

# MILGREY FINANCE & INVESTMENTS LIMITED

CIN: L67120MH1983PLC030316

Registered Off.: Ramnord Building, 2nd Floor, Plot No. 2, Prabhat Nagar, Patel Estate Road,  
Jogeshwari (W) Mumbai - 400102, Email-Id: milgrayfinance@gmail.com, Website: www.milgrey.in,  
Tel. No.: 022-26783323, Fax No.: 022-26786185

Recommendation of the Committee of Independent Directors ("IDC") on the Open Offer to the equity shareholders of Milgrey Finance & Investments Limited (hereinafter referred to as "Target Company" or "MFIL") by Mr. Mahendra Kumar Bachhawat (hereinafter referred to as "Acquirer") along with Mr. Abhay Gupta and Mrs. Rashmi Shah (hereinafter collectively referred to as "PACs") under Regulation 26(7) of Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.

1) Date	June 27, 2018
2) Name of the Target Company	Milgrey Finance & Investments Limited
3) Details of the Offer pertaining to the Target Company	Open Offer for acquisition up to 5,17,400 equity shares of Rs. 10.00/- each at an Offer Price of Rs. 10.00/- (Rupees Ten Only) fully paid up equity shares from equity shareholders of Milgrey Finance & Investments Limited (hereinafter referred to as "Target Company" or "MFIL") by Mr. Mahendra Kumar Bachhawat (hereinafter referred to as "Acquirer") along with Mr. Abhay Gupta and Mrs. Rashmi Shah (hereinafter collectively referred to as "PACs") pursuant to and in accordance with regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("Regulations").
4) Name of the Acquirer and PAC with the Acquirer	Acquirer- Mr. Mahendra Kumar Bachhawat Person(s) Acting in Concerts with the Acquirer- Mr. Abhay Gupta and Mrs. Rashmi Shah
5) Name of the Manager to the Offer	Intensive Fiscal Services Private Limited (CIN: U65920MH1997PTC107272) 914, 9th Floor, Raheja Chambers, Nariman Point, Mumbai- 400021 Tel. Nos.: - 022-22870443/44/45 Fax No.: - 022-22870446 E-mail : anand@intensivefiscal.com Contact Person:- Mr. Anand Rawal/Ms. Meenal Poddar SEBI Registration No.: INM000011112
6) Members of the Committee of Independent Directors ("IDC")	Ms. Minakshi Singh- Chairman Mr. Nirdesh Bharat Shah- Member
7) IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract/relationship), if any	IDC members are Non-Executive Independent Directors of the Target Company. They do not hold any equity shares in the Target Company. None of the IDC members have any contract/ relationship with the MFIL.
8) Trading in the Equity shares/other securities of the Target Company by IDC Members	None of members of the IDC have done trading in the equity shares/other securities of the Target Company since their appointment.
9) IDC Members relationship with the Acquirer (Director, Equity shares owned, any other contract/relationship), if any.	None of the IDC members have any relationship with the Acquirer and PACs.
10) Trading in the Equity shares/other securities of the Acquirer by IDC Members	Not Applicable.
11) Recommendation on the Open offer, as to whether the offer, is or is not, fair and reasonable	IDC members believe that the Open Offer is fair and reasonable.
12) Summary of reasons for recommendation	IDC recommends acceptance of the Open offer made by the Acquirer along with PACs as the Offer price of Rs. 10.00/- (Rupees Ten Only) per fully paid up equity share is fair and reasonable based on the following reasons: <ol style="list-style-type: none"><li>The offer price of Rs. 10.00/- per fully paid up equity share offered by the Acquirer along with PACs is equal to the price at which equity shares are allotted under Preferential Issue to Acquirer, PACs and other Public Shareholders.</li><li>Valuation report on the fair value of equity shares of the Target Company vide dated April 11, 2018 issued by CA Jayesh Kala (Membership No. 101686), partner of M/s. J Kala &amp; Associates., Chartered Accountants has applied the valuation methodology prescribed by the Honorable Supreme Court of India in the case of Hindustan Lever Employees Union vs. Hindustan Lever Limited, 1995 (83 Com. Case 30). Considering aforesaid valuation methodology, the Value of shares is as follows: <ol style="list-style-type: none"><li>As per Net Assets Method (NAV) is Rs. 0.00/-per equity share,</li><li>As per Price Earning Capitalization Method is Rs. 0.00/- per equity share and</li><li>As per Market Value Method is Rs. 4.29/- per equity share.</li></ol>Thus, the fair value of equity shares is Rs. 4.29/-. Therefore, the Offer Price of Rs. 10.00/- (Rupee Ten Only) per share is justified.</li><li>The equity shares of the Target Company are infrequently traded shares within the meaning of explanation provided in Regulation 2(i) of SEBI (SAST) Regulations, 2011.</li><li>Looking to the past trend, it is being observed that trading by general public is limited which restrains exit to investor to the Market. This Open offer will provide an exit opportunity to the existing investors/ shareholders. Keeping in view above facts, IDC is of opinion that Open Offer price is fair and reasonable.</li></ol>
13) Details of Independent Advisors, if any.	Nil
14) Any other matter to be 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 Target Company under the Takeover Code."

**For and on behalf of the Committee of Independent Directors of  
Milgrey Finance & Investments Limited**  
Sd/-  
**Minakshi Singh**  
(Chairman-Committee of Independent Directors)

Place: Mumbai  
Date: June 26, 2018

Sunjeet Comm.