SHREENATH INDUSTRIAL INVESTMENT COMPANY LIMITED

Reg Office: 4, Chintan, Bhomeshwar Society, 1, Bajrangwadi, Jamnagar Road, Rajkot, Gujarat-360002 and
Corporate office at Office No. 401, 4th Floor, 597, Rajshila Co-op. Society Ltd, Chira Bazar, J S S Road,
Marine Lines East, Mumbai – 400002, Telfax No: 022-22071707.
Email: shreenathiic@gmail.com and **website:** www.shreenathiic.com

Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the equity shareholders of Shreenath Industrial Investment Company Limited (hereinafter referred to as "Target Company") by Winsome Retails & Marketing Private Limited (hereinafter referred to as "Acquirer") under Regulation 26(7) of Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

1)	Date	August 18, 2014
2)	Name of the Target Company	Shreenath Industrial Investment Company Limited
3)	Details of the Offer pertaining to the Target Company	Open Offer for acquisition of upto 8,84,000 (Eight Lakhs Eighty Four Thousand Only) post preferential equity shares from shareholders of Shreenath Industrial Investment Company Limited (hereinafter referred to as "Target Company" or "SIICL") by Winsome Retails & Marketing Private Limited (hereinafter referred to as "Acquirer") 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 ("Regulation").
4)	Name of the Acquirer and PAC with the Acquirer	Acquirer – Winsome Retails & Marketing Private Limited. There is no Person(s) Acting in Concert with the Acquirer.
5)	Name of the Manager to the offer	Intensive Fiscal Services Pvt. Ltd. 914, 9th Floor, Raheja Chambers, Nariman Point, Mumbai - 400021, Tel. Nos.: 022 22870443/44/45, Fax No.: 02222870446, E-mail:-rishabh@intensivefiscal.com Contact Person: Rishabh Jain
6)	Members of the Committee of Independent Directors ("IDC")	Deepak Mandowara– Chairman and Kaushal Ameta.
7)	IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract/ relationship), if any	IDC members are Independent Directors of the Target Company. They do not hold any equity shares in the Target Company as on date.
8)	Trading in the Equity shares/other securities of the Target Company by IDC Members	Yes the members of the IDC have traded in the equity shares/other securities of the Target Company. But as on date IDC members does not hold any equity shares in the Target company.
9)	IDC Members relationship with the Acquirer (Director, Equity shares owned, any other contract/relationship), if any.	None of the Members neither holds any position on the Board of the Acquirer nor holds any shares in the Acquirer.
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 as the Offer price of Rs. 13/- (Rupees Thirteen Only) per fully paid up equity share is fair and reasonable based on the following reasons: 1. The Offer price appears to be reasonable considering that there is no major business activities in the Target Company. 2. Valuation report on the fair value of equity shares of the Target Company vide dated April 15, 2014 issued by Adesh & Associates., Chartered Accountants signed by Proprietor, CA Adesh Gupta Membership no 151666 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: a. As per Net Assets Method (NAV) is Rs. 11.12/-, b. As per Price Earning Capitalization Method is Rs. 4.94/- and c. As per Market Value Method is NIL. Thus the fair value of equity shares is Rs. 7.00. Therefore, the Offer Price of Rs. 13/- (Rupee Thirteen Only) per share is justified. 3. The offer price of Rs. 13/- per fully paid up equity share offered by the Acquirer is higher than the price paid to Sellers who sold their holdings via SPA at Rs. 5/- per fully paid up equity share. 4. The equity shares of the Target Company are infrequently traded shares within the meaning of explanation provided in Regulation 2(j) of SEBI (SAST) Regulations, 2011. 5. Looking to the past trend, it is being observed that trading by general public is limited which restraints 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.
13)	Details of Independent Advisors, if any.	None
14)	Any other matter to be highlighted	None

"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 Shreenath Industrial Investment Company Limited
sd/-
Deepak Mandowara
(Chairman-Committee of Independent Directors)

Place: Mumbai
Date: August 18, 2014