SOBHAGYA
CAPITAL OPTIONS LTD.
A SEBI Registered Merchant Banking Company

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CIN: U74899DL1994PLC060089

SEBI Regn No: MB/INM000008571

Post-Open Offer Report under Regulation 27 (7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

POST OPEN OFFER REPORT

IN RESPECT OF OPEN OFFER MADE BY MR. KAMAL AHUJA (HEREINAFTER COLLECTIVELY REFERRED TO AS "THE ACQUIRER") TO ACQUIRE UPTO 694200 EQUITY SHARES OF DURGESH MERCHANTS LIMITED

A. Names of the parties involved

1.	**Target Company (TC)**	Durgesh Merchants Limited
2.	**Acquirers**	Mr. Kamal Ahuja
3.	**Persons acting in concert with Acquirers (PAC(s))**	NA
4.	**Manager to the Open Offer**	Sobhagya Capital Options Limited
5.	**Registrar to the Open Offer**	Skyline Financial Services Private Limited

B. Details of the offer

The offer is a mandatory offer and was made by the Acquirer pursuant to Regulation 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof ("SEBI (SAST) Regulations"), for taking complete Management Control of the Target Company along with acquisition of the entire present shareholding of the existing promoters in terms of the Share Purchase Agreement ("SPA") dated March 23, 2015.

- **Whether conditional offer** : No
- **Whether voluntary offer** : No
- **Whether competing offer** : No

C. Activity Schedule

Nature of Activity	ORIGINAL SCHEDULE Day and Date	REVISED SCHEDULE Day and Date
Date of the Public Announcement	Monday, March 23, 2015	Monday, March 23, 2015
Date of publication of the Detailed Public Statement	Monday, March 30, 2015	Monday, March 30, 2015

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Last date of filling of Draft Letter of Offer with SEBI	Wednesday, April 08, 2015	Wednesday, April 08, 2015
Last date for a Competing Offer	Thursday, April 23, 2015	Thursday, April 23, 2015
Identified Date*	Thursday May 07, 2015	Tuesday, January 03, 2017
Last Date by which Letter of Offer will be dispatched to the Shareholders	Thursday, May 14, 2015	Tuesday, January 10, 2017
Last Date for revising the Offer Price/Offer Size	Friday, May 15, 2015	Thursday, January 12, 2017
Last date by which an independent committee of the Board of Target Company shall give its recommendation	Tuesday, May 19, 2015	Friday, January 13, 2017
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspaper	Wednesday, May 20, 2015	Monday, January 16, 2017
Date of commencement of tendering period (Offer Opening Date)	Thursday, May 21, 2015	Tuesday, Jan 17, 2017
Date of expiry of tendering period (Offer Closing Date)	Wednesday, June 03, 2015	Wednesday, Feb1, 2017
Date by which all requirements including payment of consideration would be completed	Wednesday, June 17, 2015	Wednesday, February 15, 2017

Note: There were no delays on part of the Acquirer beyond the due dates specified in the SAST Regulations, 2011.

D. Details of the payment consideration in the open offer

(Value in Rs. Lakhs, except where mentioned)

Sl. No.	Item	Details
1.	**Offer Price** for fully paid shares of TC (In Rupees)	Rs. 11.66 per equity share
2.	**Offer Price** for partly paid shares of TC, if any	Not Applicable
3.	**Offer Size** (no. of shares x offer price per share)	80.94
4.	**Mode of payment of consideration** (cash or shares or secured listed debt instruments or convertible debt securities or combination)	Cash
5.	**If mode of payment is other than cash, i.e. through shares / debt or convertibles:**	
a.	**Details of offered security** • Nature of the security (shares or debt or convertibles) • Name of the company whose securities have been offered • Salient features of the security	Not Applicable

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b.	**Swap Ratio** (ratio indicating the number of securities of the offeree company vis-à-vis shares of TC)	Not Applicable

E. Details of market price of the shares of TC

1. Name of the Stock Exchange where the shares of TC have been most frequently traded during 12 calendar months period prior to PA, and the volume of trading relative to the total outstanding shares of the TC

   As on the date of the PA, the equity shares of the Company are currently listed on **The Calcutta Stock Exchange Limited (CSE)**. The company was also listed on the Ludhiana Stock Exchange Limited. However, SEBI vide its Order No. WTM/RKA/MRD/166/2014 dated December 30, 2014, had issued an exit order in respect of The Ludhiana Stock Exchange Limited.

   The Equity Shares of Target are not traded on the afore referred to Stock Exchanges within the meaning of explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations. The total trading turnover in the Equity Shares of the Target Company on the stock exchanges based on trading volume during the twelve calendar months prior to the month of Public Announcement (March 01, 2014 to February 28, 2015) is as under:

Name of the Stock Exchanges	Total No. of Equity Shares traded during the Twelve months prior to the month of PA	Total No. of Equity Shares listed	Total Trading Turnover (as % of total Equity Shares listed)
CSE	NIL	26,70,000	Not Available

2. Details of Market Price of the shares of Target Company on the Stock Exchanges:

Sl. No.	Particulars	Date	CSE	
			Opening Price (Rs. per share)	Closing Price (Rs. per share)
1.	1 trading day prior to the PA date	Friday, March 20, 2015	Not Available	Not Available
2.	On the date of PA	Monday, March 23, 2015	Not Available	Not Available
3.	On the date of commencement of the tendering period.	Tuesday, January 17, 2017	Not Available	Not Available
4.	On the date of expiry of the tendering period	Wednesday, February 01, 2017	Not Available	Not Available
5.	10 working days after the last date of the tendering period.	Wednesday, February 15, 2017	Not Available	Not Available
6.	Average market price during the tendering period (*viz. Average of the volume weighted market prices for all the*	Tuesday, January 17, 2017 to	Not Available	Not Available

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	days)	Wednesday, February 01, 2017		

3. The details of market prices of the TC, if traded, on the following dates specified by SEBI in para 9. of its Observation Letter no. CFD/DCR-1/24343/15 dated August 27, 2015 are as under:

Sl. No.	Particulars	Date	CSE	
			Opening Price (Rs. per share)	Closing Price (Rs. per share)
1.	As on the date of Public Announcement	Monday, March 23, 2015	Not Available	Not Available
2.	As on the date of Detailed Public Statement	Monday, March 30, 2015	Not Available	Not Available
3.	On Offer Opening Date	Tuesday, January 17, 2017	Not Available#	Not Available#
4.	On Offer Closing Date	Wednesday, February 01, 2017	Not Available#	Not Available#
5.	Average of the weekly high and low of the closing prices of the shares during the period from the date of PA till the closure of the offer	Monday, March 23, 2015 To Wednesday, February 01, 2017	Not Available#	Not Available#

F. Details of escrow arrangements

1. Details of creation of Escrow account, as under

	Date(s) of creation	Amount (Rs Lakhs)	Form of escrow account (Cash or Bank guarantee (BG) or Securities). (In case escrow consists of BG or securities, at least 1 % consideration is to be deposited in cash; the same may be indicated separately.)
Escrow account (initial cash deposit being more than 25% of maximum consideration payable under the Offer)	Monday, March 23, 2015	17.50	Cash

2. For such part of escrow account, which is in the form of cash, give following details :

i. Name of the Scheduled Commercial Bank where cash is deposited: **ICICI Bank Limited, Churchgate Branch, Mumbai.**

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ii. Indicate when, how and for what purpose the amount deposited in escrow account was released, as under:

Release of escrow account		
Purpose	**Date**	**Amount (Rs Lakhs)**
Transfer to Special Escrow Account, if any	04.02.2017	36.43
Amount released to Acquirer • Upon withdrawal of Offer • Any other purpose (to be clearly specified)* • Other entities on forfeiture	Not Applicable	Not Applicable

Apart from closure

3. For such part of Escrow which consists of Bank Guarantee (BG) / Deposit of Securities, the details are as under:

For Bank Guarantee

Name of Bank	Amount of Bank Guarantee	Date of creation/ revalidation of guarantee	Validity period of Bank Guarantee	Date of Release if applicable	Purpose of release
Not Applicable					

For Securities

Name of company whose security is deposited	Type of security	Value of securities as on date of creation of escrow account	Margin considered while depositing the securities	Date of Release if Applicable	Purpose of release
Not Applicable					

G. Details of response to the open offer

Shares proposed to be Acquired		Shares tendered.		Response level (no of times) (C) / (A)	Shares accepted.		Shares rejected	
No	% to total diluted share capital of TC	No	% to total diluted share capital of TC		No.	% w.r.t (C)	No = (C)-(F)	Reasons
A.	B.	C.	D.	E.	F.	G.	H.	I.
694200	26.00%	312500	11.70%	0.00	312500	11.70	Nil	NA#

 # Not Applicable

H. Payment of Consideration

Due date for paying consideration to shareholders whose shares have been accepted	Actual date of payment of consideration	Reasons for delay beyond the due date
Wednesday, February 15, 2017	Thursday, February 09, 2017	NIL

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- Details of special escrow account where it has been created for the purpose of payment to shareholders: **ICICI Bank, Church gate, Mumbai**
  A/c name: DML OPEN OFFER SPECIAL ACCOUNT
  A/c number: 001105025093
- Name of the Concerned Bank: **ICICI Bank**
- Details of the manner in which consideration (where consideration has been paid in cash), has been paid to shareholders whose shares have been accepted are as under:

Mode of paying the Consideration	No. of Shareholders	Amount of Consideration (Rs lakhs)
Physical mode	Nil	Not Applicable
Electronic mode (NEFT/ECS/ direct transfer, etc.)	06	36.43

I. Pre and post offer shareholding of the Acquirer in TC

Sl. No.	Shareholding of Acquirer	No of shares	% of total share capital of TC as on closure of tendering period
1.	Shareholding before PA	104400	3.91%
2.	Shares acquired by way of an agreement, if applicable	75600	2.83%
3.	Shares acquired after the PA but before 3 business days prior to commencement of tendering period. -Through market purchases -Through negotiated deals/ off market deals	Not Applicable	Not Applicable
4.	Shares acquired in the open offer	312500	11.70%
5.	Shares acquired during exempted 21-day period after offer (if applicable)	Not Applicable	Not Applicable
6.	Post - offer shareholding	492500	18.44%

J. Further details regarding the acquisitions mentioned at points 3, 4 & 5 of the above table are as under:

1	Name(s) of the entity who acquired the shares	Not Applicable
2	Whether disclosure about the above entity(s) was given in the LOF as either Acquirer or PAC.	Not Applicable
3	No of shares acquired per entity	Not Applicable
4	Purchase price per share	Not Applicable
5	Mode of acquisition	Not Applicable
6	Date of acquisition	Not Applicable
7	Name of the Seller in case identifiable	Not Applicable

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K. Pre and post offer Shareholding Pattern of the Target Company:

	Class of entities	Shareholding in a TC			
		Pre-Offer		Post Offer (actual)	
		No.	%*	No.	%*
1.	Acquirer	180000	6.74%	492500	18.44%
2.	Erstwhile Promoters (persons who cease to be promoters pursuant to the Offer)	75600	2.83%	Nil	Nil
3.	Continuing Promoters	Nil	Nil	Nil	Nil
4.	Sellers if not in 1 and 2	Nil	Nil	Nil	Nil
5.	Other Public Shareholders	2414400	90.43%	2101900	78.73%

L. Details of Public Shareholding in the Target Company:

Sl. No.	Particular	No of shares*	% of total share capital of TC *
1.	Indicate the minimum public shareholding the TC is required to maintain for continuous listing	667500	25%
2.	Indicate the actual public shareholding ~~and if it has fallen below the minimum public shareholding limit, delineate the further steps which will taken in accordance with the disclosures given in the LOF~~.	2101900	78.73%

M. Other relevant information, if any: Nil

Signature of Manager to the Offer

For **Sobhagya Capital Options Limited**

(RAVINDRA KUMAR SINGHVI)
Director

Date: February 17, 2017
Place: New Delhi