**LETTER OF OFFER**
**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Letter of Offer is being sent to you as a registered Equity Shareholder of Metroglobal Limited (the "**Company**") as on the Record Date in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "**Buy-back Regulations**"). If you require any clarification about the action to be taken, you should consult your stock broker or your investment consultant or the Manager to the Buy-back i.e. Vivro Financial Services Private Limited or the Registrar to the Buy-back i.e. Link Intime India Private Limited. Please refer to the section on "**Definitions of Key Terms**" on page 2 of this Letter of Offer for the definition of the capitalized terms used herein.

# METROGLOBAL LIMITED

**Corporate Identity Number (CIN):** L21010MH1992PLC069527
**Registered Office:** 101, 1st Floor, "Mangal Disha", Nr. Guru Gangeshwar Temple, 6th Road, Khar (West) Mumbai – 400052, Maharashtra, India.
**Phone:** +91-22-26051072, +91-22-26051073;
**Email:** nitin.shah@metroglobal.in; **Website:** www.metrogloballimited.com;
**Corporate Office:** 508-509, "SHILP", C.G. Road, Navrangpura, Ahmedabad - 380 009, Gujarat, India.
**Phone:** +91-79-26468016
**Contact Person:** Mr. Nitin S. Shah, Company Secretary, Chief Financial Officer & Compliance Officer

Cash Offer to Buy-back up to 40,00,000 (Forty Lakhs) fully paid-up equity shares of the Company of face value of ₹10 each ("**Equity Share(s)**") from all the shareholders holding Equity Shares / beneficial owners of Equity Shares of the Company, as on the Record Date i.e., Friday, April 12, 2019 ("**Record Date**"), on a proportionate basis, through the Tender Offer Route using stock exchange mechanism **("Tender Offer")**, at a price of ₹ 56 (Rupees Fifty Six Only) per Equity Share ("**Buy-back Price**") for an aggregate amount not exceeding ₹ 22,40,00,000 (Rupees Twenty Two Crores Forty Lakhs Only) ("**Buy-back Size**") excluding cost such as fees, brokerage, securities transaction tax, goods and services tax, stamp duty etc. **("Transaction Costs")** as per the audited financial statements of the Company for the year ended on March 31, 2018 **("Buy-back Offer" / "Buy-back").** As required under the Buy-back Regulations, Equity Shares to be bought back are divided into two categories: (i) reserved category for Small Shareholders (as defined hereinafter); and (ii) general category for all other shareholders.

1. The Buy-back Offer is being undertaken in accordance with the provisions of Article 71 of the Articles of Association of the Company and Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013 as amended from time to time (the "**Act**") and applicable rules made thereunder and in compliance with the Buy-back Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**"), Foreign Exchange Management Act, 1999 and subject to such other approvals, permissions, sanctions and exemptions as may be required from time to time from any statutory and/ or regulatory authority.
2. The aggregate paid-up share capital and free reserves (including securities premium account) of the Company as on March 31, 2018 based on audited standalone financial statements and audited consolidated financial statements is ₹ 26,611.19 Lakhs and ₹ 26,478.87 Lakhs, respectively. In accordance with Section 68 (2) of the Act and Regulation 5(i)(b) of the Buy-Back Regulations, the Board of Directors of a company can authorize the buy-back of Equity Shares involving payment of consideration not exceeding 10% of the total paid up equity share capital and free reserves (including securities premium account) of the company. Accordingly, the Company proposes to utilize an amount not exceeding ₹ 2,240.00 Lakhs (excluding Transaction Costs) for the proposed Buy-back representing 8.42% and 8.46% of the total paid up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statements and audited consolidated financial statements of the Company as on March 31, 2018, respectively, which is within the power of the Board.
3. The Letter of Offer is being sent to the Equity Shareholder(s)/ Beneficial Owner(s) of Equity Shares as on the Record Date i.e. Friday, April 12, 2019. The procedure for tendering Equity Shares and settlement is set out in paragraph 20 on page 26 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the "**Tender Form**") is enclosed together with this Letter of Offer.
4. For mode of payment of consideration to the Eligible Shareholders, please refer to paragraph 20.27 on page 31 of this Letter of Offer.
5. A copy of the Public Announcement, the Draft Letter of Offer and the Letter of Offer (including the Tender Form) is also be available on the website of Securities and Exchange Board of India - www.sebi.gov.in, on Company's website - www.metrogloballimited.com.
6. Eligible shareholders are advised to refer to details of the Statutory Approvals and Note on Taxation in paragraph 17 on page 21 and paragraph 21 on page 32 respectively of this Letter of Offer, before tendering their Equity Shares in the Buy-back.

| **BUY-BACK OPENS ON: TUESDAY, MAY 14, 2019** | **BUY-BACK CLOSES ON: MONDAY, MAY 27, 2019** |
|---|---|
| **MANAGER TO THE BUY-BACK** | **REGISTRAR TO THE BUY-BACK** |
| VIVRO<br>**Vivro Financial Services Private Limited**<br>**Address:** 607, 608 Marathon Icon, Opp. Peninsula Corporate Park, Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai – 400 013, Maharashtra, India.<br>**Tel.:**+91 22 6666 8040 / 41 / 42 **Fax:** +91 22 6666 8047<br>**E-mail:** investors@vivro.net ; **Website:** www.vivro.net<br>**Contact Person(s):** Mr. Harish Patel / Mr. Vatsal Shah<br>**SEBI Registration Number:** INM000010122 **Validity:** Permanent<br>**CIN:** U67120GJ1996PTC029182 | LINK Intime<br>**Link Intime India Private Limited**<br>**Address:** C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India.<br>**Tel. No.:** +91 22 4918 6200 **Fax:** + 91 22 4918 6195<br>**Email:** metroglobal.buyback@linkintime.co.in;<br>**Website:** www.linkintime.co.in<br>**Contact Person:** Mr. Sumeet Deshpande<br>**SEBI Registration Number:** INR000004058 **Validity:** Permanent<br>**CIN:** U67190MH1999PTC118368 |

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## 1. SCHEDULE OF ACTIVITIES

| Activity | Day, Date |
|---|---|
| Date of the Board meeting held to approve the proposal for Buy-back of Equity Shares | Saturday, March 30, 2019 |
| Date of publication of Public Announcement for the Buy-back | Tuesday, April 02, 2019 |
| Record Date for determining the Buy-back Entitlement and the Eligible Shareholders | Friday, April 12, 2019 |
| Buy-back opens on / Buy-back Opening Date | Tuesday, May 14, 2019 |
| Buy-back closes on / Buy-back Closing Date | Monday, May 27, 2019 |
| Last date of verification by Registrar to Buy-back | Tuesday, June 04, 2019 |
| Last date of intimation to the Stock Exchange regarding acceptance or non-acceptance of tendered Equity Shares by the Registrar and Manager to the Buy-back | Tuesday, June 04, 2019 |
| Last date of settlement of bids on the Stock Exchange | Thursday, June 06, 2019 |
| Last date of return of unaccepted demat shares by Stock Exchange to Seller Member / Broker | Thursday, June 06, 2019 |
| Last date of extinguishment of Equity Shares bought back | Thursday, June 13, 2019 |

*Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.*

## 2. DEFINITION OF KEY TERMS

*This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specifies otherwise, shall have the meaning as provided below. References to any legislation, Act, regulation, rules, guidelines, policies, circulars, notifications or clarifications shall be to such legislation, Act, regulation, rules, guidelines, policies, circulars, notifications or clarifications as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buy-back Regulations, the Companies Act, 2013, Depositories Act, 1996, as amended and the rules and regulations made thereunder and to the extent applicable.*

| Term | Description |
|---|---|
| **Acceptance** | Acceptance of fully paid-up Equity Shares tendered by Eligible Shareholders in the Buy-back Offer |
| **Act / Companies Act** | The Companies Act, 2013 as amended from time to time and the rules and regulations made thereunder and to the extent applicable |
| **Acquisition Window** | The facility for acquisition of Equity Shares through mechanism provided by the BSE in the form of a separate window in accordance with SEBI circular bearing reference no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time |
| **Additional Equity Shares** | Equity Shares tendered by Eligible Shareholders over and above their respective Buy-back Entitlement and such that total number of Equity Shares tendered does not exceed the Equity Shares held on the Record Date by such Eligible Shareholders |
| **Articles of Association/AoA** | Articles of Association of the Company, as amended from time to time |
| **AOP** | Association of Persons |
| **Board / Board of Directors/Directors** | Board of Directors of the Company and shall be deemed to include any committee which the Board of Directors may constitute to exercise its powers. |
| **BIFR** | Board for Industrial and Financial Reconstruction |
| **BSE** | BSE Limited |
| **Buy-back Closing Date** | Monday, May 27, 2019 |
| **Buy-back or Buy-back Offer** | Buy-back of up to 40,00,000 (Forty Lakh) fully paid-up equity shares of the Company of face value of ₹ 10 (Rupees Ten Only) each ("**Equity Share(s)**"), at a price of ₹ 56 |

| Term | Description |
|---|---|
| **or Offer** | (Rupees Fifty Six Only) per Equity Share for an aggregate amount not exceeding ₹ 22,40,00,000 (Rupees Twenty Two Crores Forty Lakhs Only) (excluding Transaction Costs) from Eligible Shareholders, through the Tender Offer on a proportionate basis |
| **Buy-back Entitlement or Entitlement** | The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buy-back, based on the number of Equity Shares held by that Eligible Shareholder on the Record Date in the ratio of Buy-back as applicable in the category |
| **Buy-back Opening Date** | Tuesday, May 14, 2019 |
| **Buy-back Period** | The period between the date of board meeting at which buy-back was approved, i.e., March 30, 2019 and the date on which the payment of consideration to the shareholders whose Equity Shares have been accepted in the Buy-back will be made, i.e., on or before June 06, 2019 |
| **Buy-back Price** | Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹ 56 (Rupees Fifty Six Only) per fully paid-up Equity Share, payable in cash |
| **Buy-back Regulations** | The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended from time to time |
| **Buy-back Size** | Maximum number of Equity Shares proposed to be bought back (i.e. not exceeding 40,00,000 Equity Shares) multiplied by the Buy-back Price i.e. ₹ 56 (Rupees Fifty Six Only) per Equity Share aggregating to an amount not exceeding ₹ 22,40,00,000 (Rupees Twenty Two Crores Forty Lakhs Only) |
| **BOI** | Body of Individuals |
| **CDSL** | Central Depository Services (India) Limited |
| **CIN** | Corporate Identity Number |
| **Clearing Corporation** | Indian Clearing Corporation Limited |
| **Company** | Metroglobal Limited |
| **Company's Broker** | Pravin Ratilal Share and Stock Brokers Limited |
| **Compliance Officer to Buy-back Offer** | Mr. Nitin S. Shah, Company Secretary, Chief Financial Officer & Compliance Officer |
| **Company's Demat Account** | The depository account opened by the Company with Company's Broker in relation to the Buy-back. |
| **Depositories** | Collectively, National Securities Depository Limited and Central Depository Services (India) Limited |
| **DP** | Depository Participant |
| **Draft Letter of Offer / DLoF** | The Draft Letter of Offer dated April 08, 2019 filed with SEBI through the Manager containing necessary disclosures in relation to the Buy-back as specified in the Buy-back Regulations |
| **Designated Stock Exchange** | The designated stock exchange for the Buy-back is BSE Limited. |
| **DIN** | Director identification number |
| **Director** | Director(s) of the Company |
| **Eligible Shareholder(s) or Equity Shareholder(s)** | Equity Shareholders eligible to participate in the Buy-back and would mean all Equity Shareholders / beneficial owner(s) of Equity Shares of the Company as on Record Date being Friday, April 12, 2019 but does not include such shareholders/beneficial owners of Equity Shares who are not permitted under applicable laws to tender shares in the Buy-back |
| **Equity Shares** | Fully paid-up equity shares of face value of ₹ 10 (Rupees Ten Only) each of the Company |
| **Escrow Account** | The Escrow Account titled "Metroglobal Limited – Buy-back 2019 - Escrow Account" opened with Escrow Agent in terms of Escrow Agreement |
| **Escrow Agent** | State Bank of India |
| **Escrow Agreement** | The escrow agreement dated May 02, 2019, entered into between the Company, Escrow Agent and Manager to the Buy-back |
| **FEMA** | Foreign Exchange Management Act, 1999, as amended from time to time |
| **FII(s)** | Foreign Institutional Investor(s) |
| **FPI(s)** | Foreign Portfolio Investor(s) |

| Term | Description |
|---|---|
| **Financial Year / FY** | 1st April to 31st March |
| **General Category** | Category of Eligible Shareholders(s) other than the Small Shareholders |
| **HUF** | Hindu Undivided Family |
| **IT Act / Income Tax Act** | Income Tax Act, 1961, as amended from time to time |
| **ICAI** | The Institute of Chartered Accountants of India |
| **IND AS** | Indian Accounting Standards |
| **IPO** | Initial Public Offer |
| **Letter of Offer / LoF** | This Letter of Offer filed with SEBI containing disclosures in relation to the Buy-back as specified in the Buy-back Regulations, including comments received from SEBI on the DLoF |
| **LODR Regulations / Listing Regulations** | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. |
| **Manager to the Buy-back / Manager** | Vivro Financial Services Private Limited |
| **Non-Resident Shareholders** | Equity Shareholders other than resident Equity Shareholders including Non-Resident Indians (NRI), Overseas Citizen of India (OCI), Foreign Institutional Investors (FII), Foreign Portfolio Investors (FPI), erstwhile Overseas Corporate Bodies (OCB) and Foreign Nationals |
| **NRE Account** | Non-resident external account |
| **NSDL** | National Securities Depository Limited |
| **NSE** | National Stock Exchange of India Limited |
| **Promoter Director(s)** | Mr. Gautamkumar Mithalal Jain and Mr. Rahul Gautamkumar Jain |
| **Promoters and Promoter Group** | Promoters, Promoter Group and Persons Acting in Concert including such persons as have been disclosed under filings made by the Company from time to time under Listing Regulations and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended. |
| **Public Announcement / PA** | Public announcement dated April 01, 2019 in relation to Buy-back which was published on Tuesday, April 02, 2019 in all editions of Financial Express (English national daily), all editions of Jansatta (Hindi national daily) and Mumbai Lakshadeep – Mumbai edition (Regional language daily - Marathi) |
| **PAN** | Permanent Account Number |
| **Ratio of Buy-back or Entitlement Ratio** | The ratio of the Buy-back for the Equity Shares held by Eligible Shareholders as on Record Date: (i) in case of Small Shareholders ("**Reserved Category**"), 286 Equity Shares for every 563 Equity Shares; and (ii) in case of Eligible Shareholders other than Small Shareholders, 11 Equity Shares for every 49 Equity Shares |
| **RBI** | Reserve Bank of India |
| **Record Date** | The date for the purpose of determining the Buy-back Entitlement and the names of the equity shareholders to whom the Letter of Offer and Tender Form will be sent, and who are eligible to participate in the Buy-back in accordance with the Buy-back Regulations and in terms of the Letter of Offer. The Record Date for the Buy-back is Friday, April 12, 2019 |
| **Registrar to the Buy-back / Registrar** | Link Intime India Private Limited |
| **Reserved Category** | Category of the Small Shareholders eligible to tender Equity Shares in the Buy-back |
| **SEBI** | The Securities and Exchange Board of India |
| **Shareholder Member / Seller Member / Shareholder Broker** | A Stock Broker (who is a member of the BSE and/or NSE) of an Eligible Shareholder, through whom the Eligible Shareholder may participate in the Buy-back |

| Term | Description |
|---|---|
| **Small Shareholder** | An Eligible Shareholder who holds Equity Shares whose market value, on the basis of closing price of shares on the recognized stock exchange, in which highest trading volume in respect of such shares is recorded on the Record Date (Friday, April 12, 2019) is not more than ₹ 2,00,000 (Rupees Two Lakhs). |
| **Stock Exchange/ Recognised Stock Exchange** | BSE being the stock exchange where the Equity Shares of the Company are listed |
| **Takeover Regulations** | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. |
| **Tendering Period** | Period of Ten Working Days from the Buy-back Opening Date i.e. Tuesday, May 14, 2019 till Buy-back Closing Date i.e. Monday, May 27, 2019 (both days inclusive) |
| **Tender Form** | Form of Acceptance–cum–Acknowledgement to be filled in by the Eligible Shareholders |
| **Tender Offer** | Method of Buy-back as defined in Regulation 2(i)(q) read with Regulation 9(vii) of the Buy-back Regulations using stock exchange mechanism |
| **TRS** | Transaction Registration Slip |
| **U.S.** | United States / United States of America |
| **Working Day(s)** | Any working day of SEBI |

## 3. DISCLAIMER CLAUSE

**3.1.** As required, a copy of this Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Letter of Offer to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buy-back commitments or for the correctness of the statements made or opinions expressed in this Letter of Offer. The Manager to the Buy-back, i.e. Vivro Financial Services Private Limited, has certified that the disclosures made in this Letter of Offer are generally adequate and are in conformity with the provisions of the Act and Buy-back Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buy-back.

**3.2.** It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Letter of Offer, the Manager to the Buy-back is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buy-back, has furnished to SEBI a Due Diligence Certificate dated April 08, 2019 in accordance with Buy-back Regulations, which reads as follows:

"We have examined various documents and materials relevant to the Buy-back as part of the due diligence carried out by us in connection with the finalization of the Public Announcement dated April 01, 2019 and the Draft Letter of Offer dated April 08, 2019. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and the DLoF are in conformity with the documents, materials and papers relevant to the Buy-back;
- All the legal requirements connected with the said Buy-back including the SEBI (Buy-Back of Securities) Regulations, 2018, as amended, have been duly complied with;
- The disclosures in the Public Announcement and the DLoF are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buy-back;
- Funds used for Buy-back shall be as per the provisions of the Companies Act, 2013."

**3.3.** The filing of Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Act, or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Buy-back.

**3.4.** The Promoters and Directors declare and confirm that no information or material likely to have a bearing on the decision of Eligible Shareholders has been suppressed, withheld and/ or incorporated in the manner that would amount to mis-statement or misrepresentation and in the event of it transpiring at any point of time that any information or material has been suppressed, withheld and / or amounts to a mis-statement or misrepresentation,

the Promoters and Directors and the Company shall be liable for penalty in terms of the provisions of the Act and the Buy-back Regulations.

**3.5.** The Promoters and Directors also declare and confirm that funds borrowed from banks and financial institutions will not be used for the Buy-back.

**3.6. NO OFFER TO SUBSCRIBE / PURCHASE / SELL, OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL, ANY SECURITIES OF THE COMPANY OR AS A SOLICITATION OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL ANY SECURITIES OF THE COMPANY INCLUDING THE EQUITY SHARES IS MADE IN A JURISDICTION, OTHER THAN INDIA, WHERE IT IS ILLEGAL, OR ANY ACTION OR APPROVAL IS REQUIRED, TO MAKE THIS BUY-BACK**

a) The Public Announcement dated April 01, 2019, that was published on Tuesday, April 02, 2019 and this Letter of Offer in connection with this Buy-back, has been prepared for the purposes of compliance with the regulations of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018, as amended from time to time. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside India. The Company and the Manager to the Buy-back are under no obligation to update the information contained herein at any time after the date of the Letter of Offer. This Letter of Offer does not in any way constitute an offer in any form, or an invitation in any form to subscribe / purchase / sell, any securities of the Company in any jurisdiction (other than India) or as a solicitation or an invitation in any form to subscribe / purchase / sell any securities including the Equity Shares of the Company.

b) **Disclaimer for US Persons:** The information contained in this Letter of Offer is exclusively intended for persons who are not U.S. Persons, as such term is defined in Regulation S of the U.S. Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

c) **Disclaimer for Persons in other foreign countries:** This Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions.

d) No action has been or will be taken by the Company or Manager to the Buy-back to permit the Buy-back in any jurisdiction where action would be required for that purpose. The Letter of Offer is being dispatched to all Equity Shareholders whose names appear in the register of member of the Company, on the Record Date. However, receipt of the Letter of Offer by any Eligible Shareholder in a jurisdiction in which it would be illegal to make this Buy-back, or where making this Buy-back would require any action to be taken (including, but not restricted to, registration of Letter of Offer under any local securities laws of any jurisdiction outside of India), shall not be treated by such Eligible Shareholder as an offer or invitation to offer being made to them and shall be construed by them as being sent for information purposes only.

e) Persons in possession of the Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Buy-back shall be deemed to have declared, represented, warranted and agreed that he / she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buy-back.

## 4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING

The Buy-back through Tender Offer was considered and approved by the Board of Directors of the Company at its meeting held on Saturday, March 30, 2019. The extract of the resolution of the Board is as follows:

**"RESOLVED THAT** pursuant to provisions of Article 71 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013 **("the**

**Act"**) and applicable rules made there under and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**"Buy-back Regulations"**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**") and subject to such approvals, permissions and consents as may be necessary from the appropriate authorities, and subject to such conditions and modifications as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and consents, which may be agreed to by the Board of Directors of the Company, (herein referred to as the "**Board**", which term shall include any committee which the Board may constitute to exercise its powers), consent of the Board of Directors be and is hereby accorded to buy-back up to 40,00,000 (Forty Lakhs) fully paid- up equity shares of face value of Rs. 10/- each of the Company (**"Equity Share(s)"**) (representing 24.50% of the total paid-up equity share capital of the Company) at a price of Rs. 56/- (Rupees Fifty Six only) (**"Buy-back Price"**) per Equity Share payable in cash for a total consideration not exceeding Rs. 22,40,00,000/- (Rupees Twenty two crores forty lakhs only), excluding transaction costs viz. fees, brokerage, applicable taxes such as securities transaction tax, goods and services tax, stamp duty, etc. ("**Transaction Costs"**) (hereinafter referred to as **"Buy-back Size"**), which represents 8.42% of the total paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statement of the Company for the financial year ended on March 31, 2018, through the "**Tender Offer**" route as prescribed under the Buy-back Regulations (the process is hereinafter referred as "**Buy-back"**), on a proportionate basis, from the equity shareholders / beneficial owners of the Equity Shares of the Company as on the Record Date."

**"RESOLVED FURTHER THAT** the Board of Directors hereby fixes Friday, April 12, 2019 as the Record Date for the purpose of determining the entitlement and the names of the Equity Shareholders who are eligible to participate in the Buy-back of Equity Shares of the Company ("**Record Date**")."

**"RESOLVED FURTHER THAT** 15% (fifteen per cent) of the total number of Equity Shares which the Company proposes to buy-back or the number of Equity Shares entitled as per their shareholding as on the Record Date, whichever is higher, shall be reserved for the small shareholders, as prescribed under Regulation 6 of the Buy-back Regulations."

**"RESOLVED FURTHER THAT** the Buy-back from non-resident shareholders, Overseas Corporate Bodies (**OCBs**), Foreign Portfolio Investors (**FPIs**) and shareholders of foreign nationality, if any, shall be subject to such approvals, if and to the extent necessary or required from concerned authorities including the Reserve Bank of India under Foreign Exchange Management Act, 1999 and rules and regulations framed there under."

**"RESOLVED FURTHER THAT** the Company shall earmark adequate sources of funds for the Buy-back and the amount required by the Company for the Buy-back is intended to be met out of the Company's balances in free reserves, current surplus and/or cash and cash equivalents and/or internal accruals and/or liquid resources and/or such other permissible sources of funds (and not from any borrowed funds) of the Company, as per the Act and the Buy-back Regulations."

**"RESOLVED FURTHER THAT** the Company shall implement the Buy-back using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time and the Company shall approach the **BSE Limited** for facilitating the same."

**"RESOLVED FURTHER THAT** the Buy-back would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations and under the Securities Contracts (Regulation) Rules, 1957."

**"RESOLVED FURTHER THAT** in terms of Regulation 24(iii) of the Buy-back Regulations, Mr. Nitin Shah, Company Secretary and Compliance Officer, be and is hereby appointed as the Compliance Officer for the proposed Buy-back and Link Intime India Private Limited, Registrar to the Buy-back offer, is appointed as the Investor Service Centre.

**"RESOLVED FURTHER THAT** the Board of Directors hereby confirms that –

1. All the Equity Shares which are proposed to be bought back by the Company are fully paid-up;

2. The aggregate consideration for the Buy-back is not exceeding Rs. 22,40,00,000/- (Rupees Twenty two crores forty lakhs only) and does not exceed 10% of the aggregate of the paid-up equity share capital and

free reserves (including security premium account) as per the audited standalone financial statement of the Company for the year ended on March 31, 2018 and the maximum number of Equity Shares proposed to be bought back under the Buy-back i.e. 40,00,000 (Forty Lakhs) Equity Shares does not exceed 25% of the total number of equity shares in the paid- up equity share capital of the Company;

3. The Company shall not issue any equity shares or other specified securities including by way of bonus till the expiry of Buy-back period except in discharge of subsisting obligations such as stock option schemes or convertible securities, as may be permitted under the relevant regulations and applicable law;

4. The Company shall not raise further capital for a period of one year from the expiry of Buy-back period, except in discharge of subsisting obligations such as conversion of warrants, stock option schemes or conversion of preference shares or debentures into equity shares;

5. The Company shall not Buy-back any locked-in Equity Shares and non-transferable Equity Shares, if any, till the pendency of the lock-in or till the Equity Shares become transferable;

6. The Company shall not Buy-back its Equity Shares from any person through negotiated deal whether on or off the Stock Exchange(s) or through spot transactions or through any private arrangement;

7. The Company shall not directly or indirectly purchase its own Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;

8. The Company has not completed a Buy-back of any of its securities during the period of one year reckoned from the date of this meeting;

9. The ratio of the aggregate of secured and unsecured debts owned by the Company immediately after the Buy-back shall not exceed the ratio (2:1) as prescribed under Section 68 of the Act;

10. No scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act is pending as on the date of this meeting;

11. The Company will not withdraw the Buy-back after the draft letter of offer of the Buy-back is filed with the Securities and Exchange Board of India ("**SEBI**");

12. The funds borrowed from banks and financial institutions will not be used for the Buy-back;

13. The Company has been in compliance with Sections 92, 123 and 129 of the Act."

**"RESOLVED FURTHER THAT** nothing contained herein above shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to buy-back any Equity Share, and / or impair any power of the Company or the Board to terminate any process in relation to such Buy-back as permissible by law."

**RESOLVED FURTHER THAT** the approval of the Board be and is hereby accorded for the confirmation of appointment of Vivro Financial Services Private Limited as Manager to the Buy-back.

**"RESOLVED FURTHER THAT** Mr. Gautam M. Jain (DIN: 00160167), Mr. Rahul G. Jain (DIN: 01813781), Mr. Sandip S. Bhandari (DIN: 01379445), Mr. Nilesh R. Desai (DIN: 00414747), Mr. Prashant Kheskani (DIN: 02589654) of the Company and Mr. Nitin Shah, Company Secretary and Compliance Officer of the Company, be and are hereby jointly and/or severally authorized to finalise and make necessary changes as may be required and sign and issue the Public Announcement, Draft Letter of Offer, Letter of Offer and Post Buy-back Announcement and addendum/corrigendum thereto, all relevant forms, returns, documents, applications, consents, undertakings, declarations, confirmations and such other documents and to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the Buy-back."

**"RESOLVED FURTHER THAT** the common seal of the Company, if required be affixed on such documents in the presence of any director and duly countersigned by the Company Secretary."

**"RESOLVED FURTHER THAT** the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion that:

a) Immediately following the date of this Board Meeting at which the Buy-back of the Company's Equity Shares is approved, there will be no grounds on which the Company could be found unable to pay its debts;

b) As regards the Company's prospects for the year immediately following the date of this Board Meeting held to approve the Buy-back and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting; and

c) In forming its opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).

**"RESOLVED FURTHER THAT** in terms of Section 68(6) of the Act read with Regulation 8(i)(b) of the Buy-back Regulations, the drafts of the declaration of solvency prepared in the prescribed form and supporting affidavit, the statement of assets and liabilities in the prescribed form SH-9 as at March 31, 2018, as placed before the Board, be and are hereby approved and Mr. Gautam M. Jain (DIN: 00160167), Mr. Rahul G. Jain (DIN: 01813781), Mr. Sandip S. Bhandari (DIN: 01379445), Mr. Nilesh R. Desai (DIN: 00414747), Mr. Prashant Kheskani (DIN: 02589654) of the Company be and are hereby authorized to sign the same for and on behalf of the Board, and Mr. Nitin Shah, Company Secretary and Compliance Officer, be and is hereby authorised to file the same with the Registrar of Companies ("**ROC**") and the Securities Exchange Board of India or any such other concerned authorities, as may be necessary in accordance with applicable laws.

**"RESOLVED FURTHER THAT** Mr. Gautam M. Jain (DIN: 00160167), Mr. Rahul G. Jain (DIN: 01813781), Mr. Sandip S. Bhandari (DIN: 01379445), Mr. Nilesh R. Desai (DIN: 00414747), Mr. Prashant Kheskani (DIN: 02589654) of the Company and Mr. Nitin Shah, Company Secretary and Compliance Officer, be and are hereby jointly and/or severally authorized to:

1. appoint Buy-back broker, registrar to the Buy-back offer, advertisement agency, printers, escrow agents and such other persons/consultants for the Buy-back as may be required or deemed fit;

2. fix up the remuneration including commission, brokerage, fees, charges etc. and terms & conditions for the appointments referred to in point 1 above;

3. fix entitlement ratio in accordance with the Buy-back Regulations for the eligible shareholders from whom the buy-back of Equity Shares shall be made;

4. approve / file the final public announcement, draft letter of offer and final letter of offer, filing of declaration of solvency, certificate of extinguishment of equity shares and extinguishment of equity shares in dematerialized form and also physical destruction of share certificates and all other documents / acts required to be filed / done in connection with the Buy-back offer with SEBI, stock exchange, ROC, National Securities Depository Limited, Central Depository Services (India) Limited, together referred as ("**Depositories**") and other appropriate authorities;

5. make all the applications to the appropriate authorities for their requisite approvals;

6. open, operate and close all the necessary accounts such as broking account, escrow account, special account(s) and any other bank account(s) and depository account for the purpose of the Buy-back offer and authorize persons to operate the said accounts;

7. arrange for bank guarantee and/or cash deposits and/or marketable securities as may be necessary for the Buy-back offer in accordance with applicable laws;

8. decide source of funds for paying the consideration to the equity shareholders who have tendered their equity shares in the Buy-back offer;

9. To authorize bankers to act upon the instructions of the Merchant Banker as required under the Buyback Regulations.

10. make any alteration(s), modification(s), to the terms and conditions of the Buy-back offer in accordance with the statutory requirements and as it may deem necessary;

11. delegate all or any of the powers, rights or authorities conferred above to any officer(s) / authorized representative(s) of the Company to give effect to the aforesaid resolution or to accept any change(s) or modification(s) as may be felt necessary or as may be suggested by the appropriate authorities or advisors;

12. settle any question or difficulty that may arise with regard to the aforesaid purpose and which they may deem fit in the interest of the Company; and

13. do and perform all such acts, matters, deeds and things as they may in their absolute discretion deem necessary or desire."

## 5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the Buy-back Regulations, the Company has made a Public Announcement dated April 01, 2019 in relation to the Buy-back which was published on Tuesday, April 02, 2019 in the following newspapers, which is within two Working Days from the date of Board Meeting held to approve the Buy-Back i.e. Saturday, March 30, 2019:

| Name of the Newspaper | Language | Editions |
|---|---|---|
| Financial Express | English | All |
| Jansatta | Hindi | All |
| Mumbai Lakshadeep | Marathi | Mumbai |

*(A copy of the Public Announcement is available on the website of SEBI at www.sebi.gov.in)*

## 6. DETAILS OF THE BUY-BACK

6.1 The Board of Directors of Metroglobal Limited (hereinafter referred to as the "**Board**" which term shall be deemed to include any committee constituted by Board to exercise its powers) has, at their meeting held on March 30, 2019 (the "**Board Meeting**"), pursuant to the provisions of Article 71 of the Articles of Association of the Company and Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013 as amended from time to time (the "**Act**") and applicable rules made thereunder and in compliance with the Buy-Back Regulations, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), Foreign Exchange Management Act, 1999 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board, approved the Buy-back of up to 40,00,000 (Forty Lakhs) fully paid up Equity Shares of face value of ₹ 10 each **("Equity Shares")** (representing 24.50% of total number of Equity Shares of the Company) at a price of ₹ 56 (Rupees Fifty Six Only) per Equity Share (the "**Buy-back Price"**) payable in cash for an aggregate amount not exceeding ₹ 22,40,00,000 (Rupees Twenty Two Crores Forty Lakhs only) (the "**Buy-back Size**"), excluding costs such as fees, brokerage, securities transaction tax, goods and services tax, stamp duty, etc., (the **"Transaction Cost"**) which represents 8.42% and 8.46% of the total paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statements and audited consolidated financial statements respectively of the Company as on March 31, 2018, on a proportionate basis through the tender offer route using stock exchange mechanism ("**Tender Offer"**) as prescribed under the Buy-Back Regulations, from all the equity shareholders/ beneficial owners of the Equity Shares of the Company who hold Equity Shares as on the record date i.e. Friday, April 12, 2019 **("Record Date")** **("Buy-back Offer"/ "Buy-back")**.

6.2 For the purpose of this Buy-back Offer, it is being understood that the **"Promoter", "Promoter Group" and "Persons Acting in Concert"** will be such persons/entities as have been disclosed under the shareholding pattern filings made by the Company from time to time under Listing Regulations and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

6.3 The aggregate of paid-up share capital and free reserves (including securities premium account) of the Company as on March 31, 2018 based on audited standalone financial statements and audited consolidated financial statement is ₹ 26,611.19 Lakhs and ₹ 26,478.87 Lakhs, respectively. In accordance with Section 68(2) of the Act and Regulation 5(i)(b) of the Buy-back Regulations, the Board of Directors of a company can authorize the buy-back of Equity Shares involving payment of consideration not exceeding 10% of the total paid up equity share capital and free reserves (including securities premium account) of the Company. Accordingly, the Company proposes to utilize an amount not exceeding ₹ 2,240.00 Lakhs for the proposed Buy-back representing 8.42% and 8.46% of the total paid up equity share capital and free reserves (including securities premium account) as per the audited standalone financial statements and audited consolidated financial statements, respectively, of the Company as on March 31, 2018, which is within the power of the Board.

6.4 Further, under the Act and the Buy-Back Regulations, the number of equity shares that can be bought back during a financial year shall not exceed 25% of the total number of outstanding equity shares of the company. Accordingly, the number of Equity Shares that can be bought back by the Company during a financial year cannot exceed 40,81,685 Equity Shares, being 25% of the paid up Equity Shares of the Company, i.e., 1,63,26,742 Equity Shares. Since the Company proposes to Buy-back up to 40,00,000 Equity Shares, the same is within the aforesaid limit.

6.5 Pursuant to the proposed Buy-back and depending upon the response to the Buy-back, the voting rights and percentage shareholding of the Promoters, members of Promoter group and Persons Acting in Concert of the Company in the Company may increase from the existing voting rights and percentage shareholding of the Company. The Promoters, members of Promoter group and Persons Acting in Concert of the Company are already having control over the affairs of the Company and therefore any further increase in their voting rights, if any consequent to Buy-back of Equity Shares, will not result in any change in control over the affairs of the Company and shall be in compliance with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

6.6 Assuming full acceptance of Equity Shares from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement in the Buy-back Offer, the percentage holding of the Promoters and Promoters Group may increase from the existing level of 56.45% to 74.77%. Such an increase in percentage shareholding may attract Regulation 3(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**"). However, the same is exempt in terms of the clause (iii) to the proviso to Regulation 10(4)(c) of the Takeover Regulations, subject to compliance with the proviso of the aforesaid clause of the Takeover Regulations. The Promoter Directors and other Directors who are having Equity Shares of the Company being interested in the resolution approving the Buy-back in their capacity as Directors of the Company, have abstained themselves from voting in resolution approving the Buy-back passed by the Board at its meeting held on March 30, 2019.

6.7 Post Buy-back, the level of holding of public shareholders in the Company shall not fall below the minimum level of public shareholding required to be maintained in terms of Securities Contracts (Regulation) Rules, 1957 ("**SCRR**") and under the Listing Regulations. Due to any reason, if the public shareholding in the Company post Buy-back falls below the minimum level of public shareholding prescribed under SCRR, the Company undertakes to bring the public shareholding to the minimum prescribed level within the time and in the manner prescribed under SCRR and the Listing Regulations.

6.8 The Buy-back of Equity Shares may be subject to taxation in India and / or in the country of residence of the Eligible Shareholder(s) (as defined hereinafter). In due course, Eligible Shareholder(s) will receive a Letter of Offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholder(s) are requested to consult their tax advisors for the applicable tax implications, provisions including the treatment that may be given by their respective tax officers in their case and the appropriate course of action that they should take.

## 7. AUTHORITY FOR THE BUY-BACK

**7.1.** The Buy-back is being undertaken by the Company in accordance with the provisions of Article 71 of the Articles of Association of the Company and Sections 68, 69, 70 and all other applicable provisions of the Act as amended from time to time and applicable rules made thereunder and in compliance with the Listing Regulations, Foreign Exchange Management Act, 1999 and in compliance with the Buy-back Regulations and in terms of resolution passed by the Board at its meeting held on Saturday, March 30, 2019.

**7.2.** The Buy-back is further subject to approvals, permissions and sanctions as may be necessary, from time to time from statutory, regulatory or governmental authorities as required under applicable laws, including but not limited to SEBI and the Stock Exchange.

## 8. NECESSITY OF THE BUY-BACK

The Buy-back is being undertaken by the Company to partly return surplus funds to the equity shareholders of the Company. Additionally, the Buy-back is being undertaken for the following reasons:

i. The Buy-back will help the Company to distribute surplus funds to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to the shareholders;
ii. The Buy-back, which is being implemented through the Tender Offer as prescribed under the Buy-Back Regulations, would involve a reservation of 15% of the Buy-back Size for small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholders" as defined under Regulation 2(i)(n) of the Buy-Back Regulations;
iii. The Buy-back may help in improving financial ratios like earnings per share, return on assets and return on equity calculated on the basis of financial statements, by reducing the equity base of the Company; and
iv. The Buy-back gives an option to the Eligible Shareholders to either choose to participate in the Buy-back and receive cash in lieu of their Equity Shares which are accepted under the Buy-back or choose not to participate in the Buy-back and get a resultant increase in their percentage shareholding in the Company post Buy-back, without additional investment.

## 9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUY-BACK ON THE COMPANY

**9.1.** The Company believes that the Buy-back is not likely to cause any material impact on the profitability / earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming that the response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion of their respective Buy-back Entitlement, the funds deployed by the Company towards the Buy-back would be ₹ 2,240.00 Lakhs excluding Transaction Costs.

**9.2.** The aggregate shareholding of a) the Promoters, Promoter Group and Persons Acting in Concert of the Company and b) the directors of corporate promoters of the Company as on the Record Date i.e. April 12, 2019 is given below:

| Sr. No. | Category of Member | No. of Equity Shares Held | % of Existing Equity Share Capital |
|---|---|---|---|
| **A.** | **Promoters and Promoter Group (including Persons Acting in Concert)** | | |
| 1. | Mr. Gautamkumar Mithalal Jain | 10,61,959 | 6.50% |
| 2. | Ms. Ritu G. Jain | 64,000 | 0.39% |
| 3. | Mr. Rahul Gautamkumar Jain | 74,818 | 0.46% |
| 4. | Gautamkumar Mithalal Jain HUF | 32,900 | 0.20% |
| 5. | Amaze Trading and Investment Private Limited* | 5,66,156 | 3.47% |
| 6. | Anil Dyechem Industries Private Limited* | 28,92,082 | 17.71% |
| 7. | Maiden Tradefin Private Limited* | 45,25,251 | 27.72% |
| | **Sub-total (A)** | **92,17,166** | **56.45%** |
| **B.** | **Directors of corporate promoters (other than promoters and promoter group)*** | **-** | **-** |
| | **Sub-total (B)** | **-** | **-** |
| | **Total Shareholding (A+B)** | **92,17,166** | **56.45%** |

**Directors of corporate promoters are Mr. Gautamkumar Mithalal Jain & Mr. Rahul Gautamkumar Jain.*

**9.3.** In terms of the Buy-back Regulations, under the Tender Offer, the Promoters and Promoter Group have an option to participate in the Buy-back. However, none of the Promoters and Promoter Group have expressed their intention to participate in the Buy-back.

**9.4.** Assuming the response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement, the percentage shareholding and voting rights held by Promoters and Promoter Group and public shareholders may change however, total shareholding and voting rights held by Promoters and Promoter Group post Buy-back of Equity Shares will not exceed the maximum permissible non-public shareholding. The exact percentage of voting rights of Promoters and Promoter Group post Buy-back will be dependent upon the overall response to the Buy-back Process/Acceptances. Further, the Promoters of the Company are already having control over the affairs of the Company and therefore any increase in voting rights of the Promoters and Promoter Group, if any consequent to Buy-back of Equity Shares, will not result in any change in control over the affairs of the Company and shall be in compliance with the provisions of the Takeover Regulations.

**9.5.** The Buy-back of Equity Shares shall not affect the existing management structure of the Company.

**9.6.** Consequent to the Buy-back and depending on the number of Equity Shares bought back from the non-resident shareholders, financial institutions, banks, mutual funds and other public shareholders, the shareholding of each such person shall undergo a change and the details of such change is given in paragraph 13 hereinafter.

**9.7.** The debt-equity ratio immediately on completion of Buy-back shall be in compliance with the permissible limit of 2:1 prescribed under the Act even if the response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement.

**9.8.** The Company believes that the Buy-back is not expected to impact growth opportunities for the Company.

**9.9.** The Promoters and Promoter Group of the Company shall not deal in the Equity Shares of the Company on Stock Exchange or off market, including by way of inter-se transfer(s) of Equity Shares among the Promoters and Promoter Group, during the period from the date of passing of the board resolution till the closing of the Buy-back.

**9.10.** The Company shall not issue any new Equity Shares or other specified securities including by way of bonus till the date of expiry of the Buy-back Period.

**9.11.** The Company shall not raise further capital for a period of one year from the date of expiry of the Buy-back Period except in discharge of its subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

**9.12.** Salient financial parameters consequent to the Buy-back based on the audited consolidated and standalone financial statements for the financial year ended on March 31, 2018 are as under:

| **Parameters** | **Consolidated** | | **Standalone** | |
|---|---|---|---|---|
| | **Pre Buy-back** | **Post Buy-back** | **Pre Buy-back** | **Post Buy-back** |
| Net Worth (₹ in Lakhs) | 29,124.37 | 26,884.37 | 29,256.69 | 27,016.69 |
| Return on Net Worth (%) | 6.14% | 6.65% | 6.05% | 6.55% |
| Earnings Per Share (EPS) (Basic) (in ₹) | 11.00 | 14.57 | 10.90 | 14.44 |
| Book Value per share (in ₹) | 178.38 | 218.10 | 179.19 | 219.17 |
| Price / Earnings Multiple | 6.96 | 5.26 | 7.03 | 5.30 |
| Total Debt / Equity Ratio | 0.23 | 0.25 | 0.23 | 0.25 |

*Note:*

*(1) For the above purpose, "Net Worth" means the aggregate value of the paid-up share capital and all reserves excluding reserves created out of revaluation of assets and miscellaneous expenditure not written off. The post Buy-back number are calculated by reducing the net worth by the proposed Buy-back Amount (assuming full acceptance) without factoring in any impact of Profit & Loss account.*

*(2) Return on Net Worth = Profit After Tax of relevant period/ Net Worth at the end of relevant period.*

*(3) Earnings per Share =Total Comprehensive Income / weighted average number of Equity Shares.*

*(4) EPS post Buy-back is computed after reducing 40,00,000 Equity Shares to be bought back under the Buy-back from weighted average number of Equity Shares outstanding for the year.*

*(5) Book value per Equity Share = Net Worth / Number of Equity Shares outstanding at the end of the period.*

*(6) Price / Earnings Multiple = Closing Market price on BSE as on March 28, 2018 i.e. 76.60 (being the last trading day of FY 2018)/ Earnings Per Equity Share for the relevant period on pre and post Buy-back basis.*

*(7) Total Debt / Equity Ratio = Total Debt / Net Worth.*

## 10. BASIS OF CALCULATING THE BUY-BACK PRICE

**10.1.** The Equity Shares are proposed to be bought back at a price of ₹ 56 (Rupees Fifty Six only) per Equity Share. The Buy-back Price has been arrived at after considering various factors, including but not limited to, the volume weighted average market price of the Equity Shares of the Company on BSE during 3 (three) months and 2 (two) weeks preceding the date of the Board Meeting and closing market price on the date prior to Board Meeting date.

**10.2.** The Buy-back Price represents a premium of 1.71% over the volume weighted average market price of the Equity Shares on BSE for 3 (three) months preceding the date of the Board Meeting which was ₹ 55.06 and 6.05% over the volume weighted average market price of the Equity Shares on BSE for 2 (two) weeks preceding the date of the Board Meeting which was ₹ 52.80. The closing market price of the Equity Shares as on the date prior to Board Meeting date was ₹ 54.25 on BSE.

**10.3.** The closing market price of the Equity Shares as on the date of intimation of the date of the Board Meeting for considering the Buy-back to the Stock Exchange, i.e., on Wednesday, March 27, 2019 was ₹ 44.30. The Buy-back Price of ₹ 56 amounts to a premium of 26.41% to the closing market price of the Equity Shares as on the date of intimation of the date of the Board Meeting on BSE.

**10.4.** The Buy-back Price is about 31.25% and 31.39% of the book value per Equity Share of the Company, which is ₹ 179.19 and ₹ 178.38 as at March 31, 2018 on standalone basis and consolidated basis, respectively.

**10.5.** The EPS of the Company pre Buy-back as on March 31, 2018 on standalone basis and consolidated basis is ₹ 10.90 and ₹ 11.00 respectively which will increase to ₹ 14.44 and ₹ 14.57, respectively, post Buy-back assuming full acceptance of the Buy-back.

**10.6.** The Return on Net worth of the Company pre-Buy-back on standalone basis and consolidated basis as on March 31, 2018 is 6.05% and 6.14% respectively which will increase to 6.55% and 6.65% respectively, post Buy-back assuming full acceptance of the Buy-back.

## 11. SOURCES OF FUNDS FOR THE BUY-BACK

**11.1.** Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buy-back would be ₹ 22,40,00,000 (Rupees Twenty Two Crores Forty Lakhs only) excluding Transaction Costs.

**11.2.** The Buy-back will be financed out of free reserves, current surplus and / or cash and cash equivalents and / or internal accruals of the Company and / or other permissible sources of funds but not from any borrowed funds.

## 12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

**12.1.** In accordance with Regulation 9(xi) of the Buy-back Regulations, an Escrow Agreement dated May 02, 2019 has been entered into amongst the Company, the Manager to the Buy-back and the Escrow Agent.

**12.2.** In accordance with the Buy-back Regulations, the Company has opened an Escrow Account in the name and style "***Metroglobal Limited – Buy-back 2019 - Escrow Account***" bearing account number 38430024099 with the Escrow Agent, namely, State Bank of India, having its corporate centre situated at State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai-400021 and Local Head Office at Bhadra, Ahmedabad-380 001. The Escrow Account has been opened at SME Law Garden Branch, Zodiac avenue, Opp. Commissioner's Bungalow, Nr. Law Garden, Ahmedabad. In accordance with Regulation 9(xi) of the Buy-back Regulations, the Company has, as and by way of security for performance of its obligations, deposited in cash a sum of ₹ 5,60,00,000/- (Rupees Five Crores and Sixty Lakhs Only) representing 25% of the Buy-back Size, in the Escrow Account. The Manager to the Buy-back has been empowered to operate the Escrow Account in accordance with the Buy-back Regulations.

**12.3.** The Company has adequate and firm financial resources to fulfill its obligations under the Buy-back and the same have been certified vide a certificate dated March 30, 2019 by M/s. AMPAC & Associates, Chartered Accountants having office at D-102, Green Lawn Apartment, Opp. St. Pius College Aarey Road, Goregaon (East), Mumbai – 400 063.

**12.4.** Based on the aforementioned certificate, the Manager to the Buy-back confirms that it is satisfied that the firm arrangements for fulfilling the obligations under the Buy-back are in place and that the Company has the ability to implement the Buy-back in accordance with the Buy-back Regulations.

## 13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

**13.1.** The present capital structure of the Company is as follows:

| Sr. No. | Particulars | Amount (in ₹ Lakh) |
|---|---|---|
| **A** | **AUTHORISED SHARE CAPITAL** | |
| | 9,50,00,000 Equity Shares of ₹10 each | 9,500.00 |
| | 2,50,00,000 Preference Shares of ₹10 each | 2,500.00 |
| **B** | **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL PRE BUY-BACK** | |
| | 1,63,26,742 Equity Shares of ₹10 each | 1,632.67 |
| **C** | **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL POST BUY-BACK*** | |
| | 1,23,26,742 Equity Shares of ₹10 each | 1,232.67 |

**Assuming full acceptance of Equity Shares in the Buy-back Offer.*

**13.2.** The Company has not bought-back equity shares or other specified securities in the previous three years.

**13.3.** As on date of this Letter of Offer -

a. there are no partly paid-up Equity Shares outstanding;
b. there are no outstanding securities convertible into Equity Shares;
c. there is no amount under calls in arrears; and
d. no scheme of amalgamation or compromise or arrangement involving the Company is pending pursuant to any provisions of the Act.

**13.4.** The Company shall not issue any Equity Shares including by way of bonus, from the date of public announcement till the date of expiry of the Buy-back Period.

**13.5.** The shareholding pattern of the Company (a) pre Buy-back i.e. as on April 12, 2019 and (b) the post Buy-back is as follows:

| Category of Shareholder | Pre Buy-back | | Post Buy-back[(1)] | |
|---|---|---|---|---|
| | Number of Shares | % to existing Equity Share capital | Number of Shares | % to post Buy-back Equity Share capital |
| Promoters and Promoter Group | 92,17,166 | 56.45% | 92,17,166 | 74.77% |
| Foreign Investors (including Non-Resident Indians FIIs and Foreign Mutual Funds) | 3,00,815 | 1.84% | 31,09,576 | 25.23% |
| Financial Institutions / Banks / Insurance Companies & Mutual Funds promoted by Banks / Institutions | 15,606 | 0.10% | | |
| Others (Public, Public Bodies Corporate, etc.) | 67,93,155 | 41.61% | | |
| **Total** | **1,63,26,742** | **100.00%** | **1,23,26,742** | **100.00%** |

*[(1)] Assuming response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement.*

**13.6.** Assuming response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement, the aggregate shareholding of the Promoters and Promoter Group post Buy-back will increase however exact percentage of such change will depend upon the response to the Buy-back and acceptances.

**13.7.** No Equity Shares have been purchased or sold by the Promoters and Promoter Group of the Company during a period of 12 (Twelve) months preceding the date of the Public Announcement i.e. April 01, 2019, except the following:

| Name of Shareholder | Aggregate No. of Equity Shares purchased or Sold | Nature of Transaction | Maximum Price (₹) | Date of Maximum Price | Minimum Price (₹) | Date of Minimum Price |
|---|---|---|---|---|---|---|
| Anil Dyechem Industries Private Limited | 20,970 | Market Purchase | 80.00 | April 11, 2018 | 72.00 | June 27, 2018 |

## 14. BRIEF INFORMATION ABOUT THE COMPANY

### 14.1. Corporate and Business:

The Company was originally incorporated as "*Chromo Boards and Papers India Limited*" on November 12, 1992 under the Companies Act, 1956. The name of the Company was subsequently changed to "*Global Boards Limited*" vide fresh certificate of incorporation consequent on change of name dated October 11, 1993 issued by the Registrar of Companies, Maharashtra, Mumbai and further changed to "*Metroglobal Limited*" vide fresh certificate of incorporation consequent on change of name dated September 08, 2011 issued by the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identity Number of the Company is L21010MH1992PLC069527. The registered office of the Company is situated at 101, 1st Floor, "Mangal Disha", Nr. Guru Gangeshwar Temple, 6th Road, Khar (West) Mumbai - 400052, Maharashtra, India.

The Company is engaged in the business of trading of various items, i.e. Chemicals, Plastics, Textiles etc. and also into Realty business. The Equity Shares of the Company are listed and traded on BSE Limited under scrip code - 500159.

### 14.2. Financial Growth:

As per audited standalone financial statements for the financial years ended March 31, 2018, 2017 and 2016, the Company recorded total income of ₹ 33,874.88 Lakhs, ₹ 35,214.81 Lakhs and ₹ 35,919.72 Lakhs respectively, and Profit after Tax of ₹1,770.57 Lakhs, ₹1,501.96 Lakhs and ₹1,556.00 Lakhs respectively. As per limited review unaudited standalone financial results for nine months period ended on December 31, 2018, the Company recorded total income of ₹ 29,313.37 Lakhs and Profit after Tax of ₹ 1,015.86 Lakhs.

### 14.3. Capital Built up:

The details of changes in the equity share capital of the Company since its incorporation are as follows:

| Year/ Date of Allotment | No. of Equity Shares | Face Value per Equity Share(₹) | Issue Price per Equity Share (₹) | Total consideration (₹) | Cumulative Capital (No. of Equity Shares) | Details |
|---|---|---|---|---|---|---|
| 2004 | 7,47,09,600 | 10 | NA | 74,70,96,000 | 7,47,09,600 | Equity Shares outstanding as on the date of AGM held in the year 2004 |
| March 29, 2007 | 7,47,096 | 10 | NA | 74,70,960 | 7,47,096 | Reduction of Share Capital *(1)* |
| March 30, 2007 | 1,10,50,000 | 10 | 10 | 11,05,00,000 | 1,17,97,096 | Further Issue of Capital |
| February 3, 2012 | 11,79,709 | 10 | NA | 1,17,97,090 | 11,79,709 | Reduction of Share Capital*(2)* |
| February 3, 2012 | 1,14,33,333 | 10 | 10 | 11,43,33,330 | 1,26,13,042 | Allotment of Equity Shares pursuant to Scheme of Arrangement*(3)* |

| Year/ Date of Allotment | No. of Equity Shares | Face Value per Equity Share(₹) | Issue Price per Equity Share (₹) | Total consideration (₹) | Cumulative Capital (No. of Equity Shares) | Details |
|---|---|---|---|---|---|---|
| March 30, 2013 | 29,26,667 | 10 | 180 | 52,68,00,060 | 1,55,39,709 | Conversion of unsecured debentures into Equity Shares |
| May 30, 2013 | 7,87,033 | 10 | 180 | 14,16,65,940 | 1,63,26,742 | Conversion of unsecured debentures into Equity Shares |

(1) *Pursuant to the Scheme of Reduction approved by the BIFR, the issued, subscribed and paid-up equity capital of the Company has been reduced by 99% to ₹ 74,70,960 consisting of 7,47,096 equity shares of ₹ 10 each fully paid up.*

(2) *Pursuant to the Scheme of Arrangement approved by the Hon'ble Bombay High Court, the existing share capital of the Company reduced by 90% to ₹ 1,17,97,090 divided into 11,79,709 Equity Shares of ₹ 10 each by issue of 10 Equity Shares of ₹ 10/- each against every 100 Equity Shares of ₹ 10 each.*

(3) *Pursuant to the Scheme of Arrangement approved by the Hon'ble Bombay High Court, the Company has allotted its 1 Equity Share to shareholders of Metrochem Industries Limited (MCIL) against 1 equity share held in MCIL.*

*Note: The Company does not have specific records pertaining to allotment made prior to year 2004 and accordingly, the details have been provided on the basis of information and supplementary records available with the management of the Company.*

**14.4. Board of Directors**:

The details of the Board of Directors of the Company as on date of Public Announcement i.e. Monday, April 01, 2019 are as follows:

| Name, DIN, Age & Occupation of the Director | Designation | Qualifications | Date of Appointment to current term | Other Directorships in Indian Companies |
|---|---|---|---|---|
| **Mr. Gautamkumar Mithalal Jain**<br>**DIN:** 00160167<br>**Age:** 66 years<br>**Occupation:** Business | Managing Director | Bachelor of Science (B.Sc) | September 14, 2011 | - Aksharchem (India) Limited<br>- Metrochem Capital Trust India<br>- Rian Chemicals Private Limited<br>- Anil Dye-Chem Industries Private Limited<br>- DK Metro Procon Private Limited<br>- Tejendra Developers Private Limited<br>- Maiden Tradefin Private Limited<br>- Amaze Trading and Investment Private Limited<br>- Jain International Trade Organisation |
| **Mr. Rahul Gautamkumar Jain**<br>**DIN:** 01379445<br>**Age:** 35 years<br>**Occupation :** Business | Whole-time Director | Bachelor of Science (B. Sc) | September 14, 2011 | - Rian Chemicals Private Limited<br>- Anil Dye-Chem Industries Private Limited<br>- Dual Metals Private Limited<br>- Tejendra Developers Private Limited<br>- Maiden Tradefin Private Limited<br>- Amaze Trading and Investment Private Limited |
| **Ms. Krati Jain**<br>**DIN:** 07150442<br>**Age:** 31 years<br>**Occupation :** Business | Non-Executive Director | Electronics & Telecommunication Engineering & Master of | April 7, 2015 | NIL |

| Name, DIN, Age & Occupation of the Director | Designation | Qualifications | Date of Appointment to current term | Other Directorships in Indian Companies |
|---|---|---|---|---|
| | | Management studies | | |
| **Mr. Sandip Bhandari**<br>**DIN:** 01379445<br>**Age:** 56 years<br>**Occupation :** Business | Independent Director | Master in Business Administration | November 12, 2011 | NIL |
| **Mr. Nilesh Desai**<br>**DIN:** 00414747<br>**Age:** 58 years<br>**Occupation:** Business | Independent Director | Bachelor of Science (B.Sc) | November 12, 2011 | - Metrochem Capital Trust Limited<br>- Sahajanand Laser Technology Limited<br>- Shubh Labh Insurance Broking Private Limited<br>- Sanblue Tradelink Private Limited<br>- Shri Shubhlabh Auto Services Private Limited<br>- Karnavati Club Limited |
| **Mr. Prashant Keshkani**<br>**DIN:** 02589654<br>**Age:** 35 years<br>**Occupation :**Chartered Accountant | Additional (Independent) Director | Chartered Accountant | November 10, 2018 | NIL |

**14.5. Change in Board of Directors**:

The details of changes in the Board of Directors during the last 3 years preceding the date of Public Announcement i.e. Monday, April 01, 2019 are as under:

| Name of the Director | Designation | Effective Date | Reasons |
|---|---|---|---|
| Mr. Rahul Gautamkumar Jain | Whole-time Director | November 12, 2016 | Re-appointment |
| Mr.Gautamkumar Mithalal Jain | Chairman & Managing Director | November 12, 2016 | Re-appointment |
| Mr. Prashant Kheskani | Additional (Independent) Director | November 10, 2018 | Appointment |
| Ms. Krati Jain | Non- Executive Director | October 1, 2018 | Designation Change |

**14.6.** The Buy-back will not result in any benefit to any Directors, Promoters, Promoter Group and Group Companies of the Company except to the extent of the change in their shareholding as per the response received in the Buy-back, as a result of the extinguishment of Equity Shares which will lead to reduction in the equity share capital of the Company, post Buy-back.

## 15. FINANCIAL INFORMATION ABOUT THE COMPANY

**15.1.** The Company has adopted Indian Accounting Standards ("**Ind AS**") as notified under the Companies Act, 2013 ('the **Act'**) from April 1, 2017 with the effective date of such transition being April 1, 2016.

**15.2.** The salient features of the financial information of the Company as extracted from the Limited Review unaudited standalone financial statements of the Company for nine months period ended December 31, 2018 and audited standalone and consolidated financial statements for financial year ended March 31, 2018, prepared under Ind AS and from the audited standalone and consolidated financial statements for last 2 (two) financial years ended on March 31, 2017 and March 31, 2016, prepared under erstwhile Indian Generally Accepted Accounting Principles ("**IGAAP**") are set out below:

**(₹ in Lakhs)**

| CONSOLIDATED | | | |
|---|---|---|---|
| **Particulars** | **As at and for the year ended** | | |
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016** |
| | **(Audited)** | **(Audited)** | **(Audited)** |
| Total Income | 33,893.90 | 35,232.59 | 35,937.42 |
| Total Expenses (excluding Finance Costs and Depreciation) | 31,384.46 | 33,332.39 | 33,842.62 |
| Finance Cost | 154.35 | 118.26 | 101.73 |
| Depreciation | 18.09 | 12.59 | 21.21 |
| Exceptional Items | 0.00 | 0.00 | 0.00 |
| Profit Before Tax | 2,337.00 | 1,769.35 | 1,971.86 |
| Tax Expense | 550.00 | 418.40 | 400.00 |
| Profit After Tax | 1,787.00 | 1,350.95 | 1,571.86 |
| Other Comprehensive Income | 9.50 | Not Applicable | Not Applicable |
| Total Comprehensive Income for the Year | 1,796.50 | Not Applicable | Not Applicable |
| Equity Share Capital | 1,632.67 | 1,632.67 | 1,632.67 |
| Reserves & Surplus* | 27,491.70 | 25,638.63 | 24,340.99 |
| Net worth* | 29,124.37 | 27,271.30 | 25,973.66 |
| Total debt (excluding working capital loans) | 4,442.31 | 6,348.42 | 5,507.79 |

**Excluding revaluation reserves and miscellaneous expenditure to the extent not written off, if any.*

*Note: The Company has, pursuant to provisions of Regulation 33 of the SEBI Listing Regulations, exercised the option to submit only standalone unaudited quarterly results for the first three quarters of FY 2018-19.*

**(₹ in Lakhs)**

| STANDALONE | | | | |
|---|---|---|---|---|
| **Particulars** | **Nine months period ended December 31, 2018** | **As at and for the year ended** | | |
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016** |
| | **(Unaudited)** | **(Audited)** | **(Audited)** | **(Audited)** |
| Total Income | 29,313.37 | 33,874.88 | 35,214.81 | 35,919.72 |
| Total Expenses (excluding Finance Costs and Depreciation) | 27,340.86 | 31,381.91 | 33,182.04 | 33,841.01 |
| Finance Cost | 134.94 | 154.35 | 118.26 | 101.73 |
| Depreciation | 10.50 | 18.05 | 12.55 | 20.98 |
| Exceptional Items | (511.21) | 0.00 | 0.00 | 0.00 |
| Profit Before Tax | 1,315.86 | 2,320.57 | 1,901.96 | 1,956.00 |
| Tax Expense | 300.00 | 550.00 | 400.00 | 400.00 |
| Profit After Tax | 1,015.86 | 1,770.57 | 1,501.96 | 1,556.00 |
| Other Comprehensive Income | 56.68 | 9.50 | Not Applicable | Not Applicable |
| Total Comprehensive Income for the Year | 1,072.54 | 1,780.07 | Not Applicable | Not Applicable |
| Equity Share Capital | 1,632.67 | 1,632.67 | 1,632.67 | 1,632.67 |
| Reserves & Surplus* | Not Available | 27,624.02 | 25,784.30 | 24,282.34 |
| Net worth* | Not Available | 29,256.69 | 27,416.97 | 25,915.01 |
| Total debt (excluding working capital loans) | Not Available | 4,442.31 | 6,348.42 | 5,507.79 |

**Excluding revaluation reserves and miscellaneous expenditure to the extent not written off*

**15.3.** The financial ratios of the Company as extracted from the Limited Review unaudited standalone financial results of the Company for nine months period ended December 31, 2018 and audited standalone and consolidated financial statements for financial year ended March 31, 2018, prepared under Ind AS and from the audited standalone and consolidated financial statements last 2 (two) financial years ended March 31, 2017 and March 31, 2016, prepared under IGAAP are set out below:

| CONSOLIDATED | | | |
|---|---|---|---|
| **Particulars** | **As at and for the Year ended** | | |
| | **March 31, 2018** | **March 31, 2017** | **March 31, 2016** |
| | **(Audited)** | **(Audited)** | **(Audited)** |
| Earnings per Share - Basic (₹)(1) | 11.00 | 8.27 | 9.63 |
| Earnings per Share – Diluted (₹)(1) | 11.00 | 8.27 | 9.63 |
| Book Value Per Share (₹)(2) | 178.38 | 167.03 | 159.09 |
| Return on Net worth (%)(3) | 6.14% | 4.95% | 6.05% |
| Debt-Equity Ratio(4) | 0.10 | 0.11 | 0.20 |
| Total Debt / Net Worth(5) | 0.23 | 0.27 | 0.25 |

***Note: The formulae used for computation of the above ratios are as follows:***

*(1) Earnings per Share = Total Comprehensive Income/ weighted average number of Equity Shares outstanding during the year/period.*
*(2) Book value per Share = Net Worth (Excluding revaluation reserves and miscellaneous expenditure to the extent not written off, if any) at the end of relevant period/ Number of Equity Shares outstanding at the end of the relevant period*
*(3) Return on Net Worth = Profit After Tax / Net Worth at the end of the relevant period.*
*(4) Debt-Equity Ratio = Long term Debt(Including current maturities) / Net Worth*
*(5) Total Debt/ Net Worth = Total borrowings / Net Worth*

| STANDALONE | | | | |
|---|---|---|---|---|
| **Particulars** | **Nine months period ended December 31, 2018** | **As at and for the Year ended** | | |
| | | **March 31, 2018** | **March 31, 2017** | **March 31, 2016** |
| | **(Unaudited)** | **(Audited)** | **(Audited)** | **(Audited)** |
| Earnings per Share - Basic (₹)(1) | 6.57* | 10.90 | 9.20 | 9.53 |
| Earnings per Share – Diluted (₹)(1) | 6.57* | 10.90 | 9.20 | 9.53 |
| Book Value Per Share (₹)(2) | Not Available | 179.19 | 167.93 | 158.73 |
| Return on Net worth (%)(3) | Not Available | 6.05% | 5.48% | 6.00% |
| Debt-Equity Ratio(4) | Not Available | 0.10 | 0.11 | 0.20 |
| Total Debt / Net Worth(5) | Not Available | 0.23 | 0.26 | 0.25 |

**not annualized*

***Note: The formulae used for computation of the above ratios are as follows:***

*(1) Earnings per Share = Total Comprehensive Income/ weighted average number of Equity Shares outstanding during the year/period.*
*(2) Book value per Share = Net Worth (Excluding revaluation reserves and miscellaneous expenditure to the extent not written off, if any ) at the end of relevant period/ Number of Equity Shares outstanding at the end of the relevant period*
*(3) Return on Net Worth = Profit After Tax / Net Worth at the end of the relevant period.*
*(4) Debt-Equity Ratio = Long term Debt(Including current maturities)/ Net Worth*
*(5) Total Debt/ Net Worth = Total borrowings / Net Worth*

15.5. The Company shall comply with the Takeovers Regulations, wherever and if applicable. The Company hereby declares that it has complied /will comply with sections 68, 69 and 70 of the Act and the rules made thereunder to the extent applicable.

## 16. STOCK MARKET DATA

**16.1.** The Equity Shares are currently listed and traded only on BSE.

**16.2.** The high, low, average market prices and total volume of Equity Shares traded in the last three financial years (April to March) and the monthly high, low, average market prices and total volume of Equity Shares traded for the six completed calendar months preceding the date of publication of Public Announcement and the corresponding volumes on BSE are as follows:

**BSE (Scrip code:** 500159**)**

| Period | HIGH | | | LOW | | | Average Price (₹) | Total Volume Traded in the period (No. of shares) |
|---|---|---|---|---|---|---|---|---|
| | High Price (₹) | Date of High Price | No. of shares traded on that date | Low Price (₹) | Date of Low Price | No. of shares traded on that date | | |
| **PRECEDING 3 FINANCIAL YEARS** | | | | | | | | |
| FY 2018-19 | 84.00 | June 13, 2018 | 755 | 43.70 | March 27, 2019 | 4,303 | 68.29 | 2,27,343 |
| FY 2017-18 | 110.00 | January 15, 2018 | 18,406 | 66.05 | June 28, 2017 | 223 | 83.52 | 9,21,119 |
| FY 2016-17 | 104.00 | January 12, 2017 | 7,628 | 52.00 | June 14, 2016 | 5,688 | 75.84 | 30,07,867 |
| **PRECEDING 6 CALENDAR MONTHS** | | | | | | | | |
| March, 2019 | 61.75 | March 22, 2019 | 20 | 43.70 | March 27, 2019 | 4,303 | 51.88 | 57,274 |
| February, 2019 | 65.00 | February 04, 2019 | 567 | 47.30 | February 11, 2019 | 5,858 | 54.90 | 18,595 |
| January, 2019 | 72.40 | January 15, 2019 | 718 | 54.00 | January 14, 2019 | 1,176 | 65.03 | 12,416 |
| December, 2018 | 75.00 | December 10, 2018 | 1,831 | 63.60 | December 10, 2018 | 1,831 | 67.10 | 13,502 |
| November, 2018 | 78.60 | November 27, 2018 | 1,940 | 60.10 | November 22, 2018 | 742 | 66.59 | 9,237 |
| October, 2018 | 74.40 | October 04, 2018 | 1,026 | 59.00 | October 29, 2018 | 634 | 64.76 | 11,262 |

***Source:*** *www.bseindia.com*
***Note:*** *High and Low price for the period are based on intraday prices and Average Price is based on average of closing price.*

**16.3.** Intimation of the Board Meeting convened to consider the proposal of the Buy-back was given to BSE on March 27, 2019. The Board, at its meeting held on March 30, 2019, approved the proposal for the Buy-back. The closing market prices of the Equity Shares on BSE during this period, are summarized below:

| Event | Date | BSE (₹) |
|---|---|---|
| Intimation of the Board Meeting convened to consider Buy-back | March 27, 2019 | 44.30 |
| One trading day Post – Intimation of Board Meeting | March 28, 2019 | 53.15 |
| One trading day prior to Board Meeting | March 29, 2019 | 54.25 |
| One trading day Post - Board Meeting | April 01, 2019 | 52.60 |

*Source: www.bseindia.com*

## 17. DETAILS OF THE STATUTORY APPROVALS

**17.1.** The Buy-Back has been approved by the Board of Directors in its meeting held on March 30, 2019.

**17.2.** The Buy-back is subject to approvals, if any, required under the provisions of the Act, the Buy-back Regulations, SEBI and applicable rules and regulations as specified by RBI under FEMA and / or such other applicable rules and regulations for the time being in force.

**17.3.** The Buy-back of Equity Shares from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. Non-Resident Shareholders including Non-Resident Indians ("**NRI**") (except NRIs permitted under the automatic process prescribed under applicable FEMA Regulations, read with the consolidated Foreign Direct Investment policy issued by the Government of India) and erstwhile Overseas Corporate Bodies ("**OCBs**") must obtain all approvals required to tender the Equity Shares held by them in this Buy-back (including without limitation the approval from the RBI). It is the obligation of such Non-Resident Shareholders including NRI and OCB shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to validly tender Equity Shares in the Buy-back and for the Company to purchase such Equity Shares tendered. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and will have the right to reject the Equity

Shares tendered by the Eligible Shareholders who are Non-Resident Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.

**17.4.** As on date, there are no other statutory or regulatory approvals required to implement the Buy-back, other than that indicated above. If any statutory or regulatory approvals become applicable subsequently, the Buy-back will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory / regulatory approvals are delayed, changes to the proposed timetable of the Buy-back, if any, shall be intimated to Stock Exchange.

## 18. DETAILS OF THE REGISTRAR TO THE BUY-BACK AND COLLECTION CENTRE

### 18.1. REGISTRAR TO THE BUY-BACK

LINK Intime

**Link Intime India Private Limited**
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai – 400 083, Maharashtra, India.
**Contact Person:** Mr. Sumeet Deshpande
**Tel. No.:** +91 22 49186200**; Fax:** +91 22 4918 6195
**Email:** metroglobal.buyback@linkintime.co.in
**Website:** www.linkintime.co.in
**SEBI Registration Number:** INR000004058

### 18.2. COLLECTION CENTRE

Eligible Shareholders who wish to tender Equity Shares, are requested to submit their Tender Form(s) and requisite documents either by registered post / courier to the Registrar to the Buy-back, super scribing the envelope as "**Metroglobal Limited – Buy-back - 2019**", or hand deliver the same to the Registrar to the Buy-back at the address abovementioned.

**THE TENDER FORM AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUY-BACK. ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS; OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.**

## 19. PROCESS AND METHODOLOGY FOR THE BUY-BACK

**19.1.** The Company proposes to buy-back up to 40,00,000 (Forty Lakhs) fully paid-up Equity Shares (representing up to 24.50% of total number of Equity Shares of the Company) from the Equity Shareholders as on the Record Date, on a proportionate basis, through the Tender Offer route at a price of ₹ 56 per Equity Share, payable in cash for an aggregate maximum amount of up to ₹ 22,40,00,000 (Rupees Twenty Two Crores Forty Lakhs only). The Buy-back is in accordance with the provisions of Sections 68, 69, 70 and other applicable provisions, if any, of the Act and in accordance with Article 71 of the Articles of Association of the Company and subject to provisions contained in the Buy-back Regulations and such other approvals, permissions and exemptions as may be required, from time to time from statutory authorities and / or regulatory authorities, including but not limited to approvals from SEBI, Stock Exchange and the RBI, if any. The Buy-back Size represents less than 10% of the total paid-up equity share capital and free reserves (including securities premium account) of the Company based on the audited standalone financial statements and audited consolidated financial statements as on March 31, 2018.

**19.2.** The aggregate shareholding of the Promoters and Promoter Group as on the date of board meeting held to consider the Buy-back and as on the date of this Letter of Offer is 92,17,166 Equity Shares which represents 56.45% of the existing Equity Shares of the Company. In terms of the Buy-back Regulations, under the Tender Offer route, the Promoters and Promoter Group of the Company have an option to participate in the Buy-back. However, none of the Promoters and Promoter Group have expressed their intention to participate in the Buy-back.

**19.3.** Assuming response to the Buy-back is 100% (full acceptance) from all the Eligible Shareholders in proportion to their respective Buy-back Entitlement, the aggregate shareholding of the Promoters and Promoter Group post the Buy-back will increase to 74.77%. Such an increase in shareholding percentage may attract Regulation 3(2)

of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**"). However, the same is exempt in terms of the clause (iii) to the proviso to Regulation 10(4)(c) of the Takeover Regulations, subject to compliance with the proviso of the aforesaid clause of the Takeover Regulations. The Promoter Directors of the Company being interested in the resolution approving the Buy-back in their capacity as Directors of the Company, have abstained themselves from voting in resolution approving the Buy-back passed by the Board at its meeting held on March 30, 2019. The exact increase in shareholding of Promoters and Promoter Group will depend upon the response to the Buy-back and acceptances. Post Buy-back, the level of holding of public shareholders in the Company shall not fall below the minimum level of public shareholding required to be maintained in terms of Securities Contracts (Regulation) Rules, 1957 ("**SCRR**") and under the Listing Regulations.

**19.4. Record Date and Ratio of Buy-back as per the Buy-back Entitlement in each Category**:

a) The Company has fixed Friday, April 12, 2019 as the Record Date for the purpose of determining the Buy-back Entitlement and the names of the Equity Shareholders who are eligible to participate in the Buy-back.

b) The Equity Shares to be bought back as a part of this Buy-back are divided into two categories:

(a) Reserved category for Small Shareholders ("**Reserved Category**"); and
(b) General category for other Eligible Shareholders ("**General Category**").

c) As defined in the Buy-back Regulations, Small Shareholder is a shareholder, who holds Equity Shares of the Company, as on the Record Date, whose market value, on the basis of closing price on the Recognized Stock Exchange registering the highest trading volume is not more than ₹ 2,00,000 (Rupees Two Lakh Only). As on the Record Date, the closing price on BSE, was ₹ 51.15. Accordingly, all Equity Shareholders holding not more than 3,910 Equity Shares as on the Record Date are classified as "Small Shareholders" for the purpose of the Buy-back.

d) Based on the above definition, there are 13,393 Small Shareholders in the Company with aggregate shareholding of 11,81,120 Equity Shares as on the Record Date, which constitutes 7.23% of the outstanding number of Equity Shares of the Company and 29.53% of the maximum number of Equity Shares which the Company proposes to buy-back as a part of this Buy-back.

e) In compliance with Regulation 6 of the Buy-back Regulations, the reservation for the Small Shareholders, will be higher of:

(a) 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buy-back i.e. 15% of 40,00,000 Equity Shares which works out to 6,00,000 Equity Shares; or

(b) The number of Equity Shares entitled as per their shareholding as on Record Date i.e. (11,81,120/1,63,26,742)*40,00,000, which works out to be 2,89,370 Equity Shares.

(1) All the outstanding fully paid-up Equity Shares have been used for computing the Buy-back Entitlement of Small Shareholders.

(2) Based on the above and in accordance with Regulation 6 of the Buy-back Regulations, 6,00,000 [(Rounded off)] fully paid-up Equity Shares have been reserved for Small Shareholders.

Accordingly, General Category for all other Eligible Shareholders shall consist of 34,00,000 Equity Shares.

f) Based on the above Buy-back Entitlement, the Ratio of Buy-back for both categories is decided as below:

| Category of Shareholders | Ratio of Buy-back |
|---|---|
| Reserved category for Small Shareholders | 286 Equity Share(s) out of every 563 fully paid-up Equity Share(s) held on the Record Date. |
| General category for all other Eligible Shareholders | 11 Equity Share(s) out of every 49 fully paid-up Equity Share(s) held on the Record Date. |

**The above ratio of Buy-back is approximate and provides an indicative Buy-back Entitlement. Any computation of entitled Equity Shares using the above ratio may provide a slightly different number due to*

*rounding off. The actual Buy-back Entitlement for Reserved Category for Small Shareholders is 0.507992414 and General Category for all other Eligible Shareholders is 0.224487314*

**19.5. Fractional Entitlements:**

If the Buy-back Entitlement under the Buy-back, after applying the above mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share), then the fractional entitlement shall be ignored for computation of Buy-back Entitlement to tender Equity Shares in the Buy-back for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 1 (one) Equity Share as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buy-back and will be given preference in the acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

**19.6. Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:**

Subject to the provisions contained in this Letter of Offer, the Company will accept the Equity Shares tendered in the Buy-back by the Small Shareholders in the Reserved Category in the following order of priority:

(i) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buy-back Entitlement or the number of Equity Shares tendered by them, whichever is less.

(ii) Post the Acceptance as described in paragraph 19.6 (i) above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender Zero Equity Share (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buy-back, shall be given preference and 1 (one) Equity Share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.

(iii) Post the Acceptance as described in paragraph 19.6 (i) and 19.6 (ii) above, in case there are any Equity Shares left to be bought back in the Reserved Category, the Additional Equity Shares tendered by the Small Shareholders over and above their Buy-back Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholders shall be made in accordance with the Buy-back Regulations, i.e. valid acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with paragraph 19.6 (ii) above, shall be reduced by 1 (one).

(iv) Adjustment for fractional results in case of proportionate Acceptance, as described in paragraph 19.6 (iii) above:

(a) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

(b) For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

**19.7. Basis of Acceptance of Shares validly tendered in the General Category:**

Subject to the provisions contained in this Letter of Offer, the Company will accept the Equity Shares tendered in the Buy-back by all Eligible Shareholders in the General Category in the following order of priority:

(i) Acceptance of 100% Equity Shares from Eligible Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buy-back Entitlement, or the number of Equity Shares tendered by them, whichever is less.

(ii) Post the Acceptance as described in paragraph 19.7 (i) above, in case there are any Equity Shares left to be bought back in the General Category, the Additional Equity Shares tendered by the Eligible Shareholders over and above their Buy-back Entitlement shall be accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per Shareholder shall be made in accordance with the Buy-back Regulations, i.e. valid acceptances per Shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Shareholder divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares to be accepted in General Category.

(iii) Adjustment for fractional results in case of proportionate acceptance as described in paragraph 19.7 (i) and (ii) above:

(a) For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

(b) For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

**19.8. Basis of Acceptance of Equity Shares between Categories**

(i) In case there are any Equity Shares left to be bought back in one category ("**Partially filled Category**") after acceptance in accordance with the above described methodology for both the categories, and there are additional unaccepted validly tendered Equity Shares in the other category, then the Additional Equity Shares in the other category shall be accepted proportionately, i.e. valid acceptances per Eligible Shareholder shall be equal to the Additional outstanding Equity Shares validly tendered by an Eligible Shareholder in the other category divided by the total Additional outstanding Equity Shares validly tendered in the other category and multiplied by the total pending number of Equity Shares to be bought back in the Partially filled Category.

(ii) If the Partially filled Category is the General Category, and the other category is the Reserved Category for Small Shareholders, then for the purpose of this calculation, the Additional Equity Shares tendered by such Small Shareholders, from whom 1 (one) Equity Share has been accepted in accordance with paragraph 19.6 (ii) shall be reduced by 1 (one).

(iii) Adjustment for fraction results in case of proportionate Acceptance, as defined in paragraph 19.8 (i) and (ii) above:

(a) For any Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

(b) For any Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

**19.9. For avoidance of doubt, it is clarified that:**

(i) The Equity Shares accepted under the Buy-back from each Eligible Shareholder, in accordance with paragraphs above, shall not exceed the number of Equity Shares tendered by the respective Eligible Shareholder;

(ii) The Equity Shares accepted under the Buy-back from each Eligible Shareholder, in accordance with paragraphs above, shall not exceed the number of Equity Shares held by respective Eligible Shareholder as on the Record Date; and

(iii) The Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the paragraphs above.

**19.10. Clubbing of Entitlement**

In order to ensure that the same Eligible Shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Registrar to the Buy-back will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General Category) and the Buy-back Entitlement. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. The shareholding of institutional investors like mutual funds, pension funds/ trusts, insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar to the Buy-back as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of 'clearing members' or 'corporate body margin account' or 'corporate body-broker' as per the beneficial position data as on the Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

## 20. PROCEDURE FOR TENDERING EQUITY SHARES AND SETTLEMENT

**20.1.** The Buy-back is open to all Eligible Shareholders holding Equity Shares of the Company either in Demat or Physical mode, as on the Record date, i.e. Friday, April 12, 2019. However, Eligible Shareholders holding Equity Shares in physical form are required to get their Equity Shares dematerialized before tendering their Equity Shares in the Buy-back.

**20.2.** The Company proposes to Buy-back Equity Shares through Tender Offer method on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buy-back as well as the detailed disclosures as specified in the Buy-back Regulations, are being dispatched to the Eligible Shareholders. The Letter of Offer is being dispatched through electronic means to Eligible Shareholder(s) who have registered their email ids with the depositories / the Company, and for those Eligible Shareholder(s) who have not registered their email ids with the depositories / the Company, the Letter of Offer shall be dispatched through physical mode by registered post / speed post / courier. Further, on receipt of request from any Eligible Shareholder to receive a copy of Letter of Offer in physical format, the same shall be made provided. Even if Eligible Shareholder does not receive the Letter of Offer along with a Tender/Offer Form, the Eligible Shareholder may participate and tender shares in the Buy-back. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure mentioned in paragraph 20.24.

**20.3.** The Company will not accept any Equity Shares offered for Buy-back which are under any restraint order of a court for transfer / sale of such Equity Shares or where loss of share certificate is notified to Company or where the title of Equity Shares is under disputed or otherwise not clear or where any other restraint subsists.

**20.4.** The Company shall comply with Regulation 24(v) of the Buy-back Regulations which state that the Company shall not buy-back the locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.

**20.5.** Eligible Shareholders' participation in Buy-back will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Equity Shares accepted under the Buy-back or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buy-back, without additional investment. Shareholders may also tender a part of their Buy-back Entitlement. Shareholders also have the option of tendering Additional Shares (over and above their Buy-back Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Equity Shares tendered in excess of the Buy-back Entitlement by the Shareholder, shall be in terms of procedure outlined in paragraph 19 (Process and Methodology for the Buy-back) of this Letter of Offer.

**20.6.** Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account.

**20.7.** The Company shall accept all the Equity Shares validly tendered for the Buy-back by Eligible Shareholders, on the basis of their Buy-back Entitlement as on the Record Date and also Additional Equity Shares if any tendered by Eligible Shareholders will be accepted as per paragraphs 19.6, 19.7, 19.8 and 19.9.

**20.8.** As elaborated under paragraph 19.4, the Equity Shares proposed to be bought as a part of the Buy-back are divided into two categories; (a) Reserved category for Small Shareholders and (b) the General category for other Eligible Shareholders, and the Buy-back Entitlement of an Eligible Shareholders in each category shall be calculated accordingly.

**20.9.** After accepting the Equity Shares tendered on the basis of Buy-back Entitlement, Equity Shares left to be bought as a part of the Buy-back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buy-back Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buy-back Entitlement, in other category.

**20.10.** The Buy-back shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as may be amended from time to time and following the procedure prescribed in the Act and the Buy-back Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time. In this regard, the Company has requested BSE to provide the Acquisition Window. For the purpose of this Buy-back, BSE will be the Designated Stock Exchange.

**20.11.** The maximum tender under the Buy-back by any Eligible Shareholder cannot exceed the number of shares held by the Eligible Shareholder on the Record Date.

**20.12.** For implementation of the Buy-back, the Company has appointed **Pravin Ratilal Share and Stock Brokers Limited** as the registered broker to the Company (the "**Company's Broker**") who will facilitate the process of tendering Equity Shares through Stock Exchange Mechanism for the Buy-back and through whom the purchase and settlements on account of the Buy-back would be made by the Company. The contact details of the Company's Broker are as follows:

**Name: Pravin Ratilal Share and Stock Brokers Limited**
**Address:** Sakar – 1, 5th Floor, East Wing, Opp. Gandhigram Railway Station, Navarangpura, Ahmedabad – 380009, Gujarat, India
**Contact Person:** Ms. Kunjan Mistry **Tel.:** +91-79-6630 2792, +91-79-2655 3792
**Email:** cs@prssb.com; **Website:** www.prssb.com
**SEBI Registration Number:** INB010758937 (**BSE**) and INB230758933 (**NSE**)
**Corporate Identity Number:** U67120GJ1994PLC022117

**20.13.** For the purpose of this Buy-back, BSE will be the Designated Stock Exchange. The Company has requested BSE to provide the facility of acquisition window to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buy-back. The details of the platform will be as specified by BSE from time to time. In case Eligible Shareholder's broker is not registered with BSE, Eligible Shareholder may approach Company's Broker to place its bid.

**20.14.** In the event Seller Member(s) of Eligible Shareholders are not registered with BSE, then that Eligible Shareholders can approach any BSE registered stock broker and can make a bid by using quick unique client code (UCC) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with the applicable SEBI regulations. In case Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker, then the Eligible Shareholders may approach Company's Broker viz. **Pravin Ratilal Share and Stock Brokers Limited** to bid by using quick UCC facility. The Eligible Shareholders approaching BSE registered stock broker (with whom Eligible Shareholders does not have an account) may have to submit following details:

1. **In case of Eligible Shareholder being an individual or HUF:**

A. If Eligible Shareholder is registered with KYC Registration Agency ("KRA"):

a) Forms required:
   1) Central Know Your Client (CKYC) form
   2) Know Your Client (KYC) form

b) Documents required (all documents self-attested):
   1) Bank details (cancelled cheque)
   2) Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

B. If Eligible Shareholder is not registered with KRA:

a) Forms required:
   1) CKYC form
   2) KRA form
   3) KYC form

b) Documents required (all documents self-attested):
   1) PAN card copy
   2) Address proof
   3) Bank details (cancelled cheque)
   4) Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

In addition to above documents, shareholder would also require to submit the FATCA form along with KYC/ KRA requirements.

It may be noted that other than submission of above forms and documents in person verification may be required.

2. **In case of Eligible Shareholder other than Individual and HUF:**

A. If Eligible Shareholder is KRA registered:

a) Form required:
   1) KYC Form

b) Documents required (all documents self-attested)
   1) Bank details (cancelled cheque)
   2) Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
   3) Latest list of directors/authorised signatories
   4) Latest shareholding pattern
   5) Board resolution
   6) Details of ultimate beneficial owner along with PAN card and address proof
   7) Last 2 years financial statements

B. If Eligible Shareholder is not KRA registered:

a) Forms required:
   1) KRA form
   2) KYC form

b) Documents required (all documents self-attested):
   1) PAN card copy
   2) Address proof
   3) Bank details (cancelled cheque)
   4) Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
   5) Latest list of directors/authorised signatories /partners

6) PAN card copies & address proof of directors/authorised signatories/partners
7) Latest shareholding pattern
8) Board resolution/partnership declaration
9) Details of ultimate beneficial owner along with PAN card and address proof
10) Last 2 years financial statements
11) MOA/Partnership deed

In addition to above documents, shareholder would also require to submit the FATCA form along with KYC/ KRA requirements.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

**20.15.** All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers.

**20.16.** During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market.

**20.17.** Shareholder Brokers can enter orders for Equity Shares in Demat form.

**20.18.** Modification / cancellation of orders and multiple bids from a single Eligible Shareholders will be allowed during the Tendering Period of the Buy-back. Multiple bids made by single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as "one" bid for the purposes of Acceptance.

**20.19.** The cumulative quantity tendered shall be made available on BSE's website, www.bseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.

**20.20.** All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.

**20.21. Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form**

(i) Eligible Shareholders who desire to tender their Equity Shares in the dematerialised form under Buy-back would have to do so through their respective Shareholder Broker by giving details of Equity Shares they intend to tender under the Buy-back offer.

(ii) The Shareholder Broker/ Eligible Shareholder would be required to transfer the tendered Equity Shares to a special account of the Indian Clearing Corporation Limited **("Clearing Corporation")** specifically created for the purpose of Buy-back **("Special Account"),** by using settlement number through the early pay in mechanism of Depositories and the same shall be validated at the time of order entry.

(iii) The details of the settlement number and Special Account for the Buy-back shall be informed in issue opening circular that will be issued by BSE or Clearing Corporation prior to placing bid by Shareholder Broker.

(iv) For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.

(v) Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip ("**TRS**") generated by the exchange bidding system to the Eligible Shareholders. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered, etc.

(vi) Eligible Shareholders who have tendered their Equity Shares in the Buy-back can 'hand deliver' Tender Form duly signed (by all Eligible Shareholders in case Equity Shares are in joint names) in same order in which they hold the Equity Shares, along with the TRS generated by the exchange bidding system at the address (mentioned in paragraph 18 of this Letter of Offer) of Registrar to the Buy-back. TRS will be

generated by the respective Shareholder Broker. Eligible Shareholders who cannot hand deliver the Tender Form and other documents at the head office of Registrar to the Buy-back, may send the same by registered post / speed post, at their own risk, super scribing the envelope as **"Metroglobal Limited – Buy-back - 2019**" to the Registrar to the Buy-back at their office mentioned on the cover page of this Letter of Offer, so that the same are received not later than Wednesday, May 29, 2019 (by 5 PM).

(vii) All Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

(a) Duly attested power of attorney, if any person other than the Eligible Shareholders has signed the Tender Form;

(b) Duly attested death certificate, in case any Eligible Shareholders has expired; and

(c) In case of companies, the necessary certified corporate authorizations (including board and / or general meeting resolutions).

(viii) In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Buy-back shall be deemed to have been accepted, for demat Equity Shareholders.

(ix) The Eligible Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Buy-back decided by the Company.

**20.22. Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in physical form**

All Eligible Shareholders of the Company holding Equity Shares in physical form should note that pursuant to provisions of the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**Listing Regulations**") read with press release no.12/2019 dated March 27, 2019 issued by SEBI, with effect from April 1, 2019, the request for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository. Accordingly, the Company shall not accept the Equity Shares tendered under the Buy-back unless such Equity Shares are in dematerialised form.

**ACCORDINGLY, ALL ELIGIBLE SHAREHOLDERS OF THE COMPANY DESIROUS OF TENDERING THEIR EQUITY SHARES AND HOLDING EQUITY SHARES IN PHYSICAL FORM ARE ADVISED TO APPROACH THE CONCERNED DEPOSITORY PARTICIPANT TO HAVE THEIR EQUITY SHARES DEMATERIALIZED.**

**EQUITY SHAREHOLDERS WHO DEMATERIALIZE THEIR EQUITY SHARES AFTER THE RECORD DATE (FRIDAY, APRIL 12, 2019) AND TENDERS THEIR EQUITY SHARES IN THE BUY-BACK HAVE TO SEND A LETTER ALONG WITH TRANSACTION STATEMENT OF THE DEMAT ACCOUNT FROM WHERE THE EQUITY SHARES ARE TENDERED, TO THE REGISTRAR ON OR BEFORE** Monday, May 27**, 2019.**

In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buy-back before Buy-back Closing Date.

**20.23. For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares:**

(i) Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FPIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.

(ii) FII/FPI Shareholder should enclose a copy of their SEBI registration certificate.

(iii) In case the Equity Shares are held on repatriation basis, the Eligible Shareholders who are Non-Resident Shareholders shall obtain and enclose a letter from its authorized dealer / bank / Company confirming that at the time of acquiring the Equity Shares, payment for the same was made by such non-resident Eligible Shareholder from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Eligible Shareholders who are Non-Resident Shareholders is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Shareholder shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buy-back. In the event, such consent letter is not submitted by such non-resident Eligible Shareholder, the Company shall have the right to reject the Equity Shares tendered in the Buy-back and acceptance of such Equity Shares shall be at the sole discretion of the Company subject to such conditions as the Company may deem fit including making payment for the same on a non-repatriation basis.

**20.24. In case of non-receipt of the Letter of Offer:**

An Eligible Shareholder may participate in the Buy-back by downloading the Tender Form from the website of the Company i.e. www.metrogloballimited.com or the website of the Registrar, www.linkintime.co.in or by providing their application in writing on plain paper to the Registrar, signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name), stating name and address of Eligible Shareholders, number of Equity Shares held as on the Record Date, Client ID number, DP Name / ID, beneficiary account number and number of Equity Shares tendered for the Buy-back. If any Eligible Shareholder who has been sent the Letter of Offer through electronic means wishes to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number. Upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder.

**Please note that Eligible Shareholders who intend to participate in the Buy-back will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or Seller Broker in the electronic platform to be made available by BSE before the Buy-back Closing Date.**

**The Company shall accept Equity Shares validly tendered by the Equity Shareholder(s) in the Buy-back on the basis of their shareholding as on the Record Date and the Buy-back Entitlement. Eligible Shareholder(s) who intend to participate in the Buy-back using the "plain paper" option as mentioned in this paragraph is advised to confirm their Buy-back Entitlement from the Registrar to the Buy-back, before participating in the Buy-back.**

**20.25.** Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to, any Eligible Shareholder, shall not invalidate the Buy-back in any way.

**20.26.** The acceptance of the Buy-back Offer by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or not to participate in the Buy-back.

**20.27. Method of Settlement**

a) Upon finalization of the basis of Acceptance as per the Buy-back Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.

b) The Company will transfer the consideration pertaining to the Buy-back to the Clearing Corporation's bank account through the Company's Broker as per the secondary market mechanism, as per the prescribed schedule. For Equity Shares accepted under the Buy-back, the Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If bank account details of any Eligible Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholder(s) will be transferred to the settlement account of the concerned Seller Member for onward transfer to such Eligible Shareholder holding Equity Shares in dematerialized form.

c) In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement account for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.

d) The Equity Shares bought back in the dematerialized form would be transferred directly to the escrow account of the Company ("**Company Demat Escrow Account**") on receipt of the Equity Shares from the clearing and settlement mechanism of the Designated Stock Exchange.

e) Excess Equity Shares or unaccepted Equity Shares, in dematerialized form, if any, tendered by the Eligible Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the respective Eligible Shareholder.

f) The Seller Member would issue contract note for the Equity Shares accepted under the Buy-back. The Company's Brokers would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back.

g) Eligible Shareholders who intend to participate in the Buy-back should consult their respective Seller Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member for tendering Equity Shares in the Buy-back (secondary market transaction). The Manager to the Buy-back and the Company accept no responsibility to bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Seller Member, and such costs will be incurred solely by the Eligible Shareholders.

h) The Equity Shares lying to the credit of the Company Demat Escrow Account will be extinguished and destroyed in the manner and following the procedure prescribed in the Buy-back Regulations and the Act.

**Rejection Criteria**: The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

a) The Shareholder is not an Eligible Shareholder of the Company as on the Record Date;
b) The Equity Shares tendered are in physical form.

## 21. NOTE ON TAXATION

**THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS.**

**IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.**

**THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUY-BACK OF LISTED EQUITY SHARES ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.**

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 ("**Income Tax Act**") relating to treatment of income-tax in case of buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

## I. GENERAL

The Indian tax year runs from 1st April to 31st March. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act 1961 ("**Income Tax Act**" or "**ITA**").

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her Indian sourced income or income received by such person in India. In case of shares of a company, the source of income from shares would depend on the 'situs' of the shares. As per judicial precedents, generally the "situs" of the shares is where company is "incorporated" and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the relevant Double Taxation Avoidance Agreement ("**DTAA**") subject to satisfaction of the relevant conditions and documentary compliance requirements prescribed under the ITA.

The ITA also provides for different tax regimes / rates applicable to the gains arising on buyback of shares, based on the period of holding, residential status and category of the shareholder, nature of the income earned, etc. The summary tax implications on buyback of equity shares listed on the stock exchange in India is set out below. All references to equity shares in this note refer to equity shares listed on the stock exchange in India unless stated otherwise.

### I. CLASSIFICATION OF SHAREHOLDERS

Shareholders can be classified under the following categories:

**A) Resident Shareholders being:**

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others:
  - Company
  - Other than Company

**B) Non Resident Shareholders being:**

- Non Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- Others:
  - Company
  - Other than Company

### II. CLASSIFICATION OF INCOME

Shares can be classified under the following two categories:

A) Shares held as investment (Income from transfer taxable under the head "Capital Gains")
B) Shares held as stock-in-trade (Income from transfer taxable under the head "Profits and Gains of Business or Profession", hereinafter referred to as "business income")

Gains arising from the transfer of shares may be treated either as "capital gains" or as "business income" for tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade).Traditionally, the issue of characterization of income arising from sale of shares has been a subject matter of litigation with the tax authorities. The Central Board of Direct Taxes ("CBDT"), the apex body for Income-tax administration has issued Circular no. 6 of 2016, as per which, if the taxpayer opts to consider the shares as stock-in-trade, the income arising from the transfer of such shares would

be treated as its business income. Also, if such shares are held for a period of more than 12 months, if the taxpayer desires to treat the income arising from the transfer thereof as "capital gains", the same shall not be put to dispute by the Tax Officer. However, this stand, once taken by the assessee in a particular assessment year, shall remain applicable in the subsequent assessment years also and the taxpayer shall not be allowed to opt a different / contrary stand in this regard in the subsequent years.

Further, investments by FII / FPI in any securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be treated as capital asset and the transfer of such shares would be treated as "capital gains" under the provisions of the Income Tax Act.

**A) SHARES HELD AS INVESTMENT**

**i.** As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head "Capital Gains". Capital gains on Buy-back of shares are governed by the provisions of Section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per computation provisions contained in Section 48 of the Income Tax Act. The provisions of buy-back tax on the Company under Section 115QA in Chapter XII-DA of the Income Tax Act does not apply for shares listed on the stock exchange.

**ii. Period of holding**

Depending on the period for which the shares are held, the gains would be taxable as 'short term capital gain' or 'long term capital gain' as stated below:

- In respect of equity shares held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a 'short-term capital asset', and the gains arising therefrom shall be taxable as 'short term capital gains (**"STCG"**).
- Similarly, where equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a 'long-term capital asset', and the gains arising therefrom shall be taxable as 'long-term capital gains' (**"LTCG"**).

**iii. Buy-back of shares through a recognised stock exchange**

Where a transaction for transfer of such equity shares (i.e. buy-back) is executed through a recognised stock exchange, they are liable to Securities Transaction Tax ('STT'). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the recognised Stock Exchange in India. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security:

- As per the provisions of the ITA as amended by the Finance Act, 2018, the exemption to LTCG provided u/s 10(38) of ITA has been withdrawn and tax is levied on LTCG exceeding ₹ 1 Lac in a financial year arising on transfer of listed equity shares @ 10% without allowing the benefit of indexation. However, gains accrued on such equity shares till 31st January, 2018 have been exempted by providing that the cost of acquisition in respect of such equity shares which would be transferred on or after 1st April, 2018 shall be higher of i) the actual cost of acquisition of such equity shares acquired before 1st February, 2018 **or** ii) the lower of a) the highest price of such equity shares quoted on the recognised stock exchange on the 31st January, 2018; or b) the actual sale value of such equity shares.

- However, section 112A of the ITA shall not apply if such equity shares were acquired on or after 1 October 2004 and securities transaction tax ('STT under Chapter VII of the Finance (No. 2) Act, 2004) was not paid. In this regard, the Central Government has issued a notification dated 01 October, 2018 (Notification No. 60/2018/F. No. 370142/9/2017-TPL) providing certain situations wherein section 112A of the ITA will continue to be applicable even if STT is not paid at the time of acquisition of equity shares. The notification provides for the following situations:
  a. Where acquisition of existing listed equity share in a company, whose equity shares are not frequently traded on a recognised stock exchange of India, was made through a preferential issue, subject to certain exceptions;
  b. Where transaction for acquisition of existing listed equity share in a company was not entered through a recognised stock exchange of India, subject to certain exceptions;

c. Acquisition of equity share of a company during the period beginning from the date on which the company was delisted from a recognised stock exchange and ending on the date on which the company was again listed on a recognised stock exchange in accordance with the Securities Contracts (Regulation) Act, 1956 read with Securities and Exchange Board of India Act, 1992 (15 of 1992) and any rules made there under.

- Where provisions of section 112A are not applicable, LTCG will be chargeable to tax at 20%. However, for a resident shareholder, an option is available to pay tax on such LTCG at either 20% with indexation or 10% without indexation.

- STCG arising from such transaction would be subject to tax @ 15% under Section 111A of the ITA. Unlike in the case of LTCG, no amendment has been made that requires payment of STT at the time equity shares are acquired for eligibility of the concessional rate of 15% on STCG.

**iv.** Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under Section 111A of the Income Tax Act. In such cases, where the total income as reduced by such STCG is below the maximum amount not chargeable to tax, then such STCG shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and on the balance of STCG, if any, income tax @ 15% is charged. In addition to the above STCG tax, surcharge, health and education cess are leviable (Please refer to paragraph 21. V. below for rate of surcharge and cess).

**v.** Further in case of Eligible Shareholders being companies as defined under the Income Tax Act, the tax provisions of minimum alternate tax on book profits as provided u/s. 115JB of the Income Tax Act need to be considered depending on their income and losses, etc. for the year.

**vi.** Non-resident shareholders can avail beneficial provisions of the applicable DTAA, if any, entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.

**B) SHARES HELD AS STOCK-IN-TRADE**

If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head "Profits and Gains of Business or Profession". In such a case, the provisions of Section 46A and Section 48 of the Income Tax Act will not apply.

**i. Resident Shareholders**

a) For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
b) Domestic company having turnover or gross receipts not exceeding Rs. 250 Crore in the previous year i.e. 2016 -17 would be taxable @ 25%
c) For persons other than stated in (a) and (b) above, profits would be taxable @ 30% or other applicable tax rate.

No benefit of indexation by virtue of period of holding would be available in any case.

**ii. Non Resident Shareholders**

a) Non-resident shareholders can avail beneficial provisions of the applicable DTAA, if any, entered into by India with relevant shareholder country but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.

b) Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- For foreign companies, profits would be taxed in India @ 40%.

- For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

In addition to the above, surcharge, health and education cess are leviable (Please refer to paragraph 21. III. below for rate of surcharge and cess).

## II. TAX DEDUCTION AT SOURCE

### A) In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Company is not required to deduct tax at source on the consideration payable to resident shareholders pursuant to the Buy-back.

### B) In case of Non-resident Shareholders

In the case of a non-resident shareholder, the gains taxable under the head 'Capital Gains' (out of the consideration received from buy-back) will be subject to the provisions of Tax Deduction at Source ('TDS'). The rates of TDS applicable to Non-resident shareholders are as follows:

- Income classified as LTCG referred to in section 112A shall be subject to TDS at 10%
- Income classified as STCG referred to in section 111A shall be subject to TDS at 15%

Since the buy-back is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder. The non-resident shareholder must compute such gains (if any) on this transaction and immediately pay applicable taxes in India in consultation with their custodians/ authorized dealers/ tax advisors appropriately. The non-resident shareholders must file their tax return in India inter-alia considering gains arising on this buyback of shares in consultation with their tax advisors.

The non-resident shareholders undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to the non-resident shareholders on buyback of shares by the Company. The non-resident shareholders also undertake to provide the Company, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.

## III. RATE OF SURCHARGE AND CESS

In addition to the basic tax rate, surcharge, health and education cess are leviable as under:

### A) Surcharge

- In case of domestic companies: Surcharge @12% is leviable where the taxable income exceeds ₹ 10 crores and @7% where the taxable income exceeds ₹1 Crore but does not exceed ₹ 10 crores.
- In case of companies other than domestic companies: Surcharge @5% is leviable where the taxable income exceeds ₹ 10 crores and @2% where the taxable income exceeds ₹1 crore but does not exceed ₹ 10 crores.
- In case of individual, HUF, AOP, BOI: Surcharge @15% is leviable where the taxable income exceeds ₹ 1 crore and @10% where the taxable income exceeds ₹ 50 lakh but does not exceed ₹ 1 crore
- In case of Firm, Local Authority: Surcharge @12% is leviable where the taxable income exceeds ₹ 1 crore.

### B) Cess

Health and education cess @4% is leviable in all cases

The above note on taxation sets out the provisions of law in a summary manner only and is not a complete / exhaustive analysis or listing of all potential tax consequences on the disposal of equity shares under the Buy-back. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence, you should consult with your own tax advisors for the tax provisions applicable to your particular circumstances.

## 22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Schedule I to the Buy-back Regulations:

The Board of Directors made declaration as on the date of passing the board resolution approving the Buy-back i.e. March 30, 2019 that:

1. The Board of Directors confirms that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

2. It has, based on a full enquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the Act formed an opinion:

   a) that immediately following the date of convening of the Board Meeting i.e. March 30, 2019 at which the Buy-back of the Company's Equity Shares is approved, there shall be no grounds on which the Company could be found unable to pay its debts;

   b) that as regards the Company's prospects for the year immediately following the date of the Board Meeting held to approve the Buy-back and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company shall be able to meet its liabilities as and when they fall due and shall not be rendered insolvent within a period of one year from the date of the Board Meeting approving such Buy-back; and

   c) In forming its opinion as aforesaid, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).

**For and on behalf of the Board of Directors of Metroglobal Limited**

| Sd/- | Sd/- |
|---|---|
| **Gautamkumar Mithalal Jain**<br>**Chairman & Managing Director**<br>**(DIN: 00160167)** | **Rahul Gautamkumar Jain**<br>**Executive Director**<br>**(DIN: 01813781)** |

## 23. AUDITORS CERTIFICATE

The text of the report dated March 30, 2019 received from M/s AMPAC & Associates, Chartered Accountants, the Statutory Auditors of the Company and the Statement of computation of permissible capital payments for the proposed Buy-back of Equity Shares of the Company, addressed to the Board of Directors of the Company is reproduced below.

**Quote**

**"Independent Auditor's Report on Buy-back of Equity Shares pursuant to the requirement of Schedule II to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended**
To,
**The Board of Directors**
Metroglobal Limited
101, Mangal Disha, 1st Floor,
6th Road, Near Guru Gangeshwar Temple,
Khar (West), Mumbai,
Maharashtra, 400052

**Subject:** Statutory Auditor's Report on the matters specified in clause (xi) of Schedule I of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (as amended) (the "SEBI Buyback Regulations") for proposed buyback of equity shares of Metroglobal Limited

1. This Report is issued in accordance with the terms of our engagement letter dated 27th March, 2019 with Metroglobal Limited. The Board of Directors of the Company has approved a proposed buy-back of equity shares of the Company at its meeting held on March 30, 2019, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013 (the "Act") and the SEBI Buyback Regulations.

2. We, AMPAC & Associates, Chartered Accountants (Firm Registration Number 112236W), the Statutory Auditors of Metroglobal Limited ("Metroglobal"/the "Company"), have been requested by the management of the Company to provide a report on the accompanying statement of permissible capital payment (including premium) (**'Annexure A'**) as at March 31, 2018 (hereinafter referred together as the "Statement"). This Statement has been prepared by the Management, which we have initialed for identification purposes only.

**Management's Responsibility for the Statement**

3. The preparation of the Statement in accordance with proviso (i) to Section 68(2)(b) read with Section 68 (2)(c) of the Companies Act, 2013 and the compliance with the SEBI Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

4. The Management is also responsible to ensure compliance with the other relevant provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014 ("the Rules").

**Auditor's Responsibility**

5. Pursuant to the requirements of the SEBI Buy-back Regulations, it is our responsibility to provide reasonable assurance:

   (i) Whether we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements as at and for the financial year ended March 31, 2018.

   (ii) If the amount of permissible capital payment (including securities premium) for the proposed buyback of equity shares is properly determined considering the requirements of proviso (i) to Section 68(2)(b) read with Section 68(2)(c) of the Companies Act; and;

   (iii) If the Board of Directors of the Company in their meeting dated 30th March, 2019, have formed the opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of passing of Board meeting resolution dated 30th March, 2019.

6. The standalone and consolidated financial statements referred to in paragraph 5 above, for the year ended March 31, 2018 had been audited by us, on which we had issued an unmodified audit opinion, vide our audit report dated May 30, 2018. We conducted our audit of these financial statements in accordance with Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

9. Based on inquiries conducted and our examination as above, we report that:

   i. We have enquired into the state of affairs of the Company in relation to its audited financial statements as at and for the year ended March 31, 2018;

   ii. The amount of permissible capital payment (including premium) towards the proposed buy back of equity shares as computed in the Statement attached herewith is, in our view properly determined in accordance with proviso (i) to Section 68(2)(b) read with Section 68(2) (c) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone and consolidated financial statements of the Company as at and for the year ended March 31, 2018; and

   iii. The Board of Directors of the Company, in their meeting held on 30th March, 2019, have formed their opinion as specified in clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board Meeting Resolution dated 30th March, 2019, with regard to the proposed buyback are declared.

**Restriction on Use**

10. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Sections 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buyback Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer and other documents pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the managers, each for the purpose of extinguishment of equity shares and may not be suitable for any other purpose.

For **AMPAC & Associates**
Chartered Accountants
**ICAI Firm Registration Number:** 112236W
**Sd/-**
**Piyush B. Sheth**
Partner
**M. No.:** 44062
**UDIN No. :** 19044062AAAAAE9459
**Place:** Mumbai
**Date:** 30-03-2019

**Annexure A**

**Statement of permissible capital payment (including Securities Premium) as at March 31, 2018**

The amount of permissible capital (including securities premium) towards the proposed buyback of equity shares as computed in the table below is properly determined in our view in accordance with Proviso (i) to Section 68(2)(b) read with Section 68(2)(c) of the Companies Act. The amount of share capital and free reserves has been extracted from the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2018.

| **Particulars** | **March 31, 2018 (Rs. in lakhs)** | |
|---|---|---|
| | **STANDALONE** | **CONSOLIDATED** |
| **Paid-up Equity Share Capital as at March 31, 2018*** | | |
| 1,63,26,742 equity shares of Rs. 10 each fully paid-up **(A)** | 1,632.67 | 1,632.67 |
| | | |
| Free Reserves as at March 31, 2018* | | |

| Particulars | March 31, 2018 (Rs. in lakhs) | |
|---|---|---|
| | STANDALONE | CONSOLIDATED |
| Securities premium account | 10,253.97 | 10,253.97 |
| General reserve | 17,376.73 | 17,248.30 |
| Retained Earnings ** | (2,652.18) | (2,656.07) |
| **Total (B)** | **24,978.52** | **24,846.20** |
| **Total (A+B)** | **26,611.19** | **26,478.87** |
| | | |
| Permissible capital payment (including Securities premium) towards Buy-back of Equity Shares in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013 (25% of paid up equity capital and free reserves) | 6,652.80 | 6,619.72 |
| Maximum amount permissible under the Companies Act/ SEBI Buyback Regulations with Board of Directors approval :- 10% of total paid-up equity capital and free reserves, if the buyback is carried through tender offer route (in accordance with Chapter III of the SEBI Buyback Regulations and in accordance with proviso (i) to Section 68(2)(b) read with Section 68(2)(c) of the Companies Act) | 2,661.12 | 2,647.89 |
| Amount approved by the Board of Directors at their meeting held on March 30, 2019 | 2,240.00 | |
| Permissible number of Equity Shares eligible for Buy-back in accordance with Section 68 (2) (b) and (c) of the Companies Act, 2013 (25% of number of paid up equity capital) **(Nos.)** | 40,81,685 | |

*Calculation in respect to the Buy-back is done on basis of audited financial statements of the Company for the year ended March 31, 2018.
** surplus is adjusted for the unrealized gain and fair value adjustments.

**For and on behalf of Board of Directors of**
**Metroglobal Limited**
Sd/-
**Gautam M. Jain**
Chairman & Managing Director
DIN: 00160167

Place: Ahmedabad
Date: March 30, 2019

**Unquote**

## 24. MATERIAL DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Corporate Office of the Company at 508-509, "SHILP", C.G. Road, Navrangpura, Ahmedabad - 380 009, Gujarat, India between 10 a.m. and 5.00 p.m. on all working days (Monday to Friday) till the Buy-back Closing Date:

(i) Certificate of Incorporation of the Company;
(ii) Memorandum and Articles of Association of the Company;
(iii) Audited standalone and consolidated financial statements of the Company for the preceding three financial years, viz. March 31, 2018, 2017, and 2016 and limited review unaudited financial results for the nine months period ended on December 31, 2018;
(iv) Copy of resolution passed by the Board of Directors at their meeting held on March 30, 2019 approving the proposal of the Buy-back;
(v) Certificate dated March 30, 2019 received from M/s AMPAC & Associates, Chartered Accountants, the Statutory Auditors of the Company, in terms of clause (xi) of to Schedule I of the Buy-back Regulations;
(vi) Copy of Public Announcement dated April 01, 2019 published in the newspapers on April 02, 2019 regarding Buy-back;

(vii) Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH-9 prescribed under the Companies (Share Capital and Debentures) Rules, 2014;

(viii) Certificate dated March 30, 2019 by M/s AMPAC & Associates, Chartered Accountants, certifying that the Company has made firm financial arrangements for fulfilling its obligations under the Buy-back, in accordance with the Buy-back Regulations;

(ix) Copy of the Escrow Agreement dated May 02, 2019 executed amongst the Company, Escrow Agent and the Manager to the Buy-back;

(x) SEBI comments received on DLoF vide letter dated Tuesday, April 30, 2019, issued in terms of the Buy-back Regulations.

## 25. DETAILS OF THE COMPLIANCE OFFICER

The Equity Shareholders may contact the Compliance Officer of the Company for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

**Mr. Nitin S. Shah**
**Company Secretary, Chief Financial Officer & Compliance Officer**
**Metroglobal Limited**
**Address:** 508-509, "SHILP", C.G. Road, Navrangpura, Ahmedabad - 380 009, Gujarat, India.
**Phone:** +91 - 79 - 2646 8016**; Fax:** + 91- 79 - 2640 7838;
**Email:** nitin.shah@metroglobal.in; **Website:** www.metrogloballimited.com;

## 26. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

(i) In case of any grievances relating to the Buy-back (e.g. non-receipt of the Buy-back consideration, share certificate, demat credit, etc.), the Eligible Shareholders can approach the Compliance Officer or the Manager to the Buy-back at investors@vivro.net and / or Registrar to the Buy-back and / or Compliance Officer(s) of the Company for redressal.

(ii) If the Company makes any default in complying with the provisions of Section 68 of the Companies Act, 2013 or any rules made there-under, for the purposes of clause (f) of sub-section (2) of Section 68 of the Companies Act, 2013, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term, or with a fine or with both in terms of the Companies Act, 2013, as the case may be.

(iii) The address of the concerned office of the Registrar of Companies is as follows:

**Registrar of Companies, Mumbai**
100, Everest, Marine Drive,
Mumbai- 400002.

## 27. DETAILS OF INVESTOR SERVICE CENTRE

In case of any queries, Equity Shareholders may also contact the Registrar to the Buy-back, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

**Registrar to the Buy-back:**

LINK Intime

**Link Intime India Private Limited**
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai – 400 083, Maharashtra, India.
**Contact Person:** Mr. Sumeet Deshpande
**Tel. No.:** +91 22 49186200**; Fax:** +91 22 4918 6195
**Email:** metroglobal.buyback@linkintime.co.in
**Website:** www.linkintime.co.in
**SEBI Registration Number:** INR000004058 **| Validity:** Permanent **| CIN:** U67190MH1999PTC118368

## 28. MANAGER TO THE BUY-BACK

VIVRO

**Vivro Financial Services Private Limited**
**Address:** 607, 608 Marathon Icon, Opp. Peninsula Corporate Park, Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai – 400 013, Maharashtra, India.
**Tel.:**+91-22-6666 8040 / 41 / 42 | **Fax:** +91-22-6666 8047
**E-mail:** investors@vivro.net | **Website**: www.vivro.net
**Contact Person(s):** Mr. Harish Patel / Mr. Vatsal Shah
**SEBI Registration Number:** INM000010122 | **Validity:** Permanent | **CIN:** U67120GJ1996PTC029182

## 29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE LETTER OF OFFER

As per Regulation 24(i)(a) of the Buy-back Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Letter of Offer and confirms that this Letter of Offer contains true, factual and material information and does not contain any misleading information. This Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on March 30, 2019.

**For and on behalf of the Board of Directors of Metroglobal Limited**

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **Gautamkumar Mithalal Jain**<br>**Chairman & Managing Director**<br>**(DIN: 00160167)** | **Rahul Gautamkumar Jain**<br>**Executive Director**<br>**(DIN: 01813781)** | **Nitin S. Shah**<br>**Company Secretary, Chief Financial Officer & Compliance Officer**<br>**(Membership Number: ACS 7088)** |

**Date: May 03, 2019**
**Place: Ahmedabad**

## 30. OFFER FORM

30.1 Tender Form (for Eligible Shareholders holding Equity Shares in dematerialised form).

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**
**(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)**

Bid Number:
Date:

| | | | | | |
|---|---|---|---|---|---|
| **BUY-BACK OPENS ON:** | | **Tuesday, May 14, 2019** | | | |
| **BUY-BACK CLOSES ON:** | | **Monday, May 27, 2019** | | | |
| **For Registrar / collection centre use** | | | | | |
| Inward No. | Date | | Stamp | | |
| | | | | | |
| | | | | | |
| **Status *(please tick appropriate box)*** | | | | | |
| | Individual | | FPI | | Insurance Co. |
| | Foreign Co. | | NRI/OCB/PIO | | FVCI |
| | Body Corporate | | Bank / FI | | Pension / PF |
| | VCF | | Partnership/LLP | | Others (specify) |
| | | | | | |
| **India Tax Residency Status: Please tick appropriate box** | | | | | |
| | **Resident in India** | | **Non-Resident in India** | | **Resident of _____ (Shareholder to fill the country of residence)** |

To,
The Board of Directors
**Metroglobal Limited,**
C/o. Link Intime India Private Limited,
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India.

Dear Sirs,

**Subject:** Letter of Offer dated May 3, 2019 in relation to Buy-back Offer of up to 40,00,000 fully paid-up Equity Shares of Metroglobal Limited ("**Company**") at a price of ₹56 per Equity Share ("**Buy-back Price**"), payable in cash.

1. I / We, having read and understood the Letter of Offer dated May 3, 2019, hereby tender / offer my / our Equity Shares in response to the Buy-back Offer on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorise the Company to Buy-back the Equity Shares offered by me/us (as mentioned below) and to issue instruction(s) to the Registrar to the Buy-back to extinguish the Equity Shares.
3. I / We hereby warrant that the Equity Shares comprised in this tender / offer are offered for Buy-back by me / us are free from any claim /demand, lien, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other order(s) of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buy-back and that I / we am / are legally entitled to tender the Equity Shares for Buy-back.
5. I / we agree that the Company will pay the Buy-back Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
6. I/ We acknowledge that the responsibility to discharge the tax due on any gains arising on buy-back is on me / us. I / We agree to compute gains on this transaction and immediately pay applicable taxes in India and file tax return in consultation with our custodians/authorized dealers/tax advisors appropriately.
7. In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the clearing corporation and a valid bid in the exchange bidding system, the Buy-back shall be deemed to have been accepted, for demat Shareholders.
8. I / We agree that the consideration for the accepted Equity Shares will be paid as per secondary market mechanism.
9. I / We undertake to return to the Company any Buy-back consideration that may be wrongfully received by me / us.
10. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to give effect to the Buy-back in accordance with the Act and the Buy-back Regulations.
11. Details of Equity Shares held and tendered / offered for Buy-back:

| Particulars | In Figures | In Words |
|---|---|---|
| Number of Equity Shares held as on Record Date i.e. Friday, April 12, 2019 | | |
| Number of Equity Shares Entitled for Buy-back | | |
| Additional Equity Shares offered for Buy-Back | | |
| Total number of Equity Shares offered for Buy-back | | |

12. Applicable for all Non-resident shareholders - I/ We undertake to pay income taxes in India on any income arising on such Buy-back Offer and taxable in accordance with the prevailing income tax laws in India. I/ We also undertake to indemnify the Company against any income tax liability on any income earned on such Buy-back of shares by me/ us.

*Note: An Eligible Shareholder may tender Equity Shares over and above his / her Buy-back Entitlement. Number of Equity Shares validly tendered by Eligible Shareholder over and above his / her Buy-back Entitlement shall be accepted in accordance with paragraph 19.6, 19.7, 19.8, and 19.9 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.*

---------- Tear along this line----------

**Acknowledgement Slip: Metroglobal Limited Buy-Back 2019** *(To be filled by the Equity Shareholder) (Subject to verification)*

| | | | |
|---|---|---|---|
| DP Id.: | | Client Id.: | |
| Received from Mr./ Ms./Mrs. | | | |
| Form of Acceptance-cum-Acknowledgement, Original TRS along with: | | | |
| No. of Equity Shares offered for Buy-back (In figures) | | (in words) | |
| Stamp of Broker/Registrar | | | |

***Please quote DP ID and Client ID for all future correspondence***

13. Details of Account with Depository Participant (DP):

| | |
|---|---|
| Name of the Depository (tick whichever is applicable) | ☐ NSDL ☐ CDSL |
| Name of the Depository Participant | |
| DP ID No. | |
| Client ID No. with the DP | |

14. Equity Shareholders Details:

| | **First/Sole Holder** | **Joint Holder 1 (if any)** | **Joint Holder 2 (if any)** | **Joint Holder 3 (if any)** |
|---|---|---|---|---|
| Full name(s) of the Equity Shareholder | | | | |
| Signature(s)* | | | | |
| PAN No. | | | | |
| Address of the Sole/First Equity Shareholder | | | | |
| Telephone No. and Email ID | | | | |

**Corporate must affix rubber stamp and sign under valid authority. The relevant corporate authorization should be enclosed with the application form submitted.*

**Instructions:**

1. This Buy-back will open on Tuesday, May 14, 2019 and close on Monday, May 27, 2019.
2. This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
3. The Equity Shares tendered in the Buy-back Offer shall be rejected if (i) the shareholder is not a shareholder of the Company as on the Record Date; or (ii) if there is a name mismatch in the demat account of the shareholder.
4. The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares tendered by them, due to rejection or due to the Buy-back Offer being on a proportionate basis in terms of the Ratio of Buy-back.
5. Eligible Shareholders to whom the Buy-back Offer is made are free to tender Equity Shares to the extent of their Buy-back Entitlement in whole or in part or in excess of their entitlement.
6. In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the Buy-back by providing their application in plain paper in writing signed by all Eligible Shareholders (in case of joint holding), stating name and address of the Eligible Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name, DP ID, beneficiary account number and number of Equity Shares tendered for the Buy-back.
7. For the procedure to be followed by Eligible Shareholders for tendering their Equity Shares in the Buy-back Offer, please refer to paragraph 20 of the Letter of Offer.
8. All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
9. The dematerialized Equity Shares tendered by Eligible Shareholders shall be rejected in case of receipt of the completed Tender Form and other documents but non-receipt of Equity Shares in the special account of the Clearing Corporation or non-receipt of valid bid in the exchange bidding system.
10. Non-Resident Shareholders must obtain all approvals required to tender the Equity Shares held by them in this Buy-back Offer (including without limitation the approval from the RBI).
11. **The Tender Form and TRS are not required to be submitted to the Company, Manager or the Registrar. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buy-back shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in demat form.**

*All capitalised items not defined herein shall have the meaning ascribed to them in the Letter of Offer.*

----------Tear along this line----------

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUY-BACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUY-BACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

**Investor Service Centre**
**Metroglobal Limited Buy-back 2019**
**Link Intime India Private Limited**
C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India.
**Tel. No.:** +91 22 4918 6200 **Fax:** +91 22 4918 6195
**Email:** metroglobal.buyback@linkintime.co.in; **Website:** www.linkintime.co.in
**Contact Person:** Mr. Sumeet Deshpande

**ENTITLEMENT LETTER**

**(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)**

**Subject: Cash Offer to Buy-back up to 40,00,000 (Forty Lakhs) fully paid-up equity shares of the Company of face value of ₹10/- each ("Equity Share(s)") from all the shareholders holding Equity Shares / beneficial owners of Equity Shares of the Company, as on the Record Date i.e., Friday, April 12, 2019 ("Record Date"), on a proportionate basis, through the Tender Offer Route using stock exchange mechanism ("Tender Offer"), at a price of ₹56/- (Rupees Fifty Six Only) per Equity Share ("Buy-back Price") for an aggregate amount not exceeding ₹22,40,00,000/- (Rupees Twenty Two Crores Forty Lakhs Only) ("Buy-back Size") excluding cost such as fees, brokerage, securities transaction tax, goods and services tax, stamp duty etc. ("Transaction Costs") as per the audited financial statements of the Company for the year ended on March 31, 2018 ("Buy-back Offer" / "Buy-back").**

Dear Shareholder,

With reference to above, please find below the details of Equity Shares held by you as on Record Date i.e. Friday, April 12, 2019 along with entitlement for your information:

| Folio Number | No. of Equity Shares held by you on Record Date being Friday, April 12, 2019 | Entitlement for Buy-back Offer in terms of no. of Equity Shares |
|---|---|---|
| | | |

This is to inform you that the offer period for the Buy-back of Equity Shares of the Company will open on **Tuesday, May 14, 2019** and close on **Monday, May 27, 2019**. The procedure for tendering Equity Shares is set out in the Letter of Offer.

**All Eligible Shareholders of the Company holding Equity Shares in physical form should note that pursuant to provisions of the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") read with press release no.12/2019 dated March 27, 2019 issued by SEBI, with effect from April 1, 2019, the request for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository. Accordingly, the Company shall not accept the Equity Shares tendered under the Buy-back unless such Equity Shares are in dematerialised form.**

**Accordingly, all eligible shareholders of the Company desirous of tendering their Equity Shares and holding Equity Shares in physical form are advised to approach the concerned depository participant to have their equity shares dematerialized before tendering their Equity Shares in the Buy-back.**

**Equity shareholders who have dematerialized their Equity Shares after the Record Date and have tendered their Equity Shares in the Buy-back have to send a letter along with transaction statement of the demat account from where the shares have been tendered to the Registrar on or before Monday, May 27, 2019.**

An Eligible Shareholder may participate in the Buy-back by downloading the Tender Form from the website of the Registrar to the Buy-back, www.linkintime.co.in or by providing their application in writing on plain paper to the Registrar, signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name), stating name and address of Eligible Shareholders, number of Equity Shares held as on the Record Date, Client ID number, DP Name / ID, beneficiary account number and number of Equity Shares tendered for the Buy-back.

**Please note that Eligible Shareholders who intend to participate in the Buy-back will be required to approach their respective Shareholder Broker (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Shareholder Broker or Seller Broker in the electronic platform to be made available by BSE before the Buy-back Closing Date.**

In case of any queries, you may contact the Company or the Manager to the Buy-back or Registrar to the Buy-back at the details mentioned herein:

| COMPANY | MANAGER TO THE BUY-BACK | REGISTRAR TO THE BUY-BACK |
|---|---|---|
| **Metroglobal Limited**<br>**Registered Office:** 101, 1st Floor, "Mangal Disha", Nr. Guru Gangeshwar Temple, 6th Road, Khar (West) Mumbai – 400052, Maharashtra, India<br>**Phone:** +91-22-26051072; +91-22-26051073<br>**Email:** nitin.shah@metroglobal.in<br>**Website:** www.metrogloballimited.com<br>**Contact Person:** Mr. Nitin S. Shah, Company Secretary, Chief Financial Officer & Compliance Officer | **Vivro Financial Services Private Limited**<br>**Address:** 607, 608 Marathon Icon, Opp. Peninsula Corporate Park, Off Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai – 400 013, Maharashtra, India.<br>**Tel.**:+91 22 6666 8040 / 41 / 42<br>**Fax**: +91 22 6666 8047<br>**E-mail**: investors@vivro.net<br>**Website**: www.vivro.net<br>**Contact Person(s)**: Mr. Harish Patel / Mr. Vatsal Shah<br>**SEBI Registration Number**: INM000010122<br>**Validity:** Permanent **CIN**: U67120GJ1996PTC029182 | **Link Intime India Private Limited**<br>**Address**: C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai – 400 083, Maharashtra, India.<br>**Tel. No**.: +91 22 4918 6200<br>**Fax:** + 91 22 4918 6195<br>**Email**: metroglobal.buyback@linkintime.co.in<br>**Website**: www.linkintime.co.in<br>**Contact Person**: Mr. Sumeet Deshpande<br>**SEBI Registration Number**: INR000004058<br>**Validity:** Permanent<br>**CIN**: U67190MH1999PTC118368 |

*Note: All capitalized terms, unless defined herein, shall have the meaning ascribed to them in the Letter of Offer.*

**For METROGLOBAL LIMITED**

**Sd/-**

**Nitin S. Shah**

**Company Secretary, Chief Financial Officer & Compliance Officer**