



# PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF MEENAKSHI MERCANTILES LIMITED

(CIN: L67120WB1985PLC120157)

Registered office: 504, Woodburn Central, 5th Floor 5A, Bibhabati Bose Sarani Kolkata, West Bengal- 700020, India.

Tel: +91 -33- 6601 2222, Website: www.mml.ind.in, Email: mml@saraogigroup.org

Contact Person: Mrs. Gazal Agarwal, Company Secretary and Compliance Officer.

This Public Announcement (the "Public Announcement") is being issued by Kamal Nayan Saraogi, ("Acquirer 1"), Stuti Dhanuka, ("Acquirer 2"), and Kamal Nayan Saraogi (HUF), ("Acquirer 3") (Acquirer 1, Acquirer 2 and Acquirer 3 are collectively referred to as "Acquirers") to the public shareholders, ("Public Shareholders") of Meenakshi Mercantiles Limited, (the "Company") in respect of the proposed acquisition of upto 31,51,400 ("Offer Shares") equity shares of face value Rs. 10 each ("Equity Shares") representing 25.75% of the total Paid up Equity Share Capital of the Company and consequent voluntary delisting of the Equity Shares of the Company from the Metropolitan Stock Exchange of India Limited ("MSEIL") and The Calcutta Stock Exchange Limited ("CSEL"). (MSEIL and CSEL are collectively referred to as the "Stock Exchanges") pursuant to Regulation 10 and other applicable provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended, ("SEBI Delisting Regulations") and in accordance with the terms and conditions set out below ("Delisting Offer").

## 1. Background of the Delisting Offer

### a) History of the Company

The Company was incorporated as "Meenakshi Mercantiles Limited" on July 02, 1985 under the Companies Act, 1956 as a public limited company with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Arunachal, Mizoram and Nagaland. The registered office of the Company is presently situated at 504, Woodburn Central, 5th Floor 5A, Bibhabati Bose Sarani Kolkata, West Bengal- 700020, India. The Equity Shares of the Company are presently listed only on MSEIL and CSEL. The Corporate Identity Number of the Company is L67120WB1985PLC120157.

### b) Capital Structure of the Company

The capital structure of the Company as on the date of this Public Announcement is as under:

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
1,25,40,000 Equity Shares of Rs. 10/- each	12,54,00,000
1,000 Preference Shares of Rs. 100/-	1,00,000
	<b>12,55,00,000</b>
<b>Issued, Subscribed and Paid Up Equity Share Capital</b>	
1,22,39,000 Equity Shares of Rs. 10/- each	12,23,90,000

c) As on the date of this Public Announcement, the Promoter and Promoter Group of the Company hold 90,87,600 Equity Shares of face value Rs. 10 each representing 74.25% of the total Paid up Equity Share Capital of the Company.

d) The Acquirers are hereby making this Delisting Offer to acquire Offer Shares representing 25.75% of the total Paid up Equity Share Capital of the Company from the Public Shareholders of the Company at a price to be determined under the Reverse Book Building Process ("RBB") and propose to delist the Equity Shares of the Company from the Stock Exchanges, subject to terms and conditions mentioned hereafter and in accordance with the Delisting Regulations.

e) Acquirer 1 had, along with the other Promoter and Promoter Group members, vide letter dated November 09, 2018 ("Intention Letter") conveyed the intention to make a voluntary Delisting Offer to acquire, either by himself alone or along with one or more Promoter Group members, the Offer Shares and delist the Equity Shares of the Company from the Stock Exchanges in accordance with the SEBI Delisting Regulations and requested the Board of Directors to approve the Delisting Offer and to seek the requisite approval from the Public Shareholders in accordance with the SEBI Delisting Regulations. The receipt of the Intention Letter was notified by the Company to the Stock Exchanges on November 09, 2018 ("Notification Date").

f) The Board of Directors, at its meeting held on November 16, 2018, took on record the Intention Letter and confirmed the appointment of Saffron Capital Advisors Limited as the Merchant Banker ("Manager to the Offer") for carrying out due diligence as required in terms of Regulations 8(1A)(i) and 8(1D) of the Delisting Regulations. The outcome of the said board meeting was informed to the Stock Exchanges on November 16, 2018.

g) The Acquirers have submitted a copy of certificate from Chintan Shah (Membership No. 107490), Partner, M/s Chhognal & Co., Chartered Accountants (Firm Registration No. 101826W) dated December 03, 2018 calculating the Floor Price, computed in accordance with Regulation 15(2) of the Delisting Regulations read with Regulation 8 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, ("SEBI SAST Regulations") for the Delisting Offer is Rs. 48.57 (Rupees Forty Eight and Fifty Seven Paise only) per Equity Share (the "Computed Floor Price"). The Acquirers vide letter dated December 03, 2018 informed the Company about their decision to round off the Computed Floor Price to the nearest rupee, and Rs. 49 (Rupees Forty Nine only) per Equity Share was decided to be the floor price (the "Floor Price") for the proposed Delisting Offer.

h) The Board of Directors, in their meeting held on December 07, 2018, inter alia passed / approved the following:

(i) Taken on record the Due Diligence Report dated December 03, 2018 received from Manager to the Offer in terms of Regulation 8(1D) & 8(1E) of the Delisting Regulations

(ii) After consideration of the various factors and advantages of delisting and also considering the Due Diligence Report, the Board has granted their approval under Regulation 8(1)(a) of the SEBI Delisting Regulations and recommended the proposal to voluntarily delist the Equity Shares of the Company from the Stock Exchanges for approval of the Public Shareholders of the Company through postal ballot. The Board of Directors have also certified that (a) The Company is in compliance with the applicable provisions of the securities laws; (b) The Promoter and Promoter Group and their related entities are in compliance with the sub-regulation (5) of Regulation 4 of the SEBI Delisting Regulations; and (c) The proposed delisting is in the interest of the Public Shareholders;

(iii) Taken on record the certificate dated December 03, 2018 issued by Mr. Chintan Shah (Membership No. 107490), Partner, M/s Chhognal & Co., Chartered Accountants (Firm Registration No. 101826W), certifying that in terms of the Regulation 15(2) of the SEBI Delisting Regulations, the Computed Floor Price shall be Rs. 48.57 (Rupees Forty Eight and Fifty Seven Paise only) per Equity Share.

The Board also noted the letter dated December 03, 2018 from the Acquirers wherein they informed the Company about their decision to round off the Computed Floor Price to the nearest rupee, and Rs. 49 (Rupees Forty Nine only) per Equity Share was decided to be the Floor Price.

(iv) Approved the notice of postal ballot to seek approval of the Public Shareholders of the Company in accordance with Regulation 8(1)(b) of the SEBI Delisting Regulations and in accordance with the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and other applicable laws.

The Company notified the outcome of the aforesaid Board meeting to the Stock Exchanges on December 07, 2018.

i) The Public Shareholders of the Company passed a special resolution through postal ballot, the result of which was declared on January 14, 2019 and notified to the Stock Exchanges on January 14, 2019, approving the delisting of the Equity Shares from the Stock Exchanges pursuant to the Delisting Regulations. There were no votes cast by the Public Shareholders against the Delisting Offer.

j) The Company has been granted in-principle approval for delisting of the Equity Shares of the Company from MSEIL vide their letter no. MSEIL/ST/2019/335 dated February 07, 2019 and CSEL vide their letter no. CSEL/D/14536/2019 dated February 20, 2019 in accordance with Regulation 8(3) of the SEBI Delisting Regulations.

k) The Public Announcement, in accordance with Regulation 10(1) of the SEBI Delisting Regulations, is being published on February 21, 2019 in the following newspapers:

Newspaper	Language	Edition
Financial Express	English	All editions
Jansatta	Hindi	All editions
Mumbai Lakshadweep	Marathi	Mumbai edition
Ekdin	Bengali	Bengal edition

l) The Delisting Offer is subject to the acceptance of the Discovered Price, calculated in accordance with the SEBI Delisting Regulations, by the Acquirers. The Acquirers may also, at their discretion, propose a price higher than the Discovered Price for the purposes of the Delisting Offer. Any Discovered Price that is accepted by the Acquirers for the Delisting Offer or a higher price that is offered for the Delisting Offer at their discretion shall hereinafter be referred to as the "Exit Price".

m) The Acquirers reserve the right to withdraw the Delisting Offer in certain cases as set out in Clause 17 (f) of the Public Announcement.

n) Neither the Acquirers nor any other entity belonging to the Promoter and Promoter Group of the Company shall sell Equity Shares of the Company till the completion of the Delisting Process.

## 2. NECESSITY AND OBJECTIVES OF THE DELISTING OFFER

a) The objective of the Acquirers in making the Delisting Offer is inter-alia to:

i. to save the cost and time for compliance with SEBI Listing Regulations and in the management of compliances in respect of Public Shareholders; and

ii. to provide Public Shareholders with an exit opportunity from the Company and also provide liquidity, which is otherwise not available in the Equity Shares of the Company;

b) In view of the above, the Promoter and Promoter Group believe that the Delisting Offer can provide the Public Shareholders an opportunity to exit from the Company at a price discovered in accordance with the SEBI Delisting Regulations. The Discovered Price will be determined in accordance with the RBB as set out in the SEBI Delisting Regulations and will be subject to acceptance by the Acquirers.

## 3. BACKGROUND OF THE ACQUIRERS

a) Acquirer 1, aged about 75 years, Indian citizen, currently residing at 7/A, Lower Rawdon Street, 2nd Floor, L.R. Sarani, Kolkata, West Bengal- 700020. Telephone No.: +91- 33-66012222/ 22871012. He is a Commerce Graduate and has more than 45 years of experience in the sugar industry. He is the member of promoter group and currently holds 23,00,000 Equity shares representing 18.79% of the Paid up Equity Share Capital of the Company.

b) Acquirer 2, aged about 46 years, Indian citizen, currently residing at RMZ Woodslave Apartment No- 002 Heather Block, No- 78 Nandidurga Road, Bangalore North, Bangalore, Karnataka- 560046. Telephone No.: +91- 80-6642 6600. She is a graduate from American Graduate School of Business and has more than 20 years of experience in manufacturing of export quality garments. She is the member of promoter group and currently holds 1,22,100 Equity shares representing 1% of the Paid up Equity Share Capital of the Company.

c) Acquirer 3 is a Hindu Undivided Family of Acquirer 1, incorporated on August 07, 1963. Acquirer 1 is the karta of Acquirer 3. Office of Acquirer 3 is currently situated at 504, Woodburn Central, 5th Floor 5A, Bibhabati Bose Sarani Kolkata, West Bengal- 700020, India. Acquirer 3 is the member of promoter group and currently holds 60,000 Equity shares representing 0.49% of the Paid up Equity Share Capital of the Company.

Financial snapshot of Acquirer 3 for the financial years 2016 to 2018 is given below:-

Particulars	FY 2018	FY 2017	FY 2016
Total Income	633.71	857.42	334.65
Profit/(Loss)	633.63	857.40	314.08

d) Acquirers together hold 24,82,100 Equity Shares, representing 20.28% of the Paid up Equity Share Capital of the Company. The Acquirers, together with the other members of the Promoter and Promoter Group of the Company, collectively hold 90,87,600 Equity Shares, representing 74.25% of the Paid up Equity Share Capital of the Company

e) As per certificate dated January 15, 2019 issued by Mr. M. L. Choudhry, Partner of M. L. Choudhry & Co., Chartered Accountants, (Membership No. 010558 & Firm Regn. No. 306125E), Chartered Accountants, having office at 3A, Garstin Place, 5th floor, Kolkata- 700001; Tel +91- 33- 2248 1145, E-mail: jagarstin@gmail.com, the net worth of Acquirers as on December 31, 2018 is as under:

Sr. No.	Name of the Acquirers	Networth (Rs. Lacs)
1.	Acquirer 1	3114.14
2.	Acquirer 2	5228.70
3.	Acquirer 3	3235.79

f) The Acquirers have made arrangements of the requisite funds necessary to fulfill their obligations under the Delisting Offer.

g) The Promoter and Promoter Group (including Acquirers) hold 90,87,600 Equity shares as on the date of this Public Announcement, details of which are as under:

Name of shareholder	No. of Equity Shares held	% to the total Paid up Equity Share Capital
Kamal Nayan Saraogi HUF	60,000	0.49
Stuti Dhanuka	1,22,100	1.00
Karan Saraogi	4,51,100	3.69
Vivek Saraogi	13,25,500	10.83
Sumeeda Saraogi	21,59,900	17.65
Kamal Nayan Saraogi	23,00,000	18.79
Meenakshi Saraogi	23,15,000	18.91
Balrampur Agro Industries Pvt Ltd	1,10,500	0.90
Maharajan Agro Industries Pvt Ltd	1,15,000	0.94
Vivek Agro Industries Pvt Ltd	1,28,500	1.05
<b>Total</b>	<b>90,87,600</b>	<b>74.25</b>

h) No entity belonging to the Promoter or Promoter Group has sold any Equity Shares of the Company during the six months preceding the date of the board meeting (i.e. December 07, 2018) wherein the Delisting Offer was approved. Further, all the members / entities belong to the Promoter or promoter group of the Company have undertaken not to sell the Equity Shares of the Company until the earlier of (i) completion of the Delisting Offer in accordance with the SEBI Delisting Regulations; or (ii) failure of the Delisting Offer in accordance with the SEBI Delisting Regulations.

i) The Acquirers, Promoter and Promoter Group have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

## 4. BACKGROUND OF THE COMPANY

a) The Company was incorporated as "Meenakshi Mercantiles Limited" on July 02, 1985 under the Companies Act, 1956 as a public limited company with the Registrar of Companies, Assam, Meghalaya, Manipur, Tripura, Arunachal, Mizoram and Nagaland. The registered office of the Company is presently situated at 504, Woodburn Central, 5th Floor 5A, Bibhabati Bose Sarani, Kolkata, West Bengal- 700020, India. The Equity Shares of the Company are presently listed only on MSEIL and CSEL.

b) The Company made its maiden public issue in the year 1986 and its Equity Shares were listed on Guwahati Stock Exchange Limited ("GSEL"). Upon exit of GSEL, the Equity Shares of the Company got listed on CSEL w.e.f. November 22, 2013. Scrip Code: 23933. Equity Shares of the Company are also listed on MSEIL w.e.f. September 07, 2016. Security Symbol- MML.

c) The Company is a Non-Banking Financial (Non Deposit Accepting or Holding) Company registered with Reserve Bank of India bearing registration no. B-05.06746. The Company has been categorized as an Investment Company and is engaged in the business of investments and dealing in shares and securities, mutual funds, financing and carrying on business in accordance with the regulatory framework mandated by the laws of land.

d) Our Company has not merged/amalgamated with any other entities except as given below:

• In 2008, Scheme of Amalgamation was sanctioned by Hon'ble High Court of Calcutta vide order dated January 30, 2008 of Nav- Growth Finance Limited with the Company under Section 391 to Section 394 of the Companies Act, 1956. The effective date of the scheme was March 20, 2008

• Scheme of Amalgamation of Stuti Agro Private Limited, the wholly owned subsidiary of the Company with the Company was filed with Regional Director (ER), Ministry of Corporate Affairs, under Section 233 Companies Act, 2013 and read with Companies (Compromises, Arrangements and Amalgamations) Rules 2016 that is applicable in the case of amalgamation of wholly owned subsidiary company and the scheme of amalgamation has been sanctioned by Regional Director (ER), Ministry of Corporate Affairs, vide order dated December 05, 2018.

e) As on the date of this Public Announcement, the Company has no outstanding preference shares, partly paid up Equity Shares, convertible instruments, stock options or any other instruments that may result in the issuance of Equity Shares by the Company. Further, as on date, none of the Equity Shares held by the Public Shareholders are subject to any lock-in requirements.

f) Brief audited financial statements of the Company on consolidated basis, based on Indian Accounting Standards ("Ind AS"), for the financial years ended March 31, 2018, 2017 and standalone basis for 2016 along with the limited reviewed financial results for the half year ended September 30, 2018 (standalone) is as under:

Particulars	(Amount in Lacs)	
	For the period ended September 30, 2018	For the period ended March 31, 2018
Revenue from Operations	2372.42	5826.49
Other Income	0.00	5.01
<b>Total Income</b>	<b>2372.42</b>	<b>5831.50</b>
Expenses (including exceptional items & excluding finance cost and Depreciation & Amortization)	181.04	692.16
Finance Costs	0.00	0.00
Depreciation and Amortization	9.21	10.02
<b>Profit / (Loss) Before Tax</b>	<b>2182.17</b>	<b>5129.32</b>
Profit / (Loss) After Tax (before other comprehensive income)	1933.09	4534.18
Basic Earnings Per Share (in ₹)	15.79	37.06
Diluted Earnings Per Share (in ₹)	15.79	37.06
Paid-up Share Capital	1223.90	1223.90
Reserves & Surplus	34405.69	33348.06
<b>Net Worth</b>	<b>35629.59</b>	<b>34571.96</b>
Minority Interest	0.00	1.16
<b>Total Non Current Liabilities</b>	<b>57.46</b>	<b>57.46</b>
<b>Total Current Liabilities</b>	<b>148.94</b>	<b>55.69</b>
<b>Total Equity &amp; Liabilities</b>	<b>35835.99</b>	<b>34685.11</b>
<b>Total Non Current Assets</b>	<b>35711.34</b>	<b>34220.39</b>
<b>Total Current Assets</b>	<b>124.65</b>	<b>464.72</b>
<b>Total Assets</b>	<b>35835.99</b>	<b>34685.11</b>
Book Value per Share (in ₹)	291.12	282.47

g) The capital structure of the Company as on the date of this Public Announcement is as under:

Particulars	Amount (in Rs.)
<b>Authorised Capital</b>	
1,25,40,000 Equity Shares of Rs. 10/- each	12,54,00,000
1,000 Preference Shares of Rs. 100/-	1,00,000
	<b>12,55,00,000</b>
<b>Issued, Subscribed and Paid Up Equity Share Capital</b>	
1,22,39,000 Equity Shares of Rs. 10/- each	12,23,90,000

h) The summary shareholding pattern of the Company prior to the Delisting Offer is as under (as on February 20, 2019):

Category of Shareholders	No. of Equity Shares held	% to the total Paid up Equity Share Capital
<b>Promoters Shareholding</b>		
Indian	90,87,600	74.25
Foreign	-	-
<b>Sub Total (A)</b>	<b>90,87,600</b>	<b>74.25</b>
<b>Public Shareholding</b>		
<b>Institutions</b>		
Financial Institutions / Banks	-	-
Alternate Investment Funds	-	-
Foreign Portfolio Investor	-	-
Foreign Institutional Investors	-	-
<b>Non Institutions</b>		
Bodies Corporate	1,32,800	1.09
Individuals	30,17,600	24.65
Others	1000	0.01
<b>Sub Total (B)</b>	<b>31,51,400</b>	<b>25.75</b>
<b>Grand Total (A)+(B)</b>	<b>1,22,39,000</b>	<b>100</b>

i) The likely post-delisting shareholding pattern of the Company, assuming that all Offer Shares with the Public Shareholders are acquired pursuant to the Delisting Offer, will be as follows:

Category	Before Delisting Offer		Post Delisting Offer	
	No. of Equity Shares held	% to the total Paid up Equity Share Capital	No. of Equity Shares held	% to the total Paid up Equity Share Capital
<b>Acquirers (along with other Promoters/ Promoter Group)</b>	90,87,600	74.25	1,22,39,000	100
<b>Public Shareholding</b>	31,51,400	25.75	NIL	NIL
<b>Total</b>	<b>1,22,39,000</b>	<b>100</b>	<b>1,22,39,000</b>	<b>100</b>

## 5. STOCK MARKET DATA

### 5.1 MSEIL

Equity Shares of the Company got listed on MSEIL on September 07, 2016. Equity Shares of the Company are not traded on MSEIL. Therefore the stock market data for the fiscal years 2016 to 2018 is not available. Further, the Equity Shares of the Company have not been traded for the six months preceding the month in which Public Announcement for Delisting Offer is made.

### 5.2 CSEL

Equity Shares of the Company got listed on CSEL on November 22, 2013. Equity Shares of the Company are not traded on CSEL. Therefore the stock market data for the fiscal years 2016 to 2018 is not available. Further, the Equity Shares of the Company have not been traded for the six months preceding the month in which Public Announcement for Delisting Offer is made.

## 6. STOCK EXCHANGES FROM WHICH THE EQUITY SHARES ARE SOUGHT TO BE DELISTED

The Acquirers seek to delist the Equity shares of the Company from both, MSEIL & CSEL.

## 7. DETERMINATION OF THE FLOOR PRICE

a) The Acquirers propose to acquire the Equity Shares of the Company from the Public Shareholders pursuant to a RBB established in terms of Schedule II of the SEBI Delisting Regulations.

b) The annualized trading turnover based on the trading volume of the Equity Shares on the MSEIL and CSEL during the period from November 01, 2017 to October 30, 2018 (i.e. twelve calendar months prior to Notification Date) is as under:

Stock Exchanges	Total no. of equity shares traded during the twelve calendar months prior to the month of PA	Total no. of listed equity shares	Annualized trading turnover (as % of shares listed)
MSEIL	NIL (No Trading)	1,22,39,000	NIL (No Trading)
CSEL	NIL (No Trading)	1,22,39,000	NIL (No Trading)

[Source: www.mseil.in, www.cse-india.com]

c) Based on the information provided in point above, the Equity Shares of the Company are infrequently traded on the MSEIL & CSEL within the meaning of explanation provided in regulation 2(1)(j) of the SEBI SAST Regulations.

As required under Regulation 15(2) of the SEBI Delisting Regulations, the floor price of the Delisting Offer is required to be determined in terms of Regulation 8 of the SEBI SAST Regulations, as may be applicable. The reference date for computing the floor price would be the date on which the Stock Exchanges were notified of the board meeting in which the delisting proposal would be considered, i.e. December 04, 2018 ("Reference Date").

d) In terms of Regulation 8 of the SEBI SAST Regulations, the floor price shall be higher of the following:

1. The highest negotiated price per Share of the Company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer	Not Applicable
2. The volume-weighted average price paid or payable for acquisition(s), whether by the Acquirers or by any person(s) acting in concert, during the fifty two weeks immediately preceding the date of public announcement;	Not Applicable
3. The highest price paid or payable for any acquisition, whether by the Acquirers or by any person(s) acting in concert, during the twenty six weeks immediately preceding the date of the Public Announcement	Not Applicable
4. The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the company are recorded during such period	Not Applicable
5. Where the shares are not frequently traded, the price determined by the acquirer and the manager to the offer taking into account valuation parameters per Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares	# Rs. 48.57

# As per certificate dated December 03, 2018 issued by Mr. Chintan Shah (Membership No. 107490), Partner, M/s Chhognal & Co., Chartered Accountants (Firm Registration No. 101826W) having office at 106, 1st Floor, The Summit Business Bay, Opp. PVR Theatre, Near WEH Metro Station, Sir M V Road, Andheri (East), Mumbai- 400093; Tel No. 022 26826611; Email id: chhognal@gmail.com calculating the floor price, computed in accordance with Regulation 15(2) of the Delisting Regulations read with Regulation 8 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, ("SEBI SAST Regulations") for the Delisting Offer is Rs. 48.57 (Rupees Forty Eight and Fifty Seven Paise only) per Equity Share (the "Computed Floor Price"). The Acquirers vide letter dated December 03, 2018 informed the Company about their decision to round off the Computed Floor Price to the nearest rupee, and Rs. 49 (Rupees Forty Nine only) per Equity Share was decided to be the floor price (the "Floor Price") for the proposed Delisting Offer.

Based on the above, the Acquirers propose to offer Floor Price per Equity Share