

MOONGIPA SECURITIES LIMITED

Registered Office : 18/14, W.E.A. Pusa Lane, Karol Bagh, New Delhi -110005, India
Tel. No.: +91-41450121, E-mail ID: moongipas@gmail.com, Website: www.moongipa.net
CIN: L74899DL1994PLC057941

Recommendations of the Committee of Independent Directors ('IDC') for the Open Offer to the Shareholders of Moongipa Securities Limited (hereinafter referred to as 'the Company'/'Target Company') by Mr. Rahul Gupta and Mr. Rohan Gupta (hereinafter referred to as 'Acquirers') 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	July 05, 2022 Tuesday																																																														
2. Name of the Company	Moongipa Securities Limited																																																														
3. Details of the Offer pertaining to the Company	Open Offer to acquire upto 13,02,652 (Thirteen Lacs Two Thousand Six Hundred and Fifty-Two) Equity Shares representing 26.00% of the total paid-up equity share capital of the Target Company at a price of INR 18.01 (Indian Rupees Eighteen and Zero One Paise Only) per fully paid-up equity share payable in cash which includes interest of INR 1.01 (One Rupee and Zero One Paise only) at the rate of ten percent (10%) per annum																																																														
4. Name of the Acquirer	<ul style="list-style-type: none"> • Mr. Rahul Gupta • Mr. Rohan Gupta 																																																														
5. Name of the Manager to the Offer	Corporate Professionals Capital Private Limited																																																														
6. Members of the Committee of Independent Directors	Ms. Preeti Srivastava (Independent Director)– Chairperson. Mr. Ajay Prakash Narain (Independent Director) – Member.																																																														
7. IDC Member's relationship with the Company	The IDC members are Independent Directors of the Company.																																																														
8. 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.																																																														
9. IDC Member's relationship with the Acquirer	The IDC members do not have any relationship with the Acquirers.																																																														
10. Trading in the Equity shares/other securities of the Acquirer by IDC Members	Not Applicable																																																														
11. Recommendation on the Open offer, as to whether the offer is fair and reasonable	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. 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.																																																														
12. Summary of reasons for recommendation	<p>The Acquirers have entered into SPA dated August 20, 2021 with the existing members of the promoter and promoter group of the Target Company naming Mr. Suresh Chander Jain, Mr. Sanjay Jain, Ms. Pooja Jain, Ms. Nirmal Jain, Sanjay Jain and Sons HUF, Ms. Rosy Gupta, Suresh Chander Jain and Sons HUF, Ms. Ruchi Jain, Mr. Vimal Kumar Mehta and Moongipa Capital Finance Limited for acquisition of control and 28,18,153 (Twenty Eight Lacs Eighteen Thousand One Hundred and Fifty Three) Equity Shares representing 56.25% of the paid up equity share capital of the Target Company of face value of INR 10.00/- (Indian Rupees Ten Only) at a price of INR 17.00/- (Indian Rupees Seventeen Only) per Equity Share of the Target Company aggregating to INR 4,79,08,601 (Indian Rupees Four Crores Seventy Nine Lacs Eight Thousand Six Hundred and One 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 not 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. The Offer Price of INR 18.01 (Indian Rupees Eighteen and Zero One 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="width: 10%;">S. No.</th> <th style="width: 70%;">Particulars</th> <th style="width: 20%;">Price</th> </tr> </thead> <tbody> <tr> <td>(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>INR 17.00/-</td> </tr> <tr> <td>(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>Not Applicable</td> </tr> <tr> <td>(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>Not Applicable</td> </tr> <tr> <td>(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>Not Applicable, since the equity shares of the Target Company are not frequently traded</td> </tr> <tr> <td>(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>INR 16.15</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Other Parameters</th> <th style="width: 60%;">Based on the audited financial data for year ended at March 31, 2021</th> </tr> </thead> <tbody> <tr> <td>Value per share as per Net Asset Value Method</td> <td>INR 16.15</td> </tr> <tr> <td>Comparable Trading Multiples Value and Other Valuation Parameters</td> <td>Not Applicable</td> </tr> </tbody> </table> <p>As certified by CA Manish Kumar Bubna, Partner of Ambani & Associates LLP, Chartered Accountants having office at A-3/87, Gurunanank Pura, 104, Garg Complex, Opp. V3S Mall, Laxmi Nagar, Delhi-110092; Tel. No.: +91-9810904100; Fax No.: NA; Email ID: ca.manish.bubna@gmail.com vide certificate dated August 19, 2021.</p> <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 June 20, 2022, 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 for from the date following the last date of payment as per the observation letter received from SEBI i.e. January 01, 2022 till the last date of payment to shareholders on the basis of approval of RBI i.e. August 05, 2022. The calculation of delay period and interest is provided below—</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Particulars</th> <th style="width: 50%;">Details</th> </tr> </thead> <tbody> <tr> <td>Last payout date as per Observation letter on November 17, 2021</td> <td>December 31, 2021</td> </tr> <tr> <td>Last Payout date as per RBI approval on June 23, 2022</td> <td>August 05, 2022</td> </tr> <tr> <td colspan="2" style="text-align: center;">Delay Period</td> </tr> <tr> <td style="text-align: center;">Month</td> <td style="text-align: center;">Days</td> </tr> <tr> <td>Jan'22</td> <td style="text-align: center;">31</td> </tr> <tr> <td>Feb'22</td> <td style="text-align: center;">28</td> </tr> <tr> <td>Mar'22</td> <td style="text-align: center;">31</td> </tr> <tr> <td>Apr'22</td> <td style="text-align: center;">30</td> </tr> <tr> <td>May'22</td> <td style="text-align: center;">31</td> </tr> <tr> <td>Jun'22</td> <td style="text-align: center;">30</td> </tr> <tr> <td>Jul'22</td> <td style="text-align: center;">31</td> </tr> <tr> <td>Aug'22</td> <td style="text-align: center;">24</td> </tr> <tr> <td>Delay Days</td> <td style="text-align: center;">216</td> </tr> <tr> <td style="text-align: center;">Total number of delay days</td> <td style="text-align: center;">216</td> </tr> <tr> <td style="text-align: center;">Original Offer Price</td> <td style="text-align: center;">INR 17.00</td> </tr> <tr> <td style="text-align: center;">Interest</td> <td style="text-align: center;">INR 1.01</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: center;">INR 18.01</td> </tr> </tbody> </table> <p>In view of the parameters considered and presented in the above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of INR 18.01 (Indian Rupees Eighteen and Zero One 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 17.00/-	(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	Not Applicable	(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	Not Applicable	(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	Not Applicable, since the equity shares of the Target Company are not frequently traded	(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	INR 16.15	Other Parameters	Based on the audited financial data for year ended at March 31, 2021	Value per share as per Net Asset Value Method	INR 16.15	Comparable Trading Multiples Value and Other Valuation Parameters	Not Applicable	Particulars	Details	Last payout date as per Observation letter on November 17, 2021	December 31, 2021	Last Payout date as per RBI approval on June 23, 2022	August 05, 2022	Delay Period		Month	Days	Jan'22	31	Feb'22	28	Mar'22	31	Apr'22	30	May'22	31	Jun'22	30	Jul'22	31	Aug'22	24	Delay Days	216	Total number of delay days	216	Original Offer Price	INR 17.00	Interest	INR 1.01	Total	INR 18.01
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13. Details of Independent Advisors, if any.	None																																																														
14. Any other matter(s) to be highlighted	None																																																														
<p>"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."</p>																																																															
<p>For and on behalf of The Committee of Independent Directors of Sd/- (Preeti Srivastava) Chairperson – Committee of Independent Directors</p>			<p>Place : New Delhi Date : July 06, 2022</p>																																																												