

HMG INDUSTRIES LIMITED

Registered Office: C-21/6, TTC Area, MIDC, Pawne Village, Thane-Belapur Road, Navi Mumbai- 400 703, Maharashtra, India.
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Contact Person : Felci Fernandes; Company Identification Number : U24110MH1987PLC044801

THIS PUBLIC ANNOUNCEMENT ("PA") IS BEING ISSUED BY HG LOGISTIC SERVICES LLP ("OFFEROR"), BELONGING TO THE PROMOTER AND PROMOTER GROUP OF HMG INDUSTRIES LIMITED (THE "COMPANY") IN TERMS OF CHAPTER V OF SECURITIES AND EXCHANGE BOARD OF INDIA (DELISTING OF EQUITY SHARES) REGULATIONS, 2009 ("SEBI REGULATIONS") TO ACQUIRE UPTO 1,17,36,473 EQUITY SHARES OF THE COMPANY HAVING FACE VALUE ₹ 3 EACH AT ₹ 3.16 ("EXIT PRICE") FROM THE PUBLIC SHAREHOLDERS (DEFINED TO MEAN ALL THE SHAREHOLDERS OTHER THAN THE PROMOTER AND PROMOTER GROUP MEMBERS HEREINAFTER REFERRED TO AS "PUBLIC SHAREHOLDERS") ("EXIT OFFER").

I. HMG INDUSTRIES LIMITED

- HMG Industries Limited was incorporated on September 29, 1987 under the Companies Act, 1956.
- The Registered Office of the Company is presently situated at C-21/6, TTC Area, MIDC, Pawne Village, Thane-Belapur Road, Navi Mumbai - 400 703, Maharashtra, India.
- The Company Identification Number of the Company U24110MH1987PLC044801.
- The paid-up Share Capital of the Company is ₹ 7,31,15,853 comprising of 2,16,71,951 Equity Shares of ₹ 3 each and 5,75,000 Preference Shares of ₹ 81,00,000
- The Equity Shares of the Company are currently listed on Ahmedabad Stock Exchange and suspended on Calcutta Stock Exchange.
- The Equity Shares of the Company were listed on National Stock Exchange of India Limited ("NSE"). The Company was compulsorily delisted by NSE as per chapter V of the SEBI Regulations vide a press release dated November 05, 2016 ("Press Release") w.e.f November 22, 2016 ("Effective Date of Delisting").
- The equity shares of the Company are shifted to the dissemination board of NSE from the Effective Date of Delisting. Consequently, the equity shares of the Company cease to be listed on NSE.
- Pursuant to regulation 23(3) of the SEBI Regulations, the promoter of the compulsory delisted company shall acquire delisted equity shares from the public shareholders by paying them the value determined by the valuer, subject to their option of retaining their shares.
- Accordingly, the Offeror on behalf of the Promoter and Promoter Group Members of the Company, in compliance with regulation 23(3) of the SEBI Regulations, is hereby making Exit Offer to the Public Shareholders of the Company.
- Exit Price of ₹ 3.16 (Rupees Three and Sixteen Paise) per Equity Share has been determined by the valuer appointed by NSE pursuant to regulation 23(1) of SEBI (Delisting of Equity Shares) regulations, 2009.

II. DETAILS OF THE OFFEROR

1. HG LOGISTIC SERVICES LLP (OFFEROR)

- The Offeror is a Limited Liability Partnership ("LLP") incorporated under the provisions of the Limited Liability Partnership Act, 2008 on June 17, 2011.
- The Administrative office of the Offeror is situated C-21/6, TTC Industrial Area, MIDC, Pawne Village, Navi Mumbai - 400703.
- Offeror belongs to the Promoter and Promoter Group of the Company and holds 51,35,891 Equity Shares of the Company representing 23.69% of the Paid-up Equity Capital of the Company.
- As on the date of this PA, Offeror has not been prohibited by SEBI from dealing in Securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, or any other regulations made there under.
- Offeror has not been declared a Willful Defaulter by any Banks, Financial Institutions or Consortium thereof.

2. EXIT PRICE AND FINANCIAL ARRANGEMENTS

- The Company was compulsorily delisted by NSE as per chapter V of the SEBI Regulations. The Fair Value per Equity Share of ₹ 3.16 to be paid by the Offeror to the Public Shareholders under the Exit Offer has been determined by the independent valuer appointed by the NSE. Accordingly, the Offeror shall acquire the Equity Shares tendered by the Public Shareholders for cash at ₹ 3.16 (Rupees Three and Sixteen Paise) per Equity Share.
- The Offeror has opened an escrow cash account bearing account No. 021666200000302 ("Escrow Account") with YES Bank Limited, ("Escrow Bank") a company incorporated under the Companies Act, 1956 of India and carrying on business as a banking company under the Banking Regulation Act, 1949, having its registered office at Nehru Centre, 9th Floor, Discovery of India Bldg., Dr. Annie Besant Road, Worli, Mumbai - 400018 and acting through its Branch Office at YES Bank Tower, IFC 2, 25th Floor, Elphinstone (W), Senapati Bapat Marg, Mumbai - 400013, and have made a cash deposit of ₹ 3,70,87,255 (Rupees Three Crores Seventy Lacs Eighty Seven Thousand Two Hundred Fifty Five only) in the Escrow Account. The cash deposited in Escrow Account represents 100% of the total consideration payable to the Public Shareholders under this Exit Offer.

3. TERMS AND CONDITIONS RELATING TO ACCEPTANCE OF OFFER

- The Exit Offer shall remain open for a period of one month w.e.f. 12.01.2017 to close on 11.02.2017. After the Closure of official Exit Offer period the Offeror will keep open this exit offer for a further period of Eleven months which will end on 11.01.2018 to facilitate the non-exited public shareholders.
- All the Public Shareholders of the Company are eligible to participate in this Exit Offer. Public Shareholders have an option to either participate in the Exit Offer by tendering their equity shares or retain their equity shares in the Company. Public Shareholders who desires to participate in the Exit offer may tender their equity shares to the Offeror.
- The Exit Offer may be availed by sending duly completed 'Form of Acceptance' ("Form") along with duly signed Transfer Form and related Share Certificate(s) to Adroit Corporate Services Private Limited, the Registrar and Transfer Agent ("RTA"), at 19/20 Jaferbhoy Ind. Estate, 1st floor, Makwana Road, Marol, Andheri (E), Mumbai - 400 059, Tel: 022 42270400 clearly marking the envelope "HMG Industries Limited -Exit Offer".
- The Forms along with Share Transfer Form to be filled and returned by Public Shareholders shall be dispatched to the Public Shareholders along with Exit Offer Letter. Alternatively, the Public Shareholders may download the Form from the website of the Company, www.hmgindustries.in.
- The Offeror will not accept any Equity Shares offered for Exit Offer where there exists any restraint order of a Court / any other competent authority for transfer / disposal / sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

4. PAYMENT OF CONSIDERATION

- Upon fulfillment of the terms and conditions, consideration for Equity Shares will be paid by the Offeror by way of cheque / pay order / demand draft / electronic credit, as the case may be. The cheque / pay order / demand drafts will be dispatched to the Shareholders participating in the offer, at their own risk, by way of speed post / registered post.
- The consideration for such Equity Shares will be settled on a monthly basis and the payment will be dispatched within 7 working days from the end of the month in which the shares are tendered.

5. GENERAL DISCLAIMER

Every Public Shareholder who desires to avail of the 'Exit Offer' may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Offeror or the Company whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such Exit Offer and tender of Equity Shares through this Exit Offer whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

The Offeror accepts the full and final responsibility for the information contained in the Public Announcement. The Public Announcement would also be available on the Company website: www.hmgindustries.in

For and on behalf of HG Logistic Services LLP

Sd/-

Edgar J. Kamath

(Authorized Signatory)

Date: Mumbai

Place: 09.01.2017