
- (c) Adjustment for fractional results in case of proportionate acceptance as described in paragraph 20.7(b) above:
 - (i) For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1(one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer

- (ii) For any Eligible Shareholder if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

20.8 Basis of Acceptance of Equity Shares between Categories:

- (a) In case there are any Equity Shares left to be bought back in one category (“**Partially Filled Category**”) after Acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Equity Shares in the second category, then the Additional Equity Shares in the second category shall be Accepted proportionately (i.e., valid Acceptances per Eligible Shareholder shall be equal to the additional outstanding Equity Shares validly tendered by a Eligible Shareholder in the second category divided by the total additional outstanding Equity Shares validly tendered in the second category and multiplied by the total pending number of Equity Shares to be bought back in the Partially Filled Category).
- (b) If the Partially Filled Category is the General Category, and the second category is the reserved category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom one Equity Share has been accepted in accordance with “*Basis of Acceptance of Equity Shares validly tendered in the Reserved Category*” will be reduced by one Equity Share.
- (c) Adjustment for fraction results in case of proportionate Acceptance, as described in paragraph 20.7(a) and (b) above:
 - (i) For any Eligible Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - (ii) For any Eligible Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

20.9 For avoidance of doubt, it is clarified that:

- (a) the Equity Shares Accepted under the Buyback from each Eligible Shareholder, in accordance with paragraphs above, shall not exceed the number of Equity Shares tendered by the respective Eligible Shareholder;
- (b) the Equity Shares Accepted under the Buyback from each Eligible Shareholder, in accordance with paragraphs above, shall not exceed the number of Equity Shares held by respective Eligible Shareholder as on the Record Date; and
- (c) the Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the paragraphs above.

20.10 Clubbing of Entitlements

In order to ensure that the same Eligible Shareholders with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Company proposes to club together the Equity Shares held by such Eligible Shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the name of joint shareholders are identical. In case of Eligible Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar to the Buyback will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds/trusts and insurance companies etc., with common PAN will not be clubbed together for

determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar to the Buyback as per the shareholder records received from the depositories.

21. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

A. GENERAL

- 21.1** The Buyback is open to all Eligible Shareholders who on the Record Date will be holding Equity Shares of the Company.
- 21.2** The Company proposes to implement the Buyback through the tender offer process on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback and additional disclosures as specified in the SEBI Buyback Regulations, will be emailed to Eligible Shareholders whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date and who have their email IDs registered with the Company and for all remaining Eligible Shareholders who do not have their email IDs registered with the Company, the Letter of Offer along with Tender Form will be sent physically by registered post/ speed post/ courier. However, on receipt of a request by the Manager to the Buyback or Registrar to the Buyback to receive a copy of Letter of Offer in physical format from such Eligible Shareholder to whom Letter of Offer and Tender Form were emailed, the same shall be dispatched physically by registered post/ speed post/ courier.
- 21.3** The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court/ any other competent authority for transfer/ disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 21.4** The Company shall comply with Regulation 24(i)(v) of the SEBI Buyback Regulations which restricts the Company from buying back the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the time the Equity Shares become transferable.
- 21.5** The Eligible Shareholders participation in the Buyback will be voluntary. The Eligible Shareholders can choose to participate, in full or in part, and get cash in lieu of Equity Shares to be accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post-Buyback, without additional investment. The Eligible Shareholders may also tender a part of their Buyback Entitlement. The Eligible Shareholders also have the option of tendering additional Equity Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. Acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder, shall be in terms of procedure outlined in this Draft Letter of Offer.
- 21.6** The Company will accept Equity Shares validly tendered for the Buyback by the Eligible Shareholders, on the basis of their Buyback Entitlement.
- 21.7** Eligible Shareholders will have to transfer their Equity Shares held in dematerialised form (“**Demat Shares**”) from the same demat account in which they were holding such shares (as on the Record Date) and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Demat Shares were held (as on Record Date), such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback, and such tendered Demat Shares may be accepted subject to appropriate verification and validation by the Registrar. The Board of Buyback Committee authorised by the Board will have the authority to decide such final allocation in case of non-receipt of sufficient proof by such Eligible Shareholder.
- 21.8** The Equity Shares proposed to be bought back in the Buyback is divided into two categories and the entitlement of a shareholder in each category shall be calculated accordingly:
- (i) Reserved Category for Small Shareholders; and
 - (ii) the General Category for all other Eligible Shareholders.
- 21.9** After Accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares

tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.

21.10 The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date.

21.11 For implementation of the Buyback, the Company has appointed Edelweiss Securities Limited as Company's Broker through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

Edelweiss Securities Limited

Edelweiss House, 14th floor, Off C.S.T Road,
Kalina, Mumbai 400 098

Tel. No.: +91 22 6623 3325

Fax No.: +91 22 2286 4411

Contact Person: Atul Benke

Email: atul.benke@edelweissfin.com

Website: www.edelweissfin.com

SEBI Registration Number: INZ000166136

CIN: U67110TG1993PLC05226

21.12 The Buyback will be implemented using the "*Mechanism for acquisition of shares through Stock Exchange*" issued by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, and in accordance with the procedure prescribed in the circular issued by NSE bearing number NSE/CMTR/34242 dated February 22, 2017, as amended from time to time, Companies Act and the SEBI Buyback Regulations, and as may be determined by the Board of Directors, or the Buyback Committee, on such terms and conditions as may be permitted by law from time to time. In this regard, the Company will request NSE to provide the Acquisition Window to facilitate placing of sell orders by the Eligible Shareholders who wish to tender their Equity Shares in the Buyback. For the purpose of this Buyback, NSE would be the Designated Stock Exchange. The details of the Acquisition Window will be as specified by NSE from time to time. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers ("**Shareholder Broker**").

21.13 In the event the Shareholder Broker of any Eligible Shareholder is not registered with NSE as a trading member/ stock broker/ Shareholder Broker, then that Eligible Shareholder can approach any NSE registered stock broker and can register himself by using Web Based Unique Client Code Application (UCI online) facility through that NSE registered stock broker (after submitting all details as may be required by such NSE registered stock broker in compliance with applicable law). In case the Eligible Shareholder is unable to register himself by using Web Based Unique Client Code Application (UCI online) facility through any other NSE registered stock broker, then that Eligible Shareholder may approach the Company's Broker, viz. Edelweiss Securities Limited, to register himself by using Web Based Unique Client Code Application (UCI online).

21.14 The Eligible Shareholder approaching Designated Stock Exchange registered stock broker (with whom he does not have an account) may have to submit the requisite documents as may be required. The requirement of documents and procedures may vary from broker to broker.

21.15 During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by the Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market. The Shareholder Broker can enter orders for Demat Shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders.

21.16 Multiple bids made by single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.

21.17 Modification/ cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period of the Buyback.

21.18 The cumulative quantity tendered shall be made available on the website of NSE i.e., www.nseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.

- 21.19** The non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any person who is eligible to receive the Letter of Offer, shall not invalidate the Buyback in any manner. In case of non-receipt of the Letter of Offer, Eligible Shareholders may participate in the offer by applying on the Tender Form downloaded from the Company's website i.e., www.bseindia.com or obtain a duplicate copy of the same by writing to the Registrar to the Buyback. Such Eligible Shareholders may also participate in the Buyback by providing their application in plain paper in writing signed by such shareholder (in case jointly held then signed by all shareholders), stating name, address, folio number, number of shares held as on the Record Date, client ID number, DP name, DP ID number, number of Equity Shares tendered. Eligible Shareholder(s) have to ensure that their bid is entered in the Acquisition Window prior to the closure of the Offer. Please note that the Company shall accept Equity Shares from the Eligible Shareholders on the basis of their holding and Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.
- 21.20** Pursuant to the BSE (Corporatisation and Demutualisation) Scheme, 2005 (BSE Scheme, 2005), allotment of 7,80,000 (Seven Lakh Eighty Thousand Only) of face value ₹ 2/- (Rupees Two Only) Equity Shares of the Company to certain entities/persons were kept in abeyance at the relevant time. Accordingly, such entities/persons to whom the Equity Shares are not allotted, shall not be entitled to participate in Buyback unless the Equity Shares are allotted to them during the Buyback process upon compliance of requirements of Company.
- 21.21** All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 21.22 Procedure to be followed by Eligible Shareholders holding Demat Shares:**
- (a) Eligible Shareholders holding Demat Shares who desire to tender their Demat Shares under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback.
 - (b) The Shareholder Broker would be required to place an order/ bid on behalf of the Eligible Shareholder who wish to tender Demat Shares in the Buyback using the Acquisition Window of the NSE. Before placing the bid, the Eligible Shareholder would be required to transfer the tendered Demat Shares to the Clearing Corporation, by using the settlement number through the early pay in mechanism of the Depositories prior to placing the bid by the Shareholder Broker. This shall be validated by the Shareholder Broker at the time of order/bid entry. The details of the settlement number of the special account of the Clearing Corporation under which the Equity Shares are to be transferred in the account of Clearing Corporation for the Buyback will be provided in a separate circular which shall be issued at the time of issue opening by Clearing Corporation.
 - (c) For custodian participant orders for Demat Shares, early pay-in is mandatory prior to confirmation of order/bid by custodians. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
 - (d) Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the stock exchange bidding system to the Eligible Shareholder on whose behalf the order/ bid has been placed. TRS will contain details of order submitted like bid ID number, application number, DP ID, client ID, number of Equity Shares tendered etc.
 - (e) Eligible Shareholders who have tendered their Demat Shares in the Buyback may deliver the Tender Form duly signed (by all Eligible Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares, along with TRS generated by the stock exchange bidding system upon placing of a bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback at the address mentioned on the cover page of this Draft Letter of Offer, so that the same are received not later than 2 (two) days of Buyback Closing Date

([●]) by 5:00 p.m. The envelope should be super scribed as “*BSE Limited Buyback Offer 2019*”. In the event of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the stock exchange bidding system, the Buyback shall be deemed to have been Accepted for such shareholders holding Demat Shares.

- (f) The Eligible Shareholders who have tendered their Demat Shares in the Buyback will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or partial acceptance. Further, Eligible Shareholders will have to ensure that they keep the bank account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company.
- (g) Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker’s depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, Demat Shares or unaccepted Demat Shares, if any, will be returned to the respective custodian depository pool account.
- (h) Eligible Shareholders who have tendered their Demat Shares in the Buyback shall also provide all relevant documents, which are necessary to ensure transferability of the Demat Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
 - (i) Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
 - (ii) Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder is deceased or court approved scheme of merger/ amalgamation for a company; and
 - (iii) In case of companies, the necessary certified corporate authorisations (including board and/ or general meeting resolutions).

21.23 Procedure to be followed by Eligible Shareholders holding Physical Shares:

- (a) As per the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), read with SEBI’s press releases dated December 3, 2018, and March 27, 2019, effective from April 1, 2019, transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository (“**LODR Amendment**”).
- (b) In light of the LODR Amendment, any of the Eligible Shareholders holding Equity Shares in physical form and are desirous of tendering their Equity Shares can do so only after the shares are dematerialized. Such Eligible Shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialized.
- (c) Eligible Shareholders who have dematerialized their physical shares post Record Date and tendered their Demat Shares in the Buyback may deliver the Tender Form duly signed (by all Eligible Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares, along with TRS generated by the stock exchange bidding system upon placing of a bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback at the address mentioned on the cover page of this Letter of Offer, so that the same are received not later than 2 (two) days of Buyback Closing Date i.e., [●], 2019, by 5:00 p.m. The envelope should be super scribed as “*BSE Limited Buyback Offer 2019*”.

21.24 Additional requirements in respect of tenders by the Non-Resident Shareholders:

- (a) While tendering their Equity Shares under the Buyback, all Eligible Shareholders being Non-Resident Shareholders (excluding FIIs) shall enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.

- (b) In case the Equity Shares are held on a repatriation basis, the Non-Resident Eligible Shareholders shall obtain and enclose a letter from the Eligible Shareholder's authorised dealer/ bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the Non-Resident shareholder from the appropriate account (e.g. NRE a/c) as specified by RBI in its approval. In case the Non-Resident shareholder is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Shareholder shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares Accepted in the Buyback.
- (c) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback are liable to be rejected.

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

B. ACCEPTANCE OF ORDERS

The Registrar to the Buyback shall provide details of order Acceptance to the Clearing Corporation within specified timelines.

C. METHOD OF SETTLEMENT

Upon finalisation of the basis of acceptance as per SEBI Buyback Regulations:

- (a) The settlement of trades shall be carried out in the manner as detailed in the following paragraphs, which is similar to settlement of trades in the secondary market.
- (b) The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank account as per the prescribed schedule and as intimated by the Clearing Corporation from time to time and in compliance with the SEBI Circular.
- (c) The Demat Shares Accepted in the Buyback would be transferred directly to the demat account of the Company opened for the Buyback (the "**Company Demat Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of NSE.
- (d) The Eligible Shareholders holding Demat Shares will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Demat Shares, due to rejection or due to non-acceptance in the Buyback.
- (e) Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholder would be returned to them by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Shareholder Broker depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess Demat Shares or unaccepted Demat Shares, if any, will be returned to the respective custodian participant. The Shareholder Broker would return these unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed.
- (f) The settlements of fund obligation for Demat Shares shall be effected as per the SEBI circulars and as prescribed by NSE and Clearing Corporation from time to time. For Demat Shares accepted under the Buyback, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If such Eligible Shareholder's bank account details are not available or if the funds transfer instruction is rejected by the RBI/ bank(s), due to any reasons, then the amount payable to the Eligible Shareholder will be transferred to the Shareholder Broker for onward transfer to such Eligible Shareholders.

- (g) In case of certain shareholders *viz.*, NRIs, non-residents etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to settle through custodians, the funds payout would be given to their respective Shareholder Broker's settlement accounts for releasing the same to such shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas amount payable to the Eligible Shareholder pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the NSE and the Clearing Corporation from time to time.
- (h) Eligible Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for details of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling shareholders in respect of accepted Equity Shares could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Manager to the Buyback and Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholders.
- (i) The Shareholder Broker would issue contract note to the Eligible Shareholders tendering Equity Shares in the Buyback. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (j) The Equity Shares lying to the credit of the Company Demat Account bought back and accepted will be extinguished in the manner and following the procedure prescribed in the SEBI Buyback Regulations.

D. Special Account opened with the Clearing Corporation

The details of transfer of the Demat Shares to the special account of the Clearing Corporation under which the Equity Shares are to be transferred in the account of Clearing Corporation by trading member or custodians shall be informed in the issue opening circular that will be issued by the NSE or the Clearing Corporation.

E. Rejection Criteria

The Equity Shares tendered by Eligible Shareholders holding Demat Shares would be liable to be rejected on the following grounds:

- the Equity Shareholder is not an Eligible Shareholder of the Company as on the Record Date;
- in the event of non-receipt of the completed Tender Form and other documents from the Eligible Shareholders who were holding shares in physical form as on the Record Date and have placed their bid in demat form;
- if there is a name mismatch in the demat account of the Eligible Shareholder and PAN; or
- Where there exists any restraint order of a Court/any other competent authority for transfer/disposal/sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

22. NOTE ON TAXATION

Disclosures in this section are based on expert opinion sought by the Company from Mittal Agarwal & Company, Chartered Accountants.

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE,

REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.

FINANCE (NO. 2) BILL, 2019 INTRODUCED IN LOK SABHA HAS PROPOSED TO EXTEND THE PROVISIONS OF SECTION 115QA OF INCOME TAX ACT, 1961 TO DISTRIBUTED INCOME ON BUY-BACK OF EQUITY SHARES OF A COMPANY LISTED ON A RECOGNIZED STOCK EXCHANGE AS WELL AND SUBSEQUENTLY EXEMPTING THE INCOME ARISING OUT OF SUCH BUY-BACK FOR THE SHAREHOLDERS UNDER SECTION 10(34A). THE FINANCE BILL HAS ALSO PROPOSED CERTAIN OTHER CHANGES SUCH AS INCREASE IN THE SURCHARGE RATE FOR CERTAIN CATEGORY OF TAX PAYERS, INCREASING THE TURNOVER THRESHOLD FOR COMPANIES WHO WILL BE LIABLE FOR CORPORATE TAX AT 25%.

SINCE THE BILL IS YET TO BE PASSED AND ASSENTED, THIS NOTE DOESN'T OUTLINE THE AMENDMENTS PROPOSED UNDER THE FINANCE (NO.2) BILL, 2019. HOWEVER, A SUMMARY OF RELEVANT PROVISIONS HAS BEEN GIVEN IN PARA 7.

IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, ELIGIBLE 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 COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS TAX SUMMARY AND THERE CAN BE NO LIABILITY ON THE COMPANY IF ANY ACTION IS TAKEN BY THE ELIGIBLE SHAREHOLDER SOLELY BASED ON THIS TAX SUMMARY.

THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUY-BACK OF EQUITY SHARES LISTED ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

1. GENERAL

The Indian tax year runs from 1st April to 31st March. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions, which are provided under the Income Tax Act, 1961 (the 'Income Tax Act' or 'ITA').

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her Indian sourced income or income received by such person in India. In case of shares of a company, the source of income from shares would depend on the 'situs' of such shares. As per judicial precedents, generally the "situs" of the shares is where company is "incorporated" and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the relevant Double Taxation Avoidance Agreement ("DTAA") subject to satisfaction of the relevant conditions and documentary compliance requirements prescribed under the ITA.

The ITA also provides for different tax regimes/ rates applicable to the gains arising on buy-back of shares, based on the period of holding, residential status and category of the shareholder, nature of the income earned, etc. The summary tax implications on buy-back of equity shares listed on the stock exchanges in India is set out below.

All references to equity shares in this note refer to equity shares listed on the stock exchanges in India unless stated otherwise.

2. CLASSIFICATION OF SHAREHOLDERS

Shareholders can be classified under the following categories:

A) Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Indian Company
- Others

B) Non-Resident Shareholders being:

- Non-Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- Foreign Company
- Other than Company

3. CLASSIFICATION OF INCOME

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 of Business or Profession”, hereinafter referred to as “Business Income”)

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterization of income arising from sale of shares has been a subject matter of litigation with the tax authorities. There have been various judicial pronouncements on whether gains from transactions in securities should be taxed as “business profits” or as “capital gains”. However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. The apex body of Income-tax administrations, i.e., Central Board of Direct Taxes (“CBDT”) has issued Circular no. 6 of 2016, as per which, if the taxpayer opts to consider the shares as stock-in-trade, the income arising from the transfer of such shares would be treated as its business income. Also, if such shares are held for a period of more than 12 months, if the taxpayer desires to treat the income arising from the transfer thereof as “capital gains”, the same shall not be put in dispute by the Tax Officer. However, the choice on characterization, once taken by the taxpayer in a particular tax year, should be consistent and shall remain applicable in the subsequent tax years as well and the taxpayer shall not be allowed to opt into a different or contrary stand in this regard.

Further, investments by FII / FPI in any securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be treated as capital asset and the transfer of such shares would be treated as “capital gains” under the provisions of the Income Tax Act.

A) SHARES HELD AS INVESTMENT

- i) As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital Gains on Buy-back of shares of a company listed on stock exchanges in India are governed by the provisions of Section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per provisions of computation of Capital Gain contained in Section 48 of the Income Tax Act. The provisions of buy back tax under section 115QA in Chapter XII-DA of the Income Tax Act do not apply for shares listed on the stock exchange. For non-residents, capital gains would be subject to taxability under the Income Tax Act or provisions of the relevant DTAA, whichever is more beneficial. However, in order to avail the benefits of DTAA, the non-resident shareholder shall furnish a tax residency certificate (as stipulated under section 90 of the Income Tax Act).

- ii) Period of holding

Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long term capital gain’ as stated below:

- In respect of equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same shall be treated as a 'short-term capital asset', and the gains arising therefrom shall be taxable as 'short term capital gains' ("STCG").
- Similarly, where equity shares are held for a period more than 12 months prior to the date of transfer, the same shall be treated as a 'long-term capital asset', and the gains arising therefrom shall be taxable as 'long-term capital gains' ("LTCG").

iii) Buy-back of shares through a recognized stock exchange

Where transaction for transfer of such equity shares (i.e. buy-back) is executed through a recognized stock exchange in India, they are liable to Securities Transaction Tax ('STT'). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the recognized stock exchanges in India. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security.

The taxability of buyback proceeds in the hands of the eligible shareholder should be as under:

- With effect from April 1, 2018, buyback of equity shares (which is subject to STT) will be taxable as LTCG in accordance with the provisions of section 112A of the Income Tax Act.
- LTCG will be the difference between the consideration paid by the Company on buyback of equity shares and the 'specified cost of acquisition' of such shares.
- The 'specified cost of acquisition' of the equity shares which are acquired prior to February 1, 2018 will be the higher of:
 - (i) the cost of acquisition of equity shares;
 - or
 - (ii) Lower of-
 - (a) the fair market value of equity shares; and
 - (b) the full value of consideration received or accruing as a result of the transfer of the equity shares.
- Fair market value is defined to mean the value as on January 31, 2018 which is the highest price of the equity shares quoted on the stock exchange.
- LTCG exceeding ₹ 100,000 will be subject to tax at 10% (plus applicable surcharge and cess) without any indexation benefit.
- However, in this regard, section 112A will not apply if equity shares are acquired on or after October 1, 2004 and STT was not paid except in situations provided in Notification No. 60/2018/F. No. 370142/9/2017-TPL dated October 1, 2018, namely:
 - (a) where acquisition of existing listed equity share in a company whose equity shares are not frequently traded in a recognized stock exchange of India is made through a preferential issue

The exception to (a) above are the following cases:

- (i) Acquisition of shares approved by the Supreme Court, High Court, National Company Law Tribunal, Securities and Exchange Board of India or Reserve Bank of India;
- (ii) Acquisition of shares by any non-resident in accordance with foreign direct investment guidelines issued by the Government of India;

- (iii) Acquisition of shares by Category I or a Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012 or a qualified venture capital fund referred to in section 10(23FB) or a Qualified Institutional Buyer; and
 - (iv) through preferential issue to which the provisions of chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 does not apply.
- (b) where transaction for acquisition of existing listed equity share in a company is not entered through a recognized stock exchange in India:

The exception to (b) above are as follows:

Acquisition of listed equity shares in a company which has been made in accordance with the provisions of the Securities Contracts (Regulation) Act, 1956, and is:

- (i) by scheduled banks, reconstruction or securitization companies or public financial institutions during their ordinary course of business;
 - (ii) approved by the Supreme Court, High Courts, National Company Law Tribunal, Securities and Exchange Board of India or Reserve Bank of India in this behalf;
 - (iii) under employee stock option scheme or employee stock purchase scheme framed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (iv) by any non-resident in accordance with foreign direct investment guidelines of the Government of India;
 - (v) in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (vi) from the Government;
 - (vii) by Category I or a Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012 or a qualified venture capital fund referred to in section 10(23FB) or a Qualified Institutional Buyer, etc.
- Where Section 112A is not applicable, LTCG will be chargeable to tax for resident Individuals at 20% with indexation or at 10% without indexation, along with the rebate as is applicable.
 - STCG on buyback of equity shares will be subject to tax at 15% under section 111A of the Income Tax Act. Rebate for resident Individuals under section 87A of the Income Tax Act is available on tax payable under section 11A of the Act.

In the case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax (i.e., basic exemption limit) is required to be considered while computing LTCG or STCG taxable under section 111A or 112A of the Income Tax Act. Applicable surcharge and health and education cess are leviable in addition to the tax above (*Please see below for rate of surcharge and cess*).

Further, resident corporate shareholders would also be subject to Minimum Alternate Tax (“MAT”) under section 115JB of the Income Tax Act at the rate of 18.50%. 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. Non-Resident Shareholders can avail beneficial provisions of the applicable DTAA entered into by India subject to fulfilling of the relevant conditions and the documentary compliance prescribed under the Act.

The Foreign Institutional Investors will have to pay tax at the rate of 30% on short term capital gains or at the rate of 10% on long term capital gains u/s 115AD of the ITA. Provided that the amount of income-tax calculated on the income by way of short-term capital gains referred to in section 111A of the ITA shall be at the rate of fifteen per cent and in case of income arising from the transfer of a long-term capital asset referred to in section 112A of the ITA, income-tax at the rate of ten per cent shall be calculated on such income exceeding one lakh rupees.

B) SHARES HELD AS STOCK-IN-TRADE

If the shares are held as stock-in-trade by any of the eligible shareholders of the Company, then the gains would be characterized as business income and taxable under the head “Profits and Gains of Business or Profession”. In such a case, the provisions of Section 46A and Section 48 of the Income Tax Act will not apply.

i. Resident Shareholders

- a) For individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.
- b) Domestic company having turnover or gross receipts not exceeding ₹ 250 Crore in the fiscal year 2017-18, profit would be taxable @ 25%.
- c) For persons other than stated in (a) and (b) above, profits would be taxable @ 30% or other applicable tax rate. No benefit of indexation by virtue of period of holding would be available in any case.
- d) Any expenditure laid out or expended wholly and exclusively for the business will be allowed as deduction while computing the income chargeable under the head “Profits and gains of business or profession” except expenditure of the nature described in sections 30 to 36 of the Act, expenditure being in the nature of capital expenditure or personal expenses.

ii. Non-Resident Shareholders

- a) Non-resident shareholders can avail beneficial provisions of the applicable DTAA, if any, entered into by India with the relevant shareholder country but subject to fulfilling relevant conditions and submitting/maintaining necessary documents prescribed under the Income Tax Act.
- b) Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.
 - For foreign companies, profits would be taxed in India @ 40%.
 - For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

In addition to the above, applicable surcharge and health and education cess are leviable (Please refer to paragraph below for rate of surcharge and cess).

4. TAX DEDUCTION AT SOURCE

A. In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax at source on the consideration payable to resident shareholders pursuant to the said Buy-back.

B. In case of Non-resident Shareholders

The primary responsibility to discharge tax is that of the Non-Resident Shareholder if the income is taxed in India. The Non-Resident Shareholders should compute LTCG/STCG as the case may be (as the case may be) on the buyback of Equity Shares and immediately discharge to the Indian Government applicable taxes in India, in consultation with their custodians/authorized dealers/ tax advisors (as appropriate). Since the buyback is through the stock exchange, the Company will not be able to

withhold any taxes, and thus, the Company believes that the responsibility of withholding/discharge of the taxes due on such gains (if any) is solely on the custodians/authorized dealers/ non-resident shareholder with no recourse to the Company. The Non-Resident Shareholders must file their tax return in India inter-alia considering gains arising on this buyback of shares in consultation with their tax advisors.

It is therefore important that the non-resident shareholder consult their custodians/authorized dealers/tax advisors appropriately and immediately pay taxes in India (either through deduction at source or otherwise). Considering the above, the Company is not responsible for, and responsibility vests completely with the non-resident shareholder to discharge, the tax liability in India on the buyback of Equity Shares. In the event the Indian Government was to charge the Company for any taxes arising from the Buyback, the non-resident shareholder will fully indemnify the Company for any tax (including interest) demands on the buyback of Equity Shares. Non-resident shareholders also undertake to provide the Company, on demand, the relevant details in respect of taxability / non-taxability of the proceeds arising on buyback of Equity Shares, copies of tax returns filed in India, evidence of the tax paid, etc.

5. TAX SLABS

The applicable tax slabs are as follows:

Taxpayer type	Maximum amount not chargeable to tax
Resident individuals who is a senior citizen (60 years or more but less than 80 years as on last date of financial year)	₹ 300,000
Resident individuals who is a super senior citizen (80 years or more at any time during the financial year)	₹ 500,000
In case of any other individual	₹ 250,000
In case of HUF, AOP, BOI, Artificial judicial person	₹ 250,000

Rebate Under Section 87A for Resident Individuals. A resident Individual is eligible for a rebate of 100% of income tax liability or ₹12,500, whichever is lower.

6. RATE OF SURCHARGE AND CESS

In addition to the basic Tax rate, Surcharge and Health and education cess are leviable as under:

A. Surcharge

Taxpayer type	Range of total income	Rate
Domestic companies	Exceeds ₹ 1 crore but does not exceed ₹ 10 crore	7%
	Exceeds ₹ 10 crore	12%
Companies other than domestic companies	Exceeds ₹ 1 crore but does not exceed ₹ 10 crore	2%
	Exceeds ₹ 10 crore	5%
Individuals, HUF, AOP, BOI	Exceeds ₹ 50 Lakhs but does not exceed ₹ 1 crore	10%
	Exceeds ₹ 1 crore	15%
Firms, Local Authority	Exceeds ₹ 1 crore	12%

B. Cess

“Health and Education Cess levied” @ 4% of income tax and surcharge.

7. RELEVANT AMENDMENTS PROPOSED UNDER THE FINANCE (NO. 2) BILL, 2019

- (a) Section 115QA of the ITA provides for the levy of additional Income-tax at the rate of twenty per cent of the distributed income on account of buy-back of unlisted shares by the company. In order to curb such tax avoidance practice adopted by the listed companies, the existing anti abuse provision under Section 115QA of the ITA, pertaining to buy-back of shares from shareholders by companies not listed on a recognised stock exchange, is proposed to be extended to all companies including companies listed on recognised stock exchange. Thus, any buy back of shares from a shareholder by a company listed on recognised stock exchange, on or after 5th July 2019, shall also be covered by the provision of section 115QA of the ITA.

- (b) As additional income-tax at the rate of twenty per cent of the distributed income on account of buy-back of unlisted shares by the company has been levied at the level of company under Section 115QA of the ITA, the consequential income arising in the hands of shareholders has been exempted from tax under clause (34A) of section 10 of the ITA. With the proposed amendment in the ITA, extending the provisions of Section 115QA of the ITA to companies listed on recognised stock exchange, it is also proposed to extend exemption under clause (34A) of section 10 of the ITA to shareholders of the listed company on account of buy-back of shares on which additional income-tax has been paid by the company.
- (c) It is proposed that in case of a domestic company, the rate of income-tax shall be twenty five per cent of the total income, if its total turnover or gross receipts in the previous year 2017-18 does not exceed four hundred crore rupees.
- (d) It is proposed that in addition to the basic tax rate, surcharge shall be as under:

Taxpayer type	Range of total income	Rate
Domestic companies	Exceeds ₹ 1 crore but does not exceed ₹ 10 crore	7%
	Exceeds ₹ 10 crore	12%
Companies other than domestic companies	Exceeds ₹ 1 crore but does not exceed ₹ 10 crore	2%
	Exceeds ₹ 10 crore	5%
Individuals, HUF, AOP, BOI	Exceeds ₹ 50 Lakhs but does not exceed ₹ 1 crore	10%
	Exceeds ₹ 1 crore but does not exceed ₹ 2 crore	15%
	Exceeds ₹ 2 crore but does not exceed ₹ 5 crore	25%
	Exceeds ₹ 5 crore	37%
Firms, Local Authority	Exceeds ₹ 1 crore	12%

Notes:

- (a) **The above note on taxation sets out the provisions of law in a summary manner only and is not a complete/exhaustive analysis or listing of all potential tax consequences on the disposal of equity shares under the Buy-back.**
- (b) **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, Eligible Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances.**
- (c) **All the above benefits are as the per the current tax laws (including amendments made by the Finance Act, 2018), legislation, its 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 benefits listed above. Accordingly, any changes or amendments in the law or relevant regulations would necessitate a review of the above.**
- (d) **Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.**
- (e) **The tax rate and other provisions may undergo changes.**

23. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Schedule I of the SEBI Buyback Regulations:

- (a) The Board of Directors confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
- (b) The Board has confirmed it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

- (i) immediately following the date of the Board Meeting and the date on which the results of the shareholders' resolution in the annual general meeting of the Company with regard to the proposed Buyback were declared ("**Special Resolution**"), there will be no grounds on which the Company can be found unable to pay its debts;
- (ii) as regards the Company's prospects for the year immediately following the date of the Board Meeting and for the year immediately following the Special Resolution, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting as well as from the date of the Special Resolution.
- (iii) in forming the aforesaid option, the Board has taken into account the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016 (to the extent notified).

This declaration is made and issued under the authority of the Board of Directors in terms of the resolution passed at the meeting of Board of Directors held on May 7, 2019.

For and on behalf of the Board of Directors of BSE Limited

Name: Ashishkumar Chauhan
Designation: Managing Director & CEO
DIN: 00898469

Name: Umakant Jayaram
Designation: Public Interest Director
DIN: 08334815

24. REPORT BY THE COMPANY'S STATUTORY AUDITOR ON PERMISSIBLE CAPITAL PAYMENT

The text of the report dated May 7, 2019 received from S.R. Batliboi & Co. LLP, the statutory auditor of the Company, addressed to the Board of Directors of the Company is reproduced below:

Quote:

Independent Auditor's Report on the proposed buy back of equity shares pursuant to the requirements of Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

The Board of Directors
 BSE Limited
 25th Floor, P J Towers, Dalal Street,
 Mumbai, Maharashtra

1. This Report is issued in accordance with the terms of our service scope letter dated May 2, 2019 with BSE Limited (hereinafter the "**Company**").
2. In connection with the proposal of the Company to buy back its equity shares in pursuance of the provisions of Section 68 of the Companies Act, 2013, as amended ("the **Companies Act**") and the rules made thereunder, and the regulations as specified in the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the "**SEBI Buyback Regulations**"). We have been engaged by the Company to perform a reasonable assurance engagement on the accompanying statement for determination of the amount of permissible capital payment (the "**Statement**"), which we have initialed for identification purposes only.

Board of Directors Responsibility for the Statement

3. The preparation of the Statement for determination of the amount of permissible capital payment for the buyback is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that

are reasonable in the circumstances.

4. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of meeting of the Board of Directors approving the buyback of its equity shares i.e. May 7, 2019 (hereinafter referred as the “**date of the Board meeting**”) and the date on which the results of the shareholders’ resolution in the ensuing annual general meeting with regard to the proposed buyback are declared.
5. The Board of Directors are responsible to ensure compliance of the Companies Act and the regulations as specified in the SEBI Buyback Regulations.

Auditor’s Responsibility

6. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance on the following “Reporting Criteria”:
 - (i) Whether we have inquired into the state of affairs of the Company;
 - (ii) Whether the amount of capital payment for the buyback is within the permissible limit and computed in accordance with the provisions of Section 68 of the Companies Act and Regulation 4(i) of the SEBI Buyback Regulations;
 - (iii) Whether the Board of Directors has formed the opinion, as specified in Clause (X) of Schedule I to the SEBI Buyback Regulations, on a reasonable ground that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of the Board meeting i.e. May 7, 2019 and the date on which the results of the shareholders’ resolution in the ensuing annual general meeting with regard to the proposed buyback are declared;
 - (iv) Whether we are aware of anything to indicate that the opinion expressed by the Directors in the solvency declaration as to any of the matters mentioned in the said declaration is unreasonable in circumstances as at the date of declaration.
7. We have also been informed that proposed buy back of shares is through the tender offer and is subject to the approval of shareholders of the Company by special resolution at the ensuing annual general meeting.
8. The financial statements as of and for the financial year ended March 31, 2019 were audited by us, on which we issued an unmodified audit opinion vide our report dated May 7, 2019. Our audit of these financial statements was conducted in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the Institute of Chartered Accountants of India.
11. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria as mentioned in paragraph 6 above. The procedures selected depend on the auditor’s judgment, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - (i) We have inquired into the state of affairs of the Company in relation to its latest audited financial statements for the year ended March 31, 2019;

- (ii) Examined authorization for buyback from the Articles of Association of the Company;
- (iii) Examined that the amount of capital payment for the buy-back as detailed in Statement is within permissible limit computed in accordance with section 68 of the Companies Act and Regulation 4(i) of the SEBI Buyback Regulations;
- (iv) Agreed the amounts of Paid up equity share capital, securities premium account, general reserve and Retained earnings as at March 31, 2019 as disclosed in the accompanying Statement, with the audited standalone financial statements of the Company for the year ended March 31, 2019;
- (v) Examined that the ratio of debt, if any, owned by the Company is not more than twice the capital and its free reserve after such buy-back;
- (vi) Examined that all shares for buyback are fully paid-up;
- (vii) Examined resolutions passed in the meetings of the Board of Directors i.e., on May 7, 2019;
- (viii) Examined Director's declarations dated May 7, 2019 in respect of the buy back and solvency of the Company; and
- (ix) Obtained necessary representations from the management of the Company.

Opinion

12. Based on our examination as above, and the information and explanations given to us, we state that we have inquired in to the state of affairs of the Company and in our opinion,
- (i) the permissible capital payment towards buyback of equity shares, as stated in the Statement, is in our view properly determined in accordance with Section 68 of the Companies Act and Regulation 4(i) of the SEBI Buyback Regulations; and
 - (ii) the Board of Directors, in their meeting held on May 7, 2019, have formed the opinion, as specified in clause (x) of Schedule I of the SEBI Buyback Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of Board meeting i.e., May 7, 2019 and the date on which the results of the shareholders' resolution at the ensuing annual general meeting with regard to the proposed buyback are declared and we are not aware of anything to indicate that the opinion expressed by the Directors in the solvency declaration as to any of the matters mentioned in the said declaration is unreasonable in circumstances as at the date of declaration.

Restriction on Use

13. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the SEBI Buyback Regulations and the Companies Act solely to enable them to include it in (a) the explanatory statement to be included to the notice for special resolution, the public announcement, draft letter of offer and letter of offer to be sent to the shareholders of the Company or filed with the Securities and Exchange Board of India, the stock exchanges, the Registrar of Companies as required by the SEBI Buyback Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited and may be submitted to the authorized dealer and / or manager for the said buyback, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Jayesh Gandhi

Partner
Membership Number: 37924

Mumbai
May 7, 2019
UDIN:19037924AAAABB7088

Statement of computation of amount of permissible capital payment (“the Statement”) towards buy back of equity shares of BSE Limited in accordance with Regulation 4(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and Section 68(2)(c) of the Companies Act, 2013, as amended based on the standalone audited financial statements for the year ended March 31, 2019:

Computation of permissible capital payment:

Particulars		Amount (INR in lakh)
Paid-up Equity Share Capital as at March 31, 2019 [#] (5,17,89,002 equity shares of INR 2/- each fully paid-up)	(A)	1,036
Free reserves as at March 31, 2019^{*#}		
Securities premium account		22,526
General reserve		69,415
Retained earnings		93,041
Total free reserves	(B)	1,84,982
Total paid-up Equity Share Capital and free reserves as at March 31, 2019	C= (A)+(B)	1,86,018
Permissible capital payment in accordance with Section 68(2)(c) of the Companies Act, 2013, as amended and Regulation 4(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (25% of the total paid-up Equity Share Capital and free reserves)		46,505
Maximum amount permitted by Board resolution dated May 7, 2019 approving buyback, based on the standalone audited financial statements for the year ended March 31, 2019		46,000
Buy back size as a percentage of total paid-up Equity Share Capital and free reserves		24.73%

^{*}Free reserves as defined in Section 2(43) of the Companies Act, 2013 read along with Explanation II provided in Section 68 of the Companies Act, 2013, as amended.

[#]The above calculation of the total paid-up Equity Share Capital and free reserves as at March 31, 2019 for buy-back of equity shares is based on the amounts appearing in the audited standalone financial statements of the Company for the year ended March 31, 2019. These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rules made thereunder, each as amended from time to time.

For and on behalf of **BSE Limited**

Sd/-
Ashishkumar Chauhan
Managing Director & CEO
DIN: 00898469
Date: May 7, 2019

Sd/-
Nayan Mehta
Chief Financial Officer
Date: May 7, 2019

Unquote

25. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 25th Floor, P.J. Towers, Dalal Street, Mumbai- 400 001, India between 10.30 a.m. and 5.00 p.m. on any day, except Saturday, Sunday and public holidays, during the Tendering Period:

- (1) Copy of the Certificate of Incorporation;
- (2) Memorandum and Articles of Association of the Company
- (3) Copy of the annual reports of the Company for the fiscal years ended March 31, 2019, March 31, 2018 and March 31, 2017;
- (4) Copy of the resolution passed by the Board of Directors at the meeting held on May 7, 2019 approving the proposal for Buyback and the copy of the special resolution dated July 15, 2019 passed by the Shareholders of the Company;
- (5) Copy of Report dated May 7, 2019 received from S.R. Batliboi & Co. LLP, Chartered Accountants, the Statutory Auditor of the Company, in terms of clause (xi) of Schedule I of the SEBI Buyback Regulations;
- (6) Copy of Declaration of solvency and an affidavit verifying the same in Form SH-9 dated July 16, 2019, as prescribed under Section 68(6) of the Companies Act;
- (7) Copy of Escrow Agreement dated July 19, 2019 entered into amongst the Company, the Manager to the Buyback and the Escrow Agent;
- (8) Copy of the certificate from Mittal Agarwal & Company, Chartered Accountants (Firm Registration No: 131025W), dated July 19, 2019 certifying that the Company has adequate funds for the purposes of Buyback;
- (9) Copy of Public Announcement for Buyback dated July 15, 2017 published on July 17, 2019 in all editions of the English and Hindi national daily newspapers, namely Financial Express and Jansatta, respectively and the Mumbai edition of the Marathi daily newspaper, namely Navshakti (Marathi being the regional language of Mumbai wherein the registered office of the Company is located); and
- (10) Observations from SEBI on the Draft Letter of Offer issued by its letter no. [●] dated [●];

26. DETAILS OF COMPANY SECRETARY AND COMPLIANCE OFFICER

The Company has designated Smt. Prajakta Powle as the compliance officer for the purpose of the Buyback (“**Compliance Officer**”).

Smt. Prajakta Powle

Company Secretary and Compliance Officer

BSE Limited

25th Floor, P.J. Towers, Dalal Street, Mumbai- 400 001, India

Tel. No.: +91 22 2272 1233/34

Fax No.: Not available

Email: bse.shareholders@bseindia.com

Website: www.bseindia.com

Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hours i.e. 9:00 a.m. to 5:00 p.m. on all working days except Saturday, Sunday and public holidays at the above-mentioned address.

27. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/ BENEFICIAL OWNERS

- (a) In case of any grievances relating to the Buyback (including non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the Eligible Shareholders can approach the Company Secretary and Compliance Officer and/or Manager to the Buyback and/or Registrar to the Buyback for redressal.
- (b) If the Company makes any default in complying with the provisions of Sections 68, 69, 70 of the Companies Act including the rules thereunder, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, as applicable.

(c) The address of the concerned office of the Registrar of Companies is as follows:

The Registrar of Companies
Ministry of Corporate Affairs,
Office of Registrar of Companies
100, Everest Building,
Marine Drive, Mumbai 400 002

28. INVESTOR SERVICE CENTRE AND REGISTRAR TO THE BUYBACK

In case of any query, the shareholders may contact the Registrar to the Buyback on any day, except Saturday, Sunday and public holidays between 10:00 a.m. and 4:00 p.m. at the following address:



Karvy Fintech Private Limited[#]

Karvy Selenium Tower B Plot 31 & 32, Gachibowli, Financial District, Nanakramguda
Serilingampally, Hyderabad Rangareddi, Telangana 500 032, India

Tel No.: +91 40 6716 2222

Fax No.: +91 40 2343 1551

Email: bse.buyback@karvy.com

Contact Person: M Murali Krishna

Investor Grievance Id: einward.ris@karvy.com

Website: www.karvyfintech.com

SEBI Registration Number: INR000000221

[#]Karvy Computershare Private Limited has been amalgamated with Karvy Fintech Private Limited by order of the National Company Law Tribunal, Hyderabad dated October 23, 2018 and the said amalgamation was effective from November 17, 2018, and accordingly, Karvy Fintech Private Limited is acting as the Registrar to the Buyback.

29. MANAGER TO THE BUYBACK



Edelweiss Financial Services Limited

14th floor, Edelweiss House,
Off. C.S.T. Road
Kalina, Mumbai - 400 098,
Maharashtra, India

Tel. No.: +91 22 4009 4400

Fax No.: +91 22 4086 3610

Email: bse.buyback2019@edelweissfin.com

Contact Person: Disha Doshi

Website: www.edelweissfin.com

SEBI Registration Number: INM0000010650

CIN: L99999MH1995PLC094641

30. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE DRAFT LETTER OF OFFER

As per Regulation 24(i)(a) of the SEBI Buyback Regulations, the Board of Directors accepts full and final responsibility for the information contained in this Draft Letter of Offer and for the information contained in all other advertisements, circulars, brochures, publicity materials etc. which may be issued in relation to the Buyback and confirms that the information in such documents contain and will contain true, factual and material information and does not and will not contain any misleading information. This Draft Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on May 7, 2019.

For and on behalf of the Board of Directors of BSE Limited

Sd/-
Name: Ashishkumar Chauhan
Designation: Managing Director &
CEO
DIN: 00898469

Sd/-
Name: Umakant Jayaram
Designation: Public Interest Director
DIN: 08334815

Sd/-
Name: Prajakta Powle
Designation: Company
Secretary and Compliance
Officer
Membership No.: A20135

Place: Mumbai
Date: July 19, 2019

ANNEXURE - TENDER FORM FOR ELIGIBLE SHAREHOLDERS

Bid Number:

Date:

BUY-BACK OPENS ON:		[●], 2019	
BUY-BACK CLOSING ON:		[●], 2019	
For Registrar use			
Inward No.	Date	Stamp	
Status (please tick appropriate box)			
<input type="checkbox"/> Individual	<input type="checkbox"/> FII	<input type="checkbox"/> Insurance Co.	
<input type="checkbox"/> Foreign Co.	<input type="checkbox"/> NRI/OCB	<input type="checkbox"/> FVCI	
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank / FI	<input type="checkbox"/> Pension / PF	
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/LLP	<input type="checkbox"/> Others (specify)	
India Tax Residency Status: Please tick appropriate box			
<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India	<input type="checkbox"/> Resident of _____ (Shareholder to fill the country of residence)	
Route of Investment (For NR Shareholders only)			
<input type="checkbox"/> Portfolio Investment Scheme		<input type="checkbox"/> Foreign Investment Scheme	

To,
BSE Limited
 C/o Karvy Fintech Private Limited
 Karvy Selenium Tower B Plot 31-32, Gachibowli
 Financial District, Nanakramguda
 Serilingampally
 Hyderabad Rangareddi
 Telangana 500 032, India

Dear Sir/ Madam,

Sub: Letter of Offer dated [●] to Buy back up to 67,64,705 Equity Shares of BSE Limited (the "Company") at a price of ₹ 680/- (Rupees Six Hundred and Eighty only) per Equity Share (the "Buyback Offer Price") payable in cash

1. I / We having read and understood the Letter of Offer issued by the Company hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorize the Company to buyback the Equity Shares offered (as mentioned above) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
3. I / We hereby warrant that the Equity Shares comprised in this Tender Offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / We am / are legally entitled to tender the Equity Shares for Buyback.
5. I / We agree that the Company will pay the Buyback Price only after due verification of the validity of documents and that the consideration will be paid as per the Stock Exchange mechanism.
6. I / We agree to receive, at my own risk, the invalid / unaccepted Equity Shares under the Buyback in the demat account from where I / we have tendered the Equity Shares in the Buyback.
7. I / We agree to return to the Company any Buyback consideration that may be wrongfully received by me / us.
8. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, SEBI Buyback Regulations and any other applicable laws.
9. Details of Equity Shares held and tendered / offered for Buy-back:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date (July 29, 2019)		
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)		
Number of Equity Shares offered for Buyback (Including Additional Shares, if any)		

Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buyback Entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to the Buyback Entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph [●] of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

10. Applicable for all Non-resident shareholders.
 - I / We undertake to pay income taxes in India on any income arising on such Buyback accordance with prevailing income tax laws in India. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of shares by me / us.
 - I / We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any and to the extent required from the concerned authorities including approvals from the RBI under FEMA and any other the rules and regulations, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, and any other rules, regulations and guidelines, in regard to remittance of funds outside India.

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

ACKNOWLEDGMENT SLIP: BSE LIMITED BUYBACK OFFER 2019

(To be filled by the Equity Shareholder) (Subject to verification)

DP ID		Client ID	
Received from Mr./Ms./Mrs.			
Form of Acceptance-cum-Acknowledgement, Original TRS along with:			
No. of Equity Shares offered for Buyback (In Figures)		(in words)	
Please quote Client ID No. & DP ID No. for all future correspondence			Stamp of Broker/ Registrar

9. Non-resident shareholders (including NRIs, OCBs and FIIs) are requested to enclose a consent letter indicating the details of transfer i.e. number of Equity Shares to be transferred, the name of the investee company whose shares are being transferred i.e. "BSE Limited" and the price at which the Equity Shares are being transferred i.e. "Price determined in accordance with the SEBI Buyback Regulations" duly signed by the shareholder or his/its duly appointed agent and in the latter case, also enclose the power of attorney.

10. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)		NSDL		CDSL
Name of the Depository Participant				
DP ID No.				
Client ID No. with the DP				

11. Equity Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of the Holder				
Signature(s)*				
PAN				
Address of the Sole/First Equity Shareholder				
Telephone No. of Sole/First Equity Shareholder		Email ID of Sole/First Equity Shareholder		

* Corporate must affix rubber stamp and sign.

Instructions:

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form

- This Offer will open on [●], 2019 and close on [●], 2019.
- This Tender form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- Shareholders who desire to tender their equity shares in the dematerialized form under the Buyback would have to do so through their respective Shareholder's Broker by indicating the details of equity shares they intend to tender under the Buyback.
- Shareholders may submit their duly filled Tender Form to the office of Registrar to the Buyback (as mentioned in Paragraph [●] of the Letter of Offer) only post placing the bid via the Shareholder Broker.
- In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form should file a copy of the following documents:
 - Approval from the appropriate authority for such merger;
 - The scheme of merger; and
 - The requisite form filed with MCA intimating the merger.
- The Buyback shall be rejected for demat shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of Shares in the special account of the Clearing Corporation or a non-receipt of valid bid in the exchange bidding system.**
- The shares in the Offer shall be rejected if the tenderer is not an Eligible Shareholder of the Company as on the Record date.
- The Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buyback as may be decided by the Company / Registrar to the Buyback, in accordance with the SEBI Buyback Regulations.
- Eligible Shareholders to whom the Offer is made are free to tender shares to the extent of their entitlement in whole or in part or in excess of their entitlement, but not exceeding their holding as on Record Date.
- For the procedure to be followed by Eligible Shareholders for tendering Equity Shares in the Buyback, please refer to paragraph [●] of the Letter of Offer.
- All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- By agreeing to participate in the Buyback, the non-resident Eligible Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- Eligible Sellers have to fill up the EVENT number issued by Depository in the column for settlement details along with the market type as "Buyback", ISIN, Quantity of shares and CM BP ID of broker and execution date in the Delivery Instruction Slips (DIS) so that Equity Shares can be tendered for Buyback Offer

All capitalised items not defined herein shall have the meaning ascribed to them in the Letter of Offer.

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

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre:

BSE Limited Buyback Offer 2019

Karvy Fintech Private Limited

Karvy Selenium Tower B Plot 31-32, Gachibowli

Financial District, Nanakramguda

Serilingampally

Hyderabad Rangareddi

Telangana 500 032, India

Contact Person: Mr. M. Murali Krishna

Tel: +91 40 6716 2222; **Fax:** +91 40 2343 1551; **E-mail:** bse.buyback@karvy.com

Investor Grievance Id: einward.ris@karvy.com

SEBI Registration Number: INR000000221