

GRETEX CORPORATE SERVICES PRIVATE LIMITED

Category - I Merchant Banker



Targeting The Target

Registered Office

19B, B.B Ganguly Street, 2nd Floor,
West Bengal, Kolkata -700 012, INDIA.
Tel: 8820221999
Telefax.: +91-033-22369295
Email: info@gretexgroup.com
www.gretexcorporate.com

Corporate Office

Office No.13, Raja Bahadur Mansion
(New Bansilal Building), 9-15 Homi Modi Street,
Near BSE, Fort, Mumbai-400023
Tel.: +91-022-65555185
Telefax: +91-022-40055272
Email: info@gretexgroup.com



**“We make everything
possible for U
as there is  U
in our success”**

Chairman's Message

Dear Readers,

*It is my great pleasure to extend heartfelt greetings to the readers
of the second issue of our Newsletter.*

I am back again to share piece of my mind this month after successful implementation of the Newsletter. "Knowledge is not Power. Sharing of Knowledge is Power." Knowledge sharing can make a lot of difference and such a trend can be groomed, but over a period of time and in a variety of ways. There is no wealth like knowledge, which is why it is considered to be a key resource that fuels society and drives innovation. People's knowledge multiplies only by interacting and sharing with others. Through various means of communication, people influence each other's views and create or change shared constructions of reality. So, let's share knowledge because knowledge when rubbed with knowledge, gives knowledge.

As professionals, we must reminisce over the time that went and assess what we had done till now, where we did good, where we lacked, where we missed and more so to introspect if we are future ready for the spate of opportunities thrown open, of course with associated challenges. To plan, how to move ahead in the next year to seize opportunities, to turn good into better, lacking into qualities and misses, we must strive to change and transform our being internally, else we will not be able to achieve beyond our goals and calendar years will keep passing by.

Let me sign off and reproduce a famous saying:-

The first step in the acquisition of wisdom is silence, the second listening, the third memory, the fourth practice & the fifth teaching others.

Thanking you,

Arvind Harlalka
Chairman

Happy reading!!!

Preface

Yes we did it! It gives me immense pleasure to write another preface for our second edition of the newsletter "Targeting the Target." We are overwhelmed by the response received out of the success of the first edition of our newsletter "Targeting the target." This has given the kick that was needed for our team and moreover has provided a greater impetus to perform better.

Keeping things simple and not experimenting much we have kept the contents of the newsletter same, however at the same time we have tried to incorporate few of the suggestions that we received meanwhile. One of such inclusion is an article on the recent global developments with a direct impact on the economy be it local or international. There was a great deal of thought and research that was put in while deciding and shortlisting the global event that should form part of this newsletter specially when there are issues like the GREEK and THE CHINA STOCK MARKET CRISIS.

As already mentioned, the chapters and the segments are kept same, the contents within these chapters are put in a more illustrative manner. Though this newsletter is meant for circulation to the professionals and our clients, there has always been an intention that the newsletter proves to be of great use for a layman also.

In my last preface of the first edition I had mentioned about the purpose of this newsletter and now comes a bigger question as to how do I explore the opportunities available in that purpose. The answer is yet again very clear and simple; it is you the reader and the recipient of this newsletter who will make this possible for us as there is "U" in our Success. I will tell you HOW?

There is a feedback form that we have attached with this newsletter, we urge you to fill that form and send us, so that it will give us a better understanding of the fact and will also help us in improving. At the end of the feedback form there is a recommendation section wherein you can recommend people whom you think this newsletter can be forwarded to.

I would like to conclude it by once again thanking you for the warm response received and would like to receive many such in the future also.

Thank you.

Vishnu Agarwal
President - Merchant Banking

Contents

Major Updates 04

| | |
|---|----|
| SEBI Board Meeting dated 23rd June, 2015 | 04 |
| Start Up and Other Companies Norms on ITP | 04 |
| Re-Classification of Promoters | 05 |
| Review of Offer for Sale (OFS) of Shares through Stock Exchange Mechanism | 06 |

An Article - Over \$ 2 trillion wiped out in 30 days! Is it a bubble burst in China? 07

SEBI Corner 09

| | |
|---|----|
| Interim Order in the matter of 4 SME Listed Companies | 09 |
| Analysis of Order In the matter of the IPO of “Karvy Stock Broking Limited” | 10 |
| MAIN BOARD IPO | 12 |
| SME IPOs | 15 |
| OPEN OFFER IN THE MONTH OF JUNE | 21 |
| UPCOMING EVENTS IN PRIMARY MARKET | 23 |

Employees / Professionals Corner 24

| | |
|---------------------------------|----|
| Exemption for Private Companies | 24 |
|---------------------------------|----|

SAFETY NET ARRANGEMENT 29

Major Updates

SEBI Board Meeting dated 23rd June, 2015

- The listing time for Companies will be reduced to 6 days from the 12 days.
- All IPO applications will be ASBA supported.
- Depository participants and registrars can also receive IPO applications.
- E-IPO will be applicable with effect from 01st January, 2016.
- Moreover, the companies with market capitalization of Rs. 1 lakh crore can avail fast track IPO route.
- A company with public shareholding worth Rs 1,000 crore can raise funds through FPOs and Rs. 250 crore for rights issue under fast-track mode (earlier Rs 3000 Crore) subject to compliance of following conditions:
 - a. Annualized delivery based trading turnover should not be less than 10% of the total paid up capital.
 - b. In case of rights issue, promoters shall not renounce their rights, except to the extent of renunciations within the promoter group, or for the purposes of complying with minimum public shareholding norms.
 - c. Shares of the company should not have been suspended from trading as a disciplinary measure in past 3 years;
 - d. Issuer, promoter group and directors of the issuer should not have settled any alleged violation of securities, laws through the consent mechanism with the Board in last 3 years.

Start Up and Other Companies Norms on ITP

Capital Market regulator SEBI in its board meeting held on 23rd June, 2015 eased rules to allow start-ups companies and other companies to list and raise funds on its domestic stock exchanges (ITP Platform). The new rules allow for better listing norms, lock-in conditions and IPO pricing rules, attract start-ups to list in the country rather than looking for funds from foreign bourses.

The Board approved the following proposals in regard to the Start-up Companies:

1. At least 25% of pre-issue capital of QIBs is required in case of technology base company and 50% of pre-issue capital of QIBs is required in case of other company for getting access to the ITP Platform.
2. No person (individually or collectively with persons acting in concert) shall hold 25% or more of the post-issue share capital.
3. The lock-in period of entire pre issue capital will be reduced to 6 months as against 3 years.
4. 75% shares can be reserved for institutional investors, while allocation can be on discretionary basis for such investors. Maximum 10% of issue size with lock in of 30 days shall be allotted to institutional investor. For non-institutional categories; it will be on proportionate basis.

5. Only two categories of investors, i.e. Institutional Investors (QIB as defined in SEBI (ICDR) Regulations, 2009 along with family trusts, systematically important NBFCs registered with RBI and the intermediaries registered with SEBI, all with net-worth of more than Rs. 500 crore) and Non-Institutional Investors (NIIs) other than Retail Investors can access this platform.
6. Minimum investment requirement would be Rs 10 lakh.
7. The Company has the option of migration to Main Board after 3 years.
8. Market Regulator is also expected to make easier disclosure norms for startup listings. While filing the draft offer document with the SEBI, such firms will only need to disclose broad objectives and no cap on amount raised for General Corporate Purposes.
9. Minimum number of allottees in case of a public offer shall be 200.
10. Issue price can be calculated on the basis of other method besides standard valuation parameters such as P/E, EPS, etc except projections.

Start-up Companies will now be able to raise money from institutional investors and high net worth individuals. This is a welcome move which will help new companies to get listed at ITP Platform and raise fund.

Re-Classification of Promoters

Another important step that was taken in the same meeting was re-classification of promoters as public investors.

Shareholders in a company are classified under following two categories:

- a) Promoter / promoter group; and
- b) Public shareholders.

Till date, there are no methods of re-classification of Promoter or Promoter group as public shareholders.

Who can be considered as Promoter & Promoter Group of a Listed Company?

Regulation 2(za) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 defines a "promoter" to include,

- a) Person or persons who are in control of the issuer; or
- b) Person or persons who are instrumental in the formulation of a plan or programme pursuant to which specified securities are offered to public; or
- c) The person or persons named in the offer document as promoters.

Regulation 2(zb) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 defines Promoter group" to include promoters, their immediate relatives (spouse, parents, siblings, children of the person or that of spouse) and anybody corporate in which 10% or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family (HUF) in which the promoter or any one or more of his immediate relative is a member.

Those shareholders are not included in the promoter / promoter group are considered to be public shareholders.

Re-Classification of Promoters as Public

The Securities and Exchange Board of India (SEBI), in its draft paper on re-classification of promoters released last December, had proposed that it would be carried out in three scenarios - open offer, separation agreement and promoter group shareholding less than five percent in a company. In the draft norms, SEBI had prescribed that such promoters would not be allowed to hold any key management positions. But it has now relaxed this provision by allowing them to hold such positions for up to three years on approval of the shareholders in the general meeting.

SEBI has approved the following for reclassification of promoters as public investors:

1. An outgoing promoter cannot not hold more than 10 % stake.
2. An outgoing promoter can serve as a CEO or hold other senior positions for up to three years if the same is approved by the Shareholders.
3. In case of transmission/succession/inheritance, the inheritor shall be classified as promoter.
4. Existing promoters may be re-classified as public when there is no identifiable promoter and the Company becomes professionally managed.
5. No person or group along with Persons Acting in Concert (PACs) taken together holds more than 1% shares of the Company (including any convertibles/outstanding warrants/ADR/GDR Holding).
6. Mutual Funds/Banks/Insurance Companies/Financial Institutions/FPIs can each hold up to 10% shares of the Company (including any convertibles/outstanding warrants/ADR/GDR Holding).
7. Erstwhile promoters and their relatives may hold KMP position in the Company only subject to shareholders' approval and for a period not exceeding 3 years from the date of shareholders' approval.
8. If any public shareholder wants to re-classify itself as promoter, it shall be required to make an open offer to the shareholders as per SAST.

Review of Offer for Sale (OFS) of Shares through Stock Exchange Mechanism (Circular dated 26th June, 2015)

SEBI vide its Board Meeting held on 23rd June, 2015, prescribed the following reforms in context to OFS through Stock Exchange Mechanism. The following points were discussed:

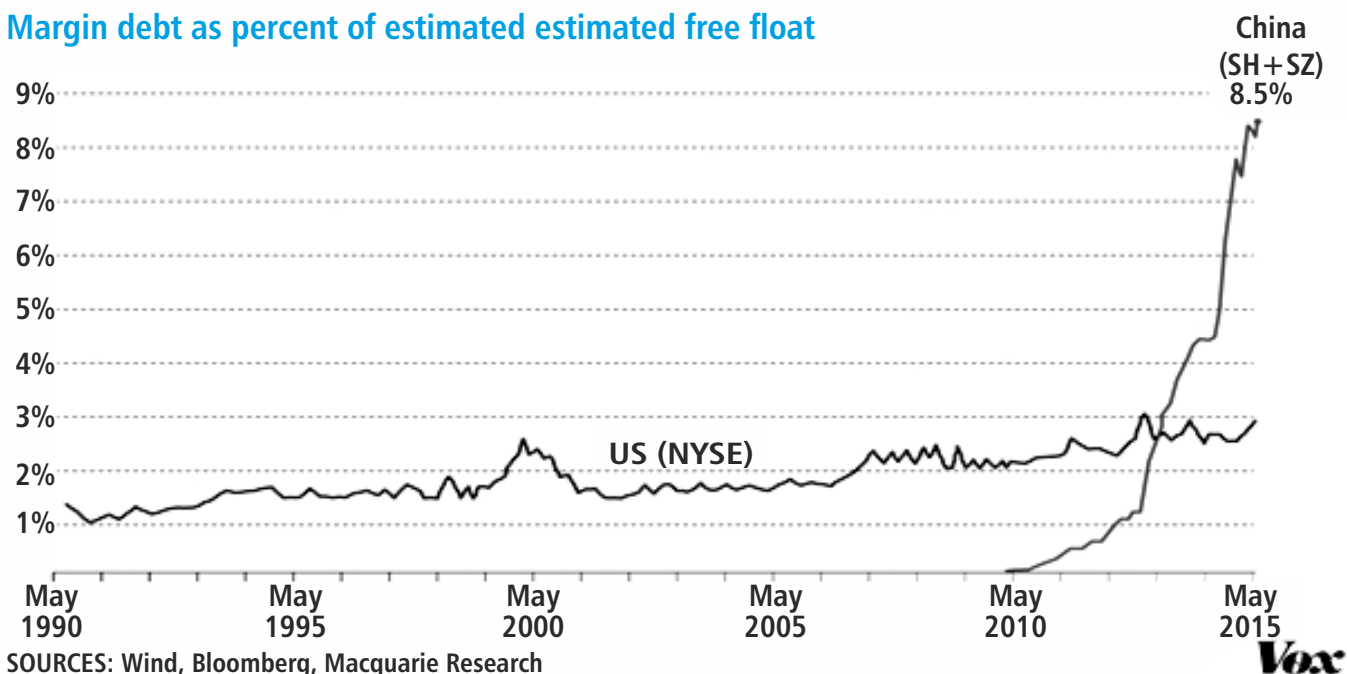
- a. Currently, Companies have to give advance disclosure for OFS on T-2 days and T-2 is reckoned from trading day.
- b. But with the reference of the Circular dated 26TH June, 2015, SEBI modified the T-2 day's concept. Now T-2 shall be reckoned from banking days instead of trading day. Aforesaid changes will help to reduce the time gap between the disclosure of the OFS and the actual share sale when the intermediate day is Saturday or trading holiday.
- c. It would be mandatory for sellers to provide the option to retail investors to place their bids at cut off price in addition to placing price bids.

An Article - Over \$ 2 trillion wiped out in 30 days! Is it a bubble burst in China?

What was being seen as a long term growth story has now been sourly termed as the "Chinese Stock Market Bubble". Does the current crash satisfy the fundamentals of a bubble or it is just a misinterpretation? There are lot of queries and uncertainties that I look forward to address in this article.

It has become a phenomenon where the stock prices looks justifiable hours before a crash but starts looking highly unjustified minutes after the crash. The Chinese stock market which was leading all the emerging market till now and was in the process of leading the world market in the years to come is now being seen as an economy with all kinds of problems. In the past one year there has been a 150% rise in the Stock Market prices and thereafter a subsequent decline of 32%. It is the fear that has taken over the greed and thus has resulted in such a vertical fall. Margin debt means when stocks are traded "on margin"---- that is with borrowed money. Over leveraging and margin trading indicates the movement of a stock driven by people gambling through other people's money. Post 2010 China has released the margin regulations and as a result the margin debt has skyrocketed. A graphic representation will give a clear picture of the fact.

Margin debt as percent of estimated free float



Bubbles are like balloons which keep on growing until it bursts. Such was the case with the earlier bubbles of the US Roaring Twenties bubble that started on the commercialization of radio, automobiles as mass product. The Japanese 1980's bubble that grew out of their post war economic miracle and the famous dot com bubble evolved out of the information age boom are few more examples of exaggeration. The fact of the matter is that all growth story started out legitimately didn't prevent them from developing into bubbles that popped disastrously in the end. This leads to a rise in another bigger question, do all economic growth leads to a bubble burst in the end? The answer is probably "YES" if the economic growth is fuelled by short term measures and hasty decisions. Maintaining the top is much tougher than reaching the top. This further advocate the famous saying that everything that goes up has to come down. The morale is that if China's long term growth story remains intact, the same was also true in the US in 1929.

The growth story of China that begun pursuant to easy reforms such as farm privatization, legalization of free enterprise and opening up to foreign investments along with the start of banking reforms and the early development of capital markets has started to ripe now. To add to all these a vast array of industrious worker and predominantly low wages helped the Chinese economy to become the world manufacturing powerhouse but China's growing desire to be communist in name only led to large scale privatization of state owned enterprises.

China's economy began over heating in 2007 and signs of speculation and over- exuberance started to appear which was eventually launched a massive \$586 billion economic stimulus program that was primarily invested in public infrastructure projects, housing etc. The stimulus proved to be a step towards the right path until it was proven only to be a short term measure when the inflation became a concern as the newly printed stimulus money slashed around the economy creating very alarming distortions and speculative activity. I have to say that the economic stimulus, in the form of literally fresh created money is the quickest (AND THE DIRTIEST) way to create a non-lasting short term growth.

As of now it certainly looks like a bubble burst in China as there are symptoms which are generally found during a bubble burst like overvaluation when compared to the historical price-to-earnings multiples, surge of new investors into the market and presence of a story for why “this time is different”—a mental excuse for people to believe that recent price rise will continue forever.

Vishnu Agarwal

President - Merchant Banking

SEBI Corner

Interim Order in the matter of 4 SME Listed Companies

| | |
|--------------------------|---|
| Date of Order | 29th June, 2015 |
| Name of the Lead Manager | Guinness Corporate Advisors Private Limited |
| In the matter of | 1. Eco Friendly Food Processing Park Limited ("Eco") 2. Esteem Bio Organic Food Processing Limited ("Esteem") 3. Channel Nine Entertainment Limited ("CNE") 4. HPC Biosciences Limited ("HPC") |
| Relevant regulation | Sections 11(1), 11(4) and 11B of the SEBI ACT, 1992 and Section 12A of the Securities Contracts (Regulation) Act, 1956 |

FACTS:

a. Huge rise in the trading value and prices

- The price of the scrip of Eco rose by 6,265% (approx. 64 times) during the period January 14, 2013 to December 31, 2014 within a span of 234 trading days.
- The price of the scrip of Esteem rose by 3,150% (approx. 32 times) during the period February 07, 2013 to December 31, 2014 within a span of 244 trading days.
- The price of the scrip of CNE rose by 2,882% (approx. 30 times) during the period March 12, 2013 to December 31, 2014 in a span of 225 trading days.
- The price of the scrip of HPC rose by 1,782% (approx. 19 times) during the period March 19, 2013 to December 31, 2014 in a span of 252 trading days.

But their PAT and EPS have been constantly decreased since 2012-13.

b. IPO proceeds were used for repayment of the subscription monies to the funding entities rather than fulfillment of objects.

OBSERVATION:

Considering the above facts and circumstances, SEBI observed the following matters:

- I. Major portion of the IPO proceeds were used for repayment of the subscription monies to the funding entities rather than fulfillment of objects. IPO of Esteem came after the subscription money of ECO was returned to the funding group. The IPO of CNE came when the subscription money of the Esteem IPO was returned to the Funding Group. IPO of HPC came when the subscription money of the second IPO was returned to the Funding Group. Thus, it was observed that same funds were circulated by the Funding Group to finance these IPOs.
- II. During the post listing, due to huge rise in the price, the preferential allottees got the profitable exit opportunity and income has been treated as Long Term Capital Gain (LTCG) which are exempted as per Section 10(38) of Income Tax Act, 1961.

DECISION:

To protect the interest of investors and maintain regularity in the capital market, SEBI has barred 4 Listed Companies at SME Platform and 235 individuals from accessing the securities market for money laundering and tax evasion.

Analysis of Order In the matter of the IPO of "Karvy Stock Broking Limited"

| | |
|---------------------|---|
| Date of Order | 15th June, 2015 |
| In respect of | Karvy Stock Broking Limited(the noticee" or "KSBL) |
| Relevant regulation | Section 19 of the SEBI Act, 1992 read with regulations 28 and 35 of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 |

FACTS: SEBI had conducted an investigation against the Karvy Stock Broking Limited (the noticee" or "KSBL). On the basis of investigation, it was observed that there were some irregularities in the transactions of IPOs by 21 companies during the period 2003-2005. SEBI found that many individuals and entities had opened various demat accounts in fictitious/benami names and made large number of applications in the IPOs during 2003 - 2005 to maintain the retail quota. Subsequently, all shares had been transferred to the Key Operators (Karvy Group) and the same had been transferred to ultimate beneficiaries who were the financiers in IPO through off market transaction.

In considering the above, SEBI had passed ex-parte interim orders dated December 15, 2005, January 12, 2006 and April 27, 2006 against the Karvy Group. Based on the order dated April 27, 2006, SEBI had given an opportunity of personal hearing to KSBL and thereafter had given direction to KSBL (in its capacity as a stock broker) not to undertake any proprietary trades in securities through off-market or on market during the enquiry proceedings.

Based on the enquiry, SEBI observed that there was a violation of Regulation 3 and 4(1) of the SEBI (PFUTP) Regulations, 2003, Clause A (1), (3) and (4) of the Code of Conduct for stock brokers under schedule II of the SEBI (Stock Brokers and Sub-brokers) Regulations, 1992 and the provisions of the SEBI (DIP) Guidelines, 2000.

Considering the enquiry report, SEBI pursuant to final order dated 22nd June, 2007 had given the following directions:

- a. The certificate of registration of the noticee for stock broker was suspended for a period of three months.
- b. KSBL-DP was prohibited from opening fresh demat accounts till December 31, 2007, with effect from date of order.
- c. Prohibited group company Karvy Computershare Private Limited ("KCPL") from acting as a registrar to an issue for a period of nine months.

On the basis of above order, KSBL filed appeal to the Hon'ble Securities Appellate Tribunal (SAT). The appeal was disposed of by the Hon'ble SAT against KSBL vide Order dated June 30, 2008. Thereafter, the noticee made an application for settlement through consent order and the same was rejected. Thereafter SEBI vide Order dated March 14, 2014, prohibited the noticee from taking any new assignment for a period of 6 months as a stock broker.

Considering the aforesaid SEBI Order dated March 14, 2014, KSBL had filed appeal to the Hon'ble SAT and the same was disposed vide order dated January 21, 2015 and asked SEBI to issue fresh orders on merits within a period of four months.

OBSERVATION: Many individuals and entities had opened various demat accounts in fictitious/benami names and made large number of applications in the IPOs during 2003 - 2005 to maintain the retail quota. Subsequently, all shares were transferred to the Key Operators (Karvy Group) and the same was transferred to the ultimate beneficiaries who were the financiers in IPO through off market transaction.

DECISION: In respect of the above facts and circumstances, SEBI, barred Karvy Stock Broking Limited (KSBL) from taking up new primary market assignments for one year in a case related to IPO scam during 2003-2005 period.

SETTLEMENT ORDER: In respect to the application submitted by M/s. Woo Yang Electronics (India) Limited (Presently known as High Ground Enterprises Limited)

The brief details of the Order:

Date of Order Passed: 13.06.2015

FACTS: M/s Woo Yang Electronics (India) Limited (presently known as High Ground Enterprises Limited and hereinafter referred to as 'the Noticee') had failed to make yearly disclosure within the due date as per Regulation 8(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 during the years 2001 to 2003, 2005, 2007 and 2008.

OBSERVATION: The above failure has resulted into the violation of Regulation 8(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The alleged failure by the Noticee to comply with the said provisions made the Noticee liable for a monetary penalty under Section 15A (b) of the SEBI Act. The noticee submitted a consent application on August 20, 2014 for settlement as per Regulations 3 (1) and 3 (2) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014.

RESULT: The settlement charges had been fixed as Rs 2, 59,250/-.

SETTLEMENT ORDER: In respect to the application submitted by M/s Nimbus (India) Limited alongwith PACs.

The brief details of the Order:

Date of Order Passed: 18.06.2015

FACTS: M/s. Nimbus (India) Limited (hereinafter referred to as 'the Acquirer' and "the Noticee") along with PACs had failed to make open offer as per Regulation 11(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

OBSERVATION: The above failure has resulted into the violation of Regulation 11(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The noticee submitted a settlement application on September 01, 2014 for settlement as per Regulations 3 (1) and 3 (2) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014.

RESULT: The settlement charges had been fixed as Rs 21, 25,000/-

SETTLEMENT ORDER: In respect to the application submitted by M/s. Gembel Trade Enterprises Ltd and PACs

The brief details of the Order:

Date of Order Passed: 23.06.2015

FACTS: M/s. Gembel Trade Enterprises Ltd (hereinafter referred to as 'the Acquirer' and "the Noticee") along with PACs had failed to make open offer as per Regulation 11(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 due to change of shareholding from 57.84% to 62.38% on 03.08.2009.

OBSERVATION: The above failure has resulted into the violation of Regulation 11(2) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The noticee submitted a settlement application on December 08, 2014 for settlement as per Regulations 3 (1) and 3 (2) of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014.

RESULT: The settlement charges had been fixed as Rs 21, 25,000/-

MAIN BOARD IPO

SYNOPSIS OF IPO: MANPASAND BEVERAGES LTD.

The Company was initially formed as a partnership firm under the Partnership Act in the name of Manpasand Agro Food, pursuant to a deed of partnership dated January 4, 2010. The name of the partnership firm was changed to Manpasand

| | |
|---------------------------------------|---|
| Issue Period | 24th June 2015 – 26th June 2015 |
| Post Issue Modification | 27th June, 2015 |
| Issue Size – No. of Shares | 75,86,207 |
| Price Band | 290.00-320.00 |
| Face Value | 10.00/- |
| Minimum Application for shares in Nos | 45 & Multiples of 45 |
| Listing | BSE & NSE |
| Eligibility Criteria | Regulation 26(2) of the SEBI (ICDR) Regulations, 2009 |
| Maximum Bid Quantity | 75,86,190 |

Issue Structure : Fresh Issue

| | |
|-------------------|---|
| QIB | At least 75% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers. |
| Non Institutional | Maximum 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders. |
| Retail | Maximum 10% of the Issue shall be available for allocation to Retail Individual Bidders. |

Beverages pursuant to agreement modifying the partnership deed dated July 17, 2010. Manpasand Beverages was thereafter converted from a partnership firm to a public limited company under the Companies Act, 1956 with the name of Manpasand Beverages Limited vide certificate of incorporation dated December 17, 2010. Then the Company was subsequently converted into a private limited company named Manpasand Beverages Private Limited on August 5, 2011 and was again converted into a public limited company with the name Manpasand Beverages Limited on October 7, 2014. Manpasand Beverages Ltd is a Gujarat based fruit drink manufacturing company primary focus on mango fruit, which is the leading flavor for juice drinks in India.

Company's mango based fruit drink, 'Mango Sip', is their flagship brand, which is focused towards customers based in semi urban and rural markets. They have also launched two new brands, 'Fruits Up' and 'Manpasand ORS'.

They have also commenced marketing in July 2014 the 'Pure Sip' brand of bottled water. Processed at a third party facility, they currently selectively distribute free bottles of 'Pure Sip' along with 'Mango Sip'. Company's manufacturing facilities located at Manjusar industrial estate of Gujarat Industrial Development Corporation, Vadodara, Gujarat ("Vadodara 1 Facility"), Karkhiyaon, Pindra

estate of Uttar Pradesh State Industrial Development Corporation, Varanasi, Uttar Pradesh ("Varanasi Facility") and new facility located at Manjusar village, Savli, Vadodara, Gujarat ("Vadodara 2 Facility"), where they commenced commercial production from April 2015. Currently the company manufactures products at Manjusar industrial estate of Gujarat Industrial Development Corporation, Vadodara, Gujarat ("Vadodara 1 Facility"), Karkhiyaon, Pindra estate of Uttar Pradesh State Industrial Development Corporation, Varanasi, Uttar Pradesh ("Varanasi Facility") and their new facility located at Manjusar village, Savli, Vadodara, Gujarat ("Vadodara 2 Facility"). Pursuant to a memorandum of understanding dated June 18, 2014 and a sale deed dated October 30, 2014, with U.K. Agro, they have acquired the facility at Charba, Vikas Nagar, Dehradun, Uttarakhand ("Dehradun Facility"). They are currently not carrying out production activities at Dehradun Facility.

Source: www.manpasand.co.in

Intermediary Details

| | |
|---|---|
| Book Running Lead Manager (BRLM) | Kotak Mahindra Capital Company Limited IIFL Holdings Limited ICICI Securities Limited |
| Registrar to the Issue | Karvy Computer share Private Limited |
| Syndicate Members | Kotak Mahindra Capital Company Limited IIFL Holdings Limited ICICI Securities Limited |

SOURCE: Company RHP

OBJECT OF THE ISSUE:

- Setting-up of a new manufacturing facility in the state of Haryana/Punjab;
- Modernization of our existing manufacturing facilities i.e. Vadodara 1 Facility and Varanasi Facility;
- Setting-up of a new corporate office at Vadodara;
- Repayment/prepayment of certain borrowings availed by our Company; and
- General corporate purposes.

Shareholding Pattern

| Particulars | Pre Issue | | Post Issue | |
|-------------|-------------|------------|-------------|------------|
| | No of Share | % of Share | No of Share | % of Share |
| Promoters | 2,52,40,500 | 67.21 | 2,52,40,500 | 50.43 |
| Public | 1,23,13,500 | 32.79 | 24813500 | 49.57 |

The Company may not be able to set up or acquire new manufacturing facilities in a timely manner or at all, which may adversely affect their growth plans, and consequently their business and results of operations.

The company depends on various factors to set up or acquire new manufacturing facilities, or expand capacity in existing facilities in the future. These factors include availability of sufficient capital, receipt of relevant approvals, including tax, labour and environment approvals, availability of sufficient skilled employee and labour base, and timely procurement of land, machinery and other related infrastructure. They may face time and cost overruns during the construction or expansion of the manufacturing facilities, including on account of increased costs of sourcing equipment or increased costs of labor or design, construction and commissioning of these projects, including on account of inefficiencies or delays by third party contractors and/or consultants appointed by us, or technical difficulties or adverse weather conditions during the construction phase. They may have only limited control over the timing and quality of services, equipment or other supplies from third party contractors and/or consultants appointed by us, and they may be required to incur additional unanticipated costs to remedy any defect or default in their services or products or to ensure that the planned timelines are adhered to. They may be unable to obtain the required approvals for the manufacturing facility we propose to set up in Haryana from our Net Proceeds. They may be unable to commence operations at this facility as per plans, which may adversely impact the overall implementation schedule of this proposed manufacturing facility to be set up in Haryana, thereby limiting the growth of business.

The Company depends heavily on mango based fruit drink, Mango Sip product which contributed 96.85% and 86.87% of net sales for Fiscal 2014 and the nine month period ended December 31, 2014, respectively, and any factor adversely affecting this product will negatively impact profitability and results of operations.

They depend heavily on our mango based fruit drink "Mango Sip", which is their flagship product offering, for a significant portion of sales. For Fiscal 2014 and the nine month period ended December 31, 2014, "Mango Sip" contributed 96.85% and 86.87%, respectively of net sales. While they have expanded their portfolio of products with the launch of "Fruits Up" and "Manpasand ORS" brand of products, they expect "Mango Sip" to continue to constitute a majority of sales and profits over the next few years. The brand positioning and sales of "Mango Sip" product may be adversely affected on account of various factors which may be beyond their control. For instance, they may be unable to price "Mango Sip" product competitively due to a variety of reasons including, increase in cost of raw materials and operating costs. On account of shift in consumer preferences to fruit juices with higher pulp content or 100% fruit juices or to other soft drink or beverage segments, they may be unable to maintain or expand the presence of "Mango Sip" product. They may not be able to undertake effective marketing and other initiatives to deepen the presence of their brand and differentiate it from competition. Considering their reliance on the "Mango Sip" product, these or any other factors weakening the positioning of their brand or adversely affecting its sales volume, may have a significant adverse effect on their business, financial condition and results of operations.

SOURCE: Company RHP

SME IPOs

AMBITION MICA LIMITED

| | |
|------------------------|---|
| Issue Period | Opens on 23rd June, 2015 Closes on 30th June, 2015 |
| Issue Type | Fixed Price Issue |
| Issue Size | 10,74,000 Equity Shares of Rs. 40/- per Equity Shares i.e. Rs. 429.6 Lacs |
| Issue Price | Rs. 40/- per share. |
| Market Lot | 3,000 shares |
| Listed at | BSE SME |
| Lead Manager | Pantomath Capital Advisors Private Limited |
| Registrar To the Issue | Karvy Computershare Private Limited |

The Company was originally incorporated on March 19, 2010, as "Ambition Mica Private Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

Subsequently, the Company was converted into a Public Limited Company and therefore the name of the Company was changed to "Ambition Mica Limited" vide a fresh certificate of incorporation dated March 25, 2015.

The Company is one of the leading manufacturers of mid segment decorative laminates and door skins. The main object of the company is to carry on the business as manufacturers, dealers, traders, exporters, importers, agents, factors, brokers, wholesalers, retailers of all kinds, types, sizes of

laminated skin, laminated sheets including laminated door skin, mica for industrial, commercial and domestic purpose/uses.

OBJECT OF THE ISSUE:

- I. Working capital requirements;
- II. General Corporate Purpose;
- III. Issue Expenses.

Pre and Post Issue Shareholding Pattern:

| Particulars | Pre Issue | | Post Issue | |
|-----------------------------|-------------|------------|-------------|------------|
| | No of Share | % of Share | No of Share | % of Share |
| Promoter and Promoter Group | 29,00,000 | 100.00 | 29,00,000 | 72.97 |
| Public Shareholding | 0 | 0.00 | 10,74,000 | 27.03 |

GALA PRINT CITY LIMITED

| | |
|--------------|---|
| Issue Period | Opens on 30th June, 2015 Closes on 6th July, 2015 |
| Issue Type | Fixed Price Issue |
| Issue Size | 12,66,000 Equity Shares of Rs 24 per Equity Shares i.e Rs 303.84 Lacs |
| Issue Price | Rs. 24/- per share |
| Market Lot | 6000 shares |
| Listed at | BSE SME |

The Company was originally incorporated as "Gala Print City Private Limited" on December

14, 2010 under the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Then the Company was subsequently converted into a public company and consequently name was changed to "Gala Print City Limited" (GPCL) vide fresh certificate of incorporation dated 31st March, 2014 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli.

| | |
|-------------------------------|--|
| Lead Manager | Guiness Corporate Advisors Private Limited |
| Registrar To the Issue | Sharepro Services (India) Private Limited |

Gala Print City Ltd (GPCL) is engaged in the business of printing and offering multi-colour offset printing services, single colour offset printing services, commercial printing services for calendars, catalogs, brochures, posters, annual reports, manuals, etc.

OBJECT OF THE ISSUE:

1. To part-finance incremental working Capital Requirements
2. General corporate expenses; and
3. To meet the expenses of the Issue.

Pre and Post Issue Shareholding Pattern:

| Particulars | Pre Issue | | Post Issue | |
|-----------------------------|-------------|------------|-------------|------------|
| | No of Share | % of Share | No of Share | % of Share |
| Promoter and Promoter Group | 22,75,300 | 65.19 | 22,75,300 | 47.84 |
| Public Shareholding | 12,15,200 | 34.81 | 24,81,200 | 52.16 |

AMBITION MICA LIMITED

| | |
|-------------------------------|---|
| Issue Period | Opens on 29th June, 2015 Closes on 2nd July, 2015 |
| Issue Type | Fixed Price Issue |
| Issue Size | 24,12,000 Equity Shares of Rs 19 per Equity Shares i.e Rs 458.28 Lacs |
| Issue Price | Rs. 19 per share |
| Market Lot | 6000 shares |
| Listed at | BSE SME |
| Lead Manager | Pantomath Capital Advisors Private Limited |
| Registrar To the Issue | Bigshare Services Private Limited |

Jiya Eco Products Ltd was incorporated as "Jiya Eco-Products Private Limited" under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated December 27, 2011 issued by Registrar of Companies, Gujarat, Dadra and Nagar Haveli bearing registration no. 068414, in Bhavnagar, Gujarat. Subsequently, the Company was converted into a public limited company and the name of the Company was changed to "Jiya Eco-Products Limited" vide a Fresh Certificate of Incorporation Consequent upon Change of Name on Conversion to Public Limited Company dated February 11, 2014. Jiya Eco Products Ltd is engaged in the manufacturing of bio-fuels viz. bio-briquettes and bio-pellets which is an alternative source of energy and has the ability to replace/are

fairly good substitutes of traditional fossil fuels like coal, firewood, lignite, etc.

At present, the company has authorised collection centres spread over surrounding villages to source agricultural waste which serves as the major raw material in production of bio-fuels. The company received various incentives from Government including tax holiday, interest rate subvention and VAT exemption. Currently JEPL is one of the key players across the state of Gujarat in bio-fuel sector and has plans to expand its presence on PAN India basis.

OBJECT OF THE ISSUE:

- I. Purchase of New Machinery
- II. Working Capital Requirement
- III. Meet Issue expenses.

Pre and Post Issue Shareholding Pattern:

| Particulars | Pre Issue | | Post Issue | |
|-----------------------------|-------------|------------|-------------|------------|
| | No of Share | % of Share | No of Share | % of Share |
| Promoter and Promoter Group | 55,71,464 | 85.47% | 55,71,464 | 62.39 |
| Public Shareholding | 9,46,850 | 14.53% | 33,58,850 | 37.61 |

JUNCTION FABRICS AND APPARELS LIMITED

| | |
|------------------------|---|
| Issue Period | Issue Opened: 25th June, 2015 Issue Closed on: 29th June, 2015 |
| Issue Type | Fixed Price Issue |
| Issue Size | 10,00,000 Equity Shares of Rs. 16 each i.e Rs.160 Lacs |
| Issue Price | Rs. 16/- per share |
| Market Lot | 8000 shares |
| Listed at | BSE SME |
| Lead Manager | HEM Securities Limited |
| Registrar To the Issue | BIGSHARE Services Private Limited |

The Company was incorporated as Junction Fabrics and Apparels Private Limited on November 15, 2011 under the provisions of Companies Act, 1956 with Registrar of Companies, Coimbatore, Tamil Nadu vide registration no. (CIN: U18101TZ2011PTC017586). Pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on March 05, 2015 our Company was converted into a Public Limited Company and the name of our Company was changed to "Junction Fabrics and Apparels Limited" vide a fresh Certificate of Incorporation dated March 24, 2015 issued by the Registrar of Companies, Coimbatore, Tamil Nadu. Junction Fabrics And Apparels Ltd (JFAL) is engaged in the

business of garment manufacturing and selling both Knitted Fabric as well as Garments. Its range of garment products covers all the age group segments such as kids wear, men's wear, ladies wear, boys & girls wear. JFAL uses variety of knitted fabrics such as 100% cotton, 100% polyester, blended (cotton and polyester) and printed polyester fabrics in the production of garments and selling it to domestic garment manufacturers. JFAL sales around 80% of its products in domestic markets and the rest to Middle East Countries such as UAE, Kuwait, Qatar, Bahrain, Saudi where there is demand for company's products as there are sizeable expatriates living in these countries. JFAL manufactures 100% cotton fabrics by supplying Yarn to the Mills for Knitting, Dyeing, Printing, Compacting factories.

OBJECT OF THE ISSUE:

1. Working capital requirements
2. Issue expenses

Pre and Post Issue Shareholding Pattern:

| Particulars | Pre Issue | | Post Issue | |
|-----------------------------|-------------|------------|-------------|------------|
| | No of Share | % of Share | No of Share | % of Share |
| Promoter and Promoter Group | 16,92,270 | 100 | 16,92,270 | 62.85 |
| Public Shareholding | 0 | 0 | 10,00,000 | 37.15 |

M.D. INDUCTO CAST LIMITED

| | |
|------------------------|---|
| Issue Period | Issue Opened: 30th June, 2015 Issue Closed on: 02nd July, 2015 |
| Issue Type | Fixed Price Issue |
| Issue Size | 63,84,000 Equity Shares of Rs. 27 each i.e Rs.1723.68Lacs |
| Issue Price | Rs. 27/- per share |
| Market Lot | 4000 shares |
| Listed at | BSE SME |
| Lead Manager | Pantomath Capital Advisors Private Ltd |
| Registrar To the Issue | Karvy Computershare Private Ltd |

The Company was incorporated as "M.D. Inducto Cast Private Limited" under the provisions of the

Companies Act, 1956 vide Certificate of Incorporation dated September 16, 2010. Subsequently the Company was converted into a public limited company vide fresh Certificate of Incorporation Consequent upon Conversion to Public Limited Company dated May 20, 2015 issued by Registrar of Companies, Ahmedabad and the name of our Company was changed to "M.D. Inducto Cast Limited".

M D Inducto Cast Ltd (MDIC) is the flagship company of M D Group, engaged in various businesses like Ship Recycling, Oxygen Plant, Induction Furnace, Re-rolling mill, producing more

than 1.5 Lakh MT per annum of steel, with a group turnover of around Rs. 600Crores per annum. At present the Company has an installed production capacity of 1,20,000 MT p.a. both for billets and TMT bars. Famous actor and politician Paresb Rawal is the brand ambassador of MDIC's products. In addition to manufacturing their own products, they have also recently introduced franchise model of business in their operations. At present, the Company contracted with 5 parties who manufacture and sell goods under brand name "Rudra TMX". Company has around 25 direct dealers and 5 distributors who cater to around 450 dealers, undertaking sales and distribution of products. They also serve to some few large industrial houses directly.

OBJECT OF THE ISSUE:

1. Working capital requirements
2. Issue expenses

Pre and Post Issue Shareholding Pattern:

| Particulars | Pre Issue | | Post Issue | |
|-----------------------------|--------------|------------|--------------|------------|
| | No of Share | % of Share | No of Share | % of Share |
| Promoter and Promoter Group | 1,77, 03,704 | 100.00 | 1,77, 03,704 | 73.50 |
| Public Shareholding | 0 | 0 | 63,84,000 | 26.50 |

MAJESTIC RESEARCH SERVICES AND SOLUTIONS LIMITED

| | |
|--------------|---|
| Issue Period | Opens on 30th June, 2015 Closes on 2nd July, 2015 |
| Issue Type | Fixed Price Issue |
| Issue Size | 11,20,000 Equity Shares of Rs. 12.75/- per Equity Shares i.e. Rs. 142.80 Lacs |
| Issue Price | Rs. 12.75 per share |

The Company was originally incorporated on May 2, 2012, as "Majestic Research Services and Solutions Private Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Karnataka. Subsequently, the Company was converted into a Public Limited Company and therefore the name of the Company was changed to "Majestic Research Services and Solutions Private Limited" vide a fresh certificate of

| | |
|-------------------------------|--|
| Market Lot | 10,000 shares |
| Listed at | BSE SME |
| Lead Manager | Pantomath Capital Advisors Private Limited |
| Registrar To the Issue | Bigshare Services Private Limited |

incorporation dated August 11, 2014 issued by the Registrar of Companies, Karnataka. The Company provides actionable insights to their clients and assists them in making better strategic decisions in their respective lines of business.

OBJECT OF THE ISSUE:

- I. Procurement of new technology;
- II. Working capital requirements;
- III. Meet Issue Expenses

Pre and Post Issue Shareholding Pattern:

| Particulars | Pre Issue | | Post Issue | |
|-----------------------------|-------------|------------|-------------|------------|
| | No of Share | % of Share | No of Share | % of Share |
| Promoter and Promoter Group | 30,01,996 | 100.00 | 30,01,996 | 72.83 |
| Public Shareholding | 4 | 0.00 | 11,20,004 | 27.17 |

MISHKA EXIM LIMITED

| | |
|-------------------------------|---|
| Issue Period | Issue Opened: 26th June, 2015 Issue Closed on: 30th June, 2015 |
| Issue Type | Fixed Price Issue |
| Issue Size | 54,50,000 Equity Shares of Rs. 10 each i.e Rs.545 Lacs |
| Issue Price | Rs. 10/- per share |
| Market Lot | 10000 shares |
| Listed at | BSE SME |
| Lead Manager | First Overseas Capital Limited |
| Registrar To the Issue | Bigshare Services Private Limited |

The Company was incorporated in Delhi as "Mishka Exim Limited" as on 25th August, 2014 as a public limited company under the provisions of Companies Act 2013. It is registered in ROC National Capital Territory of Delhi and Haryana. The Company is engaged in the business of trading and distribution of Jewellery, Ornaments and textiles products. Mishka Exim Limited is a multi-product trading company with a diverse product portfolio. Mishka Exim Limited are in the trading business since its inception. They predominantly deal in lifestyle products such as Jewellery, Ornaments and Fabrics. They supply products, which are made with most advanced technology and graded raw materials. The Company is an

entrepreneur driven and well managed organization focused on meeting our consumer requirements for meeting their fashion and lifestyle requirements by offering products and services with the finest quality. They sell gold and diamond jewellery on a wholesale basis to other jewellery retailers in India. Mishka Exim Limited is also engaged in fabric trading our range includes fabrics for Silk, Polyester, Sarees, Lace Fabrics, Netting.

OBJECT OF THE ISSUE:

1. To part-finance incremental working capital requirements
2. To part-finance commercial unit situated in Shahdara, Delhi
3. General corporate expenses
4. To meet the expenses of the Issue

Pre and Post Issue Shareholding Pattern:

| Particulars | Pre Issue | | Post Issue | |
|-----------------------------|-------------|------------|-------------|------------|
| | No of Share | % of Share | No of Share | % of Share |
| Promoter and Promoter Group | 60,80,000 | 67.55 | 60,80,000 | 42.07 |
| Public Shareholding | 29,20,000 | 32.45 | 80,80,000 | 57.93 |

VMV HOLIDAYS LIMITED

| | |
|------------------------|--|
| Issue Period | Opens on 29th June, 2015 Closes on 1ST July, 2015 |
| Issue Type | Fixed Price Issue |
| Issue Size | 15,60,000 Equity Shares of Rs 10 per Equity Shares i.e. Rs 156.00 Lacs |
| Issue Price | Rs. 10/- per share |
| Market Lot | 10000 shares |
| Listed at | BSE SME |
| Lead Manager | Guiness Corporate Advisors Private Limited |
| Registrar To the Issue | Sharepro Services (India) Private Limited |

The Company was originally incorporated on August 3, 2010, as VMV Tours & Travels Private Limited under the provisions of the Companies Act, 1956 with the Registrar of Companies, Kolkata, West Bengal.

Consequently, the name of the Company was changed to VMV Holidays Private Limited on August 1, 2012. Subsequently, the Company was converted into a public limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on March 19, 2014 and the name of the Company was changed to VMV Holidays Limited vide a fresh certificate of incorporation dated March 20, 2014 issued by the Registrar of Companies, Kolkata, West Bengal. The Company is engaged in the business of tours and travels in Kolkata and provides the entire gamut of

activities associated with holidays like ticketing, local travel arrangement, hotel bookings, adventure tours, etc under a single roof to their clients.

OBJECT OF THE ISSUE:

- I. Brand Building Exercise
- II. Expansion of Online Services
- III. Setting up office at Mumbai
- IV. General Corporate Expenses
- V. To meet the expenses of the Issue.

Pre and Post Issue Shareholding Pattern:

| Particulars | Pre Issue | | Post Issue | |
|-----------------------------|-------------|------------|-------------|------------|
| | No of Share | % of Share | No of Share | % of Share |
| Promoter and Promoter Group | 40,18,500 | 100 | 40,18,500 | 72.04 |
| Public Shareholding | 0 | 0 | 15,60,000 | 27.96 |

OPEN OFFER IN THE MONTH OF JUNE

Name of the Target Company: PH Trading Limited

| | |
|----------------------------------|--|
| Name of the Manager to the Offer | Gretex Corporate Services Private Limited |
| Applicable Regulation | Regulation 11(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 |
| Date of Public Announcement(PA): | 06.06.2015 |

Pursuant to the acquisition of 43,710 shares of PTL made by Vikram Himatsingka (HUF) and Mrs. Aditi Himatsingka between August 17, 2009 and November 16, 2009, the collective shareholding of the Promoter and Promoter Group of the Target Company increased from 65.61% to 74.72% i.e., an increase of 9.11% which was beyond the specified 5% creeping limit under regulation 11(2) of the SEBI (SAST) Regulations, 1997. This aforesaid acquisition triggered the obligation to make a public announcement under the said regulation read with regulation 14(1) of the SEBI (SAST) Regulations, 1997 within 4 working days from the 17th August, 2009 i.e. on or before. 21st August, 2009. The Acquirer along with Persons Acting in Concert (i.e. the other Promoters of the Target Company) failed to make the requisite Public Announcement in terms of the SEBI (SAST) Regulations, 1997. Therefore, the SEBI vide its Order No. WTM/RKA/EFD-DRA II/ 33/2015 dated April 24, 2015 has directed the Acquirers along with PACs to make a Public Announcement to acquire shares of the Target Company in accordance with the Regulation 35(2)(b) of SEBI (SAST) Regulations 2011 within a period of 45 days from the date of the Order. The equity shares of PTL are listed at Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Limited (CSE) and shares were infrequently traded on both the stock exchanges. Offer Price was decided as Rs.34/- per share.

Name of the Target Company: Orient Abrasives Limited

| | |
|----------------------------------|---|
| Name of the Manager to the Offer | Pioneer Money Management Limited |
| Applicable Regulation | Regulation 3(1) and 4 of the SEBI (SAST) Regulations 2011 |
| Date of Public Announcement(PA): | 08.06.2015 |

Pursuant to a Share Purchase Agreement (SPA) dated 08th June, 2015 between the Acquirers and existing promoters and Sellers, the Acquirers have acquired 3,05,34,857 Equity Shares constituting 25.52% of the paid up share capital at a negotiated price of Rs.29.50/- per Equity Share and control of the Target Company. The shares were infrequently traded at BSE Ltd and frequently traded at National Stock Exchange of India Ltd (NSE). Offer Price was decided as Rs.29.50/- per share.

Name of the Target Company: Matru Smriti Traders Limited ("MSTL")

| | |
|----------------------------------|---|
| Name of the Manager to the Offer | Aryaman Financial Services Limited |
| Applicable Regulation | Regulation 3(1) and 4 of the SEBI (SAST) Regulations 2011 |
| Date of Public Announcement(PA): | 25.06.2015 |

Pursuant to the proposed preferential issue of 12,00,000 Equity Shares (68.82% of the Post Preferential Capital) through Board Meeting Dated 25th June, 2015 and acquisition of 1,00,000 shares (5.73% of the Post Preferential Capital) through Share Purchase Agreement (SPA) dated 25th June, 2015, Acquirer has acquired 74.55% equity shares of the Post Preferential Capital and will take control of the Target Company.

Due to aforesaid transaction, the open offer has been triggered under Regulation 3(1) & 4. The shares are listed at BSE Ltd and are infrequently traded. The offer price has been decided as Rs. 110/- per share.

Name of the Target Company: Apollo Finvest India Ltd

| | |
|---|--|
| Name of the Manager to the Offer | Ashika Capital Ltd |
| Applicable Regulation | Regulation 11(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 |
| Date of Public Announcement(PA): | 26.06.2015 |

Mrs. Anju R. Innani (Hereinafter referred to as the Promoter of the Target Company) through a series of acquisitions, had acquired 2,30,446 equity shares (6.16% of the paid up capital of the Target Company) from June 30, 2009 to June 30, 2010 which led to an increase in collective shareholding of the Promoter Group from 21,95,644 shares constituting 58.69% of the share capital on June 30, 2009 to 24,26,090 shares constituting 64.85% of the share capital as on June 30, 2010. On January 15, 2010, Mrs. Anju R. Innani had acquired 15,000 equity shares of the Target Company whereby the collective shareholding of the Promoter Group of the Target Company have increased from 58.69% to 63.78%, i.e. an increase of 5.09%, which was beyond the specified creeping limit of 5% under Regulation 11(2) of the SEBI (SAST) Regulations, 1997. This had resulted in to the obligation to come out with a Public Announcement as per Regulation 11(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 within 4 working days from January 15, 2010. The Acquirer along with Persons Acting in Concert (i.e. the other Promoters of the Target Company) failed to make the requisite Public Announcement in terms of the SEBI (SAST) Regulations, 1997. Therefore, the SEBI vide its Order No. WTM/RKA/CFD-DCR/38/2015 dated May 13, 2015 has directed the Acquirer to make a Public Announcement to acquire shares of the Target Company in accordance with the provisions of the SEBI (SAST) Regulations, 1997, within a period of 45 days from the date of the Order. The shares were frequently traded on BSE. Offer Price was decided as Rs.23.50/- per share.

Name of the Target Company: Jyoti Limited

| | |
|---|--|
| Name of the Manager to the Offer | INGA Capital Private Limited |
| Applicable Regulation | Regulation 3(1) and 4 of the SEBI (SAST) Regulations, 2011 |
| Date of Public Announcement(PA): | 22.06.2015 |

Offer is being made by Mr. Lavjibhai Dungarbhay Daliya ('Acquirer I') and Anjani Residency Private Limited ('Acquirer II') for acquisition 1,28,46,744 Equity Shares representing 75% of fully paid-up equity share capital and voting capital of the Target Company at a price of Rs. 63/- as the shares of the Target Company is frequently traded on BSE limited. Upon completion of the offer, Acquirers will be in a position to exercise effective management control over the Target Company that's why Regulation 3(1) & 4 triggered. The shares of the Target Company is Listed on BSE Limited & Vadodara Stock Exchange Limited.

Name of the Target Company: McNally Bharat Engineering Company Limited

| | |
|---|--|
| Name of the Manager to the Offer | Motilal Oswal Investment Advisors Private Limited |
| Applicable Regulation | Regulation 3(1) and 4 of the SEBI (SAST) Regulations, 2011 |
| Date of Public Announcement(PA): | 30.06.2015 |

Pursuant to Investment Agreement dated June 30, 2015 entered into between the Target Company and Acquirer along with PACs for acquisition of 1,00,00,000 equity shares (19.77%) of the Target Company. Prior to the said Agreement, In March, 2015, one PAC acquired 12.32% equity stake in the Target Company. After the Investment Agreement, combined holding of the Acquirer has increased by more than 25%, which triggered the open offer.

The Shares of the Target Company is listed on the National Stock Exchange of India Limited and BSE Limited. The Offer Price is Rs. 100/- as the shares of the Target Company was frequently traded on both the Stock Exchanges.

UPCOMING EVENTS IN PRIMARY MARKET

Following Companies got final clearance of SEBI for opening of the issue:

Pursuant to Investment Agreement dated June 30, 2015 entered into between the Target Company and Acquirer along with PACs for acquisition of 1,00,00,000 equity shares (19.77%) of the Target Company. Prior to the said Agreement, In March, 2015, one PAC acquired 12.32% equity stake in the Target Company. After the Investment Agreement, combined holding of the Acquirer has increased by more than 25%, which triggered the open offer.

| Name of the Issuer Company | Date of Filing DRHP | Date of Approval | No of Days | Eligibility Criteria | Name of the Book Runner Lead Manager | Issue Type |
|-----------------------------------|---------------------|------------------|------------|---------------------------|---|---------------------------------|
| Precision Camshafts Limited | March 11,2015 | May 22,2015 | 72 | 26(1) of SEBI (ICDR) 2009 | SBI Capital Markets Limited, HDFC Bank Ltd and India Infoline Limited | Offer for Sale and Fresh Issue. |
| Navkar Corporation Limited | March 31,2015 | May 22,2015 | 52 | 26(1) of SEBI (ICDR) 2009 | Axis Capital Limited, Edelweiss Financial Services Limited and SBI Capital Markets Limited | Offer for Sale and Fresh Issue. |
| SSIPL Retail Limited | March 16,2015 | May 25,2015 | 70 | 26(1) of SEBI (ICDR) 2009 | Axis Capital Limited, IDFC Securities Limited and Ambit Corporate Finance Private Limited | Offer for Sale and Fresh Issue. |
| AGS Transact Technologies Limited | March 24,2015 | May 28,2015 | 65 | 26(1) of SEBI (ICDR) 2009 | Axis Capital Limited, Citigroup Global Markets India Private Ltd , HDFC Bank Ltd, ICICI Securities Limited and Kotak Mahindra Capital Company Limited | Offer for Sale and Fresh Issue. |
| Dilip Buildcon Limited | March 31,2015 | June 01,2015 | 62 | 26(1) of SEBI (ICDR) 2009 | Axis Capital Limited, Deutsche Equities India Private Limited and PNB Investment Services Limited | Offer for Sale and Fresh Issue. |
| Shree Shubham Logistics Limited | February 20,,2015 | June 02,2015 | 102 | 26(2) of SEBI (ICDR) 2009 | INGA Capital Private Limited , Citigroup Global Markets India Private Ltd . | Offer for Sale and Fresh Issue. |
| Amar Ujala Publications Limited | March 27,2015 | June 03,2015 | 68 | 26(1) of SEBI (ICDR) 2009 | Axis Capital Limited and IDFC Securities Limited | Offer for Sale and Fresh Issue. |
| Prabhat Dairy Limited | March 31,2015 | June 08,2015 | 69 | 26(1) of SEBI (ICDR) 2009 | Edelweiss Financial Services Limited, Macquarie Capital Securities (India) Private Limited and SBI Capital Markets Limited | Offer for Sale and Fresh Issue. |
| Syngene International Limited | April 22,2015 | June 12,2015 | 51 | 26(1) of SEBI (ICDR) 2009 | Axis Capital Limited, Credit Suisse Securities (India) Private Limited and Jefferies India Private Limited | Offer for Sale and Fresh Issue. |
| S H Kelkar and Company Limited | March 24,2015 | June 18,2015 | 86 | 26(1) of SEBI (ICDR) 2009 | JM Financial Institutional Securities Limited and Kotak Mahindra Capital Company Limited | Offer for Sale and Fresh Issue. |

Source: Business Standard & DRHP

Employees/Professional Corner

Exemption for Private Companies

The Ministry of Corporate Affairs vide Notification dated 5th June, 2015 and by virtue of powers bestowed to Central Government pursuant to Section 462, sub section (2) of the Companies Act, 2013 has granted certain exemptions to Private Companies. The Provisions of Sections shall apply to Private Companies but with such exceptions, modifications and adaptations as specified herein under:

Definition of Related Party

| Nature of Exemption | Matter-of-Fact |
|---|--|
| Section 2(76) sub-clause (viii) shall not apply with respect to Section 188 | Transactions entered by a Private Limited Company with any of the following Companies will not attract the provisions of Section 188 i.e. Related Party Transactions: <ul style="list-style-type: none">• Holding Company• Subsidiary Company• Associate Company• Any other Subsidiary of the Holding Company |

Kinds of Share Capital and Voting Rights - Exempted

| Nature of Exemption | Matter-of-Fact |
|--|--|
| Non Applicability of Section 43 and Section 47 where the MoA and AoA of the Company so provides. Section 43- Kinds of Share Capital Section 47 – Voting Rights | Provisions relating to kind of share capital, being only equity (with or without differential voting rights) and preference are dispensed with. (Section 43). Provisions relating to voting rights of equity shareholders and preference shareholders are now not applicable (Section 47) |

Provision related to Rights Issue

| Nature of Exemption | Matter-of-Fact |
|--|--|
| Following proviso to be added to Section 62 after sub section (1), clause (a), sub clause (i) Provided that notwithstanding anything contained in this sub clause and sub section (2) of this section, in case ninety percent of the members of a private company have given their consent in writing or in electronic mode, the period lesser than those specified in the said sub clause or sub section shall apply | Section 62 provides that where the offer letter is issued pursuant to this section, the offer should remain open for a minimum period of 15 days and not exceeding a period of 30 days. Now, In case of a Private Company if 90% of the shareholders give their consent in writing or in electronic mode than the validity of the Offer Letter can issued under this section can be lesser than existing 15 days. |

Nature of Resolution for Employee Stock Option Plan (ESOP)

| Nature of Exemption | Matter-of-Fact |
|--|--|
| In Section 62 sub section 1 clause b the word 'Ordinary Resolution' shall be substituted with 'Special Resolution' | A private company can now issue shares to its Employees under Employee Stock Option Plan vide passing of Ordinary Resolution instead of Special Resolution, as required earlier. |

Restriction on purchase by Company or giving of Loans by it for purchase of its shares

| Nature of Exemption | Matter-of-Fact |
|--|---|
| Provisions relating to Section 67 shall not apply to Private Companies: (a) In whose share capital no other body corporate has invested any money (b) If the borrowings of such company from banks or financial institutions or any body corporate is less than twice its paid up share capital or Rs 50Crores whichever is lower Such a company is not in default in repayment of such borrowings subsisting at the time of making transactions under this section | Restriction on purchase by a private company or giving of loans by it for purchase of its shares shall not apply to those private companies which satisfy all the 3 conditions mentioned in the left hand side. |

Acceptance of Deposit from Members

| Nature of Exemption | Matter-of-Fact |
|--|---|
| Provisions of Section 73 sub section 2, clauses (a) to (e) shall not apply to a private company which accepts from its members monies not exceeding 100% of its paid up share capital and free reserves and such company shall file the details of monies so accepted to the Registrar in such manner as may be specified. | Earlier Private Companies were allowed to accept and renew deposits from its members subject to a limit of 25% of its paid up capital and free reserves subject to compliance of stringent conditions as provided in Section 73 (2). Now, with this circular the conditions as laid down in Section 73 sub section (2) clauses (a) to (e) has been dispensed with. |

Relaxations in provisions relating to General Meeting

| Nature of Exemption | Matter-of-Fact | |
|---|---|-----------------------------------|
| Section 101 to 107 and 109 shall only apply unless otherwise specified in respective sections or the articles of the Company so provides. | The provisions of following Sections shall apply to a Private Company in the manner as laid down in AoA of the Company: | |
| | Section No | Heading |
| | 101 | Notice of Meeting |
| | 102 | Statement to be annexed to notice |
| | 103 | Quorum of Meetings |
| | 104 | Chairman of the Meetings |
| | 105 | Proxies |
| | 106 | Restriction on voting rights |
| | 107 | Voting by show of hands |
| | 109 | Demand for poll |

Relaxations in filing of Resolutions passed by the Board of Directors

| Nature of Exemption | Matter-of-Fact |
|---|--|
| Section 117, sub section (3) clause (g) shall not apply to a private company. | With this amendment private companies are no longer required to file MGT-14 for the resolutions passed u/s 179(3) read with rule 8 of Companies (Meeting of Board & its power) Rules, 2014 and Companies (Meeting of Board & its power) Amendment Rules, 2015. |

Number of Companies in which a CA can conduct Audit

| Nature of Exemption | Matter-of-Fact |
|---|---|
| Section 141, sub section (3) clause (g) shall apply with the modification that the words "other than one person companies, dormant companies, small companies and private companies having paid up share capital less than 100Crores " shall be inserted after the words "twenty companies" | <p>Now while calculating the ceiling limit of 20 Companies where a person can be appointed as statutory auditor, the following companies shall be excluded</p> <ul style="list-style-type: none"> • One person companies • Dormant companies • Small companies, and • Private companies having paid up share capital less than Rs 100Crores |

Right of person other than retiring directors to stand for directorship

| Nature of Exemption | Matter-of-Fact |
|-----------------------------|---|
| Section 160 shall not apply | Provisions of Section 160 viz notice of candidature, deposit of Rs 1 Lakhs are no more applicable to the private company in case of appointment of Director in General Meeting. |

Appointment of Directors to be voted individually

| Nature of Exemption | Matter-of-Fact |
|-----------------------------|---|
| Section 162 shall not apply | A private Company can pass a single resolution for appointment of 2 or more persons as Directors. |

Restrictions on Powers of Board

| Nature of Exemption | Matter-of-Fact |
|-----------------------------|--|
| Section 180 shall not apply | <p>A private company is no more required to seek shareholders approval by means of special resolution for the following provisions as stated in Section 180:</p> <ul style="list-style-type: none"> • Selling, leasing or otherwise disposing whole or substantially the whole of undertaking of the Company • Investing in trust securities the amount of compensation received as a result of any merger or amalgamation • Borrowing money in excess of paid up capital and free reserves • Remitting or giving time for repayment of any debt due from director |

Participation of Interested Director in Board Meeting

| Nature of Exemption | Matter-of-Fact |
|--|---|
| Sub section 2 of Section 184 shall apply to Private Companies with the following exception that the interested director may participate in such meeting after disclosure of interest | An interested director pursuant to Section 184 can now participate in the Board Meeting where any contract, transaction or arrangement is about to be transacted provided he discloses nature of interest beforehand. |

Loan to Directors

| Nature of Exemption | Matter-of-Fact |
|---|--|
| <p>Section 185 shall not apply to private company if-</p> <ul style="list-style-type: none"> (a) In whose share capital no other body corporate has invested any money (b) If the borrowings of such a company from banks or financial intuitions or any body corporate is less than twice of its paid up share capital or 50crores, whichever is lower (c) Such a company has not defaulted in repayment of such borrowings subsisting at the time of making transactions | <p>The restriction on giving of loans, advances and guarantees etc to directors and other entities in which directors are interested will not apply to those private companies which fulfill all the three conditions mentioned in the left hand side.</p> |

Related Party Transactions

| Nature of Exemption | Matter-of-Fact |
|--|--|
| <p>Section 188, sub section (1) second proviso shall not apply</p> | <p>The restriction on member, being a related party, to vote on ordinary resolution, to approve a related party transaction, is no longer applicable in case of private companies.</p> |

Appointment of Managerial Personnel

| Nature of Exemption | Matter-of-Fact |
|---|---|
| <p>Section 196, sub section (4) and (5) shall not apply</p> | <p>The following provisions of Section 196 have been exempted for private companies</p> <ul style="list-style-type: none"> • Requirement of seeking approval of members for appointment of Managerial Personnel and also of Central Government where such appointment of remuneration is not in accordance with provisions of Schedule V • Requirement of filing return of appointment (Mr1) of managerial personnel is dispensed with. • Any act done by MD, WTD or Manager shall be treated as Valid even if its appointment is not approved by Shareholders in General Meeting. • Requirements that where the notice of Board or General Meeting for considering such appointment include terms and conditions of such appointment, remuneration payable, interest of director or directors are no longer applicable |

CS Shreyans Bachhawat
Assistant Company Secretary

SAFETY NET ARRANGEMENT

The concept of Safety Net or Buy Back Arrangement was introduced by SEBI in Clause 8.18 of DIP Guidelines. Thereafter the same has been mentioned in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, which has replaced the DIP Guidelines.

Meaning of Safety Net Arrangement:

As per Regulation 44 of ICDR "Safety Net Arrangement" means an arrangement provided by the issuer under which a person offers to purchase specified securities from the original resident retail individual allottees at the issue price.

The issuer company may decide to apply safety net arrangement for retail investors in consultation with the Book Running Lead Manager or Merchant Banker in any public issue and there must be a disclosure of safety net in offer document. Thus, this mechanism is available for only retail investors. Some other key points of safety net are presented below:

- Maximum 1000 shares can be bought back from every retail investors.
- The buyback is made at the issue price.
- The offer shall be valid at least for a period of 6 months from the last date of dispatch of securities.
- The financial capacity of the person making available buy back or safety net facility shall be disclosed in the draft prospectus.

Company which used safety net arrangement in the past:

Currently, there is a provision of voluntary safety net arrangement. Till date, following three companies has used safety net arrangement:

- a. Usher Agro Ltd: Issue Period -05th September 2006 to 11th September,2006
- b. Sai Silks (Kalamandir) Ltd : Issue Period -11th February2013 to 13th February,2013
- c. Just Dial Ltd: Issue Period -20th May 2013 to 22nd May,2013

Amongst them, Usher Agro Ltd listed on 2006, the issue of Sai Silks had been withdrawn and Just Dial got a remarkable response and listed on 5th June 2013.

Introduction of SEBI's Discussion Paper in Safety Net Arrangement:

In the analysis of price performance of the stocks listed during 2008 to 2011, it was observed that out of 117 stocks, 72 (around 62% issues) were trading below the Issue price after 6-months of their listing. Due to this reason, investors lost their confidence in the primary market.

Considering the past trends of recent post-listing price performance of IPOs, and in order to boost the confidence of retail investors, SEBI introduced the proposal of mandatory Safety Net Arrangement through its Discussion Paper dated 28th September, 2012. Earlier the Primary Market Advisory Committee (PMAC) in its meeting held on 31/07/2012 was of the view that the safety net mechanism is required to be mandatory to protect the small investors.

The key highlights of discussion paper have been presented below:

- a. Safety Net provision shall trigger where the price of the shares falls below 20% from the issue price.
- b. The price shall be calculated as the volume-weighted average market price for a period of 3 months from the date of listing.
- c. The 20% depreciation in share price shall be considered over and above the general fall, if any, in market index. The market index shall be disclosed, in advance, in the offer document.

- d. This facility would be available to original resident retail allottees that make an application for up to Rs 50,000.
- e. The safety net would be restricted to 5% of the issue size. If more than 5% shares are allotted to retail allottees, then they will be accepted on a proportionate basis. For example, if issue size is Rs 500Crores, maximum obligation of promoters to buyback is Rs 25Crores.
- f. When the number of shares tendered is less than the 5% of the issue size, the cost for the promoter in providing the safety net would be equal to the value of the actual number of shares tendered.
- g. The issuer or merchant banker will have to announce, within three working days from the date of completion of three months from the listing date, triggering of the safety net provision and invite eligible shareholders to tender their shares.
- h. Safety net arrangement shall be open for 10 working days from the date of announcement.

Drawback of Safety Net:

Mandatory Safety net concept may not help to boost investor's confidence.

First, this mechanism is only applicable for retail investors, who make application for up to Rs 50,000. Thus, safety net is limited to certain category of investors.

Secondly, to get this benefit, retail investors have to wait for up to three months from listing date in volatile market and Issuer Company is totally new for investors. Thus, investors may prefer secondary market as it is known for him.

Conclusion:

However, mandatory safety-net mechanism could not be introduced due to adverse public feedback. Since poor response came for safety net mechanism, market regulator may ask issuer companies to offer Optionally Fully Convertible Debentures (OFCD) to retail investors with fixed tenure. This can be converted into shares at a predetermined price. Thus, if share is traded above the predetermined price at post listing period, conversion is the better option for retail investors. Otherwise investors can withdraw the amount of OFCD along with interest.

CS Tanmoy Banerjee
Compliance Officer

Feedback Form

Your Name & Position: _____

Organization Name: _____

Organization Address: _____

Contact Number: _____

E Mail Address: _____

Observation / Comment: _____

Any recommendations (to any person): _____

Disclosures

This Publication does not constitute any professional advice. The information in this publication has been obtained or derived from sources believed by Gretex Corporate Services Private Limited (GRETEX) to be reliable but GRETEX does not represent that this information is accurate or complete. Any opinions or estimates contained in the publication represent the judgment of GRETEX at this time and are subject to change without notice. Readers of this publication are advised to seek their own professional advice before taking any course of action or decision, for which they are entirely responsible, based on the contents of this publication. GRETEX neither accepts nor assumes any responsibility or liability to any reader of this publication in respect of the information contained within it, or for any decision readers may take or decide not to or fail to take.

Our Clients



Sar Auto products Ltd



Axtel Industries Ltd



Neil Industries Ltd



Anubhav Infrastructure Ltd



Palco Metals Ltd



Roxy Exports



Arfin India Ltd



Hindustan Safety Glass Industries Limited

Salem Erode Investments Ltd.

Umang Commercial Company Ltd.

Tine – Valley Tuticorin Investments Ltd.

Birla Group Holdings Private Limited.

PH Trading Ltd.

Our Services

CORPORATE COUNSELLING

LOAN SYNDICATION

MANAGERS TO ISSUE

UNDERWRITING

ADVISING ON MERGERS/TAKEOVERS

ARRANGING OFF-SHORE FINANCING

CORPORATE RESTRUCTURING

ISSUE MANAGEMENT

Our Strengths

INNOVATIVE
ANALYSIS

INTEGRITY

EXPERTISE
TEAM

ABILITY TO
PROVIDE
OUT OF BOX
SOLUTIONS
TO COMPLEX
BUSINESS
NEEDS

CAPITAL
MARKET
FAMILIARITY

VAST
NETWORKING