

GRETEX CORPORATE SERVICES PRIVATE LIMITED

Category - I Merchant Banker



Targeting The Target

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Preface

Dear Readers,

An interesting month which witnessed events that had a heady mix of suspense, drama and upsets which I doubt any television series could provide. The events spanning across Global politics, economy and corporate India created a significant frenzy in capital markets and a good buying opportunity for those that believe in India growth story

US Presidential elections gave a surprising and shocking verdict to Donald Trump, putting him in charge as the 45th President of the United States. The victory is associated with right wing polarization of the US electorate and disillusionment on issues related to immigration, outsourcing and health care. I continue to maintain that Trump is “least fit” to lead a country like the America’s, but it’s quite possible that pre-election personality could drastically change once he occupies the position of power, which comes with a great deal of responsibility, ala Mr. Mody for whom a lot of people continue to judge him on his tenure as Gujarat CM

Mr. Modi’s crackdown on black economy was an event waiting to happen. The stage was well set beginning with (a) the launch of Jan Dhan Yagna on 28th Aug 2015, which resulted in opening of 25 crore bank accounts (b) negotiated DTAA with tax havens like Mauritius (c) Income disclosure scheme which ended on 30th Sep and garnered INR 65K crores. I believe the latest move will clean up and channelize monetary transactions through the banking channels which augurs well for banking system and creates transparency and legitimacy of transactions – Hopefully no more bribes !!

Cyrus Mistry’s removal from Chairmanship of Tata Son’s brought Corporate India boardroom battles into the limelight. Tata Sons saga will be a long drawn battle given the significant minority shareholding of the Mistry clan. The board room battle also brings to fore the role of Independent Directors and raises a bigger question on whether they are truly Independent!!

The GST bill is well on the way to becoming law by April next year. The rates of taxes proposed for essential – non-essential commodities reflects the governments intension to manage inflation while creating a more robust economy

Each of these events will continue to impact the financial markets in the near term and increase volatility. My personal view is that the long -term India growth story is intact and some of these events will be a catalyst for further growth and development of the country

Thanking You

Ivor Misquith

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KEY UPDATES

SEBI Amendment

SEBI Circular No. SEBI/HOMRD/DSA/CIR/P/2016/110 dated October 10, 2016 on Exclusively listed companies of De-recognized/ Non-operational/ exited Stock Exchanges placed in the Dissemination Board (DB)

In terms of SEBI Circular No. CIR/MRD/DSA/05/2015 dated 17.04.2015 companies exclusively listed at De-recognised/Non-Operational/ Exited Stock Exchanges have been allowed a time line of eighteen months within which such companies are required to obtain listing in any other Nationwide stock exchange to provide trading platform to its shareholders or to provide Exit opportunity to its public shareholders. Moreover in terms of SEBI circular no. SEBI/HOMRD/DSA/CIR/P/2016/110 dated October 10, 2016, the exclusively listed companies on the dissemination board would be required to exercise one of the two options i.e. i) Raising capital for listing on Nationwide Stock Exchanges and ii) to provide exit opportunity to investors.

i) Raising capital for listing on Nationwide Stock Exchanges

In order to facilitate listing on nationwide stock exchanges, the exclusively listed companies (ELC) on the DB shall be allowed to raise capital for meeting the listing requirements through preferential allotment route in terms of the provisions under the Issue of Capital and Disclosure Requirements Regulations, 2009 (ICDR).

ii) Procedure to provide exit to investors

In order to protect the interest of all shareholders of ELCs, an exit mechanism to investors of such ELCs shall be as prescribed in Annexure-A of the circular. Accordingly, all ELCs shall be required to ensure compliance with the procedure for exit. The oversight and monitoring of such exit mechanism shall be carried out by the designated stock exchange.

The ELCs on the DB which are yet to indicate its intention to comply with listing or to provide exit to investors, shall submit its plan of action to designated stock exchanges latest within three months from the date of the circular to the satisfaction of the designated stock exchanges. After reviewing the plan of action, the designated stock exchanges shall ensure completion of the process within 6 months.

The designated stock exchanges shall take action against the companies, its directors, its promoters remaining on the DB and has failed to demonstrate adequacy of efforts for providing exit to its shareholders in conformity with the exit mechanism as provided in the circular.

SYNOPSIS OF OPEN OFFER

Name of the Target Company: SHREE WORSTEX LIMITED

Applicable Regulation	Regulation 3(1) and 4 of SEBI (SAST) Regulation, 2011
Date of Public Announcement	01.10.2016
Background of the Offer	As on date of PA, acquirers hold 7.62% of the present paid up share capital of the Target Company. Pursuant to Proposed Preferential allotment, acquirers holding will increase to 63.69% of the expanded paid up share capital of the Target Company, which has resulted into the triggering of Open Offer under Regulation 3 (1) and 4 of SEBI (SAST) Regulation, 2011.
Listed at	Metropolitan Stock Exchange of India Limited and Delhi Stock Exchange Limited
Offer Price	Rs. 11.50

Name of the Target Company: SOUTH INDIA PROJECTS LIMITED

Applicable Regulation	Regulation 3(2) and 3(3) of SEBI (SAST) Regulation, 2011
Date of Public Announcement	07.10.2016
Background of the Offer	As on date of PA, acquirers hold 24.42% of the present paid up share capital of the Target Company. Pursuant to Proposed Preferential allotment, acquirers holding will increase to 64.15% of the expanded paid up share capital of the Target Company, which has resulted into the triggering of Open Offer under Regulation 3 (2) and 3(3) of SEBI (SAST) Regulation, 2011.
Listed at	BSE Limited and The CSE Limited
Offer Price	Rs. 130/-

Name of the Target Company: PRISM MEDICO AND PHARMACY LIMITED

Applicable Regulation	Regulation 3(1) and 4 of SEBI (SAST) Regulation, 2011
Date of Public Announcement	07.10.2016
Background of the Offer	As on date of PA, acquirers do not hold any shares of the Target Company. Pursuant to Proposed Preferential allotment, acquirers holding will increase to 67.16% of the emerging paid up share capital of the Target Company, which has resulted into the triggering of Open Offer under Regulation 3 (1) and 4 of SEBI (SAST) Regulation, 2011.
Listed at	BSE Limited
Offer Price	Rs. 28/-

Name of the Target Company: EMERALD LEASING FINANCE AND INVESTMENT COMPANY LIMITED

Applicable Regulation	Regulation 12 of SEBI (SAST) Regulation, 1997 and Regulation 35(2)(b) of SEBI (SAST) Regulation, 2011
Date of Public Announcement	19.10.2016
Background of the Offer	As on date of PA, acquirers & PACs hold 24.91% of the present paid up share capital of the Target Company. Pursuant to appointment of acquirers as directors of the target company on 01.09.2009 which has resulted change in control of target company and had triggered the obligation on the Acquirers to make Public Announcement under Regulation 12 of SEBI (SAST) Regulations, 1997. Now the Acquirers wish to fulfill their obligation under the applicable SEBI Regulations though the Public announcement under Regulation 35(2)(b) of SEBI (SAST) Regulation, 2011.
Listed at	BSE Limited and Delhi Stock Exchange Limited
Offer Price	Rs. 17.20

Name of the Target Company: MAC CHARLES (INDIA) LIMITED

Applicable Regulation	Regulation 3(1) and 4 of SEBI (SAST) Regulation, 2011
Date of Public Announcement	21.10.2016
Background of the Offer	<p>As on date of PA, acquirers do not hold any shares of the Target Company and PACs hold 0.672% of the total paid up equity share capital of the Target Company and Seller is part of Promoter group.</p> <p>Pursuant to Share Purchase agreement, aggregate shareholding of acquirers along with the PACs will be 1,29,41,052 Equity Shares constituting 98.78% of the total paid up share capital of the Target Company which has resulted into the triggering of Open Offer under Regulation 3 (1) and 4 of SEBI (SAST) Regulation, 2011.</p>
Listed at	BSE Limited
Offer Price	Rs. 670/-

SYNOPSIS OF MAIN BOARD IPO

Endurance Technologies Ltd.

Eligibility Criteria	Book Built Issue
Issue Period	October 5, 2016 - October 7, 2016
Issue Type	Offer For Sale
Issue Price	Rs. 472 Per Equity Share
Issue Size	2,46,13,024 Equity Shares of Rs. 472 each i.e. Rs. 1,161.73 Crores (approx)
Price Band	Rs. 467 - Rs. 472 Per Equity Share
Market Lot	30 Shares
Listing At	BSE, NSE
Business	<p>Endurance Technologies Ltd. is engaged in the business of manufacturing of two-wheeler and three-wheeler automotive component. It also manufactures specified components for four-wheeler passenger vehicles, light commercial vehicles and heavy commercial vehicles.</p> <p>The company is the complete solutions provider, providing end-to-end services by engaging its customers from conception to end-user delivery. Its development process includes design, development, validation, testing, manufacturing, delivery and aftermarket sale service for a wide range of technology-intensive auto component products.</p>
Objects of the issue	<p>The object of the issue are:</p> <ul style="list-style-type: none"> ➤ To achieve the benefits of listing the Equity Shares of the Company on the Stock Exchanges ➤ To carry out the sale of up to 2,46,13,024 Equity Shares by the Selling Shareholder

Varun Beverages Ltd.

Eligibility Criteria	Book Built Issue
Issue Period	October 26, 2016 - October 28, 2016
Issue Type	Fresh issue & Offer For Sale
Issue Price	Rs. 445 Per Equity Share
Issue Size	2,50,00,000 Equity Shares of Rs. 445 each i.e. Rs. 1,112.50 Crores (approx)
Price Band	Rs. 440 - Rs. 445 Per Equity Share
Market Lot	33 Shares
Listing At	BSE, NSE
Business	<p>Varun Beverages Ltd., incorporated in the year 1995, is franchisee of carbonated soft drinks (CSDs) and non-carbonated beverages (NCBs) sold under trademarks owned by PepsiCo in India and internationally. The company produces and distributes a range of CSDs under the brands of Pepsi, Diet Pepsi, Seven-Up, Mirinda Orange, Mirinda Lemon, Mountain Dew, Seven-Up Nimbooz Masala Soda, Seven-Up Revive, and Evervess.</p> <p>It also produces and distributes NCBs under the brands of Tropicana Slice; Tropicana Frutz (Lychee, Apple and Mango) and Nimbooz, as well as packaged drinking water under the brand Aquafina. In addition, the company has the franchise for Ole brand of PepsiCo products in Sri Lanka. It sells its products to retail outlets, including e-commerce, supermarkets, hypermarkets, convenience stores, bars, and restaurants, as well as to grocery stores through distributors.</p>
Objects of the issue	<p>The object of the issue are:</p> <ul style="list-style-type: none"> ➤ Prepayment or scheduled repayment of a portion of outstanding indebtedness availed by the Company ➤ General corporate purposes

PNB Housing Finance Ltd.

Eligibility Criteria	Book Built Issue
Issue Period	October 25, 2016 - October 27, 2016
Issue Type	Fresh issue
Issue Size	Rs. 3,000 Crores (approx)
Price Band	Rs. 750 - Rs. 775 Per Equity Share
Market Lot	19 Shares
Listing At	BSE, NSE
Business	<p>PNB Housing Finance Ltd, a subsidiary of Punjab National Bank offers housing loans to individuals and corporate bodies for the construction, purchase, repair and upgradation of houses as well as loans for commercial space, purchase of residential plots, loan against properties and loans for real estate developers.</p> <p>Company's target customers for housing loans are salaried customers, whose main source of income is salary from their employment, and self-employed customers, whose main source of income is their profession or their business. They also offer housing loans in the form of construction finance loans to real estate developers of residential housing.</p> <p>The company has Pan India presence in more than 40 locations through a network of 48 branches. Company's 16 hubs are located at New Delhi, Bengaluru, Chandigarh, Chennai, Noida, Jaipur, Dehradun, Lucknow, Kolkata, Cochin, Coimbatore, Mumbai, Pune, Ahmedabad, Indore and Hyderabad which support branch operations. The company provides doorstep service for its products via Direct Sales Team (DST) channel. Other than the DST channel, company's Home Loan and Loan against Property business is also sourced via Direct Marketing Associates (DMA) and Digital Medium.</p>
Objects of the issue	<p>The object of the issue are:</p> <ul style="list-style-type: none"> ➤ Augment the capital base to meet the company's future capital requirements ➤ General corporate purposes ➤ Enhance visibility and brand name among existing and potential customers

SYNOPSIS OF SME IPO

Agro Phos India Ltd.

Type of Issue	100% Book Built Issue
Issue Period	October 27, 2016 - November 7, 2016
Issue Price	Rs. 19 - Rs. 22 Per Equity Share
Issue Size	Fresh Issue of 58,80,000 Equity Shares aggregating up to Rs. 12.94 Cr (approx)
Listing At	SME Platform of the NSE i.e. NSE EMERGE
Business	<p>Incorporated in 2002, Agro Phos India Ltd. is engaged in the manufacturing of fertilisers such as Single Super Phosphate (SSP), Nitrogen Phosphate and Potassium (NPK), Zinc Sulphate, Organic manure and Calcium Sulphate commonly known as soil conditioner or gypsum.</p> <p>Its manufacturing facilities are located at Dewas and Meghnagar, Madhya Pradesh and are well equipped with required facilities including machinery, crane, conveyor belt, other handling equipments to facilitate smooth manufacturing process and easy logistics.</p>
Objects of the issue	<p>The object of the issue are:</p> <ul style="list-style-type: none"> ➤ Repayment/ Prepayment of certain borrowings availed by the company ➤ Working Capital requirements ➤ General corporate purpose ➤ Issue Expenses

DISCLOSURES

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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