

## PUBLIC ANNOUNCEMENT

For the attention of the Shareholders of Garnet Paper Mills Limited

(Registered Office - 17, Milap Apartment,  
S.V.Road, Malad-(West), Mumbai- 400 064)

This public announcement is being issued by Aryaman Financial Services Limited, on behalf of M/s. Monalisa Mouldings Pvt. Ltd. and M/s. Azam Plastics Pvt. Ltd., pursuant to Regulation 10 and 12 and other provisions of Chapter III of and in compliance with the Securities & Exchange Board of India Substantial Acquisition of Shares and Takeovers (SAST) Regulations 1997 and subsequent amendments thereto (the "Regulations").

### 1. The Offer

- a. This offer is being made by M/s. Monalisa Mouldings Pvt. Ltd. (Monalisa) and Azam Plastics Pvt. Ltd. (Azam) (hereinafter referred to as Acquirers) having their registered office at 40, Municipal Industrial Estate, Bapty Road, Mumbai- 400 008 to the shareholders of Garnet Paper Mills Limited. Mr. Mohammed Aslam Khan, Mr. Mohammed Azam Khan, Mr. Mohammed Anjum Khan and Mr. Mohammed Alar Khan residing at Meher Villa, Katharia Nani Daman, Daman- 396210 are termed as the Persons Acting In Concert (PACs).
- b. Monalisa has entered into an agreement dated 05/06/02 ("*Acquisition Agreement*") to acquire by private negotiations from Mr. Arun Kumar Kedia s/o Mr.. Kishen Kumar Kedia and Mrs. Kusumadevi Kedia, W/o Mr.. Kishen Kumar Kedia residing at 12/B, Lohtse Co-op. Hsg. Soc. Ltd., Ruia Park, Juhu, Mumbai- 400 009 (hereinafter referred to as "*Vendor*"), a total of 18,32,450 equity shares of Rs. 10 each representing 40.41% of the voting capital of M/s. Garnet Paper Mills Limited, (hereinafter referred to as "*Target Company*" / "*GARNET*") having its registered office at 17, Milap Apartments, S.V.Road, Malad (West), Mumbai-400 064, for cash at a price of Re.1/- per share.
- c. Azam has entered into an agreement dated. 05/06/02 ("*Acquisition Agreement*") to acquire by private negotiations from Mr.Kishen Kumar Kedia, s/o Mr. Jugalkishore Kedia and Mr. Sanjay Kumar Kedia, S/o of Mr.. Kishan Kumar Kedia residing at 12/B, Lohtse Co-op. Hsg. Soc. Ltd., Ruia Park, Juhu, Mumbai- 400 009 (hereinafter referred to as "*Vendor*"), a total of 4,25,400 equity shares of Rs. 10 each representing 9.38% of the voting capital of M/s. Garnet Paper Mills Limited, ("*Target Company*" "*GARNET*"), having its registered office at 17, Milap Apartments, S.V.Road, Malad (West), Mumbai-400 064, for cash at a price of Rs.1/- per share.
- d. The vendors belong to the Promoter Group of the Target Company. The mode of payment of the consideration for the shares acquired under the agreement is cash and the total consideration of Rs. 22,57,850 shall be paid at the time of completion of all the takeover formalities. The agreement dated 05/06/02 contains a clause that it is subject to the provisions of SEBI (SAST) Regulation and in case of non-compliance with any of the provisions of the Regulations, the agreement for such sale shall not be acted upon by the Vendor or the Acquirers.
- e. As on the date of the agreement, the Acquirers do not hold any shares of the Target Company.
- f. The Acquirers are now making offer to the public shareholders of Garnet to acquire further 20,92,520 equity shares representing 20.00% of the issued and paid up equity share capital of Garnet at a price of Rs. 10/- per equity share for fully paid up shares and Rs.2.50 per share for partly paid up shares (the "Offer Price") payable in cash. The number of fully paid shares with the public are 6,89,700 and the balance 14,02,820 shares are partly paid up shares. The Offer is not subject to any minimum level of acceptance and the Acquirer will acquire all the equity shares of Garnet that are tendered in valid form in accordance with the terms and conditions set out herein and in the Letter of Offer to be sent to the shareholders up to a maximum of 20,92,520 equity shares.
- g. The equity shares of Garnet are listed on the Stock Exchanges at Mumbai, Ahmedabad and Delhi. There has been no trading in the shares of Garnet during the preceding 6

calendar months prior to the month in which this public announcement is made. The last traded price of the share on the Stock Exchange at Mumbai, was on 21<sup>st</sup> July, 2000 at Rs. 6.70 and the number of shares traded were 100. The trading in the shares of the company are suspended since 7<sup>th</sup> January, 2002 due to non- payment of listing fees. The offer price has been arrived at as per the Regulation 20 (3) of the SEBI Takeover Regulations taking into account the negotiated price of Re. 1/-, and other parameters as on 31.03.2002 such as Book Value of Rs. 9.58, EPS and Return on Net worth being nil. During the past 26 weeks period prior to the date of this public announcement, the Acquirer has not acquired any equity shares of the target company. No preferential allotment has been made to the Acquirers (including PACs) at any time.

## **2. Information about the Acquirers**

The Acquirers are group companies with all the directors common. The Acquirers have promoted a listed company Monalisa Infotech Ltd., listed on the Stock Exchanges at Mumbai and Ahmedabad.

### **I. M/s Azam Plastics Pvt. Ltd. ( Azam)**

- a. Azam was incorporated as a private limited company on August 01, 1989 under the Companies Act, 1956 in the name Azam Plastics Pvt. Ltd. The Registered office of the Company is situated at 40, Municipal Industrial Estate, Bapty Road, Mumbai – 400 008.
- b. The company has been promoted by Mr. Abdul Aziz Mooza Khan and Mr. Azam Abdul Aziz Khan. The directors of the company are Mr. Mohammed Aslam Khan, Mr. Mohammed Azam Khan, Mr. Mohammed Anjum Khan and Mr. Mohhammed Alam Khan. The Company is not listed on any Stock Exchange.
- c. The company was engaged in the business of manufacture of Injection Moulded Plastic articles for household use till the financial year 1997-98. Thereafter due to competition from other units the margins were put on pressure and the company decided to discontinue its activities. Azam is presently not engaged in any business.
- d. As on 31<sup>st</sup> March, 2002 the Share Capital of Azam was Rs. 16.80 lacs divided into 16800 equity shares of Rs. 100 each fully paid up. The net worth as on March 31<sup>st</sup> 2002 was Rs. 39.15 lacs. The total income for the period ended 31<sup>st</sup> March, 2002 was Rs. 0.65 lacs with a net loss of Rs. 19.74 lacs. For the year ended 31<sup>st</sup> March, 2002 book value per share was Rs. 233.06 the Earnings Per Share was Rs. (81.81) and Return on Networth was (35.10)%.

### **II. M/s Monalisa Mouldings Pvt. Ltd. (Monalisa)**

- a. Monalisa was incorporated as a private limited company on December 10, 1991 under the Companies Act, 1956 in the name Monalisa Mouldings Pvt. Ltd. The Registered office of the Company is situated at 40, Municipal Industrial Estate, Bapty Road, Mumbai – 400 008.
- b. The company has been promoted by Mrs. Parveen Khan, Mrs. Nasreen Khan and Mr. Mohammad Azam Khan. The directors of the company are Mr. Mohammed Aslam Khan, Mr. Mohammed Azam Khan, Mr. Mohammed Anjum Khan and Mr. Mohhammed Alam Khan. The Company is not listed on any Stock Exchange.
- c. The company was engaged in the business of manufacture of Injection Moulded Plastic articles for industrial use till the financial year 1997-98. Thereafter due to competition from other units the margins were put on pressure and the company decided to discontinue its activities. Monalisa is presently not engaged in any business.
- d. As on 31<sup>st</sup> March, 2002 the Share Capital of Monalisa was Rs. 20.38 lacs divided into 20380 equity shares of Rs. 100 each fully paid up. The net worth as on March 31<sup>st</sup> 2002 was Rs. 335.98 lacs. The total income for the period ended 31<sup>st</sup> March, 2002 was Rs. Nil with a net loss of Rs. 1.79 lacs. For the year ended 31<sup>st</sup> March, 2002 book value per share was Rs. 1648.59, the Earnings Per Share was Rs.(8.79) and Return on Networth was (0.53)%.

## **Information About Pacs**

Apart from the Acquirer, Mr. Mohammed Aslam Khan, Mr. Mohammed Azam Khan, Mr. Mohammed Anjum Khan and Mr. Mohammed Alam Khan, directors of the Acquiring company are the Persons Acting in Concert (PACs) for the purpose of this offer in terms of Regulation 2 (e) of the SEBI (SAST) Regulations. The PACs are related to each other to the extent that they are directors in the Acquirer company and that are from the same family. There has been no agreement between the PACs as regards the open offer. The Acquirer and the PACs have not entered into any agreement with regard to the offer/acquisition of shares. The details of the PACs are as under :

#### **I. Mr. Mohammed Aslam Khan**

- a. Mr. Mohammed Aslam Khan, aged 46 years is residing at Mehar Villa. Kathiria, Nani Daman. He is the Chairman of Monalisa Infotech Ltd. He is a graduate in Arts and Law and has over two decades of experience in manufacturing and marketing activities. He was the ex-president of Daman Industries Association besides being the Hon. Vice President of Indian Red Cross Society. He is also the member of Telephone Advisory Committee, Daman and Diu and Western Railway Advisory Committee, Vapi.
- b. The Net worth of Mr. Mohammed Aslam Khan as on 31/03/2002 is Rs 267.60 lacs as certified by M/s. Tiwari Samani and Associates, Chartered Accountants (membership no. of Mr. Kamalprasad R. Tiwari- 43003), having their office at D/205/206, Navyug CHS Ltd., Aarey Road, Goregaon (East), Mumbai- 400063, Telephone No. : 022 8756531.

#### **II. Mr. Mohammed Azam Khan.**

- a. Mr. Mohammed Azam Khan aged 41 years, is residing at Mehar Villa. Kathiria, Nani Daman. He is the Managing Director of Monalisa Infotech Ltd. He is a graduate in Commerce and Law and has over two decades of experience in manufacturing and marketing activities including construction activities through family concerns. He has also acquired knowledge in the Information Technology field.
- b. The Net worth of Mr. Mohammed Azam Khan as on 31/03/2002 is Rs 313.10 lacs as certified by M/s. Tiwari Samani and Associates, Chartered Accountants (membership no. of Mr. Kamalprasad R. Tiwari- 43003), having their office at D/205/206, Navyug CHS Ltd., Aarey Road, Goregaon (East), Mumbai- 400 063, Telephone No. : 022 8756531.

#### **III. Mr. Mohammed Anjum Khan**

- a. Mr. Mohammed Anjum Khan aged 37 years, is residing at Mehar Villa. Kathiria, Nani Daman. He is a graduate (Gold Medalist) in the Arts and Law and has done diploma in Mechanical and Electrical Draftsmanship. He has experience of 15 years in the line of manufacturing and marketing activities including export activities. He is a member of Modern Plastics International and also a committee member of Daman Industries Association, Daman. He is currently looking after Groups export business based at USA.
- b. The Net worth of Mr. Mohammed Anjum Khan as on 31/03/2002 is Rs 273.01 lacs as certified by M/s. Tiwari Samani and Associates, Chartered Accountants (membership no. of Mr. Kamalprasad R. Tiwari- 43003), having their office at D/205/206, Navyug CHS Ltd., Aarey Road, Goregaon(East), Mumbai- 400 063, Telephone No. : 022 8756531.

#### **IV. Mr. Mohammad Alam Khan**

- a. Mr. Mohammad Alam Khan aged 35 years is residing at Mehar Villa. Kathiria, Nani Daman. He is a Graduate in Commerce and Law and has 13 years of experience in manufacturing and marketing activities.
- b. The Net worth of Mr. Mohammed Alam Khan as on 31/03/2002 is Rs 19.11 lacs as certified by M/s. Tiwari Samani and Associates, Chartered Accountants membership no. of Mr. Kamalprasad R. Tiwari- 43003), having their office at D/205/206, Navyug CHS Ltd., Aarey Road, Goregaon(East), Mumbai- 400 063, Telephone No. : 022 8756531.

#### **3. Information on the Target Company - Garnet Paper Mills Limited (Garnet)**

- a. Garnet is a Public Limited Company having its Registered Office at 17, Milap Apartments, S.V.Road, Malad(West), Mumbai- 400 064. The company was incorporated on September 6, 1995.

The promoters of the company are Mr. Kishen Kumar Kedia, Mr. Sanjay Kedia, Mr. Arun Kedia, Mrs. Kusum Devi Kedia, Mr. Sohanlal Kedia, Mrs. Anupama Agrawal and Mrs. Sharmila Agrawal. The present Directors of the company are Mr. Kishen Kumar Kedia, Mr. Sanjay Kedia, Mr. Arun Kedia and Mr. Sohanlal Kedia.

- b. The Authorised Share Capital of the company is Rs. 1200.00 lacs. The Issued capital of the company is Rs. 1046.26 lacs divided into 1,04,62,600 Equity shares of Rs. 10/- each. The Subscribed and Paid up Equity Share Capital of Garnet as on 31.03.2002 is Rs. 603.99 lacs divided into 45,34,700 shares of Rs. 10/- each fully paid and 59,27,900 shares of Rs. 10/- each on which Rs. 2.50 has been paid. The partly paid shares do not carry any voting rights. The shares of the company are listed on The Stock Exchange, Mumbai, The Stock exchange, Ahmedabad and The Stock Exchange, Hyderabad. The Equity shares of the company have been suspended from trading on The Stock Exchange, Mumbai from January 7, 2002, due to non-payment of the listing fees. However the company has since paid the listing fees and expects the trading to be activated shortly.
- c. Garnet was incorporated with the main objects to carry on the business of manufacturing paper, duplex board and other related paper products and produces. The company had come out with a public issue during September 1996 to set up a project to achieve the above said object. Due to non-receipt of the allotment money in the public issue the project could not be implemented and as on date the company is not carrying on any business activities.
- d. Total Income of the Company for the year ended 31<sup>st</sup> March, 2002 was Rs. NIL with a net loss of Rs. 1.50 lacs.

#### **4. Reason for the Offer and Future Plans about Target Company.**

- a. The offer to the Shareholders of Garnet has been made pursuant to Regulation 10 and 12 and other provisions of Chapter III and in compliance with the regulations for the purposes of substantial acquisition of voting rights with change in control and management of the company.
- b. The Acquirers do not have any intention to dispose of or otherwise encumber any assets of GARNET in the next two years from the date of closure of the offer, except in the ordinary course of business of GARNET.
- c. The purpose of acquiring the Target Company is diversify the business of the target company and enter into the fields of entertainment and media business and thereby to give a better status by way of listing on the stock exchange.

#### **5. Statutory Approvals and Conditions of the Offer.**

- a. To the knowledge of the Acquirers no statutory approvals are required to Acquire the shares that may be tendered pursuant to the Offer. If any other statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals. In case the statutory approvals are not obtained, the Acquirers will not proceed with the Offer.
- b. In case of delay in receipt of any statutory approval, if any, SEBI has the power to grant extension of time to Acquirers for payment of consideration to the shareholders subject to Acquirers agreeing to pay interest as directed by SEBI under Regulation 22(12). If the delay occurs due to the willful default of the Acquirers in obtaining the requisite approvals, Regulation 22(13) will become applicable.

#### **6. Financial Arrangements**

- a. The Acquirers have adequate and firm financial resources to fulfill the obligations under the open offer. The sources of funds shall be through internal resources of the company. No borrowing from Bank/ Financial Institution is being made for the purpose. All the funds will be domestic and no foreign funds will be utilised.
- b. The maximum purchase consideration payable by the Acquirers in the case of full acceptance of the offer i.e. 20,92,520 equity shares is Rs. 104.04 lacs. It is proposed to pay Rs.10/- per share for fully paid shares and Rs.2.50/- per share for partly paid shares. The Acquirer has deposited 17,000 shares of Rashel Agrotech Limited with the Manager to the Offer, having market value of Rs. 204 per share (05/06/2002) on the Mumbai Stock Exchange) totaling to Rs. 34.68 lacs against the funds requirements to be placed in Escrow account of Rs. 26.01 lacs i.e. 25% of the total consideration payable, with a margin of around 33.33%. The Acquirer has also empowered the

Manager to the Offer to realise the value of such securities by sale or otherwise as per Regulation 28 (7) of the Regulations.

- c. The Acquirer has also made a Fixed deposit of Rs. 1.05 lacs (being 1% of the purchase consideration payable under this offer) with UCO Bank, Mumbai under Regulations 28(10), on which a lien has been granted in favour of the Manager to the Offer.
- d. M/s Tiwari Samani & Associated, Chartered Accountants (membership no. of Mr. Kamalprasad R.Tiwari – 43003), having their office at D/205/206, Navyug CHS Ltd., Aarey road, Aarey Check Naka Signal, Goregaon (East), Mumbai- 400 063 telephone No. : 022 875 6531 have confirmed vide their certificate dated June 3, 2002 that sufficient resources are available to allow the Acquirers to fulfill its obligations under the offer. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the offer in accordance with the Regulations.
- e. The Manager to the offer confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill offer obligations.

## **7. Other Terms of the Offer**

- a. The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of Garnet (except the Acquirer, the Persons Acting in Concert, and the parties to the agreement) whose names appear on the Register of Members of Garnet at the close of the business on 28/06/02 (the Specified Date).
- b. Shareholders who wish to tender the shares will be required to send the Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and Transfer Deed (s) duly signed to the Manager to the Offer at Aryaman Financial Services Limited, 35, Atlanta, Nariman Point, Mumbai 400 021, either by hand delivery during normal business hours Monday to Friday 11.00 a.m. to 4.00 p.m. (excluding Bank Holidays) or by Registered Post on or before the close of the offer i.e. 06/09/02 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement.

- c. All owners of shares, registered or unregistered (except the Acquirer, the Persons Acting in Concert, and the parties to the agreement), who own the shares at any time prior to the closure of the offer are eligible to participate in the offer. Unregistered owners can send their application in writing to the Manager to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares Offered, Distinctive Numbers, Folio No., together with the Original Share Certificate(s), valid transfer deed(s) and a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.
- d. In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance to the Manager to the Offer, on a plain paper stating the Name, Address, No. of shares held, Distinctive Nos., Folio No., No. of shares offered, along with documents as mentioned above, so as to reach the Manager to the Offer on or before the close of the Offer, i.e. 06/09/02.
- e. The Manager to the Offer will hold in trust the shares, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of Garnet who have accepted the offer, until the cheques/ drafts for the consideration and/ or the unaccepted shares/ share certificates are dispatched/ returned.
- f. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners sole risk to the sole/ first shareholder.
- g. In case the shares tendered in the offer by the shareholders of Garnet are more than the shares to be acquired under the offer, the acquisition of the shares from each shareholder will be as per the provision of Regulation 21(6) of the Regulations on a proportionate basis.
- h. Shares, if any, that are subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these shares are not received together with the shares tendered under the offer. The Letter of Offer in some of these cases , wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

i. Schedule of the Activities pertaining to the Offer is given below:

<b>ACTIVITY</b>	<b>DAY &amp; DATE</b>
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Friday, 28/06/02
Last date for a Competitive Bid	Sunday, 30/06/02
Date by which Letter of Offer to be posted to the shareholders.	Wednesday, 24/07/02
Date of Opening of the Offer	Thursday, 08/08/02
Last date for revising the offer price / Number of shares	Wednesday, 28/08/02
Date of Closure of the Offer	Friday, 06/09/02
Date by which acceptance/ rejection under the Offer would be communicated and the corresponding payment for the acquired shares and/ or the unaccepted shares/ share certificates will be despatched/ credited.	Saturday, 05/10/02

## 8. General

- a. **Shareholders who have accepted the offer by tendering the requisite documents in terms of the Public Announcement or the Letter of Offer cannot withdraw the same.**
- b. The Acquirers (including PACs), Sellers and the Target Company have not been prohibited by SEBI from dealing in securities in terms of directions issued u/s. 11 B of SEBI Act.
- c. If there is any upward revision in the offer price before the last date of revision (i.e. 28/08/02) or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same Newspapers where the original public Announcement appeared. Such revised offer price would be payable to all the shareholders who have tendered their shares any time during the offer and have been accepted under the offer.
- d. Pursuant to Regulation 13 of the Regulations, The Acquirers have appointed Aryaman Financial Services Limited as Manager to the Offer.
- e. The Acquirers (including PACs), accept full responsibility for the information contained in this Announcement and also for the obligations of the Acquirer (including PACs) as laid down in the Regulations.

- f. For further details please refer to the Letter of Offer and the Form of Acceptance cum Acknowledgement. This Public Announcement is also available on SEBI's website at <http://www.sebi.com/> .Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement, which will be available on SEBI's website at <http://www.sebi.comfrom/> from the offer opening Date i.e. 08/08/02 and apply in the same.

<b>Issued by : Manager To The Offer</b>	<b>On Behalf of</b>
Aryaman Financial Services Limited, 35, Atlanta, Nariman Point, Mumbai – 400 021. Tel. : (022) 282 6465/66, Fax : (022) 282 6467, Email : <a href="mailto:aryaman@bom2.vsnl.net.in">aryaman@bom2.vsnl.net.in</a> . Contact Person : Ms. Radha Kirthivasan	M/s. Monalisa Mouldings Pvt. Ltd. and Azam Plastics Pvt. Ltd.(Acquirers) and Mr. Mohammed Aslam Khan, Mohammed Azam Khan, Mohammed Anjum Khan and Mohhammed Alam Khan (PACs)

Place : Mumbai

Date : 05/06/02