

CORPORATE MERCHANT BANKERS LIMITED

Registered Office: UG-24, Vishwadeep Tower, District Centre, Janak Puri, New Delhi-110058. Corporate Office: E-2-293B/E, Plot No.32, Navanimita Nagar, Jubilee Hills, Hyderabad - 500033, Telangana. Tel. No. +91 99609355

OPEN OFFER FOR ACQUISITION OF UP TO 5,58,000 (FIFTY EIGHT THOUSAND) FULLY PAID-UP EQUITY SHARES OF RS. 10 EACH ('OFFER SHARES') OF CORPORATE MERCHANT BANKERS LIMITED, A COMPANY INCORPORATED UNDER THE COMPANIES ACT, 1956 AND HAVING ITS REGISTERED OFFICE AT UG-24, VISHWADEEP TOWER, DISTRICT CENTRE, JANAK PURI, NEW DELHI-110058 AND CORPORATE OFFICE AT E-2-293B/E, PLOT NO.32, NAVANIMITA NAGAR, JUBILEE HILLS, HYDRABAD - 500033, TELANGANA. HEREINAFTER REFERRED TO AS 'CORPORATE MERCHANT BANKERS LIMITED' OR 'CMBL' REPRESENTING 26% OF FULLY PAID UP EQUITY SHARE CAPITAL (AS DEFINED BELOW) FROM THE ELIGIBLE SHAREHOLDERS (AS DEFINED BELOW) OF TARGET COMPANY BY M/S GKR INFRACON (INDIA) PRIVATE LIMITED ('ACQUIRER 1'), M/s. SRINIVAS LANKREDDY ('ACQUIRER 2'), M/s. GOPI KRISHNA LANKI REDDY ('ACQUIRER 3'), M/s. SANDESH REDDY VEDERA ('ACQUIRER 4'), M/s. SHRI RAM REDDY ('ACQUIRER 5'), M/s. KANANI REDDY ('ACQUIRER 6'), M/s. SURESH REDDY ('ACQUIRER 7'), M/s. SURESH REDDY ('ACQUIRER 8') AND M/s. SURESH REDDY ('ACQUIRER 9') COLLECTIVELY REFERRED TO AS 'THE ACQUIRERS' ('OFFER'/'OPEN OFFER').

This Detailed Public Statement ('DPS') is being issued by Turnaround Corporate Advisors Private Limited, the Manager to the Offer ('Manager'/'Manager'), on behalf of the Acquirers (in compliance with Regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ('SEBI (SAST) Regulations'), pursuant to the Public Announcement dated August 09, 2019 ('PA'). In relation to this Offer filed on August 09, 2019 with SEBI Limited ('SEBI'), Metropolitan Stock Exchange of India Limited ('MSEI'), the Securities and Exchange Board of India ('SEBI') and Target Company in terms of Regulations 3(1) and Regulation 4 read with other applicable provisions of the SEBI (SAST) Regulations.

For the purpose of this DPS, the following terms shall have the meanings assigned to them below: 'Equity Shares' or 'Shares' means the fully paid up Equity Shares of the Target Company of face value of Rs. 10/- (Rupees Ten Only) each.

- i. 'Fully Paid Up Equity Share Capital' means total voting equity capital of the Target Company on a fully diluted basis expected as of the tenth (10th) working day from the date of the opening of the Offer.
ii. 'Offer' or 'Open Offer' means the open offer for acquisition of up to 5,58,000 (Fifty Eight Thousand) Equity Shares, representing 26% of the Fully Paid Up Equity Share Capital of the Target Company.
iii. 'Eligible Shareholders' means Shareholders of the Target Company other than the parties to the SPA.
iv. 'SPA' has the meaning ascribed to such term in Part II (Background) of the Offer.
v. 'Tendering Period' means a period of 10 (Ten) working days commencing from the date of opening of offer on Thursday, October 10, 2019 (including the date of the Offer) till October 20, 2019.
i. ACQUIRERS, PAC, TARGET COMPANY AND OFFER
A) Information about the Acquirers
i. M/s GKR INFRACON (INDIA) PRIVATE LIMITED ('ACQUIRER 1')
ii. M/s. SRINIVAS LANKREDDY ('ACQUIRER 2')
iii. M/s. GOPI KRISHNA LANKI REDDY ('ACQUIRER 3')
iv. M/s. SANDESH REDDY VEDERA ('ACQUIRER 4')
v. M/s. SHRI RAM REDDY ('ACQUIRER 5')
vi. M/s. KANANI REDDY ('ACQUIRER 6')
vii. M/s. SURESH REDDY ('ACQUIRER 7')
viii. M/s. SURESH REDDY ('ACQUIRER 8')
ix. M/s. SURESH REDDY ('ACQUIRER 9')

Standalone financial statements for the years ended March 31, 2019, March 31, 2018, March 31, 2017 and March 31, 2016 are as under.

Table with 2 columns: Particulars and 12 Month Period Ended (31-Mar-19, 31-Mar-18, 31-Mar-17, 31-Mar-16). Rows include Total Revenue, Profit After Tax, Basic Earnings Per share (EPS) (In Rs.), Diluted Earnings Per share (DEPS) (In Rs.), and Net Worth/Shareholders' Fund.

* The unaudited financials for the year ended March 31, 2019 have been limited reviewed by M/s Dayanand Krishna & Associates, Chartered Accountants, Statutory Auditors of Acquirer 1.

Table with 2 columns: Particulars and 12 Month Period Ended (31-Mar-19, 31-Mar-18, 31-Mar-17, 31-Mar-16). Rows include Total Revenue, Profit After Tax, Basic Earnings Per share (EPS) (In Rs.), Diluted Earnings Per share (DEPS) (In Rs.), and Net Worth/Shareholders' Fund.

* The unaudited financials for the year ended March 31, 2019 have been limited reviewed by M/s Dayanand Krishna & Associates, Chartered Accountants, Statutory Auditors of Acquirer 1.

- i. Acquirer 2 is not holding any Equity Shares of the Target Company.
ii. Acquirer 3 is not holding any Equity Shares of the Target Company.
iii. Acquirer 4 is not holding any Equity Shares of the Target Company.
iv. Acquirer 5 is not holding any Equity Shares of the Target Company.
v. Acquirer 6 is not holding any Equity Shares of the Target Company.
vi. Acquirer 7 is not holding any Equity Shares of the Target Company.
vii. Acquirer 8 is not holding any Equity Shares of the Target Company.
viii. Acquirer 9 is not holding any Equity Shares of the Target Company.

As on the date of this DPS, the Acquirer 1 is not holding any Equity Shares of the Target Company. As on the date of this DPS, Acquirer 1, its directors and key employees do not have any interest in the Target Company, except for the transactions contemplated by the Acquirers in the SPA which has triggered the Offer.

The financial information of Acquirer 1 based on the unaudited financial statements for the year ended March 31, 2019 and the audited financial statements for the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 are as under.

Table with 2 columns: Particulars and 12 Month Period Ended (31-Mar-19, 31-Mar-18, 31-Mar-17, 31-Mar-16). Rows include Total Revenue, Profit After Tax, Basic Earnings Per share (EPS) (In Rs.), Diluted Earnings Per share (DEPS) (In Rs.), and Net Worth/Shareholders' Fund.

* The unaudited financials for the year ended March 31, 2019 have been limited reviewed by M/s Dayanand Krishna & Associates, Chartered Accountants, Statutory Auditors of Acquirer 1.

As on the date of this DPS, Acquirer 2 does not have any interest in the Target Company except for the transactions contemplated by the Acquirers in the SPA that has triggered this Offer.

As on the date of this DPS, Acquirer 3 does not have any interest in the Target Company except for the transactions contemplated by the Acquirers in the SPA that has triggered this Offer.

As on the date of this DPS, Acquirer 4 does not have any interest in the Target Company except for the transactions contemplated by the Acquirers in the SPA that has triggered this Offer.

As on the date of this DPS, Acquirer 5 is not holding any Equity Shares in the Target Company. As on the date of this DPS, Acquirer 6, does not have any interest in the Target Company, except for the transactions contemplated by the Acquirers in the SPA that has triggered this Offer.

As on the date of this DPS, Acquirer 7 is not holding any Equity Shares in the Target Company. As on the date of this DPS, Acquirer 8 is not holding any Equity Shares in the Target Company. As on the date of this DPS, Acquirer 9 is not holding any Equity Shares in the Target Company.

The details of Shareholding/Voting Rights (VR) of Shareholders in the Target Company are as under:

Table with 3 columns: Name of the Seller, Number of Equity Shares, and %. Rows include M/s Cosmos Industries Limited.

The Seller has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992, as amended ('SEBI Act') or under any other regulations made under the SEBI Act.

The Target Company was originally incorporated as 'Corporate Merchant Bankers Private Limited', under the provisions of the Companies Act, 1956 vide certificate of incorporation issued on August 26, 1994, by the Registrar of Companies, NCT of Delhi and Haryana.

The Target Company is currently engaged in the business of financial consultancy.

The Target Company is registered as a Non-Deposit, Non-Banking Financial Company (NBFC-ND) with Reserve Bank of India vide certificate of registration issued on February 24, 2018. The RBI Registration Number of the Target Company is 14.00.000.

As on the date of this DPS, the Authorized Share Capital of the Target Company is Rs. 7,00,00,000/- (Rupees Seven Crore Only), comprising of 70,00,000 (Seventy Lakh) equity shares of Rs. 10/- (Rupees Ten Only) each. (Issued, Subscribed and paid-up equity share capital is Rs. 3,30,00,000/- (Rupees Three Crore Thirty Lakh Only), comprising of 33,00,000 (Thirty Three Lakh) equity shares of Rs. 10/- (Rupees Ten Only) each, fully paid up).

The entire present paid up Equity Share Capital of the Target Company is currently held on BSE and MSEI.

Based on the information available, Equity Shares of the Target Company are not freely traded on BSE and MSEI with the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

The financial information of the Target Company as per the unaudited financial statements for the three months period ended June 30, 2019 (subjected to limited review by the Statutory Auditors of the Target Company) and audited financial statements for the last five financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 are as follows:

Table with 2 columns: Particulars and Three months period ended (June 30, 2019, March 31, 2019, March 31, 2018, March 31, 2017). Rows include Total Revenue, Net Income (PAT), Basic Earnings Per share (EPS) (In Rs.), Diluted Earnings Per share (DEPS) (In Rs.), and Net Worth/Shareholders' Fund.

STANDALONE FINANCIAL FIGURES FOR PERIOD ENDED JUNE 30, 2019 AND THE YEARS ENDED MARCH 31, 2019, MARCH 31, 2018 AND MARCH 31, 2017

(Figures in Rupees Lakh except Specifically Stated)

Table with 2 columns: Particulars and Three months period ended (June 30, 2019, March 31, 2019, March 31, 2018, March 31, 2017). Rows include Total Revenue, Net Income (PAT), Basic Earnings Per share (EPS) (In Rs.), Diluted Earnings Per share (DEPS) (In Rs.), and Net Worth/Shareholders' Fund.

(Figures in Rupees Lakh except Specifically Stated)

The Offer is being made by the Acquirers to the Eligible Shareholders of the Target Company to acquire up to 5,58,000 (Fifty Eight Thousand) Equity Shares of the Target Company representing 26% of the Fully Paid Up Equity Share Capital.

The Offer is being made at a price of Rs. 10/- (Rupees Ten Only) ('Offer Price') per Equity Share, subject to the terms and conditions set out in the PA, this DPS and the Letter of Offer ('LOF'), that will be sent to the Eligible Shareholders of the Target Company.

The payment to be made to all the Eligible Shareholders who validly tender their equity shares and whose Equity Shares are accepted under this Offer, shall be in cash only.

The Offer is subject to the receipt of statutory and other approvals as mentioned in Section 11 of this DPS.

This Offer is not conditional upon any minimum level of acceptance by the Eligible Shareholders of the Target Company. The Acquirers will acquire all the Equity Shares of the Target Company that are not validly tendered as per terms of the Offer up to a maximum of 5,58,000 (Fifty Eight Thousand) Equity Shares representing 26% of the Fully Paid Up Equity Share Capital of the Target Company.

This is not a competing offer. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares of the Target Company.

The Acquirers will acquire only such Equity Shares that are fully paid up, free from all liens, charges and encumbrances and the Equity Shares shall be acquired together with all the rights and interests attached thereto, including but not limited to, dividends, bonus, etc.

As detailed in Part II (Background) of the Offer, this Open Offer has been triggered upon the execution of the SPA dated August 09, 2019, between the Acquirers and one of the existing Promoters of the Target Company. There are no conditions precedent to the SPA, the meeting of which would be outside the reasonable control of the Acquirers and in view of which the offer might be withdrawn under Regulation 23 of the SEBI (SAST) Regulations.

The Manager to the Offer does not hold any Equity Shares in the Target Company as at the date of this DPS. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

The Acquirers have undertaken that in the event of the acquisition of the Offer, as contemplated in the SPA dated August 09, 2019, the Acquirers will pay the difference of such higher price and the Offer Price, along with the interest, to all the Shareholders who have tendered their shares in the Offer.

As on the date of this DPS, the Acquirers do not currently have any intention to alienate any significant assets of the Target Company by way of sale, lease, encumbrance or otherwise for a period of two years subsequent to the completion of the business of the Target Company. The Target Company's future policy for disposal of its assets, if any, or any factors from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the Shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25(c) of the SEBI (SAST) Regulations.

Upon completion of the Offer, assuming full acceptance, the Acquirers will hold 28,37,580 (Twenty Eight Lakh Thirty Seven Thousand Five Hundred Eighty Eight) Equity Shares of the Target Company, representing a total of 65.99% of the Fully Paid Up Equity Share Capital. In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('LODR Regulations') read with Rule 19A of Securities and Exchange Board of India (Issue of Securities and Allotment) Regulations, 2009, as amended ('ISAR Regulations'), the Acquirers intend to bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the SCRR, SEBI (SAST) Regulations and as per applicable SEBI guidelines.

On August 09, 2019, the Acquirers have entered into a Share Purchase Agreement ('SPA') with M/s Cosmos Industries Limited ('Promoter'/'Outgoing Promoter'/'Seller'), one of the existing Promoters of Target Company, for acquisition of 19,79,580 (Nineteen Lakh Seventy Nine Thousand Five Hundred Eighty Eight) Equity Shares representing 59.99% of the Fully Paid Up Equity Share Capital of the Target Company along with control over the Target Company.

The seller/transferor of the SPA are as under:
a) The Acquirers have entered into SPA on August 09, 2019 with the Seller for the acquisition of 19,79,580 (Nineteen Lakh Seventy Nine Thousand Five Hundred Eighty Eight) Equity Shares representing 59.99% of the Fully Paid Up Equity Share Capital of the Target Company. The purchase consideration of the sales shares has been agreed as per the SPA dated August 09, 2019.

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The acquisition of the sales shares by the Acquirers will result in change of control of the Target Company. The Target Company being a listed entity, the Acquirers shall be responsible for complying with the requirements of the SEBI (SAST) Regulations for completing the acquisition of shares proposed to be acquired through the SPA.

Further details of SPA, Eligible Shareholders of the Target Company may refer to the SPA, which would be available to them for inspection at the office of the Manager to the Offer.

Pursuant to acquisition of the Equity Shares in terms of the SPA, the collective holding of the Acquirers in the Target Company, would exceed the threshold limit prescribed under Regulation 3(1) of the SEBI (SAST) Regulations, accordingly, this Offer is being made under Regulation 3(1) of the SEBI (SAST) Regulations. Further, the Acquirers will also acquire control over the Target Company post successful completion of the Open Offer, hence the Offer is also being made under Regulation 4 of the SEBI (SAST) Regulations.

The payment to be made to all the Eligible Shareholders who validly tender their equity shares and whose Equity Shares are accepted under this Offer, shall be in cash only.

The main object of this acquisition is to acquire complete management control of the Target Company. The Acquirers may continue the existing line of business of the Target Company or may diversify its business activities in future with the prior approval of shareholders. However, depending on the requirements and expediency of the business situation and subject to the provisions of the Companies Act, 2013, Memorandum and Articles of Association of the Target Company and all applicable laws, rules and regulations, the Board of Directors of the Target Company will take appropriate business decisions from time to time in order to improve the performance of the Target Company. The Acquirers cannot ascertain the repercussions, if any, on the employees and locations of the business place of Target Company.

III. SHAREHOLDING AND ACQUISITION DETAILS:

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

Table with 12 columns: Details, Acquirer 1, Acquirer 2, Acquirer 3, Acquirer 4, Acquirer 5, Total. Rows include Shareholding as on the PA date, Shares acquired through SPA, Shares to be acquired through Offer, Post Offer shareholding, and Total.

* As a percentage of Fully Paid Up Equity Share Capital of the Target Company.

In terms of Memorandum of Understanding dated August 09, 2019, entered by and between the Acquirers, whereby the Acquirers have agreed upon the number of sales shares to be acquired by each Acquirer pursuant to the SPA and also the Offer Shares to be acquired pursuant to this Open Offer.

Assuming full acceptance of the Offer shares under the Open Offer, Pursuant to completion of this Offer, assuming full acceptance, in the event the Public Shareholding in the Target Company falls below the minimum public shareholding requirement as per SCRR and LODR Regulations, the Acquirers undertake to bring down the non-public shareholding in the Target Company to the level specified within the time prescribed in the SCRR, SEBI (SAST) Regulations and as per applicable SEBI guidelines.

Note: As on the date of this DPS, neither the Acquirers, nor any of the Directors of Acquirer 1, hold any Equity Shares of the Target Company.

IV. OFFER PRICE:

The Equity Shares of the Target Company are listed on BSE and MSEI. The total trading turnover in the Equity Shares of the Target Company on BSE and MSEI based on trading volume during the twelve calendar months prior to the month of Public Announcement (i.e. from August 2018 to July 2019) is as under:

Table with 4 columns: Name of the Stock Exchange, Total No. of Equity Shares traded during the twelve calendar months prior to the month of PA, Total No. of Equity Shares listed, and Total Trading Turnover (% of Total Shares Listed).

Based on the above information, Equity Shares of the Target Company are not freely traded on BSE and MSEI with the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations. Accordingly the Offer Price has been determined taking into account the parameters as set out under Regulation 8(2) of the SEBI (SAST) Regulations, as under:

- 1. Negotiated Price under the Share Purchase Agreement ('SPA') - Rs. 10.00/-
2. The volume-weighted average price paid or payable for acquisition by the Acquirer - Not Applicable
3. Highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA - Not Applicable
4. The Volume-Weighted Average Market Price of shares for a period of sixty trading days immediately preceding the date of the PA as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period - Not Applicable
5. Fair Value of Equity Share of Target Company, as certified by CA Sreerama Murthy V (Membership No. 227993), Chartered Accountant, vide certificate dated August 09, 2019* - Rs. 9.88
6. Other financial parameters - For the year ended March 2019 (Based on standalone Audited financials) **

a. Return on Net Worth (%) - 0.04%
b. Book value per Share (Rs.) - 9.88
c. Earnings per Share - 0.00

* Assuming that the Sales Shares to be acquired pursuant to the SPA are acquired at the highest purchase consideration (being Rs. 10 per Equity Share), as detailed under clause (i) of salient features of the SPA, detailed under Part II (Background) of the Offer.
** Source - Standalone Audited Financials for FY 2018-19.

** Relevant extract of the certificate dated August 08, 2019 issued by CA Sreerama Murthy V (Membership No. 227993), Chartered Accountant, having office at D. No. 7-47-84, Near TTD Kalyanmandapam, Opp. Vinayaka Temple, Indira Nagar, Tadepalligudem, Andhra Pradesh 534101, Ph: +91 991294896. Email: tsr.murthy.v@rediffmail.com, certifying the Fair Value of Equity Shares of the Target Company is provided as under:

In the case of Hindustan Lever Employees' Union vs Hindustan Lever Limited (1995), the honorable Supreme Court of India upheld the use of the following three bases of valuation:

- (i) the net asset value method;
(ii) the yield method; and
(iii) the market value method.

In case of Corporate Merchant Bankers Limited:
(a) The net asset value method (NAV) The Net Asset Value based on Standalone Audited Financial Statements of the Target Company for the year ended March 31, 2019 is Rs. 9.88/ (Rupees Nine and Paise Eighty Six Only) per Equity Share.
(b) The yield method (Price Earning Capacity Value/PEV): For calculating the Value based on Profit Earning Capacity, average profit after tax based on Standalone Audited Financial Statements of the Target Company for the financial years ended March 31, 2019, March 31, 2018 and March 31, 2017 have been considered. The average profit after tax based on last three years' audited standalone financial statements is Rs. 0.43 Lakh. Based on that, weighted average EPS of the Company comes to Rs. 0.01 per Equity Share. The Profit Earning Capacity Value (PECV) of the company comes to Rs. 0.07 per Equity Share. The Acquirers have considered a capitalization rate of 20.00%. Since the Target Company has been considered as trading company and has used a capitalization rate of 20.00%.

(c) The market value method: The Target Company is currently listed on BSE Limited ('BSE') and Metropolitan Stock Exchange of India Limited ('MSEI'). The Equity Shares of the Target Company were not traded since its listing on MSEI. Further, there is sporadic trading in the Equity Shares of the Target Company on BSE Limited. In absence of any market quotations of the Equity Shares of the Target Company on MSEI and owing to the sporadic trading in the Equity Shares of the Target Company on BSE, determination of market value of the Equity Shares of the Target Company by market price method is not viable. Therefore the Market Price Method has not been considered for valuation in the present case.

(d) The market value method: In terms of the Honourable Supreme Court's decision in the Hindustan Lever Employees' Union vs Hindustan Lever Limited (1995) reported at (83 Companies Cases 30), the Hon'ble Supreme Court has opined that under certain circumstances the fair value of a Company could be assessed based on weights, we have assigned the following weights for the purpose of computing the Fair Market Value:

Table with 4 columns: Particulars (A), Price per Equity Share (In Rs.), Weight (B), Product (In Rs.) (B * C). Rows include NAV Method, PE Multiple, Market Value Method, and Fair Value of Equity Share.

Conclusion: We are of the opinion that based on the information as referred to hereinabove, the Value of Equity Shares of Corporate Merchant Bankers Limited in terms of the Honourable Supreme Court's decision in the Hindustan Lever Employees' Union vs Hindustan Lever Limited (1995) reported at (83 Companies Cases 30), is Rs. 9.88/ (Rupees Nine and Paise Eighty Six Only) per Equity Share. Unquote.

In view of the parameters considered and presented in the table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 10/- (Rupees Ten Only) per Equity Share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.

The relevant price parameters have not been adjusted for any corporate actions. As on the date, there is no revision in Offer Price or Offer Shares. In case of any revision in the Offer Price or Offer Shares, the Acquirers shall comply with Regulation 17(2) and Regulation 18 of SEBI (SAST) Regulations and all the provisions of the SEBI (SAST) Regulations, which are required to be fulfilled for the sales of shares in the Offer Price or Offer Shares.

If there is any revision in the Offer Price on account of undue purchases/completions, it will be done only at any time prior to the commencement of the last one working day before the date of commencement of the tendering period and will be notified to Eligible Shareholders of the Target Company by way of announcement in all the newspapers in which this Detailed Public Statement is published in the Public Announcement.

FINANCIAL ARRANGEMENTS: The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of up to 5,58,000 (Fifty Eight Thousand) Equity Shares at a price of Rs. 10/- (Rupees Ten Only) per Equity Share is Rs. 55,80,000/- (Rupees Fifty Five Lakh Eighty Thousand Only). 'Maximum Consideration'.

The Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full or their own resources.

CA Sreerama Murthy V (Membership No. 227993), Chartered Accountant, having office at D. No. 7-47-84, Near TTD Kalyanmandapam, Opp. Vinayaka Temple, Indira Nagar, Tadepalligudem, Andhra Pradesh 534101, Ph: +91 991294896. Email: tsr.murthy.v@rediffmail.com, has certified, vide certificate dated August 08, 2019, that sufficient resources are available with the Acquirers for fulfilling their obligations under this Offer in full.

In accordance with Regulation 17 of the SEBI (SAST) Regulations, Acquirers and the Manager to the Offer have entered into an escrow agreement dated August 09, 2019 with Kotak Mahindra Bank Limited, having its registered office at 27, BKC, C-27 G Block, Bandra Kurla Complex, Bandra (E), Mumbai, Maharashtra-400033 and through its branch situated at Ground Floor & 8th Basement, B - 118 8 B - 119, Sector - 51, Moha, Ujar Pradesh ("Escrow Bank") in terms of which the Acquirers have opened an Escrow Account in the name and style of "CMBL OPEN OFFER ESCROW ACCOUNT" bearing number 6413084972 ("Escrow Account") with the Escrow Bank. Pursuant to the Escrow Agreement, the Acquirers have deposited cash of an amount of Rs. 1,00,000/- (Rupees One Lakh Only) being more than 1% of the Maximum Consideration ("Cash Escrow") in an escrow account opened with the Escrow Bank. The Cash Escrow amount may be converted into the Fixed Deposit. Further, Andhra Bank through its branch at C-5, Block-II, Plot No. 556, Adityanagar, Express Highway, Kondapur, Hyderabad, Telangana, on behalf of the Acquirers, has furnished an unconditional, irrevocable and on demand bank guarantee, pursuant to bank guarantee letter dated August 16, 2019 aggregating to an amount of Rs. 21,50,00,00/- (Rupees Twenty One Lakh and Fifty Thousand Only) in favour of the Manager to the Offer ("Bank Guarantee"). The amount of Bank Guarantee is in compliance with the requirements of Regulation 17 of the SEBI (SAST) Regulations, i.e. being more than 25% of the maximum consideration payable under the Offer. The Bank Guarantee is valid upto February 15, 2021. The Acquirers have undertaken that in case the Offer process is not completed within the validity of Bank Guarantee, then the Bank Guarantee will be further extended to such period, so as to ensure that it is valid till at least upto the 30th day from the date of completion of the payment of consideration under the Offer.

The Manager to the Offer is authorized to operate the above mentioned Escrow Account and has been duly empowered to realize the value of the Escrow Account and the Bank Guarantee in terms of the SEBI (SAST) Regulations.

Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations. Further, the Manager to the Offer confirms that firm arrangement for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

VI. STATUTORY AND OTHER APPROVALS

As on the date of this DPS, to the best of knowledge of the Acquirers, no statutory and other approvals are required in relation to the Offer except the following:

- a. **Approval from Reserve Bank of India:** Approval of the Reserve Bank of India under Non Banking Financial Companies Approval of Acquisition or Transfer of Control Directions 2015 issued in terms of Notification No. DMBR/PD/CXC No.066/03.10.001/2015 dated July 09 2015 is required for completing the Offer. The Target Company is in the process of filing of requisite application with the RBI.
- ii. Except as mentioned above, there are no other statutory approvals and/or consent required in relation to the Offer. However, if any statutory approvals are required to become applicable prior to completion of this Offer, this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.
- iii. If the holders of the Equity Shares who are not persons resident in India, including NRIs, OCs and FIs, required any approvals, including from the RBI, the FRP or any other regulatory body, in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer.
- iv. Subject to the receipt of statutory and other approvals, if any, the Acquirers shall complete all requirements relating to this Offer including payment to the Eligible Shareholders who have accepted the Open Offer within 10 working days from the date of Closure of the Tendering Period.
- v. In case of delay /non receipt of any approval /SEBI may if satisfied that non receipt of the requisite approvals are not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant extension of time for the purpose of making the payments, subject to the Acquirers agreeing to pay interest to the Eligible Shareholders as directed by SEBI in terms of Regulation 18 (1) of the SEBI (SAST) Regulations. However, where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirers have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.

There are no conditions stipulated in the SPA, the meeting of which would be outside the reasonable control of the Acquirers and in view of which the offer might be withdrawn under Regulation 23 of the SEBI (SAST) Regulations.

In the event of non receipt of any of such Statutory Approvals which may become applicable at a later date for the acquisition of the Equity Shares under this Offer, the Acquirers shall have the right to withdraw the Offer in accordance with the provisions of Regulation 23 (1) of the Regulations. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which the DPS is published and such announcement will also be sent to SEBI, BSE, NSE and the Target Company at its Registered Office.

VII. TENTATIVE SCHEDULE OF ACTIVITY

Nature of Activity	Day and Date
Date of the Public Announcement	Friday, August 09, 2019
Date of publication of the Detailed Public Statement	Tuesday, August 20, 2019
Last date of filing of Draft Letter of Offer with SEBI	Tuesday, August 27, 2019
Last date for a Competing Offer	Thursday, September 12, 2019
Identified Date	Tuesday, September 24, 2019
Last Date by which Letter of Offer will be dispatched to the Shareholders	Tuesday, October 01, 2019
Last date by which an independent committee of the Board of Target Company shall give its recommendation	Friday, October 04, 2019
Last Date for upward revision of the Offer Price/Offer Size	Monday, October 07, 2019
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspaper	Monday, October 07, 2019
Date of commencement of tendering period (Offer Opening Date)	Thursday, October 10, 2019
Date of expiry of tendering period (Offer Closing Date)	Wednesday, October 23, 2019
Date by which all requirements including payment of consideration would be completed	Thursday, November 07, 2019

Identified Date is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirers and the Seller) are eligible to participate in the Offer any time before the closure of the Offer.

VIII. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER

- i. All the Eligible Shareholders holding the Equity Shares in dematerialized form are eligible to participate in this Open Offer at any time during the Tendering Period. Please refer to Paragraph x below for details in relation to tendering of Other Shares held in physical form.
- ii. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer.
- iii. LOF will be dispatched to all the Eligible Shareholders of the Target Company, whose names appear in its Register of Members on Tuesday, September 24, 2019 (Identified Date).
- iv. The Open Offer will be implemented by the Acquirers through Stock Exchange Mechanism as provided under the SEBI (SAST) Regulations and Circular No. CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI Circular (CFD/CX/2019/2016/13) dated December 9, 2016.
- v. The Acquirers shall request BSE Limited to provide a separate acquisition window ("Acquisition Window") to facilitate picking of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Open Offer.
- vi. BSE will be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
- vii. The Acquirers have appointed KK Securities Limited ("Buying Broker") as its broker for the Open Offer through whom the purchase and statement of the Offer Shares tendered in the Open Offer will be made during the Tendering Period. The contact details of the Buying Broker are as mentioned below.

Name: KK Securities Limited
Address: 76-77, Scindia House, Janpath, New Delhi - 110001
Contact Person: Mr. Sanjay Bansal
Telephone No.: 011-46890000
Email id: kks@kkscurities.com

The Eligible Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers ("Selling Broker"), during the normal trading hours of the secondary market during the Tendering Period. Separate Acquisition window will be provided by BSE to facilitate placing of sell orders.

Procedure to be followed by the Eligible Shareholders holding equity shares in physical form:
 As per the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Press Release (PR) no. 51/2016 dated December 03, 2016 and Press Release (PR) no. 12/2019 dated March 27, 2019, requests for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f April 1, 2019.

Accordingly, the Eligible Shareholders who are holding equity shares in physical form and are desirous of tendering their equity shares in the Offer can do so only after the equity shares are dematerialized. Such Eligible Shareholders are advised to approach any depository participant to have their equity shares dematerialized.
IT MUST BE NOTED THAT THE DETAILED PROCEDURE FOR TENDERING THE SHARES IN THE OFFER WILL BE MENTIONED IN THE LETTER OF OFFER.

X. GENERAL

- i. For the purpose of disclosures in this DPS relating to the Target Company, the Acquirers and Manager to the Offer have relied on: (i) publicly available information; and (ii) information provided/confirmed by the Target Company, and have not independently verified the accuracy of the details of the Target Company.
- ii. In this DPS, any discrepancy in any table between the total and sums of the amount listed is due to rounding off and/or regrouping.
- iii. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirers have appointed Turnaround Corporate Advisors Private Limited having its Corporate & Registered office at 714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi - 110058, Tel.No.: +91 11 45510390 as the Manager to the Offer.
- iv. The Acquirers have appointed Skiffine Financial Services Private Limited, having office at D-153A, 1st Floor, Okhla Industrial Area, Phase-4, New Delhi - 110020, Contact Person: Mr. Virender Rana, Tel. No.: +91-11-40450193-7, E-mail: viren@skiffine.com, as the Registrar to the Offer.
- v. The Acquirers accept full responsibility for the information contained in this Detailed Public Statement and Public Announcement (except that which pertains to the Target Company and has been compiled from publicly available sources) and also for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations.
- vi. This Detailed Public Statement will also be available on SEBI's website (www.sebi.gov.in) and the website of the Manager to the Offer (www.tcaagroup.in).

Issued by the Manager to the Offer on behalf of the Acquirers:

TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED
 714, Vishwadeep Building, Plot No. 4, District Centre, Janakpuri, New Delhi - 110058
 Tel: +91-11-45510390
 E-mail: info@tcaagroup.in
 Website: www.tcaagroup.in
Contact Person: Mr. Hemant Mulkerja
SEBI Registration No.: MB/MNM000012290

For and on behalf of the Acquirers:

 (SRINIVAS LAKIREDDY)

Date: August 19, 2019
 Place: Hyderabad

