# CHAMPION FINSEC LIMITED

**Registered Office: 302 Camy House, 3 Dhuswadi, Dr. Cawusji Hormusji Street, Mumbai - 400 002,**
**Tel: +91-9925247265; e-mail: monotona2007@gmail.com**

Recommendation of Committee of Independent Directors ("IDC") pursuant to Regulation 26(7) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**SEBI SAST Regulations**") on the Open Offer made by **Mr. Dhirajlal G. Hirpara** and **Mr. Jitendra G. Hirpara** ("**Acquirers**") to equity Shareholders of Champion Finsec Limited ("**TC**"/"**Target Company**") for acquisition of up to 33,83,432 equity shares representing 26% of the fully diluted voting Equity Share Capital of the Target Company.

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|---|---|---|---|
| 1. | Date | July 30, 2013 | |
| 2. | Name of Target Company (TC) | Champion Finsec Limited | |
| 3. | Details of the Offer pertaining to TC | Open Offer is being made by **Mr. Dhirajlal G. Hirpara** and **Mr. Jitendra G. Hirpara** to equity shareholders of the TC for acquiring up to 33,83,432 equity shares of face value of ₹ 10 of the TC at a price of ₹ 20 per equity share payable in cash in terms of Regulation 3(1) and 4 of the SEBI SAST Regulations. | |
| 4. | Name of the Acquirer and PAC with the acquirer | Acquirers are **Mr. Dhirajlal G. Hirpara** and **Mr. Jitendra G. Hirpara.** There are no persons acting in concert (PAC) with the Acquirers | |
| 5. | Name of the Manager to the Open Offer | Arihant Capital Markets Limited<br>SEBI Regn No.: INM000011070 | |
| 6. | Members of the Independent Directors Committee (IDC) | Mr. Hasmukhbhai P. Thumar<br>Mr. Sachin Champaklal Valani | Chairman<br>Member |
| 7. | IDC member's relationship with the TC (Director, Equity shares owned, any other contact/relationship), if any | Mr. Hasmukhbhai P. Thumar and Mr. Sachin C. Valani are Directors of the TC. | |
| 8. | Trading in the Equity shares/other securities of the TC by IDC members | The IDC Members have not done any trading in equity shares of the TC. | |
| 9. | IDC Member's relationship with the Acquirer (Director, Equity shares owned, any other contract/relationship), if any | None of the IDC Member is related to the Acquirers and they do not have any contract or relationship with the Acquirers. | |
| 10. | Trading in the Equity shares/other securities of the Acquirer by IDC members | Acquirers are individuals hence not applicable. | |
| 11. | Recommendation to the Open Offer, as to whether the Offer is fair and reasonable | IDC is of considered view that the Open Offer price is fair and reasonable and in line with SEBI SAST Regulations | |
| 12. | Summary of reasons for recommendation | A. The fair value per Equity Share of the TC as certified by M/s Bakul V. Ganatra & Co., Chartered Accountants is ₹ 13.27. The Offer Price of ₹ 20/- per Equity Share of the TC, is higher than the above referred fair value by over 50%.<br>B. There is limited liquidity in the Equity Shares of TC, as these are infrequently traded Equity Shares on the BSE Limited where the TC is listed. The Open Offer thus provides an exit opportunity for the investors interested in availing the exit option.<br>C. The offer price also appears to be reasonable considering the current size of business operations of TC and its earnings. | |
| 13. | Details of Independent Advisors, if any | NIL | |
| 14. | Any other matter to highlighted | NIL | |

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the TC under the Takeover Code.

**For Champion Finsec Limited**

**Place : Mumbai**
**Date : July 30, 2013**

**Hasmukhbhai P. Thumar**
**Chairman - IDC**

**Sachin C. Valani**
**Member - IDC**

PRESSMAN

Size: 12 (w) X 18 (h)