

ADVIK CAPITAL LIMITED

Registered Office: Plot No. 84, Khasra No. 143/84, Ground Floor, Extended Lal Dora,
Kanjhawla (Northwest), Delhi - 110051
Tel. No. +91-9289119980 E-mail ID: advikgroup@yahoo.com / advikcapital@gmail.com
Website: www.advikgroup.com CIN: L65100DL1985PLC022503

Recommendations of the Committee of Independent Directors (IDC) for the Open Offer to the Shareholders of Advik Capital Limited (hereinafter referred to as 'the Company'/'Target Company') by Mr. Vikas Garg, Ms. Seema Garg (hereinafter referred to as 'Acquirers') and Ms. Sukriti Garg (hereinafter referred to as 'PAC') under Regulation 26(7) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SEBI (SAST) Regulations, 2011').

1.	Date	February 10, 2023																																																		
2.	Name of the Company	Advik Capital Limited																																																		
3.	Details of the Offer pertaining to the Company	Open Offer to acquire upto 5,72,50,253 (Five Crores Seventy Two Lakhs Fifty Thousand Two Hundred and Fifty Three) fully paid-up Equity Shares representing 26.00% of the total paid-up equity share capital of the Target Company at a price of INR 4.35 (Indian Rupees Four and Thirty Five Paise Only) per fully paid-up equity share payable in cash which includes an interest of INR 0.17 (Indian Rupee Seventeen Paise only) at the rate of ten percent (10%) per annum																																																		
4.	Name of the Acquirers	<ul style="list-style-type: none"> • Mr. Vikas Garg • Mrs. Seema Garg 																																																		
5.	Name of the PAC	<ul style="list-style-type: none"> • Ms. Sukriti Garg 																																																		
6.	Name of the Manager to the Offer	Corporate Professionals Capital Private Limited																																																		
7.	Members of the Committee of Independent Directors	Ms. Gunjan Jha- Chairperson Ms. Sony Kumari -Member Ms. Swati Gupta -Member																																																		
8.	IDC Member's relationship with the Company	The IDC members are Independent Directors of the Company.																																																		
9.	Trading in the Equity shares/ other securities of the Company by IDC Members	None of the IDC members hold any shares of the Company and neither have they traded in any equity shares / other securities of the Company during a period of 12 months prior to the date of Public Announcement and since then till date.																																																		
10.	IDC Member's relationship with the Acquirer	The IDC members do not have any relationship with the Acquirers.																																																		
11.	Trading in the Equity shares/ other securities of the Acquirer by IDC Members	Not Applicable																																																		
12.	Recommendation on the Open offer, as to whether the offer is fair and reasonable	<p>Based on the review of the Public Announcement and the Detailed Public Statement issued by the Manager to the Offer on behalf of the Acquirers, IDC believe that the Open Offer is in accordance with SEBI (SAST) Regulations, 2011 and to that extent is fair and reasonable.</p> <p>The shareholders should independently evaluate the offer and take their own informed decision. They are also advised to seek expert tax opinion before taking their decision in this regard.</p>																																																		
13.	Summary of reasons for recommendation	<p>The Acquirers have entered into SPA dated May 18, 2022 with the existing members of the promoter and promoter group of the Target Company namely Mr. Virender Kumar Agarwal, Mr. Shakul Kumar Agarwal for acquisition of control and 1,73,84,000 (One Crore Seventy Three Lakh Eighty Four Thousand) Equity Shares representing 7.89% of the paid up equity share capital of the Target Company of face value of INR 1.00/- (Indian Rupees One Only) at a price of INR 0.80/- (Indian Rupees Eighty Paise Only) per Equity Share of the Target Company aggregating to INR 1,39,07,200/- (Indian Rupees One Crore Thirty Nine Lakh Seven Thousand and Two Hundred only) therefore, this Offer is a Triggered/ Mandatory offer in terms of Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011.</p> <p>The equity shares of the Company are listed and traded on the bourses of BSE and are frequently traded within the meaning of definition of 'frequently traded shares' under clause (j) of Sub-Regulation (1) of Regulation 2 of the SEBI (SAST) Regulations on BSE.</p> <p>The Offer Price of INR 4.35 (Indian Rupees Four and Thirty Five Paise Only) is justified, in terms of Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">S. No.</th> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Price</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">(a)</td> <td>The highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer</td> <td style="text-align: center;">INR 0.80/-</td> </tr> <tr> <td style="text-align: center;">(b)</td> <td>The volume-weighted average price paid or payable for acquisition by the Acquirers along with their persons acting in concert during 52 weeks immediately preceding the date of Public Announcement</td> <td style="text-align: center;">INR 2.89/-</td> </tr> <tr> <td style="text-align: center;">(c)</td> <td>The highest price paid or payable for any acquisition by the Acquirers along with their persons acting in concert during 26 weeks immediately preceding the date of the Public Announcement</td> <td style="text-align: center;">INR 3.13/-</td> </tr> <tr> <td style="text-align: center;">(d)</td> <td>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 target company are recorded during such period, provided such shares are frequently traded</td> <td style="text-align: center;">INR 4.11/-</td> </tr> <tr> <td style="text-align: center;">(e)</td> <td>The Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager to the Offer considering valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies</td> <td style="text-align: center;">Not Applicable, since the equity shares are frequently traded</td> </tr> </tbody> </table> <p>Target Company, being an NBFC, the acquisition of control and shares under SPA and Open offer was subject to the approval of RBI, and the approval from RBI was received on January 16, 2023, thus SEBI has directed Acquirers to pay interest at the rate of ten percent (10%) on the Offer Price to the shareholders of the Target Company from the date following the last date of payment as per the observation letter received from SEBI i.e. October 14, 2022 till the last date of payment to shareholders on the basis of approval of RBI i.e. March 16, 2023. The calculation of delay period and interest is provided below -</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Details</th> </tr> </thead> <tbody> <tr> <td>Last payout date as per Observation letter on August 30, 2022</td> <td style="text-align: center;">October 14, 2022</td> </tr> <tr> <td>Last Payout date as per RBI approval on January 16, 2023</td> <td style="text-align: center;">March 16, 2023</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th colspan="2" style="text-align: center;">Delay Period</th> </tr> <tr> <th style="text-align: center;">Month</th> <th style="text-align: center;">Days</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Oct-22</td> <td style="text-align: center;">17</td> </tr> <tr> <td style="text-align: center;">Nov-22</td> <td style="text-align: center;">30</td> </tr> <tr> <td style="text-align: center;">Dec-22</td> <td style="text-align: center;">31</td> </tr> <tr> <td style="text-align: center;">Jan-23</td> <td style="text-align: center;">31</td> </tr> <tr> <td style="text-align: center;">Feb-23</td> <td style="text-align: center;">28</td> </tr> <tr> <td style="text-align: center;">Mar-23</td> <td style="text-align: center;">15</td> </tr> <tr> <td style="text-align: center;">Delay Days</td> <td style="text-align: center;">152</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="text-align: center;">Total number of delay days</th> <th style="text-align: center;">Original Offer Price</th> <th style="text-align: center;">Interest</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">152</td> <td style="text-align: center;">INR 4.15</td> <td style="text-align: center;">INR 0.17</td> <td style="text-align: center;">INR 4.32</td> </tr> </tbody> </table> <p>In view of the parameters considered and presented in above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of INR 4.35 (Indian Rupees Four and Thirty Five Paise Only) per share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations</p>	S. No.	Particulars	Price	(a)	The highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer	INR 0.80/-	(b)	The volume-weighted average price paid or payable for acquisition by the Acquirers along with their persons acting in concert during 52 weeks immediately preceding the date of Public Announcement	INR 2.89/-	(c)	The highest price paid or payable for any acquisition by the Acquirers along with their persons acting in concert during 26 weeks immediately preceding the date of the Public Announcement	INR 3.13/-	(d)	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 target company are recorded during such period, provided such shares are frequently traded	INR 4.11/-	(e)	The Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager to the Offer considering valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	Not Applicable, since the equity shares are frequently traded	Particulars	Details	Last payout date as per Observation letter on August 30, 2022	October 14, 2022	Last Payout date as per RBI approval on January 16, 2023	March 16, 2023	Delay Period		Month	Days	Oct-22	17	Nov-22	30	Dec-22	31	Jan-23	31	Feb-23	28	Mar-23	15	Delay Days	152	Total number of delay days	Original Offer Price	Interest	Total	152	INR 4.15	INR 0.17	INR 4.32
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14.	Details of Independent Advisors, if any.	None																																																		
15.	Any other matter(s) to be highlighted	None																																																		

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Company under the Takeover Code.

For and on behalf of
The Committee of Independent Directors
Of Advik Capital Limited

Place: New Delhi
Date: February 13, 2023

Sd/-
Gunjan Jha
Chairperson - Committee of Independent Directors