**PUBLIC ANNOUNCEMENT AS REQUIRED UNDER REGULATION 3(1) AND REGULATION 4 READ WITH REGULATION 13, REGULATION 14 AND REGULATION 15(1) OF THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011**

**FOR THE ATTENTION OF THE SHAREHOLDERS OF M3 GLOBAL FINANCE LIMITED**

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**OPEN OFFER FOR ACQUISITION OF UP TO 9,256,000 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF INR 10 (RUPEES TEN ONLY) EACH ("OPEN OFFER SHARES") OF M3 GLOBAL FINANCE LIMITED (HEREINAFTER REFERRED TO AS "TARGET COMPANY"), REPRESENTING 26% OF THE TOTAL EMERGING SHARE CAPITAL (AS DEFINED BELOW), FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF THE TARGET COMPANY BY INFORMATION INTERFACE INDIA PRIVATE LIMITED (HEREINAFTER REFERRED TO AS "3I" OR THE "ACQUIRER") TOGETHER WITH MR. AMIT RAJPAL, MR. GAURAV MAKARAND PATANKAR, MR. MAKARAND RAM PATANKAR, MRS. JAYASHREE MAKARAND PATANKAR AS THE PERSONS ACTING IN CONCERT (HEREINAFTER REFERRED TO AS "PACs") WITH THE ACQUIRER (THE "OFFER"/ "OPEN OFFER").**

This public announcement ("**Public Announcement**") is being issued by Equirus Capital Private Limited (the "**Manager to the Offer**") for and on behalf of the Acquirer and the PACs to the Public Shareholders (as defined below) of the Target Company pursuant to and in compliance with Regulations 3 and Regulation 4 read with other applicable provisions of the SEBI (SAST) Regulations.

For the purpose of this Public Announcement, **"Public Shareholders"** shall mean all the public shareholders of the Target Company and for the avoidance of doubt excludes parties to the SPA 1 (as defined below) and SPA 2 (as defined below) or persons deemed to be acting in concert with such parties pursuant to and in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

<u>Definitions</u>:

For the purposes of this Public Announcement, the following terms would have the meanings assigned to them below:

(a) "**Conditions Precedent**" has the meaning ascribed to such term under paragraph 2(d).

(b) "**CCPS**" has the meaning ascribed to such term under paragraph 2(c).

(c) "**DPS**" has the meaning ascribed to such term under paragraph 1(a).

(d) “**Emerging Share Capital**” means the total voting equity capital of the Target Company on a fully diluted basis as of the tenth (10th) working day from the closure of the tendering period of the open offer. This includes Equity Shares to be issued upon conversion of CCPS and Warrants to the Acquirer by the Target Company.

(e) “**Equity Shares**” means the fully paid up equity shares of the Target Company of face value of Rs. 10 (Rupees ten only) each.

(f) “**LOF**” has the meaning ascribed to such term in paragraph 1(a).

(g) “**Offer**” or “**Open Offer**” means the open offer for acquisition of up to 9,256,000 Equity Shares of face value of Rs. 10 (Rupees ten only) each of the Target Company, representing 26% of the Emerging Share Capital, from the Public Shareholders.

(h) “**Offer Price**” has the meaning ascribed to such term in paragraph 1(b).

(i) “**Offer Size**” has the meaning ascribed to such term in paragraph 1(a).

(j) “**Promoters**” has the meaning ascribed to such term in paragraph 2(a)(i).

(k) “**Selling Shareholders**” has the meaning ascribed to such term in paragraph 2(a)(ii).

(l) “**SPA 1**” has the meaning ascribed to such term in paragraph 2(a)(i).

(m) “**SPA 2**” has the meaning ascribed to such term in paragraph 2(a)(ii).

(n) “**Tranche I**” has the meaning ascribed to such term in paragraph 2(b).

(o) “**Tranche I Shares**” has the meaning ascribed to such term in paragraph 2(b).

(p) “**Tranche II**” has the meaning ascribed to such term in paragraph 2(b).

(q) “**Warrants**” has the meaning ascribed to such term in paragraph 2(c).

1. **<u>Open Offer Details</u>**

a) <u>Offer Size</u>: Up to 9,256,000 Equity Shares, constituting 26% (twenty six percent) of the Emerging Share Capital ("**Offer Size**"), subject to the terms and conditions mentioned in this Public Announcement, the detailed public statement (the "**DPS**") and the letter of offer ("**LOF"**) that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

b) <u>Offer Price/Consideration</u>: The Open Offer is made at a price of INR 10 per Equity Share which has been determined in accordance with the provisions of Regulation 8(2) of the SEBI (SAST) Regulations ("**Offer Price**"). Assuming full acceptance, the total consideration payable by the Acquirer and / or the PACs under the Open Offer, at the Offer Price, will be INR 92,560,000.

c) <u>Mode of Payment</u>: The Offer Price will be paid in cash, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, and the terms and conditions mentioned in this Public Announcement, and in the DPS and LOF that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

d) <u>Type of offer</u>: The Offer is a mandatory offer in compliance with Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations.

2. **<u>Transaction which has triggered the Open Offer (the "Underlying Transaction")</u>**

(a) On August 18, 2016, the Acquirer has entered into the following agreements:

i. Share purchase agreement between the Acquirer, the Target Company, Mr. Manish Shah, Mrs. Sejal Shah and Mr. Mitul Shah ("**SPA 1**"). Mr. Manish Shah and Mrs. Sejal Shah shall be referred to as "**Promoters**".

ii. Share purchase agreement between the Acquirer, the Target Company, Mr. Lalit Labhshankar Pandya, Mr. Umang Khetan, Mr. Khushal Pravin Khimasiya, Mrs. Anju Agarwal and Mr. Jyot Dhirajlal Khimasia ("**SPA 2**"). The following persons, that is, Mr. Lalit Labhshankar Pandya, Mr. Umang Khetan, Mr. Khushal Pravin Khimasiya, Mrs. Anju Agarwal and Mr. Jyot Dhirajlal Khimasia shall be referred to as "**Selling Shareholders**".

(b) As per the terms of SPA 1 and SPA 2, the Acquirer has agreed to acquire the Equity Shares from the Promoters and Selling Shareholders in two tranches, as explained further: (i) <u>First Tranche</u>: 637,200 Equity Shares of the Target Company representing 1.8% of the Emerging Share Capital shall be purchased by the Acquirer from the Promoters as per SPA 1, and 298,800 Equity Shares of the Target Company representing 0.8% of the Emerging Share Capital shall be purchased by the Acquirer from the Selling Shareholders as per SPA 2 ("**Tranche I**" and the Equity Shares acquired in Tranche I shall be hereinafter referred to as "**Tranche I**

**Shares**"); (ii) Second Tranche: After taking into account the acquisition made by the Acquirer under the Open Offer, the Acquirer will, as per the terms of SPA 1 and SPA 2, further acquire Equity Shares (if required) in the second tranche ("**Tranche II**") to such extent that, together with the Tranche I Shares and the Open Offer Shares, the Acquirer's shareholding in the Target Company is the lower of: (i) 75% (seventy five); or (ii) any shareholding below 75% (seventy five) pursuant to purchase of all the Equity Shares of the Promoters and the Selling Shareholders under SPA 1 and SPA 2 respectively.

(c) The Acquirer will additionally subscribe to 25,00,000 (Twenty Five Lakhs) compulsorily convertible preference shares each having a face value of INR 10 (Rupees Ten) ("**CCPS**") and 2,95,00,000 (Two Crores and Ninety Five Lakhs) convertible warrants each having a face value of INR 10 (Rupees Ten) ("**Warrants**"), issued by the Target Company to the Acquirer.

(d) The consummation of the transactions contemplated above will be dependent on receipt of all necessary regulatory approvals and completion of the conditions precedent laid out in SPA 1 and SPA 2, including but not limited to the following: (i) the prior approval of the Reserve Bank of India for the transactions contemplated under this Agreement pursuant to the provisions of the Reserve Bank of India Circular - RBI/2015-16/122 DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015 shall have been obtained; (ii) In-principle approval from the stock exchanges for listing of the CCPS and Warrants to be issued to the Acquirer by the Target Company shall have been obtained by the Target Company in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; (iii) Target Company shall have increased its authorized share capital and/ or reclassified its share capital in accordance with applicable laws as may be necessary to enable the issuance of CCPS and Warrants to the Acquirer; (iv) approval of the shareholders of the Target Company for the issuance of CCPS and Warrants shall have been obtained; and (v) the warranties provided by the Promoters, Selling Shareholders and the Target Company under SPA 1 and SPA 2, as applicable, shall be true, accurate, complete and not misleading in all respects ("**Conditions Precedent**");

(e) Upon consummation of the transactions contemplated in the SPA 1 and SPA 2, the Acquirer and the PACs will also acquire control over the Target Company and the Acquirer shall become the promoter of the Target Company in accordance with the provisions of Regulation 31A(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As such, this Offer is also being made under Regulation 4 of the SEBI (SAST) Regulations. The SPA 1 and the SPA 2 sets forth the terms and conditions agreed between the Sellers and the Acquirer, and their respective rights and obligations.

| **Details of Underlying Transaction** | | | | | |
|---|---|---|---|---|---|
| **Type of Transaction** | **Mode of Transaction (Agreement/Allotment/Market** | **Shares/ Voting rights acquired/ proposed to be acquired** | **Total Consideration for shares/ Voting** | **Mode of Payment (Cash/Securities)** | **Regulation which has been** |

| (Direct/Indirect) | Purchase) | Number | % vis-à-vis total voting capital[(2)] | rights acquired (Rs.)[(2)] | | triggered |
|---|---|---|---|---|---|---|
| Direct Acquisition. | Agreement:<br><br>(i) SPA 1 executed on August 18, 2016 between the Acquirer, Target Company, Promoters and Mr. Mitul Shah.<br><br>(ii) SPA 2 executed on August 18, 2016 between the Acquirer, Target Company and Selling Shareholders.<br><br>Allotment:<br><br>Preferential issue of CCPS and Warrants to the Acquirer by the Target Company. | Agreement:<br><br>Acquisition of up to 936,000 Equity Shares from the Promoters and the Selling Shareholders in Tranche I and additional shares as contemplated in Tranche II depending upon the Equity Shares validly tendered and accepted in the Open Offer, in accordance with paragraph 2(b) above and the terms and conditions of SPA 1 and SPA 2.<br><br>Allotment:<br><br>Acquisition of | Agreement:<br><br>Acquisition of up to 2.6% of the Emerging Share Capital of the Target Company from the Promoters and Selling Shareholders in Tranche I and additional percentage as contemplated in Tranche II depending upon the Equity Shares validly tendered and accepted in the Open Offer, in accordance with paragraph 2(b) above and the terms and conditions of SPA 1 and SPA 2.<br><br>Allotment: | Agreement:<br><br>INR 3,759,480 for 1.8% of the Emerging Share Capital of the Target Company as per SPA 1 and INR 1,762,920 for 0.8% of the Emerging Share Capital of the Target Company as per SPA 2 for Tranche I. Additional consideration of upto INR 2,855,720 for 1.0% of the Emerging Share Capital of the Target Company as per SPA 1 and upto INR 1,832,240 for 0.6% of the Emerging Share Capital of the Target Company as per SPA 2 for Tranche II depending on the Equity Shares validly tendered and accepted in the Open Offer. | Cash. | Regulations 3(1) and 4 of the SEBI (SAST) Regulations. |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | CCPS and Warrants. | Acquisition of 89.9% of the Emerging Share Capital on a fully diluted basis. | Allotment[1]<br><br>INR 2,50,00,000 (Rupees Two Crores and Fifty Lakhs only) for acquisition of CCPS representing 7.0% of the Emerging Share Capital of the Target Company and INR 29,50,00,000 (Rupees Twenty Nine Crores and Fifty Lakhs) for acquisition of Warrants[3] representing 82.9% of the Emerging Share Capital of the Target Company. | | |

*Notes:*

(1) *The Acquirer intends to convert the CCPS and Warrants in such a manner so as to ensure compliance with Maximum Permissible Non-Public Shareholding (as defined in the SEBI (SAST) Regulations) requirements. If the Acquirer's shareholding in the Target Company after the completion of the transactions contemplated in this Public Announcement exceeds the Maximum Permissible Non-Public Shareholding, then the Acquirer would be under a statutory obligation to reduce the shareholding to upto the permissible limits under applicable law.*

(2) *The calculations in the above table are based on the Emerging Share Capital of the Target Company as on the date of this Public Announcement.*

(3) *The total consideration payable for acquisition of Warrants is INR 29,50,00,000, wherein 25% (Twenty Five Percent) of such total consideration shall be payable upfront at the time of allotment.*

## 3. Acquirer/PAC

| Details | Acquirer | PAC 1 | PAC 2 | PAC 3 | PAC 4 |
|---|---|---|---|---|---|
| Name of Acquirer(s)/PAC(s) | Information Interface India Private Limited | Mr. Amit Rajpal | Mr. Makarand Ram Patankar | Mr. Gaurav Makarand Patankar | Mrs. Jayashree Makarand Patankar |
| Address | 51, Shobhana Basement, Sion (West), Mumbai, Maharashtra- 400 022 | House 2, Abergeldie, 52 Plantation Rd, Hong Kong | 51, Flat No. 10, Shobhana, Sion (West), Mumbai, Maharashtra- 400 022 | 389 Washington Street, Jersey City, New Jersey, United States of America. | 51, Flat No. 10, Shobhana, Sion (West), Mumbai, Maharashtra- 400 022 |
| Name(s) of persons in control of the Acquirer | Mr. Amit Rajpal, Mr. Makarand Ram Patankar and Mrs. Jayashree Makarand Patankar. | Not applicable | Not applicable | Not applicable | Not applicable. |
| Name of the Group, if any, to which the Acquirer/PAC belongs to. | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| Pre Transaction shareholding<br>• Number<br>• % of total share capital | Nil | Nil | Nil | Nil | Nil |
| Proposed shareholding after | 33,521,995 Equity Shares (up to 94.2% | Nil | Nil | Nil | Nil |

| | | | | | |
|---|---|---|---|---|---|
| acquisition of shares which triggered the Open Offer (not taking into account the Equity Shares validly accepted in the Open Offer, if any) ) | of the Emerging Share Capital of the Target Company, assuming conversion of CCPS and Warrants which are proposed to be issued under the SPA 1)[(1)] | | | | |
| Any other interest in TC | None | None | None | None | None |

*Notes:*

(1) *The Acquirer intends to convert the CCPS and Warrants in such a manner so as to ensure compliance with Maximum Permissible Non-Public Shareholding (as defined in the SEBI (SAST) Regulations) requirements. If the Acquirer's shareholding in the Target Company after the completion of the transactions contemplated in this Public Announcement exceeds the Maximum Permissible Non-Public Shareholding, then the Acquirer would be under a statutory obligation to reduce the shareholding to upto the permissible limits under applicable law.*

**4. <u>Details of selling shareholders, if applicable</u>**

| Name | Part of promoter group (Yes/No) | Details of shares/voting rights held by the selling shareholders | | | |
|---|---|---|---|---|---|
| | | Pre-Transaction | | Post Transaction | |
| | | Number of shares | % | Number of shares (assuming no shares are acquired in Tranche 2) | % of Emerging Share Capital |
| Mr. Manish Shah | Yes | 43,612 | 1.21% | Nil | Nil |
| Mrs. Manish Shah and Mr. Sejal Shah (joint holders) | Yes | 950,553 | 26.40% | 356,965 | 1.0% |

| | | | | | |
|---|---|---|---|---|---|
| Lalit Labhshankar Pandya | No | 100,000 | 2.78% | 43,228 | 0.1% |
| Umang Khetan | No | 147,755 | 4.10% | 64,091 | 0.2% |
| Khushal Pravin Khimasiya | No. | 100,550 | 2.79% | 43,778 | 0.1% |
| Anju Agarwal | No | 79,200 | 2.20% | 34,380 | 0.1% |
| Jyot Dhirajlal Khimasia | No | 100,325 | 2.79% | 43,553 | 0.1% |

Pursuant to the Offer and the transactions contemplated in the SPA, the Acquirer shall become the promoter of the Target Company and, the existing Promoters will cease to be the promoters of the Target Company in accordance with the provisions of Regulation 31A(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The re-classification of the Sellers is subject to approval of shareholders of the Target Company in the general meeting in terms of Regulation 31A(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and conditions prescribed therein.

**5. <u>Target Company</u>**

a) **Name**: M3 Global Finance Limited, a non-banking financial public limited company registered with the Reserve Bank of India as a non-deposit accepting non-systemically important NBFC with a registration number B-13.02061 having its registered office at 152, 2nd Floor, Room No. 24, Narayan Dhuru Street, Mumbai, Maharashtra - 400 003.

b) **Stock exchanges where the Equity Shares are listed:** BSE Limited (Scrip Code: 538772). The Equity Shares of the Target Company are listed on other regional exchanges such as the Delhi Stock Exchange, Jaipur Stock Exchange, Ahmedabad Stock Exchange and Madhya Pradesh Stock Exchange. However, exit orders have been passed with respect to the Jaipur Stock Exchange and Madhya Pradesh Stock Exchange in 2015 and the Delhi Stock Exchange has been derecognized in 2014. Currently, we understand that the Ahmedabad Stock Exchange has also applied for voluntary exit.

**6. <u>Other Details</u>**

a) The DPS pursuant to this Public Announcement, including the reasons and background to the Offer, detailed information on the Offer Price, details of SPA 1 and SPA 2, including the conditions precedent thereunder, detailed information on the Acquirer, the PACs and the Target Company and statutory/other approvals, if any, for the Offer, shall be published on or before August 25, 2016 in accordance with the SEBI (SAST) Regulations.

b) The Acquirer and the PACs undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations and have adequate financial resources to meet their obligations under the SEBI (SAST) Regulations for the purposes of the Offer.

c) The Offer is not conditional upon any minimum level of acceptance pursuant to the terms of Regulation 19(1) of the SEBI (SAST) Regulations.

d) This Public Announcement is not being issued pursuant to a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

Equirus

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Issued by the Manager to the Offer on behalf of Information Interface India Private Limited

Date: August 18, 2016
Place: Mumbai, Maharashtra