

**MAHARASHTRA STATE TEXTILE CORPORATION LIMITED**  
**A Government of Maharashtra Undertaking**  
(CIN: U17120MH1966SGC013568)

**303, Kshamalaya,37, New Marine Lines, Opp. SNTD Patkar Hall,  
Mumbai – 400 020**

**e-Auction Notice**

**FOR SALE OF EQUITY SHARES**

Maharashtra State Textile Corporation Ltd., a Govt. of Maharashtra undertaking, has relieved all the workers of The Pratap Spg. Wvg. & Mfg. Co. Ltd., CIN U17100MH1906SGC000241 (PMA) having Registered office at Amalner Dist: Jalgaon, a subsidiary of the Corporation, by paying VRS. Entire Plant and machinery of PMA has already been sold. The offers are now invited for sale of 92,62,910 Equity Shares (Face Value Rs.25/- each) of PMA held by MSTC Ltd.

The e-Auction document including detailed NIT, pre qualifying requirement and other terms and conditions can be viewed from the website [www.mstc.co.in](http://www.mstc.co.in) and can be downloaded for purpose of filling electronically from the website [www.eauction.gov.in](http://www.eauction.gov.in) w.e.f. 10/02/2016 to 29/02/2016 (up to 3.00 P.M.). The cost of e-Auction form is Rs.5,000/- (Rs. Five Thousand only) which is to be paid along with prescribed EMD at the time of submission of tender documents. For further details, please refer to detailed NIT on website [www.mstc.co.in](http://www.mstc.co.in). or [www.eauction.gov.in](http://www.eauction.gov.in).

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**SCHEDULE FOR E AUCTION FOR SALE OF EQUITY SHARES**

e-Auction Tender Stage	Date	Time
Application for Registration in the e-Auction website	10-02-2016	From 10.00 AM onwards
Guidance Training on E-auction will be given to prospective bidders at MSTC office	17-02-2016	From 11.00am to 3.00 pm
Last date of downloading	29-02-2016	Up to 3-00 p.m
Last Date of on-line Submission of Application/offer	03-03-2016	Up to 6-00 p.m.
Last date for submission of Hard copies of application/offer along with Earnest Money Deposit & Auction Processing Fee to the office of MSTC	08-03-2016	Up to 5 p.m.
Scrutiny of application and deciding bidders qualified for e-auction	09-03-2016	Up to 5 p.m.
E-Auction Date	11-03-2016	<b>From 11-00 am to 3-00 pm.</b>  Automatically extendable by system by 10 minutes on each occasion if there is any bid within 10 minutes of the closing time.

**Note:** Date & Time for dealing with the entire *e-auction* shall be treated as (IST) Indian Standard Time only. The Online time applicable for e-Auction shall be as per the server clock

# INFORMATION MEMORANDUM

## SECTION-I

### INTRODUCTION

Maharashtra State Textile Corporation Ltd. (MSTC), a Govt. of Maharashtra Undertaking was incorporated on 06-09-1966. THE PRATAP SPG. WVG. & MFG. CO. LTD. AMALNER, (PMA) is a subsidiary of MSTC Ltd.

#### A. **GENERAL**

Maharashtra State Textile Corporation Ltd., intends to sell 92,62,910 Equity Shares of The Pratap Spg. Wvg. & Mfg. Ltd., Amalner, (PMA) Dist. Jalgaon, Maharashtra State . CIN U17100MH1906SGC000241.

Information, in brief, relating to the Financial Position, Assets and other matters of PMA is furnished separately with the Offer Document (O/D).

Interested Parties will be provided with the further necessary information about the Company at their Request. Queries if any should be submitted in writing or through email at [mstcmumbai@gmail.com](mailto:mstcmumbai@gmail.com) at least 3 working days before the last date of submission of offer.

This OD along with its enclosures, does not constitute a commitment on the part of MSTC, whether in respect of the sale process or otherwise. Furthermore, this invitation confers neither any right nor expectation to any party to participate in the said bid process.

MSTC reserves the right to withdraw from the process for sale of the equity shares or to accept or reject any or all offers at any stage. No financial obligation, whatsoever, shall accrue to MSTC in such an event.

It is the responsibility of the interested party alone to ensure that its offer with required documents and Earnest Money Deposit are delivered at the above address, the stated time and date.

## **HISTORY IN BRIEF AS TO HOW PMA HAS BECOME SUBSIDIARY OF MSTC**

PMA was registered as a Joint Stock Company on 13<sup>th</sup> August, 1906. As the Company was making losses, the Govt. of India, by Order No. FG-10 (23) A-62 dtd. 4.3.1963 appointed 'Authorized Controller' under Industries (Development & Regulation) Act, 1951 to take over the Management. The Maharashtra State Textile Corporation Ltd., was later on appointed as Authorized controller from 10.11.1970. The Company became the subsidiary of the MSTC since April, 1972 which now holds 99.96% of the total share capital. The total share capital as at 31/03/2015 is Rs.2,316.73 lacs.

Based on the financial position of the Company as at 31-03-1993 the Company made statutory reference before the Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act 1985 in the year 1993. The said reference was registered by BIFR as reference No. 624 of 1993. The BIFR, after hearing all the parties and taking into consideration the report of the Operating Agency, confirmed its opinion of winding up of the Company vide its order dated 8th April, 1996. The Representative Union of the workmen as also PMA filed Appeal before Appellate Authority for Industrial and Financial Reconstruction (AAIFR). The said Appeals were decided by the AAIFR on 11th April 2000. The AAIFR after hearing all the parties rejected the Appeals and confirmed the order of BIFR. Accordingly the process of winding up of the Company commenced before Bombay High Court at Mumbai on 10th January 2001, however, the matter could not progress further on account of issues of jurisdiction raised by the Representative Union of the workmen. At present, the order of AAIFR is pending before the Company Court of the Bombay High Court at Mumbai. However, no orders have been passed by the High Court of Judicature at Bombay, regarding appointment of liquidator or about restriction on sale of assets etc.

In the meantime, the workmen in principle had agreed for the closure of the Company by accepting the VRS as per Gujarat Pattern. Accordingly, Company after negotiation with representative union had executed an Agreement dated 27.9.2001 for the closure of the mills of the Company at Amalner which since been closed w.e.f. 30-09-2001. All the workmen and other employees of the mills were paid ex-gratia under Voluntary Retirement Scheme (VRS) and other terminal dues.

Subsequently, PMA has disposed off most of the assets of the Company after following due procedure of tender. Necessary Conveyance Deed/ Agreement has already been executed after receipt of full consideration from the Purchaser. Also effect to such sale has already been given in the accounts of the Company.

Now, MSTC intends to offer for sale 92,62,910 Equity Shares of Rs.25/- each (fully paid up) presently held in its own name. The balance 3995 Equity Shares are held by around 555 other share holders.

The information/particulars given in this Offer Document (O/D) are for reference of interested parties to form an opinion in their participation.

**LIST OF BOARD OF DIRECTORS OF  
PRATAP SPG. WVG. & MFG. CO. LTD. AS ON  
31/01/2016.**

Sr. No.	Name of Directors
1	Shri Ravikant Tupkar Chairman
2.	Shri. Damodar Kulkarni Managing Director, MSTC
2.	Ms. Richa Bagla, Director, Director of Textile, Govt. of Maharashtra,

## SECTION - II

### **THE PRATAP SPG. WVG. & MFG. CO. LTD.**

#### **PART-I : GENERAL INFORMATION**

THE PRATAP SPG. WVG. & MFG. CO. LTD. AMALNER, (PMA) was registered as Joint Stock Company on 13<sup>th</sup> August, 1906. As the Company was making losses, the Govt. of India, by Order No. FG-10 (23) A-62 dtd. 4.3.1963 had appointed 'Authorized controller' under Industries (Development & Regulation) Act, 1951 to take over the Management. The Maharashtra state Textile Corporation Ltd., was later appointed as Authorized controller from 10.11.1970. The Company became the subsidiary of the MSTC since April, 1972 which now holds 99.96% of the total share capital. The total share capital as at 31/03/2015 is Rs.2,316.73 lacs. PMA is non-dividend paying Company.

#### **2. CAPITAL STRUCTURE:**

As on 31/03/2015, the Authorized Share Capital of PMA was Rs.2900.00 lacs (Rupees Twenty Nine Crores) divided into Rs.1,16,00,000/- (Rupees One Crore Sixteen Lakhs) Equity Shares of Rs.25/-each.

As on 31/03/2015, the Issued, Subscribed and Paid-up Share Capital of PMA was Rs.2316.73 Lacs divided into 92,66,905 Equity Shares of Rs.25/- each. Out of which MSTC is holding 92,62,910 Equity Shares. The Balance Shares (around 3995) are held by Private Shares Holders. THE COMPANY IS NOT LISTED ON ANY STOCK EXCHANGE.

#### **3. TEXTILE MILL OF THE COMPANY:**

At present, the Registered Office of the Company is situated at Pratap Nagar, Amalner, Dist-Jalgaon, Maharashtra-425 401. The production activities of the Mills are completely stopped and Mill is closed from 30.9.2001. The Land, Buildings, machinery and Major assets of Mill Company are already sold. The details of the remaining existing assets of the Company are given separately in the subsequent part of this Offer Documents.

#### **4. GENERAL**

ADDRESS OF THE MILLS : At & Post : Amalner - Pratap Nagar  
Dist. : Jalgaon  
425 401.

Land Line for contact. : 02587-222098

## **PART-II : STATUS OF BIFR CASE**

On the basis of the financial position of the Company as at 31-03-1993 the Company made statutory reference before the Board for Industrial and Financial Reconstruction (BIFR) under the Sick Industrial Companies (Special Provisions) Act 1985 in the year 1993. The said reference was registered by BIFR as reference No. 624 of 1993. The BIFR, after hearing all the parties and taking into consideration the report of the Operating Agency confirmed its opinion of winding up of the Company vide its order dated 8<sup>th</sup> April 1996. The Representative Union of the workmen as also PMA filed Appeal before Appellate Authority for Industrial and Financial Reconstructions (AAIFR). The said Appeals were decided by the AAIFR on 11<sup>th</sup> April 2000. The AAIFR after hearing all the parties' rejected the Appeals and confirmed the order of BIFR.

At present, the matter is pending before the Company Court of the Hon'ble High Court of Bombay at Mumbai. So far, no Orders for appointment of Liquidator have been passed nor there is any prohibition on running of the Company. In the meantime, the Company has paid off all its secured liabilities and also has relieved all the employees after making payment of VRS as per Gujarat Pattern. As on date, the liability of Pratap Mill mainly consist of MSTC (Govt) loan, interest outstanding of MSTC loan.

Moreover the loan of MSTC to PMA will be converted in to Equity. As a result of this financial re-structuring, the Net-worth of the Company will turn positive. This will enable the successful Bidder to bring back the Company out of the purview of BIFR.

**PART-III : THE DETAILS OF LAND AND ASSETS**

**DETAILS OF LAND KNOWN AS BENGALI WELL**

Sr. No.	City Survey No.	Sq. Mtrs.	Ownership	Remark
1.	3717	202.34	Freehold Land	Resi. Zone
2.	3720	2,225.78	-"-	Resi. Zone
3.	3721-A	13,544.80	-"-	Part of land area reserved as PU land. *
4.	3721-A	3,455.20	-"-	Resi zone
5.	3722	5,260.84	-"-	Resi zone
6.	3723	2,450.00	-"-	Part of land area reserved as PU land *
	<b>Total</b>	<b>27,138.96</b>		

- Note:** \*1) Out of total plot area of C.S. Nos. 3721A & 3723, some portion of plot area is reserved as PU land by Municipal Council of Amalner. Bidders are advised to verify plot area details.
- 2) The plot areas as mentioned above, shall be transferred on 'As is where is' basis. The successful Bidder is eligible and at likely to take up the matter with Municipal Council, Amalner for getting compensation about land already acquired or proposed to be acquired.
- 3) Bengali Well Land consists of 2 wells with continuous water source.

Sr. No.	City Survey No.	Area Sq. mtr.	Tenure	Remark
01.	FP 227	7469.38	Lease hold	The MSTC Ltd. is in possession of the land known as Gin Chawl on lease hold basis. For eviction of 20 occupants of the chawls situate on this land, the MSTC has filed eviction proceedings against 20 occupants before RDC which were decided against MSTC Ltd. Consequently, MSTC has filed appeal before District Court at Amalner. Appeals decided in favour of MSTC Ltd. Consequently occupants have filed write petitions before High Court of Bombay Judicature at Bombay Aurangabad Bench which are pending Also, MSTC has filed Criminal proceeding under Companies Act for wrongful withholding the properties. These cases have been decided against MSTC Ltd. Aggrieved to this MSTC has filed write Petitions before High Court Aurangabad Bench which are pending. MSTC has taken Bank Guarantee from Landlord of Rs.16,00,000/- ensuring construction of

				tenements or for cash compensation each of Rs.80,000/-. For 20 occupants about whom said Litigations are pending. The said Bank Guarantee is renewed every year. After settlement of dispute, the possession of the said land has to be handed over to the Landlord. This matter pertaining to this land is subjudiced.
02.	FP 226	(* )8,60 3.64	Lease hold	Mill chawl having 118 rooms, covering plot area of 8603.64 sq.mtrs. Lease period from 1915 to 1965. As per Govt. decision, out of the area in possession of occupants 225 sq.ft. area is to be transferred free-of-cost.  MSTC has issued various letters to the chawl occupants. Meeting was also held under the Chairmanship of the Textile Minister. But the tenement holder has not agreed to the proposal about the cost of excess area above 225 sq.ft in possession of the chawl occupants. Thus the matter is pending. M/s. Om Narayan Industries & Land Lord have given a notice for possession of final Plot No.226. This issue needs to be resolved in consultation with landlord and occupants
3.	RS 954	(* )2,12 4.00	Lease hold	Paranjpe Chawl- 50 Rooms, covering total plot area of 2124 sq.mtrs. Lease period from 1909 till willingness of Co. The issue relating o these occupants need to be resolved in consultation with landlord about the cost of area above 225 sq.ft Carpet in possession of occupants

**Note:**

- (i) The aforesaid land is offered on "as is where is basis". Neither the MSTC nor the PMA is taking any guarantee about the correctness and accuracy of the area of said land i.e. free hold and lease hold mentioned here in.
- (ii) Before submitting the offer, the Bidder should make the due diligence and enquiry about the said land.
- (iii) MSTC/PMA is willing to clarify the queries / doubts if any which should be submitted in writing to MSTC/PMA atleast 3 working days before the date of Auction .
- (iv) Bidders are advised to visit the property site and satisfy themselves about condition of the Assets, including the area, location and other details before submitting the Offer. MSTC shall not be responsible for variations if any, noticed in the specifications / descriptions. Neither the MSTC nor the PMA is taking any guarantee about the correctness and accuracy of the area shown on Page No. 8-9 of this document.

**OTHER RELAVANT INFORMATION:** Nil

**PART-IV : FINANCE**

**Statement showing Financial Position as at the end of previous three Financial Years:**

(Rs. in lacs)

<b>Sr. No.</b>	<b>Particulars</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
<b>A)</b>	<b>SOURCES OF FUNDS</b>			
(i)	Equity Capital	2316.73	2316.73	2316.73
(ii)	Reserve & Surplus (Includes Accumulated Losses)	(6387.72)	(6386.87)	(6386.11)
(iii)	Secured Loans	-	-	-
a)	Banks	-	-	-
b)	Financial Institutions	-	-	-
(iv)	Unsecured Loans	4072.80	4071.97	4071.32
	<b>Total - A.</b>	<b>1.81</b>	<b>1.83</b>	<b>1.94</b>
<b>B)</b>	<b>APPLICATION OF FUNDS</b>			
(i)	Fixed Assets (Net Block)	0.08	0.14	0.15
(ii)	Investments	-	-	-
(iii)	Current Assets	1.73	1.69	1.79
(iv)	Profit & Loss A/c. (Accumulated Loss)			
	<b>Total-B</b>	<b>1.81</b>	<b>1.83</b>	<b>1.94</b>

**DETAILS OF CURRENT ASSETS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
a)	Cash & Cash equivalent	0.18	0.09	0.12
b)	Loans & Advances	1.55	1.60	1.67
	<b>Total Current Assets</b>	<b>1.73</b>	<b>1.69</b>	<b>1.79</b>

**DETAILS OF CURRENT LIABILITIES & PROVISIONS**

<b>Sr. No.</b>	<b>Particulars</b>	<b>31.03.2015</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
	MSTC ( GOVT Loan)	2312.15	2312.15	2312.15
	MSTC ( Current A/c)	102.18	101.18	100.79
	Deposit from Employees for Quarters	25.93	25.93	25.93
	Interest Accrued but Not Due on Borrowings	1632.25	1632.25	1632.25
	Other Liabilities	0.11	0.13	0.12
	Short Term Provisions	0.18	0.33	0.08
	<b>Total Liabilities &amp; Provisions</b>	<b>4072.80</b>	<b>4071.97</b>	<b>4071.32</b>

**STATEMENT OF PROFIT & LOSS**

a)	Income	2014-15 Rs.	2013-14 Rs.	2012-13 Rs.
	Sales Turnover	-	-	-
	Other Income	0.20	0.20	0.20
	Stock Adjustments	-	-	-
	<b>Total - a</b>	<b>0.20</b>	<b>0.20</b>	<b>0.20</b>
b)	Total Cost	0.99	0.84	0.83
c)	Net Profit (Loss) ( a-b)	(0.79)	(0.63)	(0.63)

**WORKING CAPITAL ARRANGEMENT :**

The Working Capital: Arrangement of working capital for the mill company was provided by the State Bank of India. The Bank dues are fully settled.

**SECTION III**  
**E-AUCTION FORM**

(to be filled in by Bidder in Capital Letters )

1.	Full Name of Bidder	
2.	Address (All Communications will be sent on this Address)	
3.	Mobile No.	
4.	e-mail id	
4.	PAN No. of Bidder	
5.		Bank Details of Bidder
	Name of the Account Holder	
	Account Number	
	Center	
	Name of Bank	
	IFSC Code	
	Branch Address with Code	
	Type of Account (Savings /Current)	
6	Organizational form of the Bidder (Please tick whichever is applicable)	<input type="checkbox"/> a) Individual (Not Minor) <input type="checkbox"/> b) Partnership firm <input type="checkbox"/> c) Private Limited Company <input type="checkbox"/> d) Public Limited Company <input type="checkbox"/> e) Any other (Please specify)

07.	Name & address of the Nominees (read condition No.10-C).	1. _____ _____
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		2. _____ _____
09.	Particulars of Demand Draft/ Pay Order for payment of EMD. :	D.D. No./Pay Order No. _____ Date _____ Amount Rs. _____ Bank : _____ Branch _____
10.	Particulars of Demand Draft/ Pay Order for payment of Price for Offer Document EMD. :	D.D. No./Pay Order No. _____ Date _____ Amount Rs. _____ Bank : _____ Branch _____

I/We have carefully read and understood the terms and conditions of the Offer attached to this offer and form part of this offer.

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

Designation : \_\_\_\_\_

Seal/ Rubber Stamp

of Organization :

Date : \_\_\_\_\_.

- Note:**
- 1. Bidders are advised not to mention the Bid amount in any of the e-Auction Documents uploaded or physically submitted by them.**
  - 2. Please submit entire documents of terms and conditions for sale of equity Shares of Pratap Mills along with this form.**

## **TERMS, CONDITIONS AND GENERAL REQUIREMENTS OF OFFER**

### **TERMS AND CONDITIONS FOR SALE OF EQUITY SHARES OF THE PRATAP SPG. WVG. & MFG. CO. LTD (PMA) ARE AS UNDER:-**

- 1) Details of e-Auction process are as mentioned on Page 2 which is binding to the Participants (Bidder).
- 2) The cost of the prescribed blank e-Auction form is of Rs.5,000/- (Rs. Five Thousand only) each which is non-refundable.
- 3) While submitting the e-auction documents, it is binding on the bidder to put his signature on every page and in case, there is a correction in writing, then bidder should put their signature on that place. Likewise, it is necessary to put signature on page No. 14 to 25 of e-Auction conditions and after it's scanning to upload the documents.
- 4) e-auction documents submitted without signature on all the pages will not be accepted.
- 5) As per Information and Technology Act, 2000, the bidder should get Digital Certificate (both signing and encryption ) from any certifying authority by paying prescribed fees, then only bidder will become eligible to submit the e-auction documents.
- 6) e-Auction form is not transferable to others.
- 7) Interest free EMD amount of Rs.15,00,000/- (Rs. Fifteen Lac only) required to be paid by D.D. of Nationalized Bank. The EMD and Cost of offer form should be by way of separate Demand Draft/Pay Order only, drawn on Schedule Bank and be drawn in favour of "MAHARASHTRA STATE TEXTILE CORPORATION LTD." payable at Mumbai.
- 8) Prescribed e-Auction form will have to be submitted on line on web site of [www.eaucton.gov.in](http://www.eaucton.gov.in) during specified period as mentioned on Page-2 together with scan copy of different D.D.'s towards cost of e-Auction form and EMD.

9) Physical copy of the same will have to be submitted to the MSTC at its registered office within specified period as mentioned on Page No.2 alongwith EMD of Rs.15,00,000/- (Rupees Fifteen Lacs only), and Rs.5,000/- (Rs. Five Thousand only) towards cost of e-Auction form by D.D. issued in favour of Maharashtra State Textile Corporation Ltd. payable at Mumbai of Nationalized Bank.

**10) Guidelines for e-auction are annexed separately on page 23 to 25 which shall form part and parcel of the e-Auction CONDITIONS**

**11) i) RESERVE PRICE:**

There shall be a reserve price which is strictly confidential. If after the completion of the bidding process it is found that the highest bid is less than the reserve price, the entire auction shall be cancelled.

**ii) STARTING PRICE:**

There shall be a 'Starting Price' for auction which will appear on the e-auction portal at the time of auction. Bidders are required to quote bids for the value of entire lot of Equity Shares offered. **The starting price has been fixed as Rs. 151.00 lakhs.** However, starting price shall not be interpreted as the reserve price of shares of PMA.

The reserve price of the entire lot of Equity Shares of PMA shall be confidential so that the auctions do not get influenced by the reserve price. The starting price is the minimum amount from which the bidding shall start and have no other significance apart from being the starting point of auction.

**iii) Live-e-auction-Bidding Methodology:**

On the date of auction as per schedule mentioned in at page 2, auction will commence at 11.00 a m. Approved bidders will be eligible to participate in auctions. On the beginning of e-auction, a starting price shall appear. The increment value shall be minimum of Rs. 2,00,000.00; hence the next bid has to be higher by Rs.2,00,000.00 of the previous bidding price. However, the bidders are free to increase the bid price by more than Rs.2.00 lacs but in the multiple of Rs.2.00 lacs.

**Illustration:** Say for example, the previous bid price is Rs. 153.00 lakhs. The next bid should at least Rs 155.00 lakhs.

Bid will be closed at 3.00 (three) pm. However, if there is any bid within 10 minutes of the closing time then the closing time shall automatically be extended by the system by 10 minutes and shall continue to extend till there is no bid within last 10 minutes of the closing time.

**iv) EVALUATION OF THE AUCTION:** After completion of bidding, if it is found that the highest bid is more than or equal to the reserve price, the Letter of Acceptance will be allotted to the highest eligible bidder subject to approval of the Board of Directors of MSTC and Government of Maharashtra.

- 12) e-Auction Documents submitted by the bidders will be scrutinized by MSTC. In case the bidder has mentioned some other conditions in the e-Auction Documents then such documents will be rejected. After scrutiny of the e-auction documents, the EMD amount of the bidders who are not eligible for e-auction will be refunded to them only after completion of the e-auction procedure.
- 13) After e-auction, the EMD amount of highest bidder will be retained with MSTC Ltd. for a period of 240 days. Under any circumstances, right will not be available to the highest bidders to withdraw his offer during the period of 240 days from the date of e-auction.
- 14) The EMD amount of the remaining bidders other than that 2<sup>nd</sup> Highest and 3<sup>rd</sup> Highest will be refunded in their bank account after completion of e-Auction process. The EMD amount of other two bidders (2<sup>nd</sup> Highest and 3<sup>rd</sup> Highest) will be refunded within 60 days. Under any circumstances, right will not be available to the second and third highest bidders to withdraw their offers during the period of 60 days from the date of e-auction. Their EMD amount shall continue to remain with MSTC without interest.
- 15) The letter of acceptance issued to the Successful Bidder is not transferable to other person.
- 16) The bids received in the e-Auction are subject to the jurisdiction of Mumbai Judiciary.

- 17) Maharashtra State Textile Corporation Ltd. is empowered to cancel the e-Auction process without assigning any reasons thereof.
- 18) In case of any disputes is raised by the Successful Bidder, the decision given by the Managing Director of the Maharashtra State Textile Corporation will be final and binding.
- 19) It will not be binding on the part of Maharashtra State Textile Corporation Ltd. to accept the highest bid received in e-auction.
- 20) It is presumed that the Successful Bidder has submitted his e auction documents after examining the e-Auction conditions which are part and parcel of the e auction document and are acceptable to the Successful Bidder.
- 21) In case the bidders are having difficulties or need any clarifications while submitting online e-Auction Documents, then bidders can contact Shri Vinayak Agre, on Telephone No. 08879002344.
- 22) Free of charge training will be imparted on 10/02/2016 from 11.00 A.M. to 3.00 P.M. at the Head Office of the Corporation at Mumbai, so as to facilitate the bidders to submit online e-Auction Documents. Interested parties are advised to reach the venue on time so as to redress their difficulties while submitting online e-Auction Documents.
- 23) The bidders are advised to ensure that their computer, software and other equipments are compatible to the system requirements (up to date) so as to ensure timely submission of e-Auction Documents. Failure of any bidder to submit the e-Auction Document or the Bids at e-Auction on account of any technical deficiencies will not be considered.
- 24) Corporation has right to accept or reject the Highest Bid received under e-Auction.
- 25) In case the Highest Bid is not accepted, the amount of EMD shall be refunded without interest within 250 days from the date of e-auction, at the Bank Account of the Highest Bidder. The entire EMD shall be liable for forfeiture in case of

default of any of the Terms and Conditions as mentioned in the Offer document including payment terms.

- 26) The MSTC intends to offer for sale 92,62,910 Equity Shares of Rs.25/- each (fully paid up) presently held in its own name. The balance 3995 Equity Shares are held by around 555 other share holders.
- 27) As per audited accounts of Pratap Mills for the year 2014-15 there are no contingent liabilities. MSTC shall not be responsible for any liability crystallizing after transfer of shares by MSTC to the new purchaser. Further, handling of all the litigations filed by Pratap Mill or against the Pratap Mill shall be the responsibility of the successful Bidder.
- 28) The Company does not have any other assets other than those mentioned in the Offer Documents. The Company has accepted deposits from some of the residents of the Room/Chawl with an understanding that the said Room/Chawl tenements shall be transferred to the residents in accordance with the decision taken by the Govt. of Maharashtra in this regard. The successful Bidder shall have to give an undertaking to the MSTC that he / they shall abide by the terms & conditions of letter No. MVM/I097/PK.89/ TEX-4 dated 11.3.2003, issued by the Textile Department, Government of Maharashtra copy of which can be supplied at request.
- 29) As per details of the assets, the following Workers' Chawls are situated in the below noted properties:-

Name of the property	Area in Sq. Mtr.	No. of Qtrs.	Total area occupied (sq.mtrs.)	Ownership
1. Gin Chawl	7469.38	20	7469.38 (approx)	Leasehold
2. Mill Chawl	8603.64	118	8603.64	— " —
3. Paranjpe Chawl	2124.00	50	2124.00	— " —

\* Note –

- i. Government of Maharashtra in its Cabinet Meeting held on 26/02/2003 took a policy decision that the chawls of MSTC's 6 (six) closed Mills, which includes the

chawls of Pratap Mills, Amalner will have to be transferred on ownership basis and 225 sq.ft area out of the area in their possession need to be transferred free of cost. The cost for area above 225 sq.ft. in possession, of the occupants will have to be recovered from them. For chawls of Pratap Mills which are situate on leasehold land, the High Powered Committee constituted under the Chairmanship of Chief Secretary, Govt. of Maharashtra in its meeting dated 25/04/2007 took a decision that the Managing Director, MSTC Ltd. after discussing the matter with the Landlord should take a decision in concurrence with the Secretary (Textiles), Govt. of Maharashtra so as to transfer the chawls to the occupants in pursuance to the decision taken by the Govt. of Maharashtra. The matter is under discussion with the Landlord and chawl occupants. But there is a dispute about the cost of land above 225 sq.ft. in possession of the occupants pertaining to "Mill Chawl" where in 119 Occupants are residing.

- ii. Like wise Paranjpe Chawl is also built up as lease Hold land. Prospective buyers will have to transfer these Chawl to the occupant an ownership basis (225 sq.ft free of cost) with the concurrence of landlord. The prospective Bidder should take into consideration, the above position, while submitting the offer. The successful Bidder shall be required to deal with the settlement /transfer of chawls to the occupants in concurrence with the Landlord and the occupants. Settlement of deposits taken by Pratap Mills, from the occupants of chawls, will continue to be the Liability of Pratap Mills. MSTC shall not be responsible for the same.
- iii. Twenty (20) occupants of Gin Chawls did not agree to shift to the alternate accommodation and continue to occupy the chawls in Gin chawl premises. Therefore, the MSTC/PMA has initiated legal action against them by filing eviction proceedings. Such eviction proceedings were filed before the Resident Dy. Collector at Jalgaon under the Provisions of Bombay Government Premises (Eviction) Act, 1955. These eviction proceedings decided against the PMA. Therefore, PMA has filed appeals before the District Judge at Amalner. The District Judge Amalner has set a side the order passed by the R.D.C.. Aggrieved to this occupants have preferred Write Petition before high court of Judicature at Bombay, Bench at Aurangabad.
- iv. Another eviction proceeding has also been filed before the Judicial Magistrate, First Class (JMFC) at Amalner u/s. 630 of the Companies Act,1956. The hearings of these criminal proceedings have been completed. JMFC has dismissed all these cases. MSTC has filled write petitions before High Court Aurangabad Bench. Further Legal steps will have to be taken in consultation with Advocate. The successful Bidder shall have to deal with these cases after transfer of shares. MSTC shall have no interest/involvement in these cases after transfer of shares.
- v. Since the possession of the above chawls upto 225 sq.ft.(i.e. 21.00 sq.mtr. approx.) per tenement is given to the existing occupants with free of cost as per

Government letter No. MVM/I097/PK.89/TEX-4 dated 11.3.2003 and as the land is leasehold land, the value of occupied portion of land by the residents could be considered as NIL, by the Bidders.

- 30) The future out-goings of PMA in respect of Rent, Rates, Taxes and Insurance including Municipal Taxes and Property Taxes etc. and other payments required to be made by PMA shall be the liability of the Successful Bidder on and after the date of transfer.
- 31) All Expenses involved in transfer of Shares in favour of the Successful Bidder including Stamp Duty, Share Transfer Charges, Registration Charges, Documentation, etc. shall have to be borne by the Successful Bidder.
- 32) Requisite Statutory/other permissions from any of the concerned authorities such as Local Bodies/Authorities/ State Government/Central Government/Income-tax Dept. / Company Law Board etc. shall have to be obtained by the Successful Bidder themselves. Necessary assistance if required will be provided by MSTC.
- 33) The Successful Bidder will be permitted to have the Shares Transferred in his/her name as also in the name of maximum ten Nominees whose name shall have to be given with reasonable time after acceptance of offer.
- 34) MSTC reserves the rights to reject all or any of the offers thereof without assigning any reason. On any issue not covered in this offer document, the decision of MSTC shall be final.
- 35) After acceptance of the Highest Bid, the successful Bidder shall pay
  - a) 30% of the agreed price within 30 days from the date of receipt of the offer Acceptance Letter.
  - b) Further 30% of the agreed price within 60 days from the date of receipt of the Offer Acceptance Letter whichever is earlier.
  - c) After adjusting the EMD amount of Rs.15 Lakhs, balance of the agreed price at the time of execution of the Agreement / Transfer Deed as stated in Clause 16 below. The delivery of the Share Certificates will be handed over to the successful Bidder only after payment of this installment.

- d) All payments shall be made by Demand Draft or Pay Order drawn on Nationalized Bank and drawn in favour of 'Maharashtra State Textile Corporation Ltd.' Payable at Mumbai.
- 36) The successful Bidder shall enter into an MOU at the time of payment of 30% of the agreed price as indicated in Clause 15(a) herein above. The Bidder, within 90 days from the date of receipt of the acceptance letter shall execute the Transfer Deed as required under the Companies Act, 1956.
- 37) Presently, the Registered Office of the PMA is situated at Pratap Nagar, Amalner, Dist: Jalgaon 425 401, a premises which has been disposed off by PMA to a third party. At present, the Office records, etc. are being kept in the said premises by the Mills with an informal arrangement with the said third party. **The said arrangement shall not be available to the successful Bidder.** As such, the successful Bidder shall have to shift the Registered Office of PMA to any other suitable address of his choice or at the owned premises of the Mills and complete all the formalities for change of the Regd. Office. The successful Bidder shall have no right of usage/thoroughfare of the premises presently used as the Registered Office of PMA. The furniture and fixture presently lying in the premises of the registered office of PMA is also sold to the said third party and as such, the successful Bidder shall have no right of its usage.
- 38) At present, some litigations pertaining to ex-employees and chawl occupants are pending in the Civil Courts, High Court, etc. MSTC has right to receive any amount claimed by the MSTC in pending Civil suits even after transfer of Equity shares. Successful Bidder shall have no claim on this amount. In case, money is received in the name of PMA, the Bidder after depositing the amount in his account shall remit the amount by issuing Cheque to MSTC of same amount.
- 39) In the event of failure or refusal on the part of the Bidder to enter into the Agreement for sale/or to pay the balance amount, as stipulated for any reason/s whatsoever, the EMD and other amount received shall be forfeited.

40) Submission of the Offer shall mean and imply that the Bidder has unconditionally agreed to and accepted all the above terms and conditions of the Offer Document.

I/We have carefully read and understood the above terms and conditions of the Offer attached to this Offer Document and form part of this Offer, which I/We hereby accept the same unconditionally.

We hereby accept above terms & Conditions

Signature & Stamp of the Bidder.

## **ANNEXURE TO TERMS AND CONDITIONS FOR SALE OF EQUITY SHARES**

### **AUCTION PROCESS:**

- REGISTRATION OF BIDDERS
- E-APPLICATION FOR INDIVIDUAL AUCTION & UPLOADING OF SCANNED COPIES OF DOCUMENTS.
- SUBMISSION OF HARD COPIES AT AUTHORITY'S OFFICE.
- APPROVAL BY AUTHORITY
- LIVE e-AUCTION.
- EVALUATION OF AUCTION PROCESS.

### **1. Registration of Bidders:**

To participate in the e-Auction, it is mandatory for the Bidders to make one time enrolment (register on the website) on the e-Auction portal at [www.eauction.gov.in](http://www.eauction.gov.in). Bidders shall require Class III Digital Signature Certificate (DSC) with Signing Certificates to participate in this e-auction. The bidder shall have to set the parameters of his computers so that the DSC is operational.

### **1.2 E-Application for Individual Auction & uploading of scanned copies of documents:**

Intending bidders who have registered at the e-auction portal as mentioned above have to apply by filling up the form that will be available at the concerned webpage and following scanned documents need to be uploaded.

- (i) Scanned copy in pdf format of duly filled up application format available with this Bid Document.
- (ii) Scanned copy in pdf format of Demand Drafts related to EMD and cost of e-Auction form.
- (iii) In case of company, scanned copy in pdf format of Certificate of Incorporation under the Companies Act, 1956 or 2013.
- (iv) Scanned copy of PAN card of the applicant.
- (v) In Case of Partnership firm, scanned authorization letter of the partner and scanned copy of certificate of registration of the Partnership firm need to be uploaded in addition to abovementioned documents.

### **1.3 Submission of Hard copies at Authority's office:**

Hard copies of documents as mentioned in (i) to (v) at clause 1.2 must reach the Regd. office of the MSTC Ltd., at the address mentioned on Page No.2 of e-Auction document within the time specified in schedule which shall not be relaxed on plea of postal or courier delay or on any other excuse. All the documents along with the drafts should be put in an envelope with the clear marking (subscribing) as " E-AUCTION DOCUMENTS FOR PURCHASE OF EQUITY CAPITAL OF PMA."

**Note: Bidders are advised not to mention the Bid amount in any of the e-Auction Documents uploaded or physically submitted by them**

### **1.4 Approval by authority:**

On submission of the online application and after submission of hard copies of documents within specified date & time, MSTC will verify whether eligibility criteria has been fulfilled and all specified documents, cost of e-Auction form and EMD are duly & properly submitted and thereafter approval to participate in the online auction will be issued.

### **1.5 Live-e-auction-Bidding Methodology:**

On the date of auction as per schedule, auction will start. Approved Bidders will be eligible to participate. On the beginning of e-auction, a starting price shall appear. The increment value shall be more than Rs. 2,00,000/- (Rs. Two Lac only); hence the next bid has to be increased at least by Rs. 2,00,000/- (Rs. Two Lac only) of the previous bidding price. However the bidder can increase his bid upward by minimum of Rs. 2,00,000/- (Rs. Two Lac only) or in Multiple of Rs.2,00,000/- (Rs. Two Lac)

Bid will be closed at 3.00 (three) pm. However, if there is any bid within 10 minutes of the closing time then the closing time shall automatically be extended by the system by 10 minutes and shall continue to extend till there is no bid within last 10 minutes of the closing time.

## **2. USE AND PROTECTION OF USER ID, PASSWORD AND DIGITAL SIGNATURE CERTIFICATE:**

The bidders are advised to keep their User Id and Password secret and not share these with anyone to prevent misuse or abuse of the same. The bidders are also advised to change their passwords regularly. MSTC shall not be responsible for any misuse / abuse / unauthorized use of the password of any bidder and no representation in this regard from any bidder shall be entertained by MSTC.

**3.CAUTION FOR SUBMISSION OF BID:**

The Bidder shall be solely responsible for all consequences arising out of the bid submitted by him (including any wrongful bidding by him) and no complaint/representation will be entertained by MSTC in this regard. Hence Bidders must be careful to check (the Bid Amount/No. of Zeros /No. of Digits) and to rectify their bid (if required) before submitting their Bid into the live e-Auction floor.