# PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF ALLIANZ CAPITAL & MANAGEMENT SERVICES LIMITED

Reg. Office: 3, Scindia House, 2nd Floor, Janpath, New Delhi - 110001
Tel. : (011) 41514666, Fax : (011) 41514665

This Public Announcement ("PA") is being issued by Canara Bank (**hereinafter referred to as "The Manager to the Offer"**), on behalf of Navjeet Singh Sobti, Mrs. Gurpreet N. Sobti and Innovative Money Matters Private Limited (**hereinafter referred to as "Acquirers"**) pursuant to Regulations 11(1) and other applicable provisions and as required by Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 [SEBI (SAST) Regulations, 1997] and subsequent amendments thereto (The Takeover Regulations).

**Background of the Offer**

1. The Public Announcement (PA) is being made to the shareholders of Allianz Capital & Management Services Limited (hereinafter referred to as the **"Target Company"/ "ACMS"**), a public company under the Companies Act, 1956 and having its registered office at 3- Scindia House, 2nd Floor, Janpath, New Delhi-110001.
2. The Present paid up capital of the Target Company consisting of 66,85,000 Equity Shares of face value of Rs. 10/- per Equity Share, of which the shareholding of Promoter consisting of Mr. Navjeet Singh Sobti, Mrs. Gurpreet N. Sobti and M/s Innovative Money Matters Private Limited is 20,14,659 Equity Shares representing 30.14% of the total shareholding of the Target Company. On February 13, 2007 the Board of Directors of Target Company have agreed to issue and allot on a preferential basis 28,25,000 Equity shares fully paid up of Rs. 10/- each for cash at a price of Rs. 37.28 per equity share to Mr. Navjeet Singh Sobti, one of the promoter of Target Company in accordance with the guidelines of Preferential issue of SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the subsequent amendments thereto. This proposed preferential allotment has necessitated Open Offer in terms of Regulation 11(1) of SEBI (Substantial Acquisition of Shares & Takeover) Regulations 1997.
3. The Public Announcement is being made to acquire 19,02,000 Equity Shares at a price of Rs. 37.30 (the "Offer Price") payable in Cash representing 20% of the post-preferential paid up equity capital of Target Company (the "Offer"), subject to the terms and conditions mentioned hereinafter.

**The Offer**

1. This open Offer is being made by the Aquirers under Regulation 11(1) of the SEBI (SAST) Regulation 1997 whereby, the Acquirers are making an open offer to the Shareholders of ACMS.
2. There are no persons acting in concert with the Acquirers.
3. The target company will convene an Extraordinary General Meeting of its shareholders on March 16, 2007 for considering passing of a Special Resolution pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and other applicable provisions and seeking the approval of the Shareholders for the preferential allotment.
4. Mr. Navjeet Singh Sobti currently holds 9,57,049 equity shares, which constitute 14.32% of the current paid up capital of the target Company, Mrs. Gurpreet N. Sobti holds 5000 equity shares amounting to 0.07% and Innovative Money Matters Private Limited which currently holds 10,52,610 equity shares which constitute 15.75% of the current paid up capital of the Target Company. As on date, Acquirers collectively hold 30.14% of the current paid up capital of the Target Company.
5. The post preferential paid up equity capital shall stand at 95,10,000 equity shares and 19,02,000 shares of the target company representing 20% of the Paid up Equity Capital are proposed to be acquired through this Public Announcement.
6. This is not a competitive bid.
7. This offer is not subject to any minimum level of acceptance.
8. The shares of the company are listed on The Delhi Stock Exchange Association Limited (DSE) and The Bombay Stock Exchange Limited (BSE). The shares of the Company are frequently traded on BSE within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations.
9. None of the Acquirers has acquired any shares in the Target Company during the last 12 months period prior to the date of Public Announcement except Mr. Navjeet Singh Sobti who have acquired 4,65,000 Equity Shares at a price of Rs. 21 per equity share on August 19, 2006 by way of preferential allotment.
10. The Offer price of Rs 37.30 has been arrived at as per the Regulation 20(4) of the Regulations after taking into account the highest as per the table below:

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| a) | Negotiated price payable under the Agreement | Not Applicable |
| b) | Proposed acquisition price under the preferential issue | Rs. 37.28 per Equity Share |
| c) | Highest price paid by the Acquirers for acquisition including by way of allotment in a public or rights issue or preferential issue, if any during the 26 weeks period preceding the date of PA | Not Applicable |
| d) | The average of the weekly high and low of the closing prices of the equity shares during the 26 weeks preceding the date of the Board meeting which authorized the preferential issue i.e. February 13, 2007 | Rs. 26.53 |
| e) | The average of the weekly high and low of the closing prices of the equity shares during the 2 weeks preceding the date of the Board meeting which authorized the preferential issue i.e. February 13, 2007 | Rs. 37.28 |

In view of the above, the Offer Price of Rs. 37.30 per Equity Share offered by the Acquirers to the shareholders of ACMS under the proposed Open Offer is justified in terms of Regulation 20(4).

11. Canara Bank, the Manager to the Offer does not hold any equity shares in the Target Company as on the date of this Public Announcement. They declare and undertake that they shall not deal in the equity shares of ACMS during the period commencing from the date of appointment as Manager to the Offer till the expiry of fifteen days from the date of closure of the Offer.
12. The Target Company made its maiden public issue of 8,05,000 Equity shares of Rs.10/-each for cash at par in February, 1994. Thereafter, the Company again made its public issue of 37,50,000 equity shares of Rs. 10/- each at a premium of Rs.30/- per share as well as rights issue of 28,00,000 zero Interest Fully Convertible Debentures of Rs.25/- each for cash at par with detachable warrants to the equity shareholders of the company in March, 1996.
13. In case the number of equity shares tendered for sale by the shareholders is more than the equity shares agreed to be acquired under the offer, the Acquirers shall accept the offers received from the public shareholders on a proportionate basis as per Regulation 21(6) of the Takeover regulations in consultation with the Manager to the Offer.
14. Mr. Navjeet Singh Sobti is non-Executive Director of ACMS. None of the other Directors of the target company represent the Acquirers.

**Information on Acquirers**

**Mr. Navjeet Singh Sobti**
Mr. Navjeet Singh Sobti aged 40 years is a fellow member of the Institute of Chartered Accountants of India. He has specialization in the field of Investment Banking, Corporate Advisory and Infrastructure Project Financing. He has over 17 years of experience in financial services sector and in various areas such as corporate finance, money markets and merchant Banking. He has managed public issues of several companies and has experience in working in pre-SEBI era of Capital market. He is currently holding 14.32% of ACMS.

**Mrs Gurpreet N. Sobti**
Mrs. Gurpreet N. Sobti aged 36 years is the wife of Mr. Navjeet Singh Sobti and currently holding 0.07% equity shares in ACMS.

**Innovative Money Matters Private Limited**
Innovative Money Matters Private Limited was incorporated on February 3, 1994 under the Companies Act 1956. The company's Registered Office is at A-3/ 202, Janak Puri, New Delhi 110058.

1. The company is promoted by Mr. Navjeet Singh Sobti and Mrs. Gurpreet N. Sobti.
2. The company is in the business of commission brokerage and trading in securities and has commenced operations in Financial Year 1993-1994. The company's paid up capital as on March 2006 is Rs 30.15 Lakhs, reserves is Rs 111.50 Lakhs, Income is Rs 687.23 Lakhs and PAT is Rs 680.96 Lakhs. The Book value per equity share of the company is Rs. 275.97, Earning Per Share is Rs. 226.23 and Return on Net worth is 82%.
3. The shares of the company are not listed on any stock exchange.

The acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of SEBI Act

**Relationship between the Acquirers**
Mrs. Gurpreet N. Sobti is the wife of Mr. Navjeet S. Sobti. Innovative Money Matters Private Limited is promoted by Mr. Navjeet Singh Sobti and Mrs. Gurpreet N. Sobti.

**Information about the Target Company**

1. Allianz Capital & Management Services Limited was incorporated as Ashtan Capital & Management Services Private Limited on September 30, 1991 under the Companies Act 1956. Subsequently it was converted into a public limited company on May 15, 1992 and the name was changed to Allianz Capital & Management Services Limited on November 5, 1992. The company's registered office is at 3rd Floor, 3 Scindia House, Janpath, New Delhi-110001.Ph +91 11 41514666 Fax: +91 11 41514665.
2. The Promoter of the Target Company consist of Innovative Money Matters Private Limited, Mr. Navjeet Singh Sobti and Mrs. Gurpreet N. Sobti. The present Directors of the Target Company are Mr. Navjeet Singh Sobti, Mr. Ramesh Peer, Mr. Sanjay Grover and Mr. M.K. Aggarwal.
3. The company is in the business of sub-broking and advisory services and has commenced operations in Financial Year 1991-1992. The company's paid up capital (including paid up amount of Rs. 65.08 lakhs on 13,79,380 equity shares as forfeited) as on March 31 2006 is Rs 687.08 Lakhs, Reserves & Surplus is Rs 348.69 Lakhs, Income is Rs. 208.80 Lakhs and Profit After Tax is Rs. 194.04 Lakhs. The Book value per equity share of the company is Rs 16.65, EPS is Rs 3.12 and Return on Net worth is 23.05% As per unaudited results for nine months period ended December 31, 2006 total income is Rs. 153.74 lakhs and profit after tax of Rs. 125.41 lakhs.
4. The shares of the company are listed on The Delhi Stock Exchange Association Limited (DSE) and The Bombay Stock Exchange Limited (BSE).
5. There are no partly paid up equity shares of the Target Company except for 13,79,380 forfeited shares. There are no outstanding warrants or options or similar instruments convertible into equity shares at a later stage.

Reason for Acquisition and offer and future plan about Target Company, if any

1. This Offer is made in compliance of and in accordance with Regulation 11 (1) of the SEBI (SAST) Regulations, 1997 for the purpose of substantial acquisition of Shares and voting rights in the Target Company without change in control or management.
2. This acquisition will not result in a change in control of the Target Company.
3. The Acquirers undertakes not to dispose of or otherwise encumbrance of any assets of Target Company in succeeding two years except in ordinary course of business of the target company. Further the Acquirer undertakes that they shall not dispose of or otherwise encumber any substantial asset of the target company except with the prior approval of the shareholders.

**Statutory Approvals/ other approvals required for the offer**

1. 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.
2. 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 willful default of the Acquirers in obtaining the requisite approvals, Regulation 22(13) will become applicable.
3. No approval from any bank or financial institution is required for the purpose of this offer to the best of the knowledge of the Acquirers

**Option in terms of Regulation 21 (3)**

Assuming full acceptance of offer, the post offer voting capital with the public in Target Company would not be less than 25% of the voting capital of the company and hence the term of Regulation 21(3) is not applicable.

**Financial Arrangement**

1. The Acquirers have adequate resources to meet the financial requirements of the Offer. The Acquirers have made a firm financial arrangement to implement the Offer and meet their obligations in full under the Offer.
2. Pawan Shubham & Co., Chartered Accountants, having membership number 92345 and office at B 21/4, Shalimar Garden Extension II, Near Shiv Chowk, Sahibabad – 201 005, email : pawanagarwal686@hotmail.com vide certificate dated February 14, 2007, has certified that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.
3. The total fund requirement for the Offer is Rs. 7,09,44,600/- (Rupees Seven Crores Nine lakhs fourty four thousand six hundred only). (the "maximum consideration").
4. In accordance with the requirements of the SEBI (SAST) Regulations, the Acquirers have provided a bank guarantee of Rs. 90 lakhs in favour of Canara Bank (the Merchant Banker) and deposited acceptable securities to the extent of Rs. 180 lakhs (including appropriate margin) with the Escrow Account maintained by the Merchant Banker. The total works out to more than 25% of the total consideration payable to shareholders under the Offer.
5. Acquirer has empowered the Merchant banker to realize the value of such escrow account in terms of Regulation 28 of SEBI (SAST) Regulations.
6. The Manager to the Offer confirms that the firm arrangements for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

**Other Terms of the Offer**

1. The Letter of Offer (LOO) specifying the detailed terms and conditions of this offer together with Form of Acceptance cum Acknowledgement (FOA) and Form of Withdrawal (FOW) will be mailed to the equity shareholders of ACMS (other than acquirer and parties to the agreement) whose names appear on the register of member of ACMS and the beneficial owners of ACMS whose names appear on the beneficial records of the respective depositories, at the close of business hours on March 16, 2007 (Hereinafter referred to as "Specified Date")
2. All owners of shares, registered or unregistered (except the acquirer and the promoter group) are eligible to participate in the offer, at any time before the date of closure of the offer. No indemnity is required from the unregistered owners.
3. Shareholders of ACMS, who hold shares in physical form and wish to avail this Offer will have to deliver Form of Acceptance duly completed, Original Share Certificate, Valid Share transfer deed/ form(s) duly signed to the Registrar to the Offer in accordance with the instructions mentioned in the Letter of Offer and the Form of Acceptance by hand delivery or registered post at collection centers, on or before the close of business hours on April 30, 2007.
4. All Shareholders who hold shares in dematerialized form upto the date of closure of offer i.e. April 30, 2007 and wish to tender their shares will be required to send to the Registrar to the Offer, the FOA along with 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 on or before close of business hours on April 30, 2007.
5. The registrar to the Offer has opened a special depository account, details of which are as under

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| DP Name: | Alankit Assignments Limited |
| DP ID: | IN 300118 |
| Client ID: | 11031709 |
| Account Name: | "Escrow A/c – ACMS Open Offer" |
| Depository: | National Security Depository Limited |

6. Persons who own equity shares but whose names do not appear on the Register of Members of the Target Company as on the specified date are also eligible to participate in the offer. Such Unregistered owners can send their acceptance in writing to Registrar to the offer on plain paper stating the name, address, number of equity shares held, number of equity shares tendered, distinctive numbers, folio number together with Original Share Certificate(s)together with original broker contract note and duly executed valid share transfer deed . No indemnity is required from such unregistered owners.
7. Accidental omission to dispatch the Letter of Offer to any person will not invalidate the Offer in anyway. In case of non-receipt of the Letter of Offer, the eligible persons can download these documents from the SEBI's website or may obtain a copy of the same from the registrars office by writing to the registrar. Alternatively the shareholders may send their acceptances on plain paper to the Registrar to the offer stating their name, address, number of equity shares held, number of equity shares tendered, distinctive numbers, folio number together with Original Share Certificate(s), Original broker contract note and duly executed valid Share transfer deed.Where the transfer deeds are signed by a constituted attorney, a certified copy of the power of attorney shall also be lodged. In case of body corporate or limited companies, certified copy of the Memorandum & Articles of Association and copy of Board Resolution authorizing the signatory shall also be sent alongwith.
8. In the event of non-receipt of the Letter of Offer by beneficial owners, such beneficial owners can make an application to the Registrar on plain paper stating their name address, number of equity shares held, number of equity shares tendered, Bank particulars, DP name, DP ID, beneficiary account number duly signed by all the holders and send the same along with a 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 not later than 4 p.m on April 30, 2007.
9. Letter of Offer and FOA will be available on SEBI's website: www.sebi.gov.in, from the offer opening date i.e. April 9, 2007.
10. Subject to the conditions governing this offer as mentioned herein, the acceptance of this offer by the equity shareholders of ACMS must be absolute and unqualified. Any acceptance to this offer, which is conditional and incomplete in any respect, will be rejected without assigning any reason whatsoever.
11. The shares to be acquired should be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.
12. Payment to those shareholders whose share certificates and/or other documents are found valid and in order and are approved by the Acquirer will be paid by way of a crossed account payee cheque/demand draft/pay order and sent by registered post or under certificate of posting. All cheques/demand drafts will be drawn in the name of first holders, in case of joint holder(s). In case of unregistered owners of equity shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the FOA cum Acknowledgement for incorporation in the cheque/demand draft.

    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.
13. The Registrar to the Offer will hold in trust the equity shares/share certificates, equity shares lying in credit of the special depository account and the transfer form(s),until the Acquirer completes its obligations under the Offer in accordance with the Takeover Regulations.
14. Schedule of Activity

| Activity | Date | Day |
|---|---|---|
| Specified Date | March 16, 2007 | Friday |
| Last Date for a competitive bid | March 12, 2007 | Monday |
| Letter of Offer to be posted to shareholders | March 31, 2007 | Saturday |
| Date of opening of Offer | April 9, 2007 | Monday |
| Last date for revising the offer price/number of shares | April 20, 2007 | Friday |
| Last date for withdrawal of acceptance by shareholders who have accepted the Offer | April 25, 2007 | Wednesday |
| Date of closing of offer | April 30, 2007 | Monday |
| Date of communicating rejection/acceptance and payment of consideration for application accepted. | May 15, 2007 | Tuesday |

**GENERAL**

1. Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public Announcement/Letter of Offer, can withdraw the same up to three working days prior to the date of the closure of the offer by filling the withdrawal form or on a plain paper as per details indicated above under point no. 7 & 8 in case of non-receipt of Letter Offer.
2. The Acquirer can revise the price upwards up to 7 working days prior to the closure of the offer and revision, if any, in the offer price would appear in the same newspapers where Public Announcement has appeared and same price would be paid to all shareholders who tender their shares in the offer.
3. **"If There is competitive bid**

    a. **The public offers under all the subsisting bids shall close on the same date**

    b. **As the offer price cannot be revised during 7 working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly"**
4. Pursuant to Regulation 13 the Acquirers have appointed Canara Bank as Manager to the Offer and Alankit Assignments Limited as the Registrars to the Offer.
5. The Acquirers and Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of SEBI Act.
6. For further details, shareholders are requested to refer to the Letter of Offer to be sent to the shareholders of the target company and the form of acceptance cum acknowledgement.
7. Acquirers and directors of Acquirer accept the responsibility for the information contained in the Public Announcement and also for the obligations of acquirers laid down in the SEBI (Substantial Acquisition of shares and Takeovers) Regulation 1997" and subsequent amendments made thereof.

This Public Announcement would also be available on SEBI website, www.sebi.gov.in Eligible persons may also download copy of Form of Acceptance cum Acknowledgement, which will be available on SEBI's website from Offer opening date i.e. April 9, 2007.

| MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
|---|---|
| **Canara Bank**<br>Merchant Banking DivisionVarma Chambers, No.11, Homji Street Fort, Mumbai-400001<br>Contact Person: Mr. P. Sitaram<br>Ph: 022-2267 7405/406<br>Fax: 022-2267 7404<br>E-Mail: mbdcomcity@canbank.co.in<br>Web Site: www.canbankindia.com | **Alankit Assignments Limited**<br>Alankit House, 2E/21, Jhandewalan Extension, New Delhi – 110 055<br>SEBI Registration No. : INR000002532<br>Tel: (011) 23541234<br>Fax: (011) 42541967<br>Contact Person: Mr. Mahesh Jairath<br>**Email : mj@alankitonline.com** |

*Issued on behalf of the Acquirers*

**Navjeet Singh Sobti & Mrs Gurpreet N. Sobti**
110, Bakhtawar Singh Block, Asian Games Village, Khelgaon Marg, New Delhi

**Innovative Money Matters Private Ltd.**
A-3/ 202, Janak Puri, New Delhi 110058

Place: New Delhi
Date: February 19, 2007

'Sobhagya'

**Size: 41 cm x 33 cm**