

ARORA FIBRES LIMITED

(CIN: L1719DN1993PLC000054)

Registered Office: Survey No. 213, Piparia Industrial Estate, Silvassa 396230, Dadra and Nagar Haveli, India. **Telefax No. +91-260-2641036; Email:** info@arorafibres.com; **Web:** www.arorafibres.in
Corporate Office: Arora House, 16, Golf Link, Union Park, Khar (West), Mumbai 400 052, Maharashtra, India. **Tel. No. +91-22-4290 5000; Fax No. +91-22-2649 4657**

This Public Announcement ("PA") is being issued by Systematic Corporate Services Limited ("Manager to the Offer") on behalf of Mr. Rupinder Singh Arora (the "Acquirer" or the "Promoter") in respect of the proposed acquisition of fully paid up Equity Shares and consequent delisting of Equity Shares of Arora Fibres Limited ("the Company" or "AFL") through the Book-Building Process ("BBP") pursuant to Regulation 10 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "Delisting Regulations") (hereinafter referred to as the "Delisting Offer" or the "Offer"). Mr. Dilawar Singh Arora ("PAC-I") and M/s Par Solar Private Limited ("PAC-II") are jointly acting as the Persons acting in Concert ("PACs") with the Acquirer. The Acquirer and the PACs are collectively referred to as the "Promoter Group" of the Company.

1. BACKGROUND OF THE DELISTING OFFER
 1.1 The Company is a public limited company incorporated under the Companies Act, 1956, having its registered office at 213, Piparia Industrial Estate, Silvassa 396230, Dadra and Nagar Haveli, India. The equity shares of face value of Rs. 10/- each of the Company ("Equity Shares"), are listed and traded on the BSE Limited (the "BSE" or the "Stock Exchange") only.

1.2 As of the date of the PA, authorized share capital of the Company comprises of 3,50,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 35.00 Crore and issued subscribed and paid-up equity share capital of the Company comprises of 1,00,53,730 Equity Shares of Rs. 10/- each fully paid up aggregating to Rs. 10.05 Crore (the "Total Share Capital").

1.3 The Promoter Group collectively hold 59,65,569 Equity Shares representing 59.34% of the Total Share Capital. The Acquirer will acquire all Equity Shares accepted in the Delisting Offer pursuant to successful completion of the Delisting Offer in terms of the Delisting Regulations.

1.4 The Promoter seeks to acquire 40,88,161 Equity Shares ("Offer Shares") representing the balance 40.66% of the Total Share Capital from the public shareholders of the Company ("Public Shareholders") being all the shareholders of the Company other than the Promoter Group pursuant to Regulation 5 & 6(b) read with Chapter IV of the Delisting Regulations. Further to such acquisition, the Promoter Group will apply to delist the Equity Shares from the Stock Exchange and in accordance with the Delisting Regulations and on the terms set out in the Letter of Offer ("LOF") or Offer/Bid/Letter to be sent to the shareholders of the Company.

1.5 Pursuant to a letter dated October 31, 2015, Promoter Group had informed the Company to voluntarily delist equity shares of the Company from BSE by way of the Delisting Offer and requested the Board of Directors of the Company ("Board of Directors") to approve the Delisting Offer and to seek the requisite approval for the Delisting Offer from the Public Shareholders in accordance with the Delisting Regulations. The intimation received from Acquirer/Promoter Group for delisting offer was notified to BSE on November 2, 2015 ("BSE Notification Date").

1.6 The Board of Directors at its meeting held on November 5, 2015, approved the proposal received from the Promoter Group of the Company to initiate the Delisting Offer in accordance with the Delisting Regulations, and all other applicable laws and to seek the approval of the Public Shareholders of the Company.

1.7 The Board of Directors at its meeting held on November 5, 2015 appointed Systematic Corporate Services Limited to conduct due diligence and submit the report in terms of regulation 8(1A) (ii) and (IE) of the Delisting Regulations.

1.8 On receipt of due diligence report dated November 19, 2015 as submitted by Systematic Corporate Services Limited and further intimation by the Acquirer vide his email dated November 18, 2015 regarding the Floor Price, the Board of Directors of the Company, in its meeting held on November 20, 2015, approved the proposed delisting in terms of Regulation 8(1)(a) of the Delisting Regulations and consented to seek the approval of the shareholders of the Company. The result of the Board meeting of the Company held for considering this Delisting Offer was notified to the BSE on November 20, 2015.

1.9 A copy of Notice dated November 20, 2015 (the "Notice") was sent to the public shareholders to obtain their approval in accordance with the provisions of the Postal Ballot and the Delisting Regulations.

1.10 A special resolution is passed by the Public Shareholders of the Company through postal ballot and e-voting, the result of which is declared on December 29, 2015 and subsequently notified to the Stock Exchange, approving the proposed voluntary delisting of the Equity Shares from the Stock Exchange in accordance with the Delisting Regulations. The votes casted by the Public Shareholders in favour of the Delisting Offer are 31,09,543 which is more than two times the number of votes casted by the Public Shareholders against it i.e. 960.

1.11 The BSE has issued its in-principle approval to the Delisting Offer subject to compliance with the Delisting Regulations, vide their letter dated January 20, 2016.

1.12 This Public Announcement (PA) is being issued in the following newspapers as required under the Delisting Regulations:

Newspaper	Language	Editions
The Financial Express	English	All India
Jansatta	Hindi	All India
Apla Mahanagar	Marathi	Mumbai
The Financial Express	Gujarati	Ahmedabad

1.13 Any changes, modifications or amendments to this Public Announcement, if any will be notified by way of issuing corrigendum in all of the aforesaid newspapers.

1.14 The Delisting Offer is subject to the acceptance of the Discovers Price or offer of an Exit Price higher than the Discovers Price calculated in accordance with the Delisting Regulations by the Acquirer.

2. NECESSITY AND OBJECTIVE FOR DELISTING

The Acquirer believes that the delisting of the shares of the Company will provide full ownership over the Company which in turn offers more flexibility and greater efficiency in the operations and day to day management of the Company. The Company is continuing to be a "Sick Company" in terms of the Sick Industrial Company Act, 1985 and it has not been generating income to meet its expenses. The Company has already closed its operations at its manufacturing unit situated at Silvassa due to continuation of unprecedented bad market conditions. The Company has also terminated the services of its employees at the said manufacturing unit. Delisting would reduce compliance cost significantly and at the same time will provide an exit opportunity for the Public Shareholders of the Company.

3. BACKGROUND OF THE PROMOTER AND THE PROMOTER GROUP

3.1 Mr. Rupinder Singh Arora ("Promoter"/"Acquirer"/"A"), S/o Mr. Dilawar Singh Arora, aged 64 years, is a citizen of India and resides at 16 Golf Link, Union Park, Khar (West), Mumbai 400 052. The Acquirer is commerce and law graduate and having 40 years of experience in the field of renewable energy, manufacturing & export of fibers and garments, construction and real estate. The Acquirer is currently acting as Chairman of the Company.

3.2 Mr. Dilawar Singh Arora ("PAC-I"), S/o Late Mr. Dulaut Singh Arora, aged 89 years, is a citizen of India and resides at 16 Golf Link, Union Park, Khar (West), Mumbai 400 052. Mr. Dilawar Singh Arora does not hold any positions in the Company.

3.3 Par Solar Private Limited ("PAC-II"), is incorporated on July 6, 1979 in the state of Maharashtra and its registered office is situated at 16 Golf Link, Union Park, Khar (West), Mumbai 400 052. The main objects of Par Solar Private Limited are to carry on business of generating solar energy, wind energy, bio-mass energy, geothermal, hydro energy, tidal energy and wave energy.

3.4 The CIN of Par Solar Private Limited is U51100MH1979PTC021451. Mr. Rupinder Singh Arora, Mrs. Deepi Rupinder Arora and Ms. Ritika Rupinder Arora are the directors of Par Solar Private Limited. Mr. Rupinder Singh Arora and Ms. Amrita Rupinder Arora are shareholders of Par Solar Private Limited.

3.5 The name of Par Solar Private Limited has been changed over a period of time from "Group Exports and Agencies Private Limited" to "Arora Granites Private Limited" to "Arora Mining and Smelting Limited" to "Par Solar Limited" to "Par Solar Private Limited."

3.6 The brief audited financials of Par Solar Private Limited is tabled below:

Audited Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Equity capital	7.02	7.02	7.02
Reserves & surplus	(28.55)	(28.52)	(26.20)
Total Income	7.99	8.66	8.28
Profit after tax (PAT)	0	(0.23)	0
Networth	6.73	6.73	6.76
Book Value (in Rs.)	9.59	9.59	9.62

As on date of the PA, the collective shareholding of the Promoter Group in the Company is as follows:

Name of Promoter Group	No. of Equity Shares hold	% of Paid-up Capital of AFL
Mr. Rupinder Singh Arora	1,03,849	1.03%
Mr. Dilawar Singh Arora	11,720	0.12%
Par Solar Pvt. Limited	58,50,000	58.19%
Total	59,65,569	59.34%

3.7 The network of the Acquirer, PAC-I and PAC-II as on October 31, 2015 as certified by Mr. HV Deodhar (Member No. 12562 of the HV Deodhar & Co. (Chartered Accountants) vide certificate dated November 2, 2015 having their office at Gopalakhnra, 3rd Floor, Near Bedekar Hospital, Ram Manji Cross Road, Thane-400 602, Maharashtra, Email: hvdeodhar@gmail.com; Contact No. +91-9820314634 are as follows:

Acquirer	Rs. 67.48 Crore (Rupees Sixty-Seven Crore and Forty-Eight Lakh only)
PAC-I	Rs. 17.53 Crore (Rupees Seventeen Crore and Fifty-Three Lakh only)
PAC-II	Rs. 9.40 Crore (Rupees Nine Crore and Forty Lakh only)
Total	Rs. 94.41 Crore (Rupees Ninety-Four Crore and Forty-One Lakh only)

3.8 The Promoter Group has not traded in the Equity Shares of the Company during the last six months from the date of board meeting (i.e. November 5, 2015) for delisting of Equity Shares from BSE and further undertake not to sell Equity Shares of the Company till completion of the Delisting Offer in accordance with the Delisting Regulations.

3.9 The Promoter Group has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 116 of the SEBI Act, 1992 ("SEBI Act") or any other regulations made under the SEBI Act.

3.10 The Acquirer hereby invites all the public shareholders of the Company to bid in accordance with the Book Building Process of the Stock Exchange and on the terms and subject to the conditions set out herein, all of their Equity Shares of the Company, being 40,88,161 fully paid up equity shares of Rs. 10/- each representing 40.66% of the paid up share capital of the Company ("Offer Size").

4. BACKGROUND OF THE COMPANY

4.1 The Company is a public limited company incorporated under the Companies Act, 1956 on October 14, 1993, having its registered office at Survey No. 213, Piparia Industrial Estate, Silvassa 396230, Dadra and Nagar Haveli, India. Tele. No. +91-260-2641036 and corporate office at 16 Golf Link, Union Park, Khar (West), Mumbai 400 052, India. Tel. No. +91-22-4290 5000; Fax No. +91-22-2649 4657, Email: info@arorafibres.com and Web: www.arorafibres.in.

4.2 The Main objects of the Company are to carry on the business of manufacture, dealers, exporters, importers of all types of synthetic fibres, yarns that are in existence or may be developed in future. The Company made its initial public issue ("IPO") of 96,00,000 Equity Shares in 1994 and subsequently Equity Shares of the Company were listed on Ahmedabad Stock Exchange Limited ("ASE"), BSE Limited ("BSE"), Calcutta Stock Exchange Limited ("CSE"), Delhi Stock Exchange Limited ("DSE") and Madras Stock Exchange Limited ("MSE").

4.3 Later, the Company has voluntarily been delisted its Equity Shares from ASE, CSE and MSE over a period of time. The Company has received letters from ASE, CSE and MSE confirming delisting of its Equity Shares from respective stock exchanges. However, the Company does not have any confirmatory letter from DSE though the Company had tried twice in the year 1996 and 2010 earlier for delisting of its Equity Shares from DSE. As SEBI withdrew its recognition to DSE w.e.f. November 19, 2014, therefore the Company did not approach DSE for confirmatory letter w.r.t. delisting of its Equity Shares. Hence, the Equity Shares of the Company are deemed to be delisted from DSE with effect from November 19, 2014.

4.4 The authorized share capital of the Company comprises of 3,50,00,000 Equity Shares of Rs. 10/- each amounting to Rs. 35.00 Crore and the issued, subscribed and paid-up equity share capital of the Company comprises of 1,00,53,730 Equity Shares each fully paid up amounting to Rs. 10.05 Crore. The Promoter Group entities are not participating in the Offer and will not tender their Equity Shares in the Book Building Process ("BBP").

4.5 The Company has recently shut down its operations of its manufacturing facility at Silvassa due to continuation of unprecedented bad market conditions. The Company has also terminated the services of its employees at the manufacturing facility at Silvassa.

4.6 The shareholding pattern of the Company, as on December 31, 2015 is as follows:

Particulars	No. of Equity Shares	Shareholding (%)
Promoter Group	59,65,569	59.34
Mutual Funds	5,640	0.06
Financial Institutions / Banks	100	0.00
Individuals	35,25,460	35.07
NRI's	1,41,772	1.41
Bodies Corporate	4,12,963	4.11
Clearing Member	1,796	0.02
Any Other	440	0.00
Total	1,00,53,730	100.00

Source: Arora Fibres Limited
 There are no outstanding instruments in the nature of warrants or fully convertible debentures or partly convertible debentures of employee stock options etc., which are convertible into Equity Shares at any later date. Also, Equity Shares held by the Promoter Group of the Company are not locked-in.

The Board of Directors of the Company as on date of the PA is as follows:

Name & Address	Designation & DIN	Date of Appointment	Shareholding in the Company
Mr. Rupinder Singh Arora Arora House, 16 Golf Link, Union Park, Khar (West), Mumbai 400052, Maharashtra	Executive Chairman; DIN: 00043968	18-October-1993	1,03,849 (1.03%)
Mr. Surendra Gupta A/102, Richmond New Ravira Complex, Jessel Park, Bhayandur, Mumbai 401105, Maharashtra	Independent Director; DIN: 00050819	01-May-2001	Nil
Mr. Wima Lobo 6 Ramnath Mishra House, PM Road, Khotwadi, Santacruz (West), Mumbai 400054, Maharashtra	Executive Director; DIN: 07112198	16-March-2015	Nil
Mr. Navdeep Singh Khera 161 Oxford Towers, Jamuna Nagar, Mumbai 400058, Maharashtra	Independent Director; DIN: 00362310	11-December-2014	Nil

A brief summary of the stand alone financial performance of the Company is mentioned below:

Particulars	Half-Year ended Sept. 30, 2015 (Ltd. Reviewed)	Year ended March 31, 2015 (Audited)	Year ended March 31, 2014 (Audited)	Year ended March 31, 2013 (Audited)
Equity capital	10.05	10.05	10.05	10.05
Reserves & surplus	(6.25)	(3.56)	(5.74)	(9.45)
Total Income	7.12	35.54	62.88	34.73
Profit after Tax (PAT)	(2.69)	2.17	3.71	(0.01)
Networth	3.80	6.49	4.31	0.61
Book Value (in Rs.)	-	6.46	4.29	1.66
EPS (in Rs.)	(2.67)	2.15	3.69	(0.01)

5. STOCK EXCHANGE FROM WHICH THE EQUITY SHARES ARE TO BE DELISTED

The Equity Shares of the Company are currently listed and traded on BSE Limited only. The Equity Shares of the Company are frequently traded on BSE in terms of the SEBI (SAST) Regulations ("Takeover Regulations").

The Acquirer is seeking to delist the Equity Shares of the Company from BSE and "in-principle" approval from BSE is obtained on date, January 20, 2016.

No application for listing shall be made in respect of the Equity Shares which have been delisted pursuant to this Offer for a period of 5 years from the date of delisting except where an application in this regard has been made by the Board of Industrial and Financial Reconstruction ("BIFR") under the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA"). Any application for listing made in future by the Company in respect of delisted Equity Shares shall be deemed to be an application for fresh listing of such Equity Shares and shall be subject to provisions of regulation relating to listing of equity shares of unlisted companies.

6. PRESENT CAPITAL STRUCTURE & SHAREHOLDING OF THE COMPANY

The Capital Structure of the Company as on the date of the PA is as follows:

Particulars	Half-Year ended Sept. 30, 2015 (Ltd. Reviewed)	Year ended March 31, 2015 (Audited)	Year ended March 31, 2014 (Audited)	Year ended March 31, 2013 (Audited)
Fully Paid-up Equity Shares	1,00,53,730	100.00	100.00	100.00
Partly Paid-up Equity Shares	0	0.00	0.00	0.00
Total Paid-up Equity Shares	1,00,53,730	100.00	100.00	100.00
Total Voting Rights in Target Company	1,00,53,730	100.00	100.00	100.00

The shareholding pattern of the Company as on the date of the PA is as follows:

Particulars	No. of Equity Shares	% of Fully Paid up Share Capital of the Company
Promoter & Promoter Group		
- Individuals	1,15,569	1.15
- Body Corporate	58,50,000	58.19
Total Promoter Holdings (A)	59,65,569	59.34
Total Public Holding (B)	40,88,161	40.66
Grand Total (A+B)	1,00,53,730	100.00

7. LIKELY POST DELISTING CAPITAL STRUCTURE & SHAREHOLDING OF THE COMPANY

The post/delisting capital structure of the Company is not going to change immediately upon successful completion of the Delisting Offer. However, the likely post-delisting shareholding assuming successful completion of the Delisting Offer in terms of the Delisting Regulations is as follows:

Particulars	No. of Equity Shares	% of Fully Paid up Share Capital of the Company
Promoter & Promoter Group	1,00,53,730	100.00
Public	0	0.00
Total	1,00,53,730	100.00

8. MANAGER TO THE DELISTING OFFER

The Acquirer has appointed Systematic Corporate Services Limited having their registered office at 206-207, Bans Trade Centre, 58/15 M. G. Road, Indore 452 001, Madhya Pradesh having corporate office at the Capital, 6th Floor, Ashing No. 803-806, Plot No. C-70, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, India as "Manager to the Offer". Tel. No. +91-22-6704 8000; Fax No. +91-22-6704 8022; Email: investor@systematicgroup.in

9. REGISTRAR TO THE DELISTING OFFER

The Acquirer has appointed Sharex Dynamic (India) Private Limited having its registered office at Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri-Kurla Road, Andheri (East), Mumbai 400 072, India as "Registrar to the Offer". Tel. No. +91-22-2851 5606/44; Fax No. +91-22-2851 2885; Email: sharexindia@vsnl.com. The Registrar to the Delisting Offer is also happens to be the Registrar & Transfer Agent of the Company.

10. STOCK BROKER OF THE ACQUIRER OR TRADING MEMBER TO THE OFFER

The Promoter has appointed Systematic Shares & Stocks (I) Limited having its registered office at 2ndFloor, JK Somani Building, British Hotel Lane, Mumbai Samachar Marg, Fort, Mumbai 400 001, India, as the stock broker of the Promoter ("Stock Broker of the Acquirer" or "Trading Member to the Offer"). Tel. No. +91-22-3029 8000; Fax No. +91-22-3029 8029; Email: compliance@systematicgroup.in; Contact Person: Mr. Rajkumar Gupta.

11. INFORMATION REGARDING STOCK MARKET DATA

The Equity Shares are frequently traded on the BSE in terms of the Takeover Regulations. The high, low and average price of the Equity Shares (in Rupees per share) during the three financial years immediately preceding the BSE Notification Date is as follows:

Financial Year	BSE			
	High* (₹)	Low* (₹)	Average** (₹)	Volume
April 1, 2012 – March 31, 2013	19.75	6.00	9.90	78,585
April 1, 2013 – March 31, 2014	14.20	5.00	7.59	19,452
April 1, 2014 – March 31, 2015	30.50	7.80	17.03	92,52,320

Source: www.bseindia.com
 *High of intra-day high / low of intra-day lows during the period
 **Average of the closing prices during the period

The monthly high and low prices of the Equity Shares (in Rupees per share) and the trading volume (number of Equity Shares) on the BSE for the six calendar months immediately preceding the BSE Notification Date is as follows:

Month	BSE		
	High* (₹)	Low* (₹)	Volume
October 2015	11.59	8.51	4,14,353
September 2015	11.41	8.01	12,803
August 2015	15.40	10.11	36,620
July 2015	10.88	8.41	10,895
June 2015	10.46	8.00	9,348
May 2015	15.00	9.55	39,129

Source: www.bseindia.com
 *High of intra-day highs / low of intra-day lows during the period

12. DETERMINATION OF THE FLOOR PRICE

The Equity Shares of the Company are currently listed and traded on BSE only. The Scrip Code and the Security ID of the company are "521174" and "ARORAFIB" respectively and are placed under "B" Group.

The annualized trading turnover based on the trading volume of the Equity Shares at BSE during the period from November 1, 2014 to October 31, 2015 (twelve calendar months prior to the month of the BSE Notification Date) is as under:

Stock Exchange	Total Traded Volumes from 01/11/2014 to 31/10/2015	Total number of equity shares outstanding as at 31/10/2015	Annualized trading turnover (%)
BSE	22,20,297	1,00,53,730	22.08%

Source: www.bseindia.com

As per the Takeover Regulations "frequently traded shares" means shares of a target company, in which the traded turnover on any stock exchange, during the twelve calendar months preceding the calendar month in which the public announcement is made, is at least ten per cent of the total number of shares of such class of the target company.

Based on the above, the Equity Shares of the Company are frequently traded in accordance with the Takeover Regulations. Hence in terms of Regulation 8 of the Takeover Regulations, the floor price shall be the higher of the following:

- The highest negotiated price per Equity Share of the Company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer. Not Applicable
- The volume weighted average price paid or payable for acquisitions, whether by the Promoter or by any person acting in concert with him, during the fifty-two weeks immediately preceding the Relevant Date. Not Applicable
- The highest price paid or payable for any acquisition, whether by the Promoter or by any person acting in concert with him, during the twenty six weeks immediately preceding the Relevant Date. Not Applicable
- The volume-weighted average market price of such Equity Shares for a period of sixty trading days immediately preceding the Relevant Date, as traded on the stock exchange where the maximum volume of trading in the Equity Shares of the Company are recorded during such period. Rs. 9.49
- The per Equity Share value computed under Regulation 8(5) of the Takeover Regulations, if applicable. Not Applicable

Source: www.bseindia.com

*This is an indicative date and the announcement may be made on or before February 12, 2016, being the fifth working day from the date of the BSE Notification Date.
 *Subject to the acceptance of the Discovers Price or offer of an Exit Price higher than the Discovers Price by the Promoter

13. STATUTORY APPROVALS

The Public Shareholders of the Company have accorded their consent by way of special resolution passed on December 29, 2015, in respect of delisting of Equity Shares from the BSE, in accordance with the Delisting Regulations.