

This Detailed Public Statement ("DPS") is being issued by Turnaround Corporate Advisors Private Limited, the Manager to the Offer ("Manager to the Offer"/ "Manager"), on behalf of Mr. Pawan Kumar Mittal and Mrs. Kiran Mittal (hereinafter collectively referred to as "The Acquirers"), in compliance with Regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto, ("SEBI (SAST) Regulations"), pursuant to the Public Announcement dated October 01, 2016 ("PA"), in relation to this Offer filed on October 01, 2016 with Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited) ["MSEI"] and 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 purposes of this DPS, the following terms shall have the meanings assigned to them below:
- "Eligible Shareholders" means all owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirers).
  - "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.
  - "Expanded Paid Up Share Capital" means total voting equity capital of the Target Company on a fully diluted basis as of the tenth (10<sup>th</sup>) working day from the closure of the tendering period of the Offer. This includes proposed preferential allotment of 20,00,000 Equity Shares of Rs. 10 each at par to the Acquirers, which was approved by the Board of Directors of the Target Company at their meeting held on October 01, 2016, subject to the approval of shareholders and other regulatory approvals.
  - "Offer" or "Open Offer" means the open offer for acquisition of up to 8,16,400 (Eight Lac Sixteen Thousand Four Hundred) Equity Shares, representing 26% of the Expanded Paid Up Share Capital.
  - "Pre issue paid up share capital" means paid up share capital of Target Company prior to Proposed Preferential Issue i.e Rs. 114 Lacs divided into 11,40,000 Equity Shares of Rs. 10 each.
  - "Proposed Preferential Issue"/ "Preferential Issue" means proposed preferential allotment of 20,00,000 fully paid up Equity Shares of Face Value of Rs. 10/- each of the Target Company for cash, at a price of Rs. 10/- per Equity Share aggregating to Rs. 200.00 Lacs to the Acquirers, which was approved by the Board of Directors of the Target Company at their meeting held on October 01, 2016, subject to the approval of shareholders and other regulatory approvals.
  - "Tendering Period" means a period of 10 (Ten) working days commencing from the date of opening of offer on Tuesday, November 29, 2016 to closing of offer on Tuesday, December 13, 2016.

#### I. ACQUIRERS, PAC, TARGET COMPANY AND OFFER

- (a) Information about the Acquirers:**
- Mr. Pawan Kumar Mittal ("Acquirer 1")**
    - Nature of Entity: Individual
    - Acquirer 1, aged about 44 years, son of Shri Kailash Chand Mittal is residing at I-19, Sai Apartments, Sector- 13, Rohini, Delhi- 110085, Tel No.: +91-11-27860680. Acquirer 1 is a Fellow Member of the Institute of Chartered Accountants of India and also passed the final examination of the Institute of Cost Accountants of India. He is a practicing Chartered Accountant having experience spanning over 19 years in the field of finance and taxation.
    - Acquirer 1 does not belong to any group.
    - As on the date of this DPS, Acquirer 1 is holding 86,900 Equity Shares representing 7.62% of the Pre issue paid up share capital and 2.77% of the Expanded Paid Up Share Capital of the Target Company. Acquirer 1 is also interested to the extent of 10,00,000 Equity Shares which are proposed to be acquired by him under Proposed Preferential Issue. Except the above, Acquirer 1 has no pecuniary interest in the Target Company.
    - Acquirer 1 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 ("SEBI Act") as amended or under any of the Regulations made under the SEBI Act.
    - CA Shyam K. Aggarwal (Membership No. 093590) partner of M/s GRA & Associates, Chartered Accountants, having office at A-9/1, Naraina Industrial Area, Phase-1, New Delhi-110028, Ph: +91-11-25893455, Email id: [contact@graca.in](mailto:contact@graca.in), has certified, vide certificate dated October 01, 2016 that the net worth of Acquirer 1 is Rs. 623.36 Lacs (Rupees Six Crores Twenty Three Lacs and Thirty Six Thousand only).
  - Mrs. Kiran Mittal ("Acquirer 2")**
    - Nature of Entity: Individual
    - Acquirer 2, aged about 43 years, is wife of Acquirer 1, residing at I-19, Sai Apartments, Sector- 13, Rohini, Delhi- 110085, Tel No.: +91-11-27860680. Acquirer 2 is an Associate Member of the Institute of Cost Accountants of India. She is a practicing Cost Accountant having experience spanning over 17 years in the field of finance.
    - Acquirer 2 does not belong to any group.
    - As on the date of DPS, Acquirer 2 is not holding any Equity Shares in the Target Company. Acquirer 2 is interested to the extent of 10,00,000 Equity Shares which are proposed to be acquired by her under Proposed Preferential Issue. Except the above, Acquirer 2 has no pecuniary interest in the Target Company.
    - Acquirer 2 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 ("SEBI Act") as amended or under any of the Regulations made under the SEBI Act.
    - CA Shyam K. Aggarwal (Membership No. 093590) partner of M/s GRA & Associates, Chartered Accountants, having office at A-9/1, Naraina Industrial Area, Phase-1, New Delhi-110028, Ph: +91-11-25893455, Email id: [contact@graca.in](mailto:contact@graca.in) has certified, vide certificate dated October 01, 2016 that the net worth of Acquirer 2 is Rs. 1877.96 Lacs (Rupees Eighteen Crores Seventy Seven Lacs and Ninety Six Thousand only).
- (b) Other Information about the Acquirers**
- There is no agreement amongst the Acquirers and any other persons/entities, in connection with the break-up of shares to be accepted from the shares tendered in this Offer. The entire Equity Shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other persons / entities propose to participate in the acquisition.
  - There are no "Persons Acting in Concert" within the meaning of Regulation 2(1)(q) (1) of the SEBI (SAST) Regulations in relation to this Open Offer.
  - Acquirer 1 is the husband of Acquirer 2.

- (c) Details of Sellers:**
- There is no seller in the transaction.
  - The aforesaid Open Offer is being triggered under Regulation 3(1) and Regulation 4 read with other applicable provisions of the SEBI (SAST) Regulations due to Proposed Preferential Issue to the Acquirers.
- (c) Details of Target Company:**
- The Target Company was incorporated on June 02, 1982, as "Shree Worstex Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana and obtained certificate of commencement of business on July 07, 1983. The Corporate Identification Number of Target Company is L17111DL1982PLC013790.
  - The Target Company is registered with Reserve Bank of India (hereinafter referred to as "RBI") as Non-Banking Financial Company. Reserve Bank of India has granted registration vide its registration no.14.00233 dated July 31, 2000 with a condition that the Target Company shall not accept public deposits.
  - Presently, the registered office of the Target Company is situated at 325, III<sup>rd</sup> Floor, Aggarwal Plaza, Sector-14, Rohini, New Delhi- 110085.
  - In terms of the Main Objects clause of its Memorandum of Association, the Target Company is inter-alia permitted to carry on the activities/businesses of spinning, weaving, combing, blending, Knitting, Bleaching, Processing, Dyeing, sorting, scouring, Garneting, Picking, Stretching, Carding, Washing, Drying, Crimping, Drawing, Winding, Sizing of cotton, Wool, Silk, Art-Silk, Flax, Jute, Hemp, Rayon, Nylon, Polyester, Staple-Fibre, Viscose, Synthetic or man-made fibres.
  - As on the date of this DPS, the Authorized Share Capital of the Target Company is Rs. 3,50,00,000 (Rupees Three Crore Fifty Lacs only) consisting of 35,00,000 (Thirty Five Lacs) Equity Shares of Rs. 10.00 (Rupees Ten) each and the Issued, Subscribed and Paid-up Capital of the Target Company is Rs. 1,14,00,000/- (Rupees One Crore Fourteen Lacs Only) consisting of 11,40,000 (Eleven Lacs Forty Thousand) Equity Shares of face value of Rs. 10.00 (Rupees Ten only) each.
  - The entire present paid up Equity Share Capital of the Target Company is currently listed on MSEI. The Target Company was also listed on the Delhi Stock Exchange Limited ["DSE"]. However, SEBI vide its Order No.WT/MP/45/MRD/DSA/NOV/2014 dated November 19, 2014, had withdrawn the recognition granted to DSE. Hence, as on the date of this DPS, the Target Company is exclusively listed on MSEI.
  - Based on the information available, Equity Shares of the Target Company are not frequently traded on MSEI within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
  - The financial information of the Target Company as per the audited accounts for the last three financial years ended March 31, 2016, March 31, 2015, March 31, 2014 and unaudited & certified financials for the 3 months period ended June 30, 2016 are as follows:

(Figures in "Rupees Lacs except EPS")

| Particulars                       | 3 Months period ending (Un-audited) |                | Year ended (Audited) |                |  |
|-----------------------------------|-------------------------------------|----------------|----------------------|----------------|--|
|                                   | June 30, 2016                       | March 31, 2016 | March 31, 2015       | March 31, 2014 |  |
| Total Revenue                     | 4.14                                | 12.15          | 4.18                 | 0.72           |  |
| Net Income (PAT)                  | 0.73                                | 1.05           | 0.14                 | (1.83)         |  |
| Earnings Per share (EPS) (In Rs.) | 0.06                                | 0.09           | 0.11                 | (0.76)         |  |
| Net worth/Shareholders Funds      | 136.88                              | 136.15         | 46.15                | 45.04          |  |

(Source-As certified by Mr. Gaurav Joshi (Membership No. 516027), Partner of M/s V.N. PUROHIT & CO, Chartered Accountants, Statutory Auditors of the Target Company, having Office at 214, New Delhi House, 2nd Floor, 27, Barakhamba Road, New Delhi- 110001, Tel No.: +91-11-43596011, Email id: [vmndelhi@vnpauld.com](mailto:vmndelhi@vnpauld.com) vide certificate dated October 01, 2016)

- (D) Details of the Offer:**
- This offer is being made by the Acquirers to the Eligible Shareholders of the Target Company to acquire up to 8,16,400 (Eight Lac Sixteen Thousand Four Hundred) Equity Shares of the Target Company representing 26.00% of the Expanded Paid Up Share Capital.
  - The Offer is being made at a price of Rs. 11.50/- (Rupees Eleven and Paise Fifty Only) ("Offer Price") per Equity Share, payable in cash, 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 shareholders of the Target Company.
  - The payment to be made to all the Eligible Shareholders who will tender the shares under this offer shall be in cash only.
  - The Offer is subject to the receipt of statutory and other approvals as mentioned in Section VI 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 validly tendered as per terms of the Offer up to a maximum of 8,16,400 Equity Shares representing 26.00% of the Expanded Paid Up Share Capital.
  - 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 all rights to dividend, bonus thereon.
  - There is no underlying agreement in relation to this Open Offer. As detailed in Part II ("Background to the Offer"), this Open Offer has been triggered in terms of Regulations 3 (1) and Regulation 4 read with other applicable provisions of the SEBI (SAST) Regulations pursuant to the Proposed Preferential Issue.
  - 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.
  - As on the date of this DPS, the Acquirers do not currently have any intention to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company. The Target Company's future policy for disposal of its assets, if any, for two years 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(2) of SEBI (SAST) Regulations.
  - Upon completion of the Offer, assuming full acceptance and allotment under the Proposed Preferential Issue, the Acquirers will collectively hold 29,03,300 Equity Shares of the Target Company, representing a total of 92.46% of the Expanded Paid Up Share Capital, which would result in public shareholding in Target Company falling below the minimum level prescribed under Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957 ("SCRR"). The Acquirers undertake that they shall take necessary steps to reduce their shareholding, if required, in accordance with the provisions contained under Rule 19A of SCRR and other applicable laws so that the Target Company is in due compliance of the Minimum Public Shareholding requirement.

#### II. BACKGROUND TO THE OFFER

- The Board of Directors of the Target Company in their meeting held on October 01, 2016, has, subject to the approval of the shareholders of the Target Company and other regulatory approvals, as applicable, agreed to issue and allot, on preferential basis, 20,00,000 fully paid up Equity Shares of Face Value of Rs. 10/- each of the Target Company for cash, at a price of Rs. 10/- per Equity Share aggregating to Rs. 200.00 Lacs to the Acquirers ("Proposed Preferential Issue"/ "Preferential Issue"). This Offer is being made by the Acquirers due to the proposed preferential issue of 20,00,000 Equity Shares to the Acquirers representing 63.69% of Expanded Paid Up Share Capital which has resulted in trigger of the Open Offer under Regulation 3(1) of SEBI (SAST) Regulations by substantial acquisition of Equity Shares and voting rights of the Target Company. Post the proposed Preferential Issue, the Acquirers will be the largest and most dominant shareholding group of the Target Company and will be in a position to exercise control over the Target Company. This acquisition of control over the Target by the Acquirers have resulted in trigger of the Open Offer under Regulation 4 of the SEBI (SAST) Regulations.
- By virtue of the above proposed acquisitions, the Acquirers will be holding substantial stake and will be in control over the Target Company. Accordingly, this offer is being made in terms of Regulation 3(1) and Regulation 4 and other applicable provisions of the SEBI (SAST) Regulations.
- The payment to be made to all the Eligible Shareholders who will tender the shares 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:

| Particulars                                                                                                      | Acquirer 1                                    |                | Acquirer 2    |          | Total                 |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------|---------------|----------|-----------------------|
|                                                                                                                  | No. of Shares                                 | %              | No. of Shares | %        |                       |
| Shareholding as on the PA date                                                                                   | 86,900                                        | 7.62% @ 2.77%* | -             | -        | 86,900 7.62% @ 2.77%* |
| Shares acquired between the PA date and the DPS date                                                             | -                                             | -              | -             | -        | -                     |
| Equity Shares to be acquired through Proposed Preferential Issue                                                 | 1,000,000                                     | 31.847%*       | 1,000,000     | 31.847%* | 2,000,000 63.69%*     |
| Shares to be acquired in the Open Offer (assuming full acceptance)                                               | No of Equity Shares: 8,16,400 In %:- 26.00%*  |                |               |          | 8,16,400 26.00%*      |
| Post Offer shareholding (On diluted basis, as on 10 <sup>th</sup> working day after closing of tendering period) | No of Equity Shares: 29,03,300 In %:- 92.46%* |                |               |          | 2,903,300 92.46%*     |

@ As a percentage to Pre issue paid up share capital of the Target Company.

\*As a percentage of Expanded Paid Up Share Capital of the Target Company

#### IV. OFFER PRICE:

- The Equity Shares of the Target Company are exclusively listed on MSEI.
- The total trading turnover in the Equity Shares of the Target Company on MSEI based on trading volume during the twelve calendar months prior to the month of PA (i.e. from October 01, 2015 to September 30, 2016) is as under:

| Name of the Stock Exchange | 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) |
|----------------------------|-------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------|
| MSEI                       | Nil                                                                                 | 11,40,000                         | Nil                                                         |

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

|    |                                                                                                                                                                                                                                                          |                                                          |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| 1  | Negotiated Price under the Share Purchase Agreement ("SPA")                                                                                                                                                                                              | Not Applicable                                           |
| 2  | The volume-weighted average price paid or payable for acquisition by the Acquirers during 52 weeks immediately preceding the date of PA *                                                                                                                | Rs. 11.40 per Share                                      |
| 3  | Highest price paid or payable for acquisitions by the Acquirers during 26 weeks immediately preceding the date of PA *                                                                                                                                   | Rs. 11.40 per Share                                      |
| 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 MSEI where the maximum volume of trading in the shares of the Target Company are recorded during such period | Not Applicable                                           |
| 5  | Price per Equity Share in the Proposed Preferential Issue to the Acquirers.                                                                                                                                                                              | Rs. 10.00 per Share                                      |
| 6  | Fair Value of Equity Share of Target Company, as certified by CA Shyam K. Aggarwal (Membership No. 093590) Partner of M/s GRA & Associates, Chartered Accountants, vide certificate dated October 01, 2016**                                             | Rs. 8.08 per Share                                       |
| 7  | Other financial Parameters                                                                                                                                                                                                                               | For the year ended March 31, 2016 (Audited & Certified)* |
| a. | Return on Net Worth (%)                                                                                                                                                                                                                                  | 0.77                                                     |
| b. | Book value per Share (Rs.)                                                                                                                                                                                                                               | 11.94                                                    |
| c. | Earnings per Share                                                                                                                                                                                                                                       | 0.09                                                     |

@ Acquisition Price of Equity Shares by way of Off Market Purchase

\* Source - Audited Financials for FY 2015-16

\*\*The relevant extract of the certificate dated October 01, 2016 issued by CA Shyam K. Aggarwal (Membership No. 093590) partner of M/s GRA & Associates, Chartered Accountants, having office at A-9/1, Naraina Industrial Area, Phase-1, New Delhi-110028, Ph: +91-11-25893455, Email id: [contact@graca.in](mailto:contact@graca.in), certifying the Fair Value of Equity Shares of the Target Company is provided as under:

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

- the net asset value method;
- the yield method; and
- the market value method.

#### In case of Shree Worstex Limited:

- The net asset value method (NAV):** The Net Asset Value based on Audited Financial Statements of the Target Company for the year ended March 31, 2016 of the Target Company is Rs. 11.94 per Equity Share.

- The yield method (Price Earning Capacity value/PECV):** For calculating the value based on Profit Earning Capacity, average profit after tax based on the Audited Financial Statements of the Target Company for the financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 have been considered. Further a weight of 2 & 1 has been assigned to profit after tax for year ended March 31, 2016 and March 31, 2015 respectively since there is growing trend in the profit after tax. The Loss after tax for the year ended March 31, 2014 based on Audited Financial Statements for the year ended March 31, 2014 has been ignored for the purpose of computation of the weighted average profit after tax, as the same is considered to be abnormal loss. The weighted average profit after tax based on last three years audited financial statements is Rs. 0.78 Lacs. Based on that, weighted average EPS of the Company comes out to Rs. 0.07 per Equity Share. The Profit Earning Capacity Value (PECV) of the company comes to Rs. 0.34 per Equity Share after considering a capitalization rate of 20.00%, since the Target Company has been considered as trading company and we have used a capitalization rate of 20.00%.

- The market value method:** The Target Company is currently listed on Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited) ["MSEI"]. The Target Company was also listed on Delhi Stock Exchange Limited ["DSE"]. However, SEBI vide its Order No. WT/MP/45/MRD/DSA/NOV/2014 dated November 19, 2014, had withdrawn the recognition granted to DSE. The Equity Shares of the Target Company were not traded since their listing on MSEI. Further, there was no trading in Equity Shares of the Target Company DSE during the last 3 years. Hence, in absence of any market quotations, determination of market value of the Equity Shares of the Target Company by this method is not ascertainable. Therefore the Market Price method is an inappropriate method for valuation in the present case.

Considering the Supreme Court's Decision in the case of Hindustan Lever Employees Union Vs. Hindustan Lever Limited (1995) reported at (83 Company Cases 30) wherein the Apex 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:-

| Particulars (A)             | Price per Equity Share (in Rs.)(B) | Weight (C)     | Product (In Rs.) D= B*C |
|-----------------------------|------------------------------------|----------------|-------------------------|
| NAV Method                  | 11.94                              | 2              | 23.89                   |
| PECV Method                 | 0.34                               | 1              | 0.34                    |
| Market Value Method         | Not Applicable                     | Not Applicable | Not Applicable          |
| Fair Value per Equity Share |                                    |                | 8.08                    |

#### Conclusion:

We are of the opinion that based on the information as referred to here in above, the Value of Equity Shares of Shree Worstex Limited in terms of the Hon'ble Supreme Court's decision in the Hindustan Lever Employees' Union vs. Hindustan Lever Limited (1995) reported at (83 Companies Cases 30), is Rs. 8.08 (Rupees Eight and Paise Eight only) per Equity Share.

- 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. 11.50/- (Rupees Eleven and Paise Fifty 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 date there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers shall comply with Regulation 18 of SEBI (SAST) Regulations and all the provisions of SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the Offer Price or Offer Size.
- If there is any revision in the Offer Price on account of future purchases/competing offers, it will be done only at any time prior to the commencement of the last three working days before the date of commencement of the tendering period and would be notified to shareholders of the Target Company by way of announcement in all the newspapers in which this Detailed Public Statement pursuant to the Public Announcement is being made.

#### V. FINANCIAL ARRANGEMENTS

- The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of up to 8,16,400 (Eight Lac Sixteen Thousand Four Hundred Only) Equity Shares at a price of Rs. 11.50/- (Rupees Eleven and Paise Fifty only) per Equity Share is Rs. 93,88,600 (Rupees Ninety Three Lac Eighty Eight Thousand Six Hundred only) ("Maximum Consideration").
- The Acquirers have adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full, out of their own sources/ network and no borrowings from any Bank and/ or Financial Institutions are envisaged. CA Shyam K. Aggarwal (Membership No. 093590) partner of M/s GRA & Associates, Chartered Accountants, having office at A-9/1, Naraina Industrial Area, Phase-1, New Delhi-110028, Ph: +91-11-25893455, Email id: [contact@graca.in](mailto:contact@graca.in), has certified, vide certificate dated October 01, 2016 that sufficient resources are available with the Acquirers for fulfilling the obligations under this Offer in full.

- In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers and the Manager to the Offer have entered into an Escrow Agreement dated October 01, 2016 with the ICICI Bank Limited, Capital Market Division, 1<sup>st</sup> Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai - 400020 ("Escrow Bank") in terms of which the Acquirers have opened Escrow Account in the name and style of "SHREE- OPEN OFFER ESCROW ACCOUNT" bearing number 000405113099 ("Escrow Account") with the Escrow Bank. Further, Acquirers have deposited therein an amount of Rs. 24,00,000/- (Rupees Twenty Four Lac), in cash, being more than 25% of the Maximum Consideration payable under the Offer. The amount kept in the Escrow Account is interest bearing.
- 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 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 that of the following:
  - Approval from Reserve Bank of India: Approval of Reserve bank of India ("RBI") under Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015 issued in terms of Notification No. DNBR (PD) CC.No. 065/03.10.001/2015-16 dated July 09, 2015 is required for completing the offer. The Target Company has initiated the process and filed the requisite application with the RBI.
  - In-principle approval from the stock exchange: In-principle approval from MSEI for listing of Equity Shares proposed to be issued to the Acquirers by the Target Company is required to be obtained by the Target Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations") and Listing Regulations.
  - Approval of the shareholders of the Target Company: The approval of the shareholders of the Target Company for the proposed issuance of Equity Shares to the Acquirers under Proposed Preferential Issue. The Board of Directors of the Target Company has called an Extra-Ordinary General Meeting of the Shareholders of Target Company on November 09, 2016 for consideration and approval of Proposed Preferential Issue.
- To the best of knowledge and belief of the Acquirers, as on the date of this DPS, there are no statutory approvals and/or consent required, except stated above. However, if any other statutory approvals are required or 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.
- If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, the FIPB 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.
- 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 shareholders who have accepted the Open Offer within 10 working days from the date of Closure of the Tendering Period.
- In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was 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 Equity Shareholders as directed by SEBI, in terms of Regulation 18(11) 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 is no underlying agreement in relation to this Open Offer. As detailed in Part II ("Background to the Offer"), this Open Offer is being triggered in terms of Regulations 3 (1) and Regulation 4 read with other applicable provisions of the SEBI (SAST) Regulations pursuant to the Proposed Preferential Issue.
- If any of the statutory approval set out above, are not met for reasons outside the reasonable control of the Acquirers, or in the event the statutory approvals are refused, the Acquirers, in terms of Regulation 23 of SEBI (SAST) Regulations, shall have a right to withdraw this Offer. 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, MSEI and the Target Company at its Registered Office.

#### VII. TENTATIVE SCHEDULE OF ACTIVITY

| Nature of Activity                                                                                           | Day and Date                 |
|--------------------------------------------------------------------------------------------------------------|------------------------------|
| Date of the Public Announcement                                                                              | Saturday, October 01, 2016   |
| Date of publication of the Detailed Public Statement                                                         | Friday, October 07, 2016     |
| Last date of filing of Draft Letter of Offer with SEBI                                                       | Tuesday, October 18, 2016    |
| Last date for a Competing Offer                                                                              | Wednesday, November 02, 2016 |
| Identified Date*                                                                                             | Tuesday, November 15, 2016   |
| Last Date by which Letter of Offer will be dispatched to the Shareholders                                    | Tuesday, November 22, 2016   |
| Last Date for upward revision of the Offer Price/Offer Size                                                  | Wednesday, November 23, 2016 |
| Last date by which an independent committee of the Board of Target Company shall give its recommendation     | Thursday, November 24, 2016  |
| Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspaper | Friday, November 25, 2016    |
| Date of commencement of tendering period (Offer Opening Date)                                                | Tuesday, November 29, 2016   |
| Date of expiry of tendering period (Offer Closing Date)                                                      | Tuesday, December 13, 2016   |
| Date by which all requirements including payment of consideration would be completed                         | Tuesday, December 20, 2016   |

\*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) 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

- All the Eligible Shareholders, whether holding the Equity Shares in physical form or dematerialized form are eligible to participate in this Open Offer at any time during the Tendering Period.
- 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.
- LOF will be dispatched to all the Eligible Shareholders of Target Company, whose names appear in its Register of Members on Tuesday, November 15, 2016 ("Identified Date").
- The Open Offer will be implemented by the Acquirers through Stock Exchange Mechanism made available by BSE Limited ("BSE") in the form of separate window ("Acquisition Window") as provided under the SEBI (SAST) Regulations and Circular No. CIR/CFD/POLICY/CEL/1/2015 dated April 13, 2015 issued by SEBI.
- BSE will be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
- The Acquirers have appointed KK Securities Limited ("Buying Broker") as its broker for the Open Offer through whom the purchase and settlement 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:** [kksl@kksecurities.com](mailto:kksl@kksecurities.com)
- All 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. The Selling Brokers can enter orders for demat Equity Shares as well as physical Equity Shares.

#### IX. 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

- For the purpose of disclosures in this DPS relating to the Target Company, the Acquirers 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.
- 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.
- 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, as the Manager to