

**DRAFT LETTER OF OFFER**

**"This Document is important and requires your immediate attention"**

This Draft Letter of Offer is sent to you as a shareholder(s) of **GANON TRADING AND FINANCE COMPANY LIMITED**. If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

**OPEN OFFER**

**By**

**KRISHNAMANI HOLDINGS PRIVATE LIMITED**

(hereinafter referred to as "the Acquirer" or "KHPL")

having its registered office at Room No-5, 4<sup>th</sup> Floor, Vinayak Complex, 55/1A Strand Road, Kolkata-700 006, and Corporate Office at

G-2, Prabha Co-Operative Housing Society Ltd, Ground Floor, R. B. Mehta Marg, Ghatkopar (East), Mumbai – 400 077  
Ph: (022)- 2501-0506/08, Fax No. 022- 25010508; E-mail: [kanakagarwal@spg.net.in](mailto:kanakagarwal@spg.net.in)

**To the shareholders of**

**GANON TRADING AND FINANCE COMPANY LIMITED ("GTFCL" or the "Target Company")**



having its registered office at 903, Dalamal House, 206, J. B. Marg, Nariman Point, Mumbai – 400021

Tel No :( 022) 22872539/22812252; Fax No: (022) 22853815; E-mail: [bright201@rediffmail.com](mailto:bright201@rediffmail.com).

For the acquisition of 78,260 (Seventy Eight Thousand Two Hundred And Sixty) fully paid up equity Shares of Rs.10/- each representing 26.00% of total equity and voting share capital of the Target Company, at a price of Rs. 350/- (Rupees Three Hundred and Fifty Only) per equity share (the "Offer Price") payable in cash ("Offer" or "Open Offer").

**Please Note:**

1. This Offer is being made by the Acquirer pursuant to regulation 3(1) & (4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**") for substantial acquisition of shares/ voting rights accompanied with change in control and management of the Target Company.
2. There are no statutory approvals required to acquire equity shares that are tendered pursuant to this Offer. However, the Offer would be subject to all-statutory approvals as may be required and/or may subsequently become necessary to acquire at any later date.
3. If there is any upward revision in the Offer Price/Size at any time up to three (3) working days prior to commencement of the tendering period viz, 17.05.2012 in terms of the SEBI (SAST) Regulations, the same would also be informed by way of a Announcement in the same newspapers where the Detailed Public Statement dated 04.04.2012 had appeared. If the Offer is withdrawn pursuant to Regulation 23, the same would be communicated within two (2) working days by an Announcement in the same newspapers in which the Detailed Public Statement had appeared.
4. **If there is a competitive bid:**
  - **The Public Offer under all subsisting bids shall open and close on the same date.**
  - **As per the information available with the Acquirer/Target Company, no competitive bid has been announced as of the date of this Draft Letter of Offer (DLOF).**
5. Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/ Detailed Public Statement/ Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.
6. The Offer is not subject to a minimum level of acceptance by the shareholders of GTFCL and is not a conditional offer.
7. The Procedure for acceptance is set out in Para 7 of this DLOF. A Form of Acceptance is enclosed with this DLOF.
8. The Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgement) would also be available at SEBI website [www.sebi.gov.in](http://www.sebi.gov.in).

	<p><b>MANAGER TO THE OFFER:</b> <b>VC CORPORATE ADVISORS PRIVATE LIMITED</b> SEBI REGN NO: INM000011096 (Contact Person: Mr. Anup Kumar Sharma 31 Ganesh Chandra Avenue, 2<sup>nd</sup> Floor, Suite No –2C, Kolkata-700 013. Phone No : (033) 2225-3940 / 3941 Fax : (033) 2225-3941 Email: <a href="mailto:mail@vccorporate.com">mail@vccorporate.com</a></p> <p><b>OFFER OPENS ON: WEDNESDAY MAY23, 2012</b></p>		<p><b>REGISTRAR TO THE OFFER:</b> <b>ADROIT CORPORATE SERVICES PRIVATE LIMITED</b> SEBI REGN. NO. INR000002227 (Contact Person: Mr. Surendra Gawade) 19/20, Jafferbhoy Industrial Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka Andheri East, Mumbai-400 059 Phone No: (022) 2859 0942/4442/6060 Fax: (022) 28503748 E-mail: <a href="mailto:surendrag@adroitcorporate.com">surendrag@adroitcorporate.com</a></p> <p><b>OFFER CLOSSES ON: TUESDAY JUNE 05, 2012</b></p>
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**A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:**

<b>Activities</b>	<b>Date</b>	<b>Day</b>
Date of the PA	28.03.2012	Wednesday
Publication of Detailed Public Statement in newspapers	04.04.2012	Wednesday
Last date of filing of the Draft Letter of Offer with the SEBI	13.04.2012	Friday
Last date of a Competing Offer	27.04.2012	Friday
Identified Date*	09.05.2012	Wednesday
Date by which the Letter of Offer will be dispatched to the shareholders	16.05.2012	Wednesday
Last date for upward revision of Offer Price and/or Offer Size	17.05.2012	Thursday
Last date by which Board of the Target shall give its recommendation	21.05.2012	Monday
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspapers and sending the same to SEBI, Stock Exchanges and Target Company	22.05.2012	Tuesday
Date of commencement of tendering period	23.05.2012	Wednesday
Date of closing of tendering period	05.06.2012	Tuesday
Date by which communicating rejection/ acceptance and payment of consideration for applications accepted	19.06.2012	Tuesday

\*Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirer and the parties to the SPA) are eligible to participate in the Offer any time before the Closure of the Offer.

**Risk Factors relating to the transaction, the proposed offer and probable risks involved in associating with the Acquirer: -**

1. The Offer involves an offer to acquire 26.00% of the total equity and voting share capital of GTFCL from the eligible persons for the Offer. In the case of oversubscription in the Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
2. In the event that either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the public shareholders of GTFCL whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders for the delay, as may be specified by SEBI.
3. Shareholders should note that shareholders who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.
4. The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirer under the Offer. The Acquirer may not be able to proceed with the Offer in the event the approvals are not received in terms of the Regulation 23 of the SEBI (SAST) Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

**5. Risks involved in associating with the Acquirer:**

The Acquirer intends to acquire 78,260 (Seventy Eight Thousand Two Hundred And Sixty) fully paid up equity Shares of Rs.10/- each representing 26.00% of total equity and voting share capital of the Target Company, at a price of Rs. 350/- (Rupees Three Hundred and Fifty Only) per equity share, payable in cash under the SEBI (SAST) Regulations, 2011. GTFCL does not have any partly paid-up equity shares as on the date of PA. The equity shares and documents tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the shareholders will not be able to trade such equity shares. Post this Offer, the Acquirer will have significant equity ownership & effective management control over the Target Company pursuant to regulation 3(1) & 4 of the SEBI (SAST) Regulations.

The Acquirer makes no assurance with respect to the market price of the shares during the Offer period and upon the completion of the Offer and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer. The Acquirer makes no assurance with respect to the financial performance of the Target Company.

6. The Acquirer and the Manager to the Offer accepts no responsibility for the statements made otherwise than in the Public Announcement, Detailed Public Statement or this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.
7. The risk factor set forth above pertains to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risk with respect to their respective participation in the Offer.

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**DEFINITIONS/ABBREVIATIONS**

Acquirer or KHPL	Krishnamani Holdings Private Limited
Board	The Board of Directors of the Target Company
Book Value per Share	Net Worth/Number of share
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
DPS	Detailed Public Statement dated 04.04.2012
ECS	Electronic Clearing Service
Escrow Bank	HDFC Bank Limited
Equity and voting share capital	Rs. 30.10 Lacs divided into 3,01,000 equity shares of Rs.10/- each
FOA or Form of Acceptance	Form of Acceptance – cum – Acknowledgment accompanying this Letter of Offer
Identified Date	Date for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirer and the parties to the SPA) are eligible to participate in the Offer any time before the Closure of the Tendering Period.
IFSC	Indian Financial System Code
LOF	Letter of Offer
Manager to the Offer	VC Corporate Advisors Private Limited
NRI(s)	Non- Resident Indians
NSDL	National Securities Depository Limited
Offer Period	28.03.2012 to 19..06.2012
Offer Price	Rs.350(Rupees Three Hundred and FiftyOnly) per equity share payable in cash
Offer/Open Offer	Cash Offer being made by the Acquirer to acquire 78,260 equity shares of Rs.10/- each, representing 26.00 % of the total equity and voting share capital at a price of Rs.350(Rupees Three Hundred and Fifty Only) per equity share
PA	Public Announcement dated 28.03.2012
PAT	Profit After Tax
Persons eligible to participate in the Offer	All owners (registered and unregistered) of shares of GTFCL except the Acquirer and parties to the Share Purchase Agreement
RBI	Reserve Bank of India
Registrar to the Offer	Adroit Corporate Services Private Limited
Return on Net Worth	Profit After Tax/Net Worth
Sale Shares	76,000 equity shares of Rs. 10/- forming part of the SPA
SEBI	Securities & Exchange Board of India
SEBI (SAST) Regulations/Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
Seller or Present Promoter	Shri Radhakishan Damani
SPA or Agreement	Share Purchase Agreement dated 28.03.2012 entered into between the Acquirer and the Seller.
Target Company / GTFCL	GANON TRADING AND FINANCE COMPANY LIMITED

## 1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF GTFCL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR FOR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER VC CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 12.04.2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER."

## 2. DETAILS OF THE OFFER:

### 2.1 Background of the Offer:

- 2.1.1** This Open Offer ("**Offer**") is being made by Krishnamani Holdings Private Limited (KHPL) (hereinafter referred to as the "**Acquirer**") a company incorporated and duly registered under the Companies Act, 1956 in compliance with regulation 3(1) & 4 of the SEBI (SAST) Regulations, to the shareholders of Ganon Trading and Finance Company Limited (hereinafter referred to as "**Target Company**" or "**GTFCL**") a company incorporated and duly registered under the Companies Act, 1956 and having its registered office at having its registered office at 903, Dalamal House, 206, J. B. Marg, Nariman Point, Mumbai - 400021. The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.
- 2.1.2** There is no person acting in concert ("**PAC**") with the Acquirer within the meaning of regulation 2 (1) (q) of the SEBI (SAST) Regulations.
- 2.1.3** The Acquirer is making an Open Offer to acquire 78,260 fully paid up equity Shares of Rs.10/- each representing 26.00% of total equity and voting share capital of the Target Company, at a price of Rs. 350/- (Rupees Three Hundred and Fifty Only) per equity share (the "**Offer Price**") payable in cash, subject to the terms and conditions mentioned hereinafter.
- 2.1.4** The Acquirer has entered into a Share Purchase Agreement dated 28<sup>th</sup> March, 2012 with the present Promoter of the Target Company viz, Shri Radhakishan Damani (hereinafter referred to as the "**Seller**") to acquire in aggregate 76,000 (Seventy Six Thousand) equity shares of Rs. 10/- each representing 25.25% of the fully paid-up equity and voting share capital of the Target Company at a price of Rs. 350/- per fully paid-up equity share payable in cash ("**Negotiated Price**") for a total consideration of Rs. 2,66,00,000/- (Rupees Two Crore Sixty Six Lacs Only). The details of the Seller is as under:
- | Name               | Address of the Seller   | Tel No.                   | Fax No.      | No. of Shares/<br>Voting Rights<br>sold Through<br>SPA dated 28 <sup>th</sup><br>March, 2012 | Percentage (%) of<br>Share /Voting Rights<br>sold through the SPA<br>dated 28 <sup>th</sup> March,<br>2012 |
|--------------------|---|---------------------------|--------------|--|--|
| Radhakishan Damani | B-2, 30 <sup>th</sup> floor, 21 Altamount Road, Prithvi Apartments CHS Ltd, Mumbai 400 026. | 022-22872539/<br>22042514 | 022-22853816 | 76,000   | 25.25%   |
| <b>TOTAL</b>       |   |                           |              | <b>76,000</b>  | <b>25.25%</b>  |
- 2.1.5** Apart from 76,000 (Seventy Six Thousand) fully paid up equity shares which the Acquirer intends to purchase pursuant to SPA; the Acquirer does not hold any equity shares/ voting rights of GTFCL.
- 2.1.6** The Acquirer has not acquired any equity shares of the Target Company during the fifty-two weeks period prior to the date of the PA i.e., 28th March, 2012.
- 2.1.7** .The Manager to the Offer i.e., VC Corporate Advisors Private Limited does not hold any equity shares in the Target Company as on the date of this DLOF. The Manager to the Offer further declares and undertakes that they shall not deal in the equity shares of the Target Company on their own account during the Offer Period.
- 2.1.8** The Offer is not as a result of global acquisition resulting in indirect acquisition of GTFCL.
- 2.1.9** The Salient features of the Share Purchase Agreement dated 28.03.2012 are as follows:
- The Seller holds 76,000 equity shares of the Target Company aggregating to 25.25% of the present paid up equity and voting share capital of the Target Company.
  - The Seller has agreed to sell and the Acquirer has agreed to acquire in aggregate 76,000 fully paid up equity shares of Rs.10/- each ("**Sale shares**") representing 25.25% of the present paid up equity and voting share capital of the Target Company at a price of Rs. 350/- per share for cash aggregating to Rs. 2,66,00,000/-.
  - The Sale Shares are free from all charges, encumbrances or liens and are not subjects to any lock in period.

- d. The Acquirer shall pay the Purchase Consideration to the Seller by demand draft or in such other manner as may be specified by the Seller on the date of signing of the SPA;
- e. The Seller shall deliver with the Acquirer undated Demat Transfer Requisition Slips for off-market transfer in respect of said shares duly signed by the authorised signatory of the depository participant account of the Seller. However the Acquirer shall lodge the said duly executed Demat Transfer Requisition Slips with its Depository Participant only upon completion of Open Offer as shall be given to the equity shareholders of the Target Company in compliances with SEBI (SAST) Regulations;
- f. The Seller confirm having secured from all the existing Directors of the Target Company representing the Seller, the written undated resignations of all directors of the Target Company along with a written authority in favour of the Seller to deliver them to the Target Company on the Closing Date. Such written resignations contain a confirmation that the directors have no claim against the Target Company for compensation for loss of office or termination of employment or otherwise whether statutory or otherwise or for unpaid remuneration.
- g. That in case of non-compliance of any provisions of the SEBI (SAST) Regulations; the Agreement for such sale shall not be acted upon by the Seller or the Acquirer

**2.1.10** The Acquirer, its directors and the Seller has not been prohibited by SEBI from dealing in the securities, in terms of direction issued under Section 11B of SEBI Act 1992 as amended or under any other Regulations made under the SEBI Act.

**2.1.11** Subject to satisfaction of the provisions under the Companies Act, 1956 and/ or any other Regulation(s), the Acquirer intends to make changes in the management of GTFCL. The Acquirer intends to control over the Target Company & make changes in the Board of Directors of the Target Company subsequent to the completion of this Open Offer in accordance hereof. The Acquirer proposes to appoint their representatives on the Board of the Target Company after the completion of all formalities relating to Open Offer under SEBI (SAST) Regulations, 2011 as they may deem fit.

**2.1.12** In terms of Clause 40A of the Listing Agreement with BSE read with Rule 19A(1) of the Securities Contracts (Regulations) Rules,1957, the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis. The present Offer will not result in the public shareholding of the Target falling below the minimum level required as per the Listing Agreement.

**2.1.13** As per regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published.

**2.2 Details of the proposed Offer:**

**2.2.1.** The Acquirer has made a Detailed Public Statement pursuant to Public Announcement on April 04, 2012 in the following newspapers in accordance with the Regulation 14 (3):

Financial Express	English	All Edition
Jansatta	Hindi	All Edition
Navashakti	Marathi	Mumbai Edition
Kalantar	Bengali	Kolkata Edition

**2.2.2.** This open offer is made under SEBI (SAST) Regulations, 2011 to all the shareholders of the Target Company as on 9<sup>th</sup> May, 2012 ("**Identified Date**"), in term of the Regulation 7 (6) of the SEBI (SAST) Regulations, 2011, other than the Acquirer and the parties to Share Purchase Agreement with such parties, for the sale of shares of the Target Company.

**2.2.3.** The Target Company doesn't have any partly paid up shares.

**2.2.4.** The Acquirer will accept all the equity shares of GTFCL those that are tendered in valid form in terms of this Open Offer upto a maximum of 78,260 fully paid-up equity shares of Rs. 10/- each representing 26.00% of the total equity and voting share capital of the Target Company.

**2.2.5.** Since the date of the PA to the date of this Draft LOF, the Acquirer has not acquired any equity shares of GTFCL.

**2.2.6.** This Offer is not conditional upon any minimum level of acceptance in terms of the Regulation 19 (1) of SEBI (SAST) Regulations and is not a competitive bid in terms of the Regulation 20 of SEBI (SAST) Regulations.

**2.2.7.** The offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.

**2.3 Object of the Offer:**

**2.3.1** The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.

**2.3.2** The Acquirer intends to make changes in the management of GTFCL in accordance with the SEBI (SAST) Regulations.

**2.3.3** The Acquirer proposes to continue existing business of the Target Company and may diversify its business activities in future with prior approval of the shareholders of the Target Company. The main purpose of takeover is to expand the Target Company's business activities in same/diversified line through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far.

**2.3.4** The Acquirer does not have any plans to dispose off or otherwise encumber any significant assets of GTFCL in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirer undertakes that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of regulation 25(2) of the SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

### 3. BACKGROUND OF ACQUIRER - KRISHNAMANI HOLDINGS PRIVATE LIMITED ("ACQUIRER"/"KHPL"):

**3.1** KHPL was incorporated under the provisions of the Companies Act, 1956 on 12th April, 1994 as a Private Limited Company by Registrar of Companies, Kolkata, West Bengal having its present registered office at Room No-5, 4th Floor, Vinayak Complex, 55/1A Strand Road, Kolkata - 700 006 and corporate office at G-2, Prabha Co-Operative Housing Society Ltd, Ground Floor, R. B. Mehta Marg, Ghatkopar (East), Mumbai - 400 077, Tel No: 022- 2501-0506/08, Fax No: 022- 25010508 and the email address of KHPL is [kanakagarwal@spg.net.in](mailto:kanakagarwal@spg.net.in). The Corporate Identity Number (CIN) of KHPL is U92412WB1994PTC062913. There is no change in the name of the Acquirer since incorporation.

**3.2** The Acquirer is engaged in the business of providing loans and advances. The major source of income of KHPL is interest on loan and advances.

**3.3** The key shareholders & the Promoters of KHPL as on date of PA on 28<sup>th</sup> March 2012 are the followings:

SL NO	Shareholders Category	No. of Share	Percentage (%)
1.	M/s. SPG Ventures Private Limited	4,46,400	99.99%
2.	Mr. Madanlal Goyal	50	0.01%
	<b>TOTAL</b>	<b>4,46,450</b>	<b>100%</b>

There are no partly paid up shares in KHPL.

**3.4** The Acquirer has complied with the applicable provisions of the SEBI (SAST) Regulation whenever applicable.

**3.5** The board of directors of KHPL as on the date of the Draft Letter Of Offer is as follows:

Sl. No	Name	Designation	Residential Address	Date of Appointment	DIN No.	Qualification	Experience	No. of Shares held in GTFCL
1.	Mr. Kanak Mangal	Director	408, Indrapuri, Indore, Madhya Pradesh - 452017	29/09/2011	03582631	MBA	Working Experience in broking sector of 3 years	Nil
2.	Mr. Hari Prasad Agrawal	Director	408, Indrapuri, Anish Heritage Flat No. 203 Indore, Madhya Pradesh - 452017	01/11/2011	02476724	M.COM	More than 5 years experience in Finance.	Nil

**3.6** None of above directors is on the board of directors of Target Company.

**3.7** The Authorised Share Capital of KHPL is Rs. 45,00,000 comprising of 4,50,000 equity shares of Rs. 10/- each. The Issued, Subscribed & Paid-up Capital of the KHPL is Rs. 44,64,500 comprising of 4,46,500 equity shares of Rs. 10/- each.

**3.8** The financial details of M/s. Krishnamani Holding Pvt. Ltd. as per the audited accounts for the last three financial years ended 31<sup>st</sup> March, 2009, 31<sup>st</sup> March, 2010 and 31<sup>st</sup> March, 2011 and Unaudited Certified Financials for the nine (9) months period ended 31<sup>st</sup> December, 2011 are as follows:

#### Profit & Loss Statement

(Rs. in Lacs)

For the Year / Period Ended	31 <sup>st</sup> March, 2009 (Audited)	31 <sup>st</sup> March, 2010 (Audited)	31 <sup>st</sup> March, 2011 (Audited)	9 months period ended 31 <sup>st</sup> December, 2011 (Certified & Unaudited)
Income from Operations	5.70	12.97	7.23	Nil
Other Income	Nil	Nil	0.02	0.09
Total Income	5.70	12.97	7.25	0.09
Total Expenditure	5.45	12.70	4.92	0.1
Profit/ (Loss) before Interest, Depreciation and Tax	0.25	0.27	2.33	0.08
Depreciation	Nil	Nil	Nil	Nil
Interest	0.07	0.08	0.08	Nil
Profit/ (Loss) before Tax	0.18	0.19	2.25	0.08
Provision for Tax (including	0.09	0.06	0.69	-

For the Year / Period Ended	31 <sup>st</sup> March, 2009 (Audited)	31 <sup>st</sup> March, 2010 (Audited)	31 <sup>st</sup> March, 2011 (Audited)	9 months period ended 31 <sup>st</sup> December, 2011 (Certified & Unaudited)
fringe benefit tax)				
Profit/ (Loss) after tax	0.09	0.13	1.56	0.08

### Balance Sheet

(Rs. in Lacs)

As on	31 <sup>st</sup> March, 2009 (Audited)	31 <sup>st</sup> March, 2010 (Audited)	31 <sup>st</sup> March, 2011 (Audited)	31 <sup>st</sup> December, 2011 (Certified)
<b>Sources of funds</b>				
Paid-up Share Capital	44.65	44.65	44.65	44.65
Reserves & Surplus (excluding revaluation reserves)	663.58	663.58	663.58	663.65
Less:- Miscellaneous Expenditure not written off	1.98	2.67	0.91	0.91
<b>Net Worth</b>	<b>706.25</b>	<b>705.56</b>	<b>707.32</b>	<b>707.39</b>
Secured loans	Nil	Nil	Nil	Nil
Unsecured loans	0.86	0.93	1.02	82.02
<b>Total</b>	<b>707.11</b>	<b>706.49</b>	<b>708.34</b>	<b>789.41</b>
<b>Uses of funds</b>				
Net Fixed Assets	Nil	Nil	Nil	Nil
Investments	657.00	858.50	370.00	272.50
Net Current Assets	50.11	(152.03)	338.40	516.90
<b>Total</b>	<b>707.11</b>	<b>706.49</b>	<b>708.34</b>	<b>789.41</b>

### Other Financial Data

For the Year Ended	31 <sup>st</sup> March, 2009 (Audited)	31 <sup>st</sup> March, 2010 (Audited)	31 <sup>st</sup> March, 2011 (Audited)	9 months period ended 31 <sup>st</sup> December, 2011 (Certified)
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share (Rs.)	0.02	0.03	0.35	0.02
Return on Net worth (%)	0.01%	0.02%	0.22%	0
Book Value Per Share (Rs.)	158.19	158.04	158.43	158.43

**Note:**

- (i) EPS = Profit after tax / number of outstanding equity shares at the close of the year/ period.
- (ii) Return on Net Worth = Profit after Tax / Net Worth
- (iii) Book Value per Share = Net Worth / No. of equity shares
- (iv) Source: Audited Annual Reports / Certified Financial Statements.

3.9 There are no contingent liabilities in KHPL.

#### 4. BACKGROUND OF GANON TRADING AND FINANCE COMPANY LIMITED ("GTFCL" or "TARGET COMPANY")

*(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)*

4.1 Ganon Trading and Finance Company Limited (**GTFCL**) was incorporated on July 02, 1985 in the State of Maharashtra and GTFCL had obtained Certificate of Commencement of Business on July 11, 1985. The CIN of GTFCL is L51900MH1985PLC036708. The registered office of the Target Company is presently situated at 903, Dalamal House, 206, J.B.Marg, Nariman Point, Mumbai - 400021, Tel No.(022)22872539/22812252; Fax No: (022) 22853816; E-mail: bright201@rediffmail.com. The GTFCL is engaged in the business of investment and trading in stocks and securities of listed companies, unlisted companies as well as units of mutual fund.

- 4.2 The Authorised Share Capital of GTFCL is Rs. 40,00,000 comprising of 4,00,000 equity shares of Rs. 10/- each. The Issued, Subscribed & Paid-up Capital of the GTFCL is Rs. 30,10,000 comprising of 3,10,000 equity shares of Rs. 10/- each. As on date the Target Company does not have any partly paid Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. No shares are subject to any lock in obligations.
- 4.3 As on date the Target Company does not have any partly paid Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage.
- 4.4 The Share Capital of the Target Company is as follows:

<b>Paid up Equity Shares of Target Company</b>	<b>No. of Shares / Voting Rights</b>	<b>% of Shares / Voting Rights</b>
Fully Paid-up Equity Shares	3,01,000	100.00%
Partly Paid-up Equity Shares	Nil	Nil
Total Paid-up Equity Shares	3,01,000	100.00%
Total voting rights in the Target Company	3,01,000	100.00%

- 4.5 The entire equity shares capital of GTFCL are listed at Bombay Stock Exchange (BSE) only. The equity shares of the Target Company are placed under Group 'T' having a scrip code of 512443 & Scrip Id: GANONTR on the BSE. The equity shares of GTFCL are not frequently traded on BSE within the meaning of Regulation 2(j) of the SEBI (SAST) Regulations. The Target Company has already established connectivity with Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL).
- 4.6 The trading of the Equity Shares of the Company was suspended by the Bombay Stock Exchange Limited with effect from 27th February, 1999 due to non compliance of various clauses of listing agreement and the said suspension has been revoked with effect from 28th July, 2011.
- 4.7 As on the date of this Draft LOF, the Board of Directors of GTFCL is as follows:

<b>Names of Directors</b>	<b>Designation</b>	<b>DIN</b>	<b>Date of Appointment</b>
Mr. Rajendra Lalchand Singhvi	Director	00037069	03/01/2010
Mr. Radhakishan Shivkishan Damani	Director	00278474	09/04/1995
Mr. Gopikishan Shivkishan Damani	Director	00278532	05/03/1991
Mr. Shrikanta Devi Damani	Director	00278573	01/01/1995
Mr. Dwarka Prasad Agrawal	Additional Director	01764827	24/03/2012

Note: As on the date of the Draft LOF, there are no persons on the Board of Directors of the Target Company, representing the Acquirer.

- 4.8 There has been no merger / demerger or spin off involving GTFCL during the last 3 years. There has not been any change in the name of the Target Company since incorporation.
- 4.9 The Target Company has no subsidiary.

#### 4.10 Financial Information:

The financial details of GTFCL as per the audited accounts for the last three financial years ended 31st March, 2009, 31st March, 2010 and 31st March, 2011 and unaudited certified financials for the nine (9) months period ended 31st December, 2012 are as follows:

#### Profit & Loss Statement

(Rs. in Lacs)

<b>For the Year / Period Ended</b>	<b>31<sup>st</sup> March, 2009 (Audited)</b>	<b>31<sup>st</sup> March, 2010 (Audited)</b>	<b>31<sup>st</sup> March, 2011 (Audited)</b>	<b>9 months period ended 31<sup>st</sup> December, 2011 &amp; Unaudited)</b>
Income from Operations	10.66	533.33	8.21	30.11
Other Income	0.02	Nil	Nil	Nil
Increase/(Decrease) in Stock	(0.57)	0.51	0.26	(0.32)
<b>Total Income</b>	<b>10.11</b>	<b>533.84</b>	<b>8.47</b>	<b>29.79</b>
<b>TOTAL EXPENDITURE</b>	<b>0.41</b>	<b>2.07</b>	<b>7.61</b>	<b>1.91</b>
Profit/ (Loss) before Interest, Depreciation and Tax	9.70	531.77	0.86	27.88
Depreciation	NIL	NIL	NIL	NIL
Interest	NIL	NIL	NIL	NIL
<b>PROFIT/ (LOSS) BEFORE TAX</b>	<b>9.70</b>	<b>531.77</b>	<b>0.86</b>	<b>27.88</b>
Provision for Tax (including fringe benefit tax)	0.06	0.21	NIL	0.08
<b>PROFIT/ (LOSS) AFTER TAX</b>	<b>9.64</b>	<b>531.56</b>	<b>0.86</b>	<b>27.80</b>



## Balance Sheet

(Rs. in Lacs)

As on	31 <sup>st</sup> March, 2009 (Audited)	31 <sup>st</sup> March, 2010 (Audited)	31 <sup>st</sup> March, 2011 (Audited)	31 <sup>st</sup> December, 2011 (Certified & Unaudited)
<b>Sources of funds</b>				
Paid-up Share Capital	24.90	24.90	30.10	30.10
Reserves & Surplus (excluding revaluation reserves)	208.59	740.16	735.81	763.61
Less:- Miscellaneous Expenditure not written off	NIL	NIL	NIL	NIL
<b>Net Worth</b>	<b>233.49</b>	<b>765.06</b>	<b>765.91</b>	<b>793.71</b>
Secured loans	NIL	NIL	NIL	NIL
Unsecured loans	NIL	NIL	NIL	NIL
<b>Total</b>	<b>233.49</b>	<b>765.06</b>	<b>765.91</b>	<b>793.71</b>
<b>Uses of funds</b>				
Net Fixed Assets	NIL	NIL	NIL	NIL
Investments	218.56	668.67	660.97	695.44
Net Current Assets	14.93	96.39	104.94	98.27
<b>Total</b>	<b>24.90</b>	<b>24.90</b>	<b>30.10</b>	<b>30.10</b>

## Other Financial Data

For the Year Ended	31 <sup>st</sup> March, 2009 (Audited)	31 <sup>st</sup> March, 2010 (Audited)	31 <sup>st</sup> March, 2011 (Audited)	9 months period ended 31 <sup>st</sup> December, 2011 (Certified & Unaudited)
Dividend (%)	NIL	NIL	NIL	NIL
Earning Per Share (Rs.)	3.87	213.48	0.31	9.24
Return on Net worth (%)	4.13	69.48	0.11	3.50
Book Value Per Share (Rs.)	93.77	307.25	254.46	263.69

**Note:**

- (v) EPS = Profit after tax / number of outstanding equity shares at the close of the year/ period.  
(vi) Return on Net Worth = Profit after Tax / Net Worth  
(vii) Book Value per Share = Net Worth / No. of equity shares  
(viii) Source: Audited Annual Reports/ Certified by Statutory auditors

**4.11 Pre and Post-Offer Shareholding Pattern of GTFCL (based on Issued, Subscribed & Paid-up Equity and Voting Share Capital) is as under:**

Shareholders' Category	Share holding / voting rights Prior to the SPA/ acquisition and Offer		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Open Offer (assuming full acceptances)		Share holding /voting rights after Acquisition and Offer	
	(A)	(B)	(C)	(D)	(A)+(B)+(C) = (D)	(E)	(F)	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
1. Promoter Group:								
(a) Party to the Agreement	76,000	25.25	(76,000)	(25.25)	-	-	-	-
(b) Promoters other than (a) above	Nil	Nil	-	-	-	-	-	-
<b>TOTAL 1 (a+b)</b>	<b>76,000</b>	<b>25.25</b>	<b>(76,000)</b>	<b>(25.25)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2. Acquirer:								
Krishnamani Holdings Private Limited (KHPL)	-	-	76,000	25.25	78,260	26.00	1,54,260	51.25
<b>TOTAL 2</b>	<b>-</b>	<b>-</b>	<b>76,000</b>	<b>25.25</b>	<b>78,260</b>	<b>26.00</b>	<b>1,54,260</b>	<b>51.25</b>
3. Parties to Agreement other than 1(a) & 2	Nil	Nil	-	-	-	-	Nil	Nil
4. Public (other than Parties to Agreement and Acquirer )								
a. FIs/MFs/FIIs/Banks/SFIs (Indicate names)	Nil	Nil	-	-	-	-	Nil	Nil

<b>b. Others :</b> Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,25,000	74.75			(78,260)	(26.00)	1,46,740	48.75
Total (4) (a+b)	2,25,000	74.75					1,46,740	48.75
Total No. of Shareholders in Public Category, i.e., 123								
<b>GRANDTOTAL (1+2+3+4)</b>	<b>3,01,000</b>	<b>100.00</b>	-	-	-	-	<b>3,01,000</b>	<b>100.00</b>

## 5. OFFER PRICE & FINANCIAL ARRANGEMENTS:

### 5.1 Justification of Offer Price:

**5.1.1** The entire equity shares of the Target Company are listed at BSE only. The shares are placed under Group 'T' having a Scrip Code of 512417 & Scrip ID: [SHARPTR](#) on the BSE. This acquisition of shares is direct acquisition as per the regulation 3 (1) & 4 of the SEBI (SAST) Regulations to the shareholder(s) of Ganon Trading and Finance Company Limited.

**5.1.2** The total trading turnover in the Equity Shares of the Target Company on the stock exchanges based on trading volume during the twelve calendar months prior to the month of PA (March 1, 2011 to February 29, 2012) is as given below:

Stock Exchange	Total No. of Equity Shares traded during the Twelve calendar months prior to the month of PA	Total No. of listed equity shares of the Target Company	Total Trading Turnover (as % of total equity shares Listed)
BSE	600	3,01,000	0.20%

**5.1.3** Based on the above information, equity Shares of GTFCL are not frequently traded shares within the meaning of explanation provided in terms of regulation 2(j) of the SEBI (SAST) Regulations, the Offer Price has been determined taking into account the parameters as set out under regulation 8 (2) of the SEBI (SAST) Regulations, as under:

Sr. No.	Particulars	Price (In Rs. per share)
1.	Negotiated Price under the SPA	Rs. 350/-
2.	The Volume- Weighted Average Price paid or payable for acquisitions by the Acquirer during 52 weeks immediately preceding the date of PA	Not Applicable
3.	Highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA	Not Applicable
4.	The Volume-Weighted Average Market Price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	Not Applicable
5.	Other Financial Parameters as at 31 <sup>ST</sup> March 2011:	
	(a) Return on Net worth (%)	0.11
	(b) Book Value Per Share	254.46
	(c) Earning Per Share	0.31
	(d) Industry Average P/E Multiple *	12.8
	(e) Offer price P/E Multiple	1129.03

\* (Source: Capital Market Journal Vol. XXVII/02, March 19, 2012 – April 01, 2012, Industry – Finance/Investment).

Mr. Pawan Lakhota, Proprietor of M/s. Pawan Lakhota & Company, Chartered Accountants, (Membership No. 117023, Firm Reg. No. 125581W) having its office at A/1, Satyam Building, Opp S.B.I. Agashi Road, Virat (West), Dist : Thane - 401303, Tele fax 0250-2514032, E-mail : pawan.lakhota@gmail.com vide certificate dated March 28, 2012 has stated that based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995 (83 Com case 30), the fair value of the equity shares of Target Company is Rs. 284.91 per share.

In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs. 350/- per equity share is justified in terms of regulation 8 (2) of the SEBI (SAST) Regulations.

**5.1.4** The relevant price parameters have not been adjusted for any corporate actions.

**5.1.5** As on date of this Draft LOF, there is no revision in Open Offer price or Open Offer size. In case of any revision in the Open Offer price or Offer Size, the Acquirer shall comply with regulation 18 of the SEBI (SAST) Regulations and all other applicable provisions of the SEBI (SAST) Regulations.

**5.1.6** If there is any revision in the offer price on account of future purchases / competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the tendering period and would be notified to shareholders.

### 5.2 Financial arrangements:

**5.2.1** The Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of their own sources/ networth and no borrowings from any Bank and/ or Financial Institutions are

envisaged. Mr. Pawan Lakhotia, Proprietor of M/s. Pawan Lakhotia & Company, Chartered Accountants, (Membership No. 117023, Firm Reg. No. 125581W) having its office at A/1, Satyam Building, Opp S.B.I. Agashi Road, Virat (West), Dist : Thane - 401303, Tele fax 0250-2514032, E-mail : pawan.lakhotia@gmail.com has certified vide certificate dated March 28, 2012 that sufficient resources are available with Acquirer for fulfilling the obligations under this Offer in full.

- 5.2.2** The maximum consideration payable by the Acquirer to acquire 78,260 fully paid-up equity shares at the Offer Price of Rs. 350/- (Rupees Three Hundred and Fifty Only) per equity share, assuming full acceptance of the Offer would be Rs.2,73,91,000/- (Rupees Two Crore Seventy Three Lacs Ninety One Thousand Only). In accordance with regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Account under the name and style of "**GTFCL-Open Offer Escrow Account**" with HDFC Bank Limited, Central Plaza, 2/6, Sarat Bose Road, Kolkata-700 020 ("**Escrow Banker**") and made therein a cash deposit of Rs.68,48,000/- (Rupees Sixty Eight Lacs Forty Eight Thousand Only) being more than 25% of the total consideration payable in the Open Offer, assuming full acceptance.
- 5.2.3** The Manager to the Offer is authorized to operate the above mentioned Escrow account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 5.2.4** Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

## **6. TERMS AND CONDITIONS OF THE OFFER:**

- 6.1** The Letter of Offer along with Form of Acceptance cum Acknowledgement will be sent to all those shareholders of GTFCL (except the Acquirer and the parties to the SPA) whose name appear on the Register of Members and to the beneficial owners of the shares of the GTFCL whose names appear on the beneficial records of the Depository Participant, at the close of business hours on 9<sup>th</sup> May, 2012 ("**Identified Date**").
- 6.2** All owners of the shares, Registered or Unregistered (except the Acquirer and the parties to the SPA) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer as per the procedure set out in Para 7 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.
- 6.3** Accidental omission to dispatch this LO or the non-receipt or delayed receipt of this LOF will not invalidate the Offer in anyway.
- 6.4** Subject to the conditions governing this Offer, as mentioned in the LOF, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

### **6.5 Locked-in Shares:**

There are no locked-in shares in GTFCL.

### **6.6 Eligibility for accepting the Offer:**

The Offer is made to all the public shareholders (except the Acquirer and parties to the SPA) whose names appeared in the register of shareholders on 9<sup>th</sup> May, 2012 ("**Identified Date**") and also to the beneficial owners ("Demat Holders") of the equity shares of GTFCL, whose names appeared as beneficiaries on the records of the respective Depository Participants ("**DP**") at the close of the business hours on 9<sup>th</sup> May, 2012 ("**Identified Date**") and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

### **6.7 Statutory Approvals and conditions of the Offer:**

- 6.7.1** The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring equity shares tendered by non-resident shareholders, if any.
- 6.7.2** As of the date of the DLOF, other than the above, no statutory approvals and/ or consents are required. However, the offer would be subject to the receipt of such other statutory approvals as may be required and/ or may subsequently become necessary to acquire at any later date.
- 6.7.3** The Acquirer, in terms of regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has appeared.
- 6.7.4** In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.
- 6.7.5** No approval is required from any bank or financial institutions for this Offer.
- 6.7.6** The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

## 7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

7.1 The Shareholder(s) of GTFCL who qualify and who wish to avail of this Offer will have to send their shares to the Registrar to the Offer as mentioned in the Form of Acceptance cum Acknowledgement at the following address:

**ADROIT CORPORATE SERVICES PRIVATE LIMITED**

19/20, Jafferbhoy Industrial Estate, 1<sup>st</sup> Floor, Makwana Road, Marol Naka, Andheri East, Mumbai-400 059  
Phone No: (022) 2859 0942/ 4442/6060, Fax: (022) 28503748, E-mail: surenrag@adroitcorporate.com

Acceptances may be sent by Registered Post or by hand so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. 05.06.2012. Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday – Friday	10.00 a.m.to 5:00 p.m.	Hand Delivery
Saturday	10.00 a.m.to 2:00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

7.2 Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent.

### 7.2.1 For Equity Shares held in physical form:

#### (i) Registered shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s);
- Original Share Certificates;
- Valid share transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with GTFCL and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this draft LOF.

#### (ii) Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein.
- Original Share Certificate(s)
- Broker contract note.
- Valid share transfer form(s) as received from the market. The details of the buyer should be left blank failing which; the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. All other requirements for valid transfer will be preconditioned for acceptance. No indemnity is required from unregistered shareholders.

### 7.2.2 For equity shares held in Demat Form:

#### Beneficial owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depositories.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by DP in favour of the Special Depository Account (please see below) before the close of the business hours on 05.06.2012.

7.3 The Registrar to the Offer, Adroit Corporate Services Private Limited has opened a Special Depository Account with LKP SECURITIES LIMITED (Registered with CDSL). The details of the Special Depository Account are as follows: -

DP Name	LKP SECURITIES LIMITED
DP ID	12030000
Client ID	00608210
Account name	GANON TRADING AND FINANCE COMPANY LTD-OPEN OFFER-OPERATED BY-ADROIT CORPORATE SERVICES PVT LTD
Depository	CDSL

Shareholders having their beneficial account with NSDL have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Account opened with CDSL.

- 7.4** For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance cum Acknowledgement. In the case of Demat shares, the shareholders are advised to ensure that their shares are credited in favour of special depository account, before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such Demat Shares not credited in favour of the Special Depository Account before the closure of the offer is liable to be rejected.
- 7.5** The Share Certificate(s), Share Transfer Form, Form of Acceptance cum Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, as mentioned above. They should not be sent to the Manager to the Offer or the Acquirer or the Target Company.
- 7.6** In case of non-receipt of the Letter of Offer, the eligible persons may obtain a copy of the same from Registrar to the Offer or Manager to the Offer on providing suitable documentary evidence of acquisition of shares of GTFCL. The Public Announcement, Detailed Public Statement, LOF, Form of Acceptance Cum Acknowledgement will be available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in), from the Offer opening date. The eligible persons can download these documents from the SEBI's website & apply using the same. Alternatively, they may send their consent to participate in the Offer, to the Registrar to the Offer, on a plain paper stating the name & address of the first holder, name(s) & address(s) of joint holders, if any, registered folio no, share certificate no., distinctive nos., no. of the shares held, no. of the shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before closure to the Offer i.e. 06.06.2012. Unregistered owners should not sign the transfer deeds & the transfer deed should be valid. In case of Beneficial Owners, they may send their applications in writing to the Registrar to the Offer, on a plain paper stating their name, address, no. of shares held, no. of shares offered, DP name, DP ID No., beneficiary account number and a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by DP in favour of special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer, i.e.05.06.2012.
- 7.7** Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions/ orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
- 7.8** While tendering the equity shares under the Offer, NRIs / foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the equity shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such equity shares tendered. While tendering shares under the Offer, NRI / foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.
- 7.9** As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ('FII') as defined in Section 115AD of the Income Tax Act.
- 7.10** No indemnity is needed from the unregistered shareholders.
- 7.11** The Acquirer shall complete all procedures relating to the Offer including payment of consideration to the shareholders by 19.06.2012. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations.
- 7.12** Payment of consideration will be made by crossed account payee cheques /demand drafts / pay orders / through ECS mode of payment and will be sent by registered post, to those shareholders / unregistered owners & at their sole risk, whose shares/ share certificates & other documents are found in order & accepted by Acquirer in part or in full except in case of joint holders, cheques / demand drafts/ pay orders/ECS Credit, in the name of first holder. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that same can be incorporated in the cheques/ demand drafts/ pay orders. In order to get payment through ECS mode shareholders are requested to provide their Bank Details like Account Number, Name of the Bank and its address, IFSC Code of Bank etc.
- 7.13** In case the shares tendered in the Offer by the shareholders are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be on proportionate basis which would be determined in consultant with the Manager to the Offer so as to ensure that the basis of acceptance is decided in a fair and equitable manner.
- 7.14** Unaccepted share certificates, transfer forms & other documents, if any, will be returned by registered post at the shareholders/ unregistered owners sole risk to the sole / first shareholder. Shares held in Demat Form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owners.
- 7.15** The Registrar to the Offer will hold in trust the Share Certificates, shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form/s on behalf of the shareholders of GTFCL who have accepted the Offer, till the Cheques/Drafts/ECS credit for the consideration and/or the unaccepted shares/share certificates are despatched/returned/credited.
- 7.16** In case any person has lodged shares of GTFCL for transfer & such transfer has not yet been effected, the concerned person may apply as per the instructions in Para 7.6 above together with the acknowledgement of lodgment shares for transfer. Such persons should also instruct GTFCL to send the transferred share certificate(s) directly to the Registrar to the Offer. The applicant should ensure that the certificate(s) reached the Registrar to the Offer on or before the Offer closing date.

- 7.17** In case any person has tendered his physical shares in GTFCL for dematerialization and such dematerialization has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialization request form acknowledged by shareholders DP. Such shareholders should ensure the credit of the shares to the Special Depository Account on or before the Offer closing date.
- 7.18** In case the shareholder has already sold his Shares, he may kindly forward this Offer document to the transferee or to the broker through whom the shares were sold. In case the shares were sold directly ("Off-market"), this document may be forwarded to the purchaser of the shares.

#### **8. DOCUMENTS FOR INSPECTION:**

Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, M/s. VC Corporate Advisors Private Limited at 31, Ganesh Chandra Avenue, 2nd Floor, Suite No -2C, Kolkata-700 013 on any working day between 10.00 a.m. and 2.00 p.m. during the period the Offer is open i.e., from 23<sup>rd</sup> May, 2012 to 5th June, 2012.

- i)** Memorandum & Articles of Association of Krishnamani Holdings Private Limited (KHPL) along with the Certificate of Incorporation.
- ii)** Audited Annual Reports for the financial year ended 31<sup>st</sup> March 2009, 31<sup>st</sup> March 2010 & 31<sup>st</sup> March, 2011 and Unaudited & Certified Accounts for the nine months period ended 31<sup>st</sup> December, 2011 of Krishnamani Holdings Private Limited.
- iii)** Audited Annual Reports for the financial year ended 31<sup>st</sup> March 2009, 31<sup>st</sup> March 2010 & 31<sup>st</sup> March, 2011 and Unaudited & Certified Accounts for the nine months period ended 31<sup>st</sup> December, 2011 of Ganon Trading and Finance Company Limited.
- iv)** Copy of the letter received from HDFC Bank Limited dated 31<sup>st</sup> March, 2012 confirming the required amount kept in the escrow account and marked lien in favour of Manager to Offer.
- v)** The copy of Share Purchase Agreement dated 28<sup>th</sup> March, 2012 between the Seller and the Acquirer, which triggered the Open Offer.
- vi)** Certificate dated 28<sup>th</sup> March, 2012 from Mr. Pawan Lakhota, Proprietor of M/s. Pawan Lakhota & Company, Chartered Accountants, (Firm Registration No. 117023& Membership No. 117023), having office at A/1, Satyam Building, Opp S.B.I. Agashi Road, Virar (West), Dist : Thane - 401303; Ph: No. 0250-2514032 and E-mail: pawan.lakhota@gmail.com certifying that sufficient resources are available with the Acquirer for the implementation of the Offer in full out of its own sources / net worth.
- vii)** Certificate dated 28<sup>th</sup> March, 2012 of Mr. Pawan Lakhota, Proprietor of M/s. Pawan Lakhota & Company, Chartered Accountants, (Firm Registration No. 117023& Membership No. 117023), having office at A/1, Satyam Building, Opp S.B.I. Agashi Road, Virar (West), Dist : Thane - 401303; Ph: No. 0250-2514032 and E-mail: pawan.lakhota@gmail.com relating to the fair value of the equity shares of the Target Company.
- viii)** Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer, dated 28<sup>th</sup> March, 2012.
- ix)** Copy of the Public Announcement dated 28<sup>th</sup> March, 2012 and published copy of the Detailed Public Statement dated 4th April, 2012.
- x)** Copy of the recommendations dated \_\_\_\_\_ made by the Committee of Independent Directors of the Target Company.
- xi)** Copy of SEBI Observation letter no. \_\_\_\_\_ dated \_\_\_\_\_ .

#### **9. DECLARATION BY THE ACQUIRER:**

The Acquirer, KHPL and its directors accepts full responsibility for the information contained in the DLOF and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof and the Acquirer would be responsible for ensuring compliance with the SEBI (SAST) Regulations.

#### **ON BEHALF OF:**

**KRISHNAMANI HOLDINGS PRIVATE LIMITED (KHPL)**  
Acquirer

Sd/-  
Authorized Signatory

Place: MUMBAI  
Date: 12.04.2012

Attached: Form of Acceptance cum Acknowledgement

**FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT**

To,  
**Adroit Corporate Services Private Limited**  
 19/20, Jafferbhoy Industrial Estate  
 1<sup>st</sup> Floor, Makwana Road, Marol Naka,  
 Andheri East, Mumbai-400 059

**Date:**

OFFER	
Opens on	May 23, 2012
Closes on	June 05, 2012

Dear Sir,

**Subject: Open Offer by Krishnamani Holdings Private Limited, a company registered under the Companies Act, 1956, and having its registered office at Room No-5, 4<sup>th</sup> Floor, Vinayak Complex, 55/1A Strand Road, Kolkata-700 006, ("Acquirer") to the shareholders of Ganon Trading and Finance Company Limited ("Target Company" or "GTFCL") to acquire from them upto 78,260 equity shares of Rs. 10/- each representing 26% of the equity and voting share capital of GTFCL @ Rs. 350/-per fully paid-up equity share.**

I/We refer to the Letter of Offer dated 12.04.2012 for acquiring the equity shares held by us in Ganon Trading and Finance Company Limited.

I/We, the undersigned have read the Letter of Offer, understood its contents including the terms and conditions as mentioned therein.

**FOR EQUITY SHARES HELD IN PHYSICAL FORM**

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	Ledger Folio No.	Certificate No(s).	Distinctive No(s).		No. of shares
			From	To	
<b>Total number of equity shares</b>					

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer gives the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

**FOR EQUITY SHARES IN DEMATERIALIZED FORM**

I/We holding the shares in the dematerialized form accept the offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participants "DP" in respect of my/our shares as detailed below:

DP Name	DP ID	Client ID	ISIN NO.	Beneficiary Name	No. of Shares
<b>Total number of shares</b>					

I/We have done an off market transaction for crediting the Shares to the Special Depository Account opened for the purposes of the Offer, for which necessary instructions have been given to my/our DP.

I/We note and understand that the Shares would reside in the Special Depository Account opened for the purpose of this Offer until the time the Acquirer accepts the Shares and makes the payment of purchase consideration as mentioned in the Draft LOF.

I/We confirm that the equity shares of Ganon Trading and Finance Company Limited, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted.

I/We authorise the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post as may be applicable at my/our risk, the draft /cheque/ warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

I/We authorize the Acquirer to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,  
 Signed and Delivered

	Full Names (s) of the holders	Address & Telephone No.	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

**Note:** In case of joint holdings all must sign. Enclose duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s). A corporation must affix its common seal and enclose necessary certified corporate authorizations. Non-resident shareholders with repatriable benefits must enclose appropriate documentation.

Place:

Date:

**Bank Details**

So as to avoid fraudulent encashment in transit, and also to enable payment through ECS the shareholder(s) may, at their option, provide details of bank account of the first / sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

I / We permit the Acquirer or the Manager to the Offer to make the payment of Consideration through Electronic Clearance Service (ECS) of the Reserve Bank of India based on the Bank Account Details provided below and a photo copy of cheque is enclosed.

Savings/Current/(Others; please specify) : \_\_\_\_\_

Name of the Bank Branch: \_\_\_\_\_

Account Number: \_\_\_\_\_ IFSC Code of Bank \_\_\_\_\_

The Permanent Account Number (PAN No.) allotted under Income Tax Act, 1961 is as below:

	1 <sup>st</sup> Shareholder	2 <sup>nd</sup> Shareholder	3 <sup>rd</sup> Shareholder
PAN No.			

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

**Acknowledgement slip**

Ledger Folio No. \_\_\_\_\_ DP ID \_\_\_\_\_ Client ID \_\_\_\_\_ Received from \_\_\_\_\_ an application for sale of \_\_\_\_\_ Equity Share(s) of GANON TRADING AND FINANCE COMPANY LIMITED together with \_\_\_\_\_ share certificate(s) bearing Certificate Numbers \_\_\_\_\_ and \_\_\_\_\_ transfer deed(s)/ photocopy of "Off-market" delivery instruction duly acknowledged by the DP.

**Note:** All future correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned above.

**Date of receipt**

**Signature of the official**

**INSTRUCTIONS**

- i. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance cum Acknowledgement.
- ii. The Form of Acceptance cum Acknowledgement should be filled-up in English only.
- iii. Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.

**iv. Mode of tendering the Equity Shares Pursuant to the Offer:**

- (i) The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of GTFCL.
- (ii) Shareholders of GTFCL to whom this Offer is being made, are free to Offer his / her / their shareholding in GTFCL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.