

# VELOX INDUSTRIES LIMITED

Regd. Office: The Submit Business Bay, 102-03, Level-1, Service Road,  
Western Express Highway, Viley Parle (East), Mumbai - 400 052  
Ph: 022-42288300, 08146995909 Email: veloxindustriesltd@gmail.com  
CIN: L15122MH1983PLC029364

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October 17, 2022

To,  
**Securities and Exchange Board of India**  
Corporation Finance Department  
Division of Corporate Restructuring  
SEBI Bhawan, Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400 051

CC:

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

**First Overseas Capital Limited**  
1-2 Bhupen Chambers,  
Dalal Street, Fountain,  
Mumbai 400001, India

Sub: **Submission of Recommendations of the Committee of Independent Directors of Velox Industries Limited with respect to the Open Offer**

Ref.: **Open Offer to acquire up to 20,53,150 (Twenty Lakhs Fifty-Three Thousand One Hundred Fifty) Equity shares of Rs. 10/- each representing 25.75% (Twenty-Five point Seventy-Five Percent) \* of the Emerging Voting Equity Share Capital of the Target company, to be acquired by the Acquirer, at a price of Rs. 10.00/- per Equity share payable in cash in terms of Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations, 2011.**

*\*An open offer in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, is required to be given for at least 26.00% (Twenty-Six Percent) of the of the Emerging Voting Equity Share Capital of the Target company, i.e. for 20,73,240 Equity Shares. However since, the shareholding of the public shareholders including the Investors (public shareholders who are proposed preferential Allottee's also), as on date of the LOF, is 25.75% (Twenty-Five point Seventy-Five Percent), therefore the Open Offer Shares represent 25.75% (Twenty-Five point Seventy-Five Percent) of the Emerging Voting Equity Share Capital of the Target Company and since the Investors (also a proposed preferential Allottee and proposed public shareholders) other than the Acquirer (also a proposed preferential Allottee and proposed promoter) do not intend participating in the open offer, the Open Offer is being made for 1,78,150 equity shares i.e. 2.23% Emerging Voting Equity Share Capital of the Target Company.*

With regards to the Open Offer being made by the captioned Acquirer to 20,53,150 (Twenty Lakhs Fifty-Three Thousand One Hundred Fifty) fully paid-up equity shares of face value of Rs. 10 each (“**Equity Shares**”) representing 25.75% (Twenty-Five point Seventy-Five Percent) of the fully diluted voting equity share capital Velox Industries Limited (“**Target Company**”), upon receipt of a) Public Announcement (“**PA**”) dated June 29, 2022; b) Detailed Public Statement (“**DPS**”) dated July 05, 2022 published in Financial Express (English, all editions), Jansatta (Hindi, all editions), Pratahkal (Marathi, Mumbai

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edition), and Arthik Lipi (Bengali, Kolkata Edition) on July 06, 2022, Wednesday; c) Letter of Offer (“LOF”) dated October 10, 2022, d) Corrigendum Advertisement to the PA and DPS dated October 13, 2022 published on October 14, 2022; Friday in the same newspapers where the DPS was published, Board of Directors of the Company had constituted a Committee of Independent Directors to provide reasoned recommendations on such Open Offer in terms of Regulation 26(6) of the SEBI SAST (Substantial Acquisition of Shares and Takeover) Regulation, 2011.

The said committee had met on October 16, 2022 and had provided its recommendations to the shareholders in the format prescribed by SEBI and the recommendations have been published in the newspapers, in which the DPS was published and a copy of the written recommendations is being enclosed in terms of Regulation 26(7) of SEBI SAST (Substantial Acquisition of Shares and Takeover) Regulation, 2011.

Kindly take the above information on your records.

Thanking You,  
Yours Truly,

**For Velox Industries Limited**

**Abhay Sharma**  
**Compliance Officer & Company Secretary**

# VELOX INDUSTRIES LIMITED

(FORMERLY KNOWN AS KHATAU EXIM LIMITED)

(CIN: L15122MH1983PLC029364)

("VIL" /TARGET COMPANY"/"TC")

**Registered Office:** Submit Business Bay, 102-103, Level-1 Service Road, Western Express Highway, Ville Parle East, Mumbai- 400052, Maharashtra, India | **Phone No.** +91 9509709474  
Email: veloxindustriesltd@gmail.com ; Website: www.veloxindustriesltd.in

## Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Shareholders of Velox Industries Limited ("VIL" or the "Target Company") under regulation 26 (7) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations")

Date	16.10.2022
Name of the Target Company	<b>VELOX INDUSTRIES LIMITED</b>
Details of the Offer pertaining to Target Company	<p>Open Offer to acquire up to 20,53,150 (Twenty Lakhs Fifty-Three Thousand One Hundred Fifty) Equity shares of Rs. 10/- each representing 25.75% (Twenty-Five point Seventy-Five Percent) * of the Emerging Voting Equity Share Capital of the Target company, to be acquired by the Acquirer, at a price of Rs. 10.00/- per Equity share payable in cash in terms of Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations, 2011.</p> <p>*An open offer in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, is required to be given for at least 26.00% (Twenty-Six Percent) of the Emerging Voting Equity Share Capital of the Target company, i.e. for 20,73,240 Equity Shares. However since, the shareholding of the public shareholders including the Investors (public shareholders who are proposed preferential Allottee's also), as on date of the LOF, is 25.75% (Twenty-Five point Seventy-Five Percent), therefore the Open Offer Shares represent 25.75% (Twenty-Five point Seventy-Five Percent) of the Emerging Voting Equity Share Capital of the Target Company and since the Investors (also a proposed preferential Allottee and proposed public shareholders) other than the Acquirer (also a proposed preferential Allottee and proposed promoter) do not intend participating in the open offer, the Open Offer is being made for 1,78,150 equity shares i.e. 2.23% Emerging Voting Equity Share Capital of the Target Company.</p>
Name(s) of the Acquirers	APPU FINANCIAL SERVICES LIMITED (Hereinafter referred as "Acquirer")
Name of the Manager to the offer	FIRST OVERSEAS CAPITAL LIMITED
Members of the Committee of Independent Directors ("IDC")	Chairman: Mr. Prabhat Khurana (DIN no.- 03289193) Member: Ms. Rashi Dewan (DIN no.- 00906699)
IDC Member's relationship with the Target Company (Director, Equity shares owned, any other contract/ relationship), if any	IDC Members are the Independent Directors of the Target Company. Neither Chairman nor Member of IDC hold any equity shares in the Target Company. None of them have entered into any other contract or have other relationship with the Target Company or have other relationship with the other Directors of the Target Company and apart from being the Directors of the Target Company they are not related to each other in any manner.
Trading in the Equity shares/other securities of the Target Company by IDC Members	No trading has been done by the IDC Members in the equity shares/ other securities of the Target Company.
IDC Member's relationship with the acquirers (Director, Equity shares owned, any other contract / relationship), if any.	None of the IDC Members have any contract/ relationship with the Acquirers.
Trading in the Equity shares/other securities of the acquirers by IDC Members	Not Applicable
Recommendation on the Open offer, as to whether the offer, is or is not, fair and reasonable	The IDC Members believes that the Open Offer is fair and reasonable. However, the shareholders should independently evaluate the Offer and take informed decision in the matter.
Summary of reasons for recommendation	<p>IDC has reviewed the a) Public Announcement ("PA") dated June 29, 2022; b) Detailed Public Statement ("DPS") dated July 05, 2022; c) Letter of Offer ("LOF") dated October 10, 2022, d) Corrigendum Advertisement to the PA, and DPS and dated October 13, 2022 in relation to the Open Offer as released/ issued/ submitted by First Overseas Capital Limited ("Manager to the Open Offer") for and on behalf of the Acquirer.</p> <p>In light of the above mentioned considerations, IDC recommends acceptance of the Open Offer made by the Acquirer at an Offer price of Rs. 10/- per fully paid -up equity share is fair and reasonable based on the following reasons:</p> <ol style="list-style-type: none"><li>1. The equity shares of the Target Company are in-frequently traded within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations on BSE.</li><li>2. The Offer price appears to be reasonable considering market prices of Target Company.</li><li>3. The offer price of Rs. 10/- per fully paid -up equity share offered by the Acquirer is equal to the price for the proposed allottees of the Preferential allotment of Equity Shares to the Acquirer as per the provisions of Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The fair value of the Equity Shares of the Target Company as arrived by the Mr. Hitendra Ranka being an Independent Valuer, is negative and since the Target Company was proposing the preferential issue of shares, which cannot be done at price less than face value of shares, accordingly, Offer Price per Equity Shares is at face value i.e. at Rs. 10/- (Rupees Ten Only) per Equity Share.</li><li>4. The offer price of Rs. 10/- is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations, 2011.</li></ol> <p>Keeping in view above facts IDC is of opinion that Open Offer price is fair and reasonable and in accordance with the relevant regulations prescribed in the Takeover Code and prima facie appear to be justified.</p>
Details of Independent Advisors, if any.	None
Any other matter to be highlighted	No

### Statement by the IDC -

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

Capitalized terms used in this announcement, but not defined, shall have the same meaning assigned to them in the PA, DPS and LOF.

**For Velox Industries Limited**

**Mr. Prabhat Khurana**

**Chairman-Committee of Independent Directors**

**DIN: 03289193**

**Place: Mumbai**

**Date: 16.10.2022**