# LETTER OF OFFER

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Letter of Offer is sent to you as a Shareholder(s) of ***Beardsell Limited.*** If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager or Registrar to the Offer. In case you have recently sold your Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-acknowledgement and Transfer Deed to the Member of the Stock Exchange through whom the aforesaid sale was effected.

## OPEN OFFER

Pursuant to Regulations 3(2) and applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.

**BY**

**MRS. JAYASREE ANUMOLU (Acquirer-1)**

having the residential address at 8-2-120/117/13, Park View Enclave, Road No. 2, Banjara Hills, Hyderabad, Andhra Pradesh - 500034 Tel No. +91 040- 23546210; Email: jaya.anumolu@gmail.com.

**AND**

**MR. BHARAT ANUMOLU, (Acquirer-2)**

having the residential address at Flat A-303, Fortune Enclave, Road No. 12, Banjara Hills, Hyderabad, Andhra Pradesh - 500034
Tel. No +91- 040 66822896; Email: bharat@beardsell.co.in

**(Hereinafter referred as Acquirers)**

**AND**

**MRS. P LALITHAMBA (PAC-1)**

having the residential address at 12, Parkview Enclave, Road No. 02, Banjara Hills, Hyderabad, Andhra Pradesh - 500034
Tel. No +91-040 23546210.; Email: banumolu@yahoo.com

**AND**

**MR. AMRITH A (PAC-2)**

having the residential address at 12, Parkview Enclave, Road No. 02, Banjara Hills, Hyderabad, Andhra Pradesh - 500034
Tel. No +91-040-23546210; Email: amrith@beardsell.co.in

**AND**

**M/S. GUNNAM SUBBA RAO INSULATION PVT. LTD (PAC-3)**

having the registered office at No.47, Greams Road, Chennai - 600006 Tele No : +91-044-28295639;
Email id: gsrimalur@gmail.com

**TO THE SHAREHOLDERS OF BEARDSELL LIMITED**

Having the Registered Office at 47, Greames Road, Chennai - 600006 Tele No : +91-044-28293296; Fax No. +91-044-28290391;
Email id:-ho@beardsell.co.in ; Website : www.beardsell.co.in

**TO ACQUIRE**

Up to 12,17,624 Fully Paid-up Equity Shares of Rs. 10/- each, representing in aggregate 26% of the Paid up and Voting Equity Share Capital of BSL, for cash, at a price of Rs.58/- **(Rupees Fifty Eight Only)** per Fully Paid-up Equity Share **("Offer Price").**

1. This Offer is being made pursuant to the Regulation 3(2) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
2. This Offer is not conditional upon any minimum level of acceptance by the shareholders of the Target Company.
3. **This offer is not a competing offer**
4. **There has been no competing offer or revision of Offer Price as on date of this Letter of Offer.**
5. Shareholders who have tendered shares in acceptance of the Open 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. If there is any upward revision in the Offer Price by the Acquirers at any time prior to the last three working days to the commencement of the tendering period viz., Friday, **1st June, 2012** you will be informed by way of another Announcement in the same newspapers in which the Detailed Public Statement pursuant to Public Announcement was published. The Acquirers shall pay such revised price for all shares validly tendered at any time during the Offer and accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 23, the same would be communicated within two working days by an Announcement in the same newspapers in which the Detailed Public Statement was published.
7. A copy of the Public Announcement, Detailed Public Statement and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement) are also available on SEBI's Website: www.sebi.gov.in.
8. All correspondence relating to this offer, if any, should be addressed to the Registrar to the Offer, viz **Cameo Corporate Services Ltd.**

All future correspondence, if any, should be addressed to the Manager to the Offer/Registrar to the Offer at the addresses mentioned below :

| MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
|---|---|
| COMFORT<br>**Comfort Securities Limited**<br>SEBI Registration No. INM000011328<br>A-301, Hetal Arch, S V Road, Malad (W),<br>Mumbai - 400064.<br>Tel. No: +91-22-28449765/28449766<br>Fax No. +91-22-28892527<br>Contact Person: Mr. Sarthak Vijlani.<br>Email: sarthak@comfortsecurities.co.in<br>Website: www.comfortsecurities.co.in | CAMEO<br>**Cameo Corporate Services Ltd.**<br>SEBI Registration No. INR000003753<br>Subramanian Building # 1, Club House Road,<br>Chennai 600 002 - India<br>Phone: +91-44-28460390<br>Fax: +91-44-28460129<br>Contact Person : Mr. Sree Priya<br>Email: cameo@cameoindia.com<br>Website: http://www.cameoindia.com |
| **OFFER OPENS: JUNE 7, 2012 (THURSDAY)** | **OFFER CLOSES: JUNE 20, 2012 (WEDNESDAY)** |

**SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER**

| S. No. | Activity | Original Date and Day | Revised Date and Day |
|---|---|---|---|
| 1 | Date of Public Announcement | 28.03.2012, Wednesday | 28.03.2012, Wednesday |
| 2 | Opening of Escrow Account | 02.04.2012, Monday | 02.04.2012, Monday |
| 3 | Publication of Detailed Public Statement in the newspapers | 04.04.2012, Wednesday | 04.04.2012, Wednesday |
| 4 | Submission of Detailed Public Statement to Madras Stock Exchange Limited, National Stock Exchange of India Limited, Target Company & SEBI | 09.04.2012, Monday | 09.04.2012, Monday |
| 5 | Filing of Draft Offer Document with SEBI along with soft copies of Public Announcement and Detailed Public Statement | 13.04.2012, Friday | 13.04.2012, Friday |
| 6 | Last Date for a competing Offer | 27.04.2012, Friday | 27.04.2012, Friday |
| 7 | Receipt of Comments from SEBI on Draft Letter of Offer | 07.05.2012, Monday | 22.05.2012, Tuesday |
| 8 | Identified Date* | 08.05.2012, Tuesday | 23.05.2012, Wednesday |
| 9 | Date by which Letter of Offer will be dispatched to the Shareholders | 16.05.2012, Wednesday | 31.05.2012, Thursday |
| 10 | Last date for revising the Offer Price | 17.05.2012, Thursday | 01.06.2012, Friday |
| 11 | Last date by which Board of Target Company shall give its recommendations | 16.05.2012, Wednesday | 31.05.2012, Thursday |
| 12 | Advertisement of Schedule of activities for open Offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company | 21.05.2012, Monday | 05.06.2012, Tuesday |
| 13 | Date of Commencement of tendering period (Offer Opening Date) | 23.05.2012, Wednesday | 07.06.2012, Thursday |
| 14 | Date of Expiry of tendering period (Offer Closing Date) | 05.06.2012, Tuesday | 20.06.2012, Wednesday |
| 15 | Date of communicating the rejection/ acceptance and payment of consideration for the acquired shares | 19.06.2012, Tuesday | 04.07.2012, Wednesday |
| 16 | Final Report from Merchant Banker | 26.06.2012, Tuesday | 11.07.2012, Wednesday |

***"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 Acquirers and PACs) are eligible to participate in the Offer any time before the closure of the Offer.***

Note: Duly Signed Application and Transfer Deed(s) together with share certificate(s) should be dispatched by Registered Post / Courier or hand delivered to the Registrar to the Offer at above address to arrive not later than 6.00 p.m. on 20th June 2012.

## RISK FACTORS

### A. RELATING TO THE OFFER

The risk factors set forth below pertain to the Offer and are 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. The Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer.

1) The Offer is made to acquire up to 26% of the Paid Up Equity Share Capital of BSL from the Eligible Persons for the Offer. In the case of over subscription, 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 (a) a statutory and regulatory approval is not received in a timely manner, (b) there is any litigation leading to a "stay" of the Offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of BSL whose Shares has been accepted in the Offer as well as the return of Shares not accepted by the Acquirers may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that the non-receipt of approvals was not due to wilful default or negligence or failure to diligently pursue such approvals on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders for the delay, as may be specified by SEBI.

3) Shareholders should note that those 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 the process of acceptance of tenders and the payment of consideration is complete.

4) The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers, and wherever applicable, by the Target Company, in connection with the Offer. The Acquirers may not to be able to proceed with the Offer in the event the approvals are not received in terms of Regulation 23 of the SEBI (SAST) Regulations, 2011. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

5) The Shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the equity shares of BSL. Accordingly, the Acquirers makes no assurance with respect to the market price of the shares both during the Offer Period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any shareholder of BSL on whether to participate or not to participate in the Offer.

### B. IN ASSOCIATION WITH THE ACQUIRERS

The Acquirers make no assurance with respect to the financial performance of the Target Company. They also make no assurance with respect to the market price of the Shares upon completion of the Offer, and disclaim any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

The Acquirers does not accept any responsibility for statements made otherwise than in the Letter of Offer / Public Announcement/ Detailed Public Statement, and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its own risk.

### C. RISK IN THE TRANSACTION

The Acquirers makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

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## 1. DEFINITION

| | | |
|---|---|---|
| 1. | Acquirers or The Acquirers | Mrs. Jayasree Anumolu and Mr. Bharat Anumolu |
| 2. | B.Com | Bachelor of Commerce |
| 3. | B.L | Bachelor of Law |
| 4. | B.S | Bachelor of Science |
| 5. | Detailed Public Statement or DPS | Public Statement of the Open Offer made by The Acquirers, which appeared in the newspapers on Wednesday, 4th April 2012 |
| 6. | ECS | Electronic Clearing Service |
| 7. | E.E | Electrical Engineering |
| 8. | EGM | Extra Ordinary General Meeting |
| 9. | EPS | Earnings Per Share which is Profit After Tax / No. of Equity Shares. |
| 10. | FCA | Fellow Chartered Accountant |
| 11. | FEMA | Foreign Exchange Management Act, 1999 including related rules and regulations |
| 12. | Form of Acceptance or FOA | Form of Acceptance cum Acknowledgement. |
| 13. | GSIPL | Gunnam Subba Rao Insulation Private Limited |
| 14. | HDFC | HDFC Bank Limited |
| 15. | Identified Date | Wednesday, 23rd May 2012 |
| 16. | I. I. T | Indian Institute of Technology |
| 17. | Income-tax Act | The Income-tax Act, 1961 |
| 18. | Listing Agreement | Listing agreement as entered by the Target Company with the Stock Exchange |
| 19. | LoO, or Letter of Offer | This Offer Document. |
| 20. | Manager to the Offer or, Merchant Banker | Comfort Securities Limited |
| 21. | M.A | Master of Arts |
| 22. | M.B.A | Master of Business Administration |
| 23. | M.S | Master of Science |
| 24. | MSE | Madras Stock Exchange Limited |
| 25. | NEFT | National Electronic Funds Transfer |
| 26. | Net Asset Value/ Book Value per Share | (Equity Capital + Free Reserve excluding Revaluation reserve – Debit balance in Profit & Loss a/c – Miscellaneous expenditure not written off) / Number of Equity Shares. |
| 27. | NRI | Non-resident Indian |
| 28. | NSE | National Stock Exchange of India Limited |
| 29. | OCB | Overseas Corporate Bodies |
| 30. | Offer/Open Offer/ The Offer | Offer to acquire up to 12,17,624 Equity Shares of Rs. 10/- each representing 26% of the total paid up equity share capital of the Target Company at a price of Rs. 58/- per Equity share payable in cash |
| 31. | Offer Price | Rs. 58/-(Rupees Fifty Eight Only) per fully paid up Share of Rs.10/- each payable in cash. |
| 32. | PA | Public Announcement |
| 33. | PAC/PACs | Person(s) Acting in Concert i.e Mrs. P Lalithamba, Mr. Amrith A and M/s. Gunnam Subba Rao Insulation Pvt. Ltd |
| 34. | PAT | Profit After Tax |
| 35. | Persons eligible to participate in the Offer/ Shareholders | Registered shareholders of Beardsell Limited, and unregistered shareholders who own the Shares of Beardsell Limited on or before the last date of tendering period is eligible to participate in the offer. |
| 36. | Promoter/ Promoter Group | Mrs. Jayasree Anumolu<br>Mr. Bharat Anumolu<br>Mrs. P Lalithamba.<br>Mr. Amrith A<br>M/s. Gunnam Subba Rao Insulation Pvt. Ltd |

| | | |
|---|---|---|
| 37. | Public Shareholding | The Shares held by Shareholders other than those classified as the promoters of the Company in the latest shareholding pattern filed with the Stock Exchange |
| 38. | RBI | Reserve Bank of India. |
| 39. | Registrar or Registrar to the Offer | Cameo Corporate Services Limited |
| 40. | Return on Net worth | (Profit after Tax)/ (Equity Capital + Free Reserve excluding Revaluation reserve– Debit balance in Profit & Loss a/c – Miscellaneous expenditure not written off) *100. |
| 41. | RTGS | Real Time Gross Settlement |
| 42 | SEBI | Securities and Exchange Board of India |
| 43 | SEBI (SAST) Regulations / the Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. |
| 44 | SEBI Act | Securities and Exchange Board of India Act, 1992. |
| 45 | Shares | Fully paid-up equity shares of Rs. 10 /- (Rupees ten only) each of the Target Company |
| 46 | Target Company/ TC/BSL | Beardsell Limited |

**CURRENCY OF PRESENTATION**

In this Letter of Offer, all references to "Rs." are to the reference of Indian National Rupees ("INR"). Throughout this Letter of Offer, all figures have been expressed in "Lakhs" unless otherwise specifically stated. In this Letter of Offer, any discrepancy in any table between the total and sum of the amounts listed are due to rounding off.

## 2. DISCLAIMER CLAUSE

**"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER 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 THE SHAREHOLDERS OF BEARDSELL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE 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 ACQUIRERS 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 ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER TO THE OFFER, COMFORT SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 12TH APRIL 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."**

## 3. DETAILS OF THE OFFER

### 3.1 Background to the Offer

3.1.1 This Open Offer is being made by Mrs. Jayasree Anumolu (Acquirer-1), Mr. Bharat Anumolu (Acquirer-2) along with the Persons Acting in Concert Mrs. P Lalithamba (PAC-1), Mr. Amrith A (PAC-2) and M/s. Gunnam Subba Rao Insulation Pvt. Ltd (PAC-3) (collectively referred as PACs) to the Equity Shareholders of **M/s. Beardsell Limited** a company incorporated and duly registered under the Companies Act, 1956, and having its Registered office at 47, Greames Road, Chennai - 600006, Tele No : +91-044-28293296; Fax No. +91-044-28290391; Email id: ho@beardsell.co.in, Website: www.beardsell.co.in pursuant to Regulation 3 and in compliance with the SEBI (SAST) Regulations, 2011.

3.1.2 The Acquirers hereby makes this Offer to the Shareholders of the Target Company to acquire up to 12,17,624 fully paid up Equity Shares of the Target Company of Rs.10/- each, representing in aggregate 26% of the paid up Equity Share Capital and voting capital at a price of Rs. 58/- (Rupees Fifty Eighty only) per share ("Offer Price") payable in cash subject to the terms and conditions mentioned in the DPS and in this Letter of Offer.

3.1.3 Mrs. P Lalithamba (PAC-1), Mr. Amrith A (PAC-2) and M/s. Gunnam Subba Rao Insulation Pvt. Ltd (PAC-3) are the **PACs** with the Acquirers within the meaning of Regulation 2 (1) (q) of the SEBI (SAST) Regulations.

3.1.4 Mrs. Jayasree Anumolu is one of the promoters of the Target Company holding 7,46,714 equity shares constituting 17.64% of the Target Company as on 27th March 2012. She acquired 2,25,000 equity shares of the Target Company by converting warrants issued on preferential basis into equity shares on 28th March 2012. Mr. Bharat Anumolu is also one of the promoters of the Target Company holding 8,32,127 equity shares constituting 19.66% of the Target Company as on 27th March 2012. He acquired 2,25,000 equity shares of the Target Company by converting the warrants issued on preferential basis into equity shares on 28th March 2012. By virtue of the aforesaid acquisition made by the Acquirers being the Promoters of Target Company, the mandatory requirement for making an open offer is triggered as the acquisition exceeds the threshold limit of 5% of the total paid up capital of the Target Company in the Financial Year. The movement in the percentage of shareholding of the promoter and the promoter group during the Financial Year is as follows:

| S.No. | Period | Aggregate % of shareholding of Promoter and Promoter group |
|---|---|---|
| 1 | As on 31st March 2011 | 48.20% |
| 2 | Post conversion of warrants on 28th March 2012 | 57.64% |

Pursuant to the acquisition of equity shares of more than 5% in one financial year in the Target Company this mandatory Open Offer is being made by the Acquirers in compliance with Regulation 3(2) and other applicable provisions of SEBI (SAST) Regulations, 2011 as amended.

3.1.5 The Acquirers, PACs, and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.6 The Shares of the Target Company are listed at MSE and permitted to trade on NSE with effect from 8th Janaury 2010.

3.1.7 As per the Stock Exchanges latest filings made with the MSE Mrs. Jayasree Anumolu, Mr. Bharat Anumolu, Mrs. P Lalithamba, Mr. Amrith A and M/s. Gunnam Subba Rao Insulation Pvt. Ltd are the Promoters of the Target Company.

3.1.8 Mrs. Jayasree Anumolu (Acquirer-1) has acquired 4,26,706 Equity Shares, Mr. Bharat Anumolu (Acquirer-2) has acquired 4,51,250 and Mr. Amrith A (PAC-2) has acquired 26,200 Equity Shares of the Target Company during the twelve (12) months period prior to the date of PA i.e 28th March 2012.

3.1.9 As on date of PA Mrs. Jayasree Anumolu (Acquirer-1) held 9,71,714 equity shares, Mr. Bharat Anumolu (Acquirer-2) held 10,57,127 equity shares, Mrs. P Lalithamba (PAC-1) held 89,590 equity shares, Mr. Amrith A (PAC-2) held 26,200 equity shares and M/s. Gunnam Subba Rao Insulation Pvt. Ltd (PAC-3) held 5,54,720 Equity Shares / Voting Rights of the Target Company.

3.1.10 The Manager to the Open Offer i.e. Comfort Securities Limited does not hold any Shares in the Target Company as on the date of appointment as Manager to the Open Offer. They declare and undertake that they shall not deal on their own account in the Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.

3.1.11 The Board of the Target Company has constituted the Committee of the Independent Directors of the target company for the recommendations on the Open offer and the recommendations has given by the committee on 25.05.2012.

**3.2 Details of the Proposed Offer**

3.2.1 The Acquirers have made a DPS pursuant to the PA on 4th April 2012 in the following newspapers in accordance with the Regulation 14 (3) and pursuant to Regulation 3 of SEBI (SAST) Regulations.

| Name of the Newspaper | Language | Editions |
|---|---|---|
| The Financial Express | English | All Editions |
| Jansatta | Hindi | All Editions |
| Thina Murasu | Tamil | Chennai |
| Prahar | Marathi | Mumbai |

**The DPS is also available on the SEBI website at www.sebi.gov.in.**

3.2.2 The Acquirers are making this Open Offer under the SEBI (SAST) Regulations, to acquire up to 12,17,624 Shares of Rs. 10/- each representing up to 26% of the total Paid up equity share capital from the Shareholders of BSL on the terms and subject to the conditions set out in this Letter of Offer, at a price of Rs. 58/- (Rupees Fifty Eight Only) payable in cash. These Shares are to be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all voting rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

3.2.3 There are no partly paid up Shares in the Target Company.

3.2.4 The Offer is not subject to any minimum level of acceptances from the Shareholders i.e. it is not a conditional offer.

3.2.5 The Offer is not as a result of any exercise regarding global acquisition which culminates in the indirect acquisition of control over, or acquisition of equity shares or voting rights in, the Target Company.

3.2.6 The Acquirers and the PACs have not acquired any Shares in the Target Company since the date of PA i.e. 28th March, 2012, up to the date of Letter of Offer.

3.2.7 The Offer is subject to the terms and conditions set out herein and the PA and the DPS made by the Acquirers from time to time in this regard.

**3.3 Object of the Offer:**

3.3.1 The Offer is being made pursuant to acquisition made by the acquirers exceeding the threshold limit of 5% of the total paid up capital of the Target Company in the financial year as provided in Para 3.1.4 above and is being made in accordance with Regulations 3(2) of the SEBI (SAST) Regulations, 2011.

3.3.2 The Offer to the Shareholders of BSL is for the purpose of acquiring up to 26% of the total paid up share capital. After the completion of this Open Offer and pursuant to the transfer of the shares so acquired, the Acquirers shall hold the majority of the Equity Shares of the Target Company.

3.3.3 The Acquirers intends to continue the existing business of the Target Company and may diversify its business activities in future with prior approval of shareholders. The main purpose of takeover is to expand the Company's business activities in the same line through exercising the effective management and control over the Target Company.

## 4. BACKGROUND OF THE ACQUIRERS & PACs

### (A) MRS. JAYASREE ANUMOLU (ACQUIRER-1)

4.1 Mrs. Jayasree Anumolu, aged 57 years, W/o. Subhas Chandra Bose Anumolu is residing at 8-2-120/117/13. Park View Enclave, Road No. 2, Banjara Hills, Hyderabad, Andhra Pradesh – 500034; Tel. No. +91-040-23546210; Email: jaya.anumolu@gmail.com

4.2 Mrs. Jayasree Anumolu belongs to a family with extensive Industrial experience. Her late father was a promoter of BSL.

4.3 Mrs. Jayasree Anumolu holds a Permanent Account Number ("PAN") ACDPA8286F.

4.4 The Networth of Mrs.Jayasree Anumolu as on 22nd March 2012 is Rs 2,590.72 lakhs and the same is certified by Mr.G Srinivasa Rao (Membership No 210535), Chartered Accountant having his office at No 12, Master Sai Apartments, Sangeeth Nagar, Somajiguda, Hyderabad – 500082; Tel. No. 040 23396336; Email:gattamaneni_gs@yahoo.com.

4.5 Mrs. Jayasree Anumolu has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other Regulation made under the SEBI Act.

4.6 Mrs. Jayasree Anumolu is one of the promoters of Target Company i.e BSL and other than the above she has not promoted any other company and she does not hold any directorship in other companies.

4.7 Mrs. Jayasree Anumolu is related to the Target Company as one of the Promoters and she holds 9,71,714 equity shares constituting 20.75% of the fully paid equity shares of the Target Company.

4.8 Mrs. Jayasree Anumolu has acquired 4,26,706 equity shares/voting rights which represents 9.11% of the fully paid equity shares of the Target Company during the twelve (12) months period preceding the date of this DPS. Mrs. Jayasree Anumolu has acquired 4,26,706 fully paid equity shares for total consideration of Rs 2,47,26,770/- out of the above 1,706 equity shares were acquired through market purchase and the remaining shares were acquired through allotment of shares by conversion of warrants issued on preferential basis for which the highest price paid was Rs. 58/- per equity share.

4.9 Mrs. Jayasree Anumolu holds 9,71,714 fully paid equity shares in the Target Company as on the date of the PA as provided in paragraph 4.7 above and she had complied with chapter II of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations.

### (B) MR. BHARAT ANUMOLU (ACQUIRER-2)

4.10 Mr. Bharat Anumolu, aged 37 years, S/o. Subhas Chandra Bose Anumolu is residing at Flat A-303, Fortune Enclave, Road No. 12, Banjara Hills, Hyderabad, Andhra Pradesh – 500034 Tel. No. +040 66822896;Email: bharat@beardsell.co.in

4.11 Mr. Bharat Anumolu is a Graduate of I.I.T and M.S in Industrial and System Engineering by qualification.

4.12 Mr. Bharat Anumolu has almost 11 years of work experience in providing consultation to prominent financial institutions, such as Merrill Lynch Bank, US, Deutsche Bank, Credit Suisse and Phillips De Pury. In Augustof 2007, he was appointed as a Director in BSL and subsequently in May 2009 he was appointed as the Managing Director of the Target Company and he holds the post till date.

4.13 Mr. Bharat Anumolu is holding a Permanent Account Number (PAN) AHMPA2608P.

4.14 The Networth of Mr. Bharat Anumolu as on 22nd March 2012 is Rs 1,315.53 lakhs and the same is certified by Mr.G Srinivasa Rao (Membership No 210535), Chartered Accountant having his office at No 12, Master Sai Apartments, Sangeeth Nagar, Somajiguda, Hyderabad - 500082 Tel. No. 040 23396336; Email: gattamaneni_gs@yahoo.com.

4.15 Mr. Bharat Anumolu has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other Regulation made under the SEBI Act.

4.16 Mr. Bharat Anumolu is one of the promoters and Managing Director of Target Company i.e Beardsell Limited and other than the above he has not promoted any other company and he does not hold any directorship in any other companies.

4.17 Mr. Bharat Anumolu is related to the Target Company as one of the promoters and he also holds 10,57,127 equity shares constituting 22.57% of the fully paid equity shares of the Target Company.

4.18 Mr. Bharat Anumolu has acquired 4,51,250 equity shares/voting rights which representing 9.64% of the fully paid equity shares of the Target Company during the twelve (12) months period preceding the date of this Public Announcement. Mr. Bharat Anumolu has acquired 4,51,250 fully paid equity shares for total consideration of Rs 2,46,50,000/- out of the above 26,250 equity shares are acquired through Interse transfer and the remaining shares are acquired thought the allotment of shares through converting the warrants issued on preferential basis for which the highest price paid is Rs. 58/- per equity share.

4.19 Mr. Bharat Anumolu holds 10,57,127 fully paid equity shares in the Target Company as of the date of the PA as provided in paragraph 4.17 above and he has complied with chapter II of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations.

### (C) MRS. LALITHAMBA (PAC-1)

4.20 Mrs. Lalithamba aged 85 years, W/o late Mr P Punnaiah is residing at 12, Parkview Enclave, Road No. 02, Banjara Hills, Hyderabad, Andhra Pradesh – 500034 Tel. No:040-23546210; Email: banumolu@yahoo.com. She is one of the Promoters of Target Company. She is holding a PAN being AEJPP6104R.

4.21 Mrs. Lalithamba has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other Regulation made under the SEBI Act.

4.22 Mrs. Lalithamba is related to the Target Company as one of the Promoters and she holds 89,590 equity shares constituting 1.91% of the fully paid equity shares of the Target Company.

**(D) MR. AMRITH A (PAC-2)**

4.23 Mr. Amrith A aged 33 years, S/o Subhas Chandra Bose Anumolu is residing at 12, Parkview Enclave, Road No. 02, Banjara Hills, Hyderabad, Andhra Pradesh – 500034; Tel. No: 040-23546210; Email: amrith@beardsell.co.in. He is one of the Promoters of the Target Company. He is holding a PAN being AIUPA0184B.

4.24 Mr. Amrith A has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other Regulation made under the SEBI Act.

4.25 Mr. Amrith A is related to the Target Company as one of the Promoters and director and he holds 26,200 equity shares constituting 0.56% of the fully paid equity shares of the Target Company.

**(E) M/S. GUNNAM SUBBA RAO INSULATION PVT. LTD - (PAC-3)**

4.26 GSIPL was incorporated under the provisions of the Companies Act, 1956 on 28th February 1981 as a Private Limited Company by the Registrar of Companies, Hyderabad having its present Registered Office at No. 47, Greams Road, Chennai - 600006 Tel No: 044- 28295639 and the Email address of GSIPL is: gsrimalur@gmail.com

4.27 GSIPL is a company with the main object to carry on inter-alia the business of manufacturing, marketing and installing or otherwise dealing with all insulation products suitable for hot, cold, acoustic refractory insulation, false ceiling partitions, false flooring and many other kind of insulations.

4.28 GSIPL is one of the Promoters of Target Company.

4.29 GSIPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

4.30 GSIPL is related to the Target Company as one of the Promoters and it holds 5,54,720 equity shares constituting 11.84% of the fully paid equity shares of the Target Company.

**(F) Other details about Acquirers**

4.31 As per Regulation 17 of SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account bearing no. 00600350105740 with the Escrow Agent, i.e. HDFC Bank Limited, having address at 2nd Floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai 400 001 and has deposited a cash of Rs. 1,76,56,000/- (Rupees One Crore Seventy Six Lakhs Fifty Six Thousand Only), being more than 25% of the amount required for the Open Offer.

4.32 The Acquirers have adequate resources to meet the financial requirements of the Open Offer. No funds are being borrowed from any bank or financial institution for the purpose of this Open Offer by the Acquirers. As per certificate dated 22nd March 2012 from by Mr.G Srinivasa Rao, Chartered Accountant (Membership No 210535), having office at No 12, Master Sai Apartments, Sangeeth Nagar, Somajiguda, Hyderabad - 500082 Tel. No. 040 23396336; Email: gattamaneni_gs@yahoo.com, the Net Worth of Mrs. Jayasree Anumolu and Mr. Bharat Anumolu is Rs 2,590.72 lakhs and Rs 1,315.53 lakhs respectively.

4.33 As per the Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirers do not have any plans to alienate any material assets of the Target Company or otherwise sale, lease, encumber any assets of the Target Company in the next 2 (two) years, except in the ordinary course of business of the Company, Other than in the ordinary course of business, the Acquirers undertakes that it shall not alienate whether by sale, lease or encumber any material assets of the Target Company except with the prior approval of shareholders.

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

4.35 Pursuant to this offer, the public shareholding in the Target Company may reduce to less than the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and Listing Agreement. The Acquirers undertakes that if the public shareholding is reduced to below such minimum level they will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Listing Agreement and other provisions of applicable laws, within the time period mentioned therein.

## 5. BACKGROUND OF THE TARGET COMPANY

5.1 BSL was originally incorporated under the Indian Companies Act, 1913, Act VII of 1913 as Mettur Industries Limited on 23rd November 1936 with the Registrar of Joint Stock Companies, Madras vide Certificate of Incorporation No. 66 of 1936-37. Thereafter the company's name has been changed from Mettur Industries Limited to Mettur Beardsell Limited and the Company obtained a fresh certificate of incorporation consequent to change of name from the Registrar of Companies, Madras on 10th November 1969. Thereafter the name of the company was changed from Mettur Beardsell Limited to Beardsell Limited and a fresh certificate was issued on consequent to change of name from the Registrar of Companies, Tamil Nadu of incorporation on 1st October 1983. Presently the Registered Office of the company is situated at 47, Greames Road, Chennai – 600006, Tamil Nadu Tele No:+91-044-28293296;Fax No. +91-044-28290391; Email id: ho@beardsell.co.in Website: www.beardsell.co.in.

5.2 **Mrs. Jayasree Anumolu, Mr. Bharat Anumolu, Mrs. P Lalithamba, Mr. Amrith and M/s. Gunnam Subba Rao Insulation Pvt. Ltd** are the current Promoters of BSL and collectively holds 57.64% of the total paid up Equity Share Capital of BSL.

5.3 BSL is currently engaged in the business of manufacturing, selling and contracting activities in Expanded Polystyrene, Insulation and Packaging Materials, Prefab Panels, Quik-Build Panels and Solar Shield, marketing of Textiles, Exports and Technical Consultancy Services.

5.4 The authorized share capital of BSL as on date of PA is Rs. 10,00,00,000/- (Rupees Ten Crores Only), comprising of 1,00,00,000 (One crore) Equity Shares bearing a face value of Rs 10/- (Rupees Ten only) each. As on date of the PA Paid-up Equity Share capital of the BSL is Rs. 4,68,31,680/- (Rupees Four Crore Sixty Eight Lakhs Thirty One Thousand Six hundred and Eighty Only) divided into 46,83,168 Equity Shares of Rs. 10/- each.

| Paid up Equity Shares of BSL | No. of Equity Shares/ Voting rights | % of Shares / voting rights |
|---|---|---|
| Fully paid-up Equity Shares | 46,83,168 | 100.00 |
| Partly paid-up Equity Shares | NIL | NIL |
| Total Equity Shares | 46,83,168 | 100.00 |
| Total Voting Rights in the Target Company | 46,83,168 | 100.00 |

5.5 The current capital structure of the Company has been build up since inceptions are as under:

| Date of allotment | No. of shares issued | No. of shares issued in % (of then capital) | Face Value | Cumulative paid up capital (in Rs.) | Mode of Acquisition (Memorandum/ IPO/FPO/Market Purchase/Preferential Allotment/Rights Issue/Bonus Shares/ Inter-se-transfer etc.,) | Identity of allottees (whether promoters or public, in case both separate figures to be given) | Status of Compliance |
|---|---|---|---|---|---|---|---|
| 23.11.1936 | 401 | 100% | 100 | 40,100 | Memorandum | N.A (Given that the Target Company was set up in 1936, and the Takeover Code had been legislated only in the 90's, prior to that there was no requirement to distinguish the shareholders as Public and Promoters in the 90's, prior to that there was no requirement to distinguish the shareholders as Public and Promoters) | Provisions of Companies Act, 1913 & other provisions of applicable laws complied with. SEBI(SAST) and other SEBI Regulations not applicable |
| 26.02.1951 | 29,599 | 98.66% | 100 | 30,00,000 | Fresh issue on Preferential basis | | |
| 31.03.1961 | 30,000 | 50.00% | 100 | 60,00,000 | Bonus in the ratio 1:1 | | |
| 22.09.1967 | 15,740 | 20.78% | 100 | 75,74,000 | Preferential issue subsequent to merger | | |
| 26.02.1969 | 37,870 | 33.33% | 100 | 1,13,61,000 | Bonus in the ratio 2:1 | | |
| 30.09.1976 | 37,870 | 25% | 100 | 1,51,48,000 | Rights Issue | | |
| 31.12.1977 | -2 | 0.00% | 100 | 1,51,47,800 | Forfeiture | | |
| 15.07.1997 | 27,74,208 | 64.68% | 10 | 4,28,89,880 | Rights Issue | Promoters: 10,88,300 shares Public: 16,85,908 shares | Complied |
| 23.01.2002 | -4,55,820 | -11.89% | 10 | 3,83,31,680 | Capital reduction | Promoters: 1,80,000 shares Public: 2,75,820 shares | N.A |
| 27.10.2011 | 4,00,000 | 9.45% | 10 | 4,23,31,680 | Conversion of warrants into equity through preferential allotment | Promoters: 4,00,000 shares | Complied |
| 28.03.2012 | 4,50,000 | 9.61% | 10 | 4,68,31,680 | Conversion of warrants into equity through preferential allotment | Promoters: 4,50,000 shares | Complied |

5.6 The Equity Shares of the BSL are listed only on MSE and permitted to trade on NSE with effect from 8th January 2010.

5.7 There are no partly paid-up Shares in the Company.

5.8 There are no outstanding convertible instruments / warrants.

5.9 BSL has complied with all the requirements of the Listing Agreement with MSE and no penal action has been initiated by the MSE.

5.10 The composition of the board of directors of BSL as the date of P.A i.e 28th March 2012 is as follows:

| S.No. | Name of Director | Designation | Residential Address | Date of Appointment | Qualification | DIN No. | Experience in years |
|---|---|---|---|---|---|---|---|
| 1 | Thirumal Rao Venkatapuram | Director | Harrington Apartments, 98, Harrington Road, Chetput, Chennai 600031, Tamil Nadu | 19/01/1986 | B.Com and B.L | 00018346 | More than 30 years experience as legal practitioner specializing in the areas of in direct/indirect taxes, company Law, Import and Export policy, Trade Marks, Patents etc., |
| 2 | Patuvilayi Chandroth Damodaran Nambiar | Director | 461,Kilpauk Garden Road, Kilpauk, Chennai 600010, Tamil Nadu | 29/04/1983 | M.A | 00019967 | Vastly experienced in National and International Banking and Finance. |

| S.No. | Name of Director | Designation | Residential Address | Date of Appointment | Qualification | DIN No. | Experience in years |
|---|---|---|---|---|---|---|---|
| 3 | Suraneni Venkata Narasinarasimharao | Whole time Director | Nakshatra Apartments, New No 11, Old No 6, Sri Krishnapuram Street, Royapetta, Chennai 600014, Tamil Nadu | 20/05/2009 | Graduate of I I T, M.S (Chemical Engineering and M.B.A | 00025635 | Wide experience in the areas of Sales and administration |
| 4 | Uttam Reddi Mallu | Director | 37, Voc Street, Kodambakkam, Chennai 600024, Tamil Nadu | 23/10/1970 | B.L | 00025755 | More than 40 years experience as an advocate and providing consultation in law related matters |
| 5 | Ramaswamy Gowrishankar | Director | 4/241, MGR Salai, Palavakkam, Chennai 600041, Tamil Nadu | 24/09/2006 | M.S in e-commerce, M.B.A and B.Tech | 00104597 | He is over 29 years experience with MNC's and had leadership roles in several entrepreneurial ventures. |
| 6 | Bharat Anumolu | Managing Director | Flat No. A303, Fortune Enclave, Road No 2, Banjara Hills, Hyderabad 500034, Andhra Pradesh | 27/08/2007 | Graduate of I.I.T and M.S in Industrial and Systems Engineering | 02660220 | 11 years of work experience in providing consultation to prominent financial institutions, such as Merrill Lynch Bank, US, Deutsche Bank, Credit Suisse and Phillips De Pury |
| 7 | Anumolu Amrith | Director | H 12 Park View Enclave, Road No 2, Banjara Hills, Hyderabad 500033, Andhra Pradesh | 12/08/2010 | B.S in E.E and Master Education in Industrial Engineering | 03044661 | Experience in product design and development to business process improvements and re-engineering. |
| 8 | Velu Singh | Director | Principal's Quarters LIC Zonal Training Centre, Prithvipakkam Ambattur, Chennai 600053, Tamil Nadu | 12/08/2010 | M.A and B.A Economics | 03129164 | Vast Experience in Marketing. |

5.11 The Shareholding pattern of the BSL, as on the date of PA is as follows:

| Shareholder Category | Number Of Equity Shares Of The Target Company | Percentage of Equity Share Capital (%) |
|---|---|---|
| Promoter | 26,99,351 | 57.64 |
| Public | 19,83,817 | 42.36 |
| Total | 46,83,168 | 100.00 |

5.12 The Target Company acquired M/s. Viraat Granites Private Limited through a merger during Financial Year 2010-11. The Company was a wholly owned subsidiary of BSL prior to the merger. The effective date of the merger was 22nd November 2010.

Further there has been no de-merger, spin-off during the past three years in BSL.

5.13 The following are the pending litigations against BSL:

| Name of the statute | Financial Year in relation to which litigation is pending | Forum where dispute is pending |
|---|---|---|
| Sales Tax Acts of various states | 1994-95 | Deputy Commissioner& Assistant Commissioner& other appellate authorities |
| | 1995-96 | |
| | 1998-99 | |
| | 1999-00 | |
| | 2000-01 | |
| | 2001-02 | |
| | 2003-04 | |
| Central Sales Tax Act, 1956 | 1994-95 | Deputy Commissioner& CTO of various states |
| | 1995-96 | |
| | 1999-00 | |
| | 2000-01 | |
| | 2001-02 | |
| | 2003-04 | |
| | 2005-06 | |
| Income Tax Act | 2005-06 | Commissioner of Income-tax (Appeals) |

5.14 Audited financial information of BSL for the financial year ended on March 31, 2009, 2010, 2011 and unaudited financial information for the Period ended 31st December 2011 is given below:

**(Rs. In Lakhs)**

| **Profit & Loss Statement** | **Year Ended 31.03.2009 (Audited)** | **Year Ended 31.03.2010 (Audited)** | **Year Ended 31.03.2011 (Audited)** | **Period Ended 31.12.2011 (Un-Audited & Certified)** |
|---|---|---|---|---|
| Income from Operations | 5091.30 | 5384.05 | 7764.44 | 6949.25 |
| Other Income | 190.86 | 427.45 | 208.18 | 81.35 |
| Total Income | 5282.16 | 5811.50 | 7972.62 | 7030.60 |
| Total Expenditure (Excl Depreciation and Interest) | 5143.53 | 5246.43 | 7296.28 | 6532.28 |

| Profit & Loss Statement | Year Ended 31.03.2009 (Audited) | Year Ended 31.03.2010 (Audited) | Year Ended 31.03.2011 (Audited) | Period Ended 31.12.2011 (Un-Audited & Certified) |
|---|---|---|---|---|
| Profit (Loss) before Depreciation, Interest and Tax | 138.63 | 565.07 | 703.34 | 498.32 |
| Depreciation | 57.31 | 73.79 | 104.59 | 118.02 |
| Interest | 15.02 | 12.77 | 77.64 | 88.55 |
| Profit before Tax | 66.30 | 478.51 | 521.11 | 291.75 |
| Provision for FBT | 7.90 | 0 | 0 | 0 |
| Provision for Tax | 27.40 | 158.48 | 191.99 | 95.82 |
| Earlier Year Provision Written Back | | | | |
| Deferred Tax Liability / (Asset) | | | | |
| Profit after Tax | 31.00 | 320.03 | 329.12 | 195.93 |

**(Rs. In Lakhs)**

| Balance Sheet Statement | Year Ended 31.03.2009 (Audited) | Year Ended 31.03.2010 (Audited) | Year Ended 31.03.2011 (Audited) | Period End 31.12.2011 (Un-Audited & Certified) |
|---|---|---|---|---|
| **Sources of Funds** | | | | |
| Paid up Share Capital | 383.32 | 383.32 | 383.32 | 423.32 |
| Receipts Against Warrants | 0 | 0 | 203.00 | 195.81 |
| Reserves & Surplus (Excluding Revaluation Reserve) | 1270.81 | 1590.84 | 1954.57 | 2342.50 |
| Secured Loan | 15.79 | 200.00 | 602.84 | 849.42 |
| Unsecured Loan | 19.75 | 78.01 | 253.27 | 212.28 |
| Current Liabilities | 1452.29 | 1716.58 | 2292.13 | 2647.48 |
| Deferred Tax Liability | 0 | 0 | 25.74 | 33.41 |
| **TOTAL** | 3141.96 | 3968.75 | 5714.87 | 6704.22 |
| **Uses of Funds** | | | | |
| Net Fixed Assets | 514.80 | 840.26 | 2341.64 | 2790.01 |
| Deferred Tax Asset | 74.73 | 26.25 | 0 | 0 |
| Investments | 189.21 | 214.21 | 36.31 | 36.31 |
| Current Assets, Loans and Advances | 2363.22 | 2888.03 | 3336.92 | 3877.90 |
| Miscellaneous Expenses not written off/ Preliminary Expenses | 0 | 0 | 0 | 0 |
| Profit & Loss A/c (Dr. Bal) | 0 | 0 | 0 | 0 |
| **TOTAL** | 3141.96 | 3968.75 | 5714.87 | 6704.22 |

| Other Financial Data | Year Ended 31.03.2009 (Audited) | Year Ended 31.03.2010 (Audited) | Year Ended 31.03.2011 (Audited) | Period End 31.12.2011 (Un-Audited & Certified) |
|---|---|---|---|---|
| Net Worth (Rs. in lakhs) | 1654.13 | 1974.16 | 2540.89 | 2961.63 |
| Dividend (%) | 0 | 0 | 0 | 0 |
| Earning Per Share (Rs.) | 0.81 | 8.35 | 8.59 | 4.63 |
| Return on Networth (%) | 1.87 | 16.21 | 12.95 | 6.62 |
| Book Value Per Share | 43.15 | 51.50 | 66.29 | 69.96 |

5.14.1 **The contingent liabilities as on 31st March 2011 includes the following:**

**(Rs in lakhs)**

| | |
|---|---|
| Uncalled Liability in respect of partly paid shares held as investments | 0.36 |
| Claims against the Company not acknowledged as debts | 2.00 |
| Capital Commitments (Net of Advances) | 68.81 |
| Disputed Sales Tax demands | 15.36 |

5.14.2 Reason for fall/rise in total income and profit after tax are as follows:

- FY 2008-09 Compared to 2009-2010:

  During the Financial Year 2008-09, a provision for bad and doubtful debts to the tune of Rs 269.39 lakhs was debited to the Profit and loss account, thereby, resulting in a PAT of Rs 31 Lakhs only. The PAT of the Financial Year 2008-09 (Rs 31 lakhs) and Financial Year 2009-10 (Rs 320.30 Lakhs) are not comparable as the provision for doubtful debts was made in Financial Year 2008-09 and not in Financial Year 2009-10.

- FY 2009-2010 Compared to 2010-2011:

  With respect to the PAT of 2010-11 it is relevant to note that the profit margin was much lower during the said Financial Year than 2009-10 due to increase in cost of raw materials and increase in salaries, wages and bonus, resulting in downward movement of the PAT of 2010-11.

5.15 Pre- and Post-Offer shareholding pattern of the BSL is as per the following table:

| S.No. | Shareholder category | Shareholding & voting rights prior to the acquisition and offer (A) | | Shares/voting rights acquired which triggered off the Regulations (B) | | Shares/Voting rights to be acquired in the open offer (assuming full acceptance) (C) | | Shareholding/voting rights after the acquisition and Offer | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. | % | No. | % | No. | % | No. | % |
| 1. | **Promoter Group** | | | | | | | | |
| | Promoters other than acquirers | 6,70,510 | 15.84 | Nil | Nil | Nil | Nil | 6,70,510 | 14.32 |
| | **Total 1** | **6,70,510** | **15.84** | **Nil** | **Nil** | **Nil** | **Nil** | **6,70,510** | **14.32** |
| 2. | **Acquirers** | | | | | | | | |
| | a. Mercers Anumolu | 7,46,714 | 17.64 | 2,25,000 | 4.81 | 12,17,624 | 26.00 | 21,89,338 | 46.75 |
| | b. Mr. Bharat Anumolu | 8,32,127 | 19.66 | 2,25,000 | 4.80 | | | 10,57,127 | 22.57 |
| | **Total 2** | **15,78,841** | **37.30** | **4,50,000** | **9.61** | **12,17,624** | **26.00** | **32,46,465** | **69.32** |
| | **Total (1+2)** | **22,49,351** | **53.14** | **4,50,000** | **9.61** | **12,17,624** | **26.00** | **39,16,975** | **83.64** |
| 3. | Public | | | | | | | | |
| a. | FIs/MFs/FIIs/ Bank | 4340 | 0.102 | Nil | Nil | -- | -- | 7,66,193 | 16.36 |
| b. | Others | 19,79,477 | 46.76 | Nil | Nil | | | | |
| | Total no. of shareholders i.e 3247 in "Public Category" 3(a+b) | 19,83,817 | 46.86 | Nil | Nil | | | | |
| | **Total (1+2+3)** | **42,33,168** | **100.00** | **4,50,000** | **9.61** | **--** | **--** | **46,83,168** | **100.00** |

5.16 The number of Shareholders in BSL in public category is 3247 as on date of PA. And there are 21 NRI Shareholders in the Company holding 6,150 number of equity shares forming 0.13% of the total equity paid-up share capital of BSL.

5.17 The Company is not a sick Company.

5.18 There is change in shareholding of Promoter group. The details of change in shareholding of Promoters as per reporting u/r. 8(3) of the SEBI (SAST) Regulations, 1997 filed with the Stock Exchange since 1997 to 2012 (Date of PA) are as under.

| Year ended 31st March | Opening Balance (No. of Shares) | Opening % holding promoter group | Net purchase/ (sale) | Mode of Acquisition/ sale | Closing holding promoter group (No. of Shares) | Closing % holding promoter group | Increase/ decrease in percentage holding (+/- %) | Compliance |
|---|---|---|---|---|---|---|---|---|
| 1997 | 7,37,340 | 48.68 | - | - | 7,37,340 | 48.68 | - | Complied |
| 1998 | 7,37,340 | 48.68 | 11,38,850 | Transfer and Allotment | 18,76,190 | 43.74 | (4.94) | Complied |
| 1999 | 18,76,190 | 43.74 | - | - | 18,76,190 | 43.74 | - | Complied |
| 2000 | 18,76,190 | 43.74 | (3,20,000) | Transfer | 15,56,190 | 36.28 | (7.46) | Complied |
| 2001 | 15,56,190 | 36.28 | 61,550 | Transfer | 16,17,740 | 37.72 | 1.44 | Complied |
| 2002 | 16,17,740 | 37.72 | 22,100 | Transfer | 16,39,840 | 38.23 | 0.51 | Complied |
| 2003 | 16,39,840 | 38.23 | (1,80,000) | Capital Reduction | 14,59,840 | 38.08 | (0.15) | Complied |
| 2004 | 14,59,840 | 38.08 | - | - | 14,59,840 | 38.08 | - | Complied |
| 2005 | 14,59,840 | 38.08 | 1,70,000 | Inter se | 17,57,060 | 45.84 | 7.76 | Complied |
| 2006 | 17,57,060 | 45.84 | 87,500 | Transfer | 18,44,560 | 48.12 | 2.28 | Complied |
| 2007 | 18,44,560 | 48.12 | 17,500 | Transfer | 18,62,060 | 48.58 | 0.46 | Complied |
| 2008 | 18,62,060 | 48.58 | - | - | 18,62,060 | 48.58 | - | Complied |
| 2009 | 18,62,060 | 48.58 | - | - | 18,62,060 | 48.58 | - | Complied |
| 2010 | 18,62,060 | 48.58 | - | - | 18,62,060 | 48.58 | - | Complied |
| 2011 | 18,62,060 | 48.58 | (14415) | Open Market | 18,47,645 | 48.20 | (0.38) | Complied |

| Year ended 31st March | Opening Balance (No. of Shares) | Opening % holding promoter group | Net purchase/ (sale) | Mode of Acquisition/ sale | Closing holding promoter group (No. of Shares) | Closing % holding promoter group | Increase/ decrease in percentage holding (+/- %) | Compliance |
|---|---|---|---|---|---|---|---|---|
| 24.06.2011 | 18,47,645 | 48.20 | 1,706 | Open Market Purchase | 18,49,351 | 48.25 | 0.05 | Complied |
| 31.10.2011 | 18,49,351 | 48.25 | 4,00,000 | Preferential allotment | 22,49,351 | 53.14 | 4.89 | Complied |
| 28.03.2012 | 22,63,766 | 53.48 | 4,50,000 | Preferential allotment | 26,99,351 | 57.64 | 4.50 | Complied |

5.19 There was a delay in filing of disclosure under the SEBI Takeover Code by the target company which are as follows:

The disclosure under Regulation 8(3) of SEBI (SAST), 1997 filed for the year ended 31 March 2002 was revised on 28 March 2003.

There was a delay in filing of disclosure under Regulation 7(3) of SEBI (SAST), 1997 in October 2004.

The disclosure under Regulation 8(3) of SEBI (SAST), 1997 filed for the year ended 31 March 2009 was delayed.

Further the promoters of the target Company have committed the following contravention of the takeover code:

There was a delay in filing the disclosure under Regulation 29(1) of SEBI (SAST) Regulations, 2011 in the year 2011.

Further, the promoters of Target Company inadvertently violated the provisions of Regulation 11(1) of SEBI (SAST) Regulations, 1997 on account of increase in the total promoter's shareholding by 7.76% during the fiscal year 2005 without making an open offer. However the open offer price that should have been offered by the promoters in the fiscal year 2005 along with the interest as per SEBI (SAST) Regulations, 1997 from the date of triggering of the takeover code in 2005 till the date of the present public announcement is Rs 55.15 computed as per the method laid down by the Supreme Court in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, 1995 (83 Com. Case 30) which is less than the current open offer price of Rs. 58.00.

SEBI may initiate suitable action at later stage for the delay and non compliances in aforesaid compliances against the Target Company and the promoters.

5.20 As per the Annual Report for the Financial Year 2010-2011, the Target Company has complied with the norms of the SEBI Guidelines on Corporate Governance as enumerated in Clause 49 of the Listing agreements with Stock Exchanges.

The Company has filed the latest Corporate Governance report with the Stock Exchange as on 31st March, 2012. The details are as follows:

Name of the Company : Beardsell Limited

Quarter ending on : 31st March 2012

| | Particulars | Clause of Listing Agreement | Compliance Status Yes/No | Remarks |
|---|---|---|---|---|
| I | **Board of Directors** | 49 I | | --- |
| | (A) Composition of Board | 49(IA) | Yes | --- |
| | (B) Non-executive Directors' compensation & disclosures | 49 (IB) | Yes | --- |
| | (C) Independent Director | 49 (IC) | Yes | --- |
| | (D) Board Procedure | 49 (ID) | Yes | --- |
| | (E) Code of Conduct | 49(IE) | Yes | --- |
| | (F) Term of office of non-executive directors | 49(IF) | Yes | --- |
| II. | **Audit Committee** | | | --- |
| | (A) Qualified & Independent Audit Committee | 49 (IIA) | Yes | --- |
| | (B) Meeting of Audit Committee | 49 (IIB) | Yes | --- |
| | (C) Powers of Audit Committee | 49 (IIC) | Yes | --- |
| | (D) Role of Audit Committee | 49 (IID) | Yes | --- |
| | (E) Review of Information by Audit Committee | 49 (IIE) | Yes | --- |
| III. | **Subsidiary Companies** | 49 (III) | Yes | --- |
| IV. | **Disclosures** | 49 (IV) | | --- |
| | (A) Basis of related party transactions | 49 (IV A) | Yes | --- |
| | (B) Disclosure of Accounting treatment | 49 (IV B) | NA | --- |
| | (C) Board Disclosure and Risk Management | 49 (IV C) | Yes | --- |
| | (D) Proceeds from Initial Public offerings | 49 (IV D) | Yes | --- |
| | (E) Remuneration of Directors | 49 (IV E) | Yes | |
| | (F) Management | 49 (IV F) | Yes | --- |
| | (G) Shareholders | 49 (IV G) | Yes | --- |
| V. | **CEO/CFO Certification** | 49 (V) | Yes | --- |
| VI. | **Report on Corporate Governance** | 49 (IX) | Yes | --- |
| VII | **Compliance** | 49 (X) | Yes | --- |

5.21 Mr. Krishnamurthy Murali is the Compliance Officer of the Company, his address is at 47, Greams Road, Chennai - 60006, Tel No.: +91-044-28293296 Email :km@beradsell.co.in

5.22 The Target company has issued the warrants through preferential allotment two times in the year 2010 and 2011 the details are as follows :

The Target Company has issued 4,00,000 warrants convertible to equity at a price of Rs.58/- per share I,e including the premium of Rs. 48/- per share on 28th September 2010 in the Annual General Meeting and thereafter these warrants has been converted in to equity on 31st October 2011 by allotting 2,00,000 shares each to Mr. Bharat Anumolu and Mrs. Jayashree Anumolu.

The Target Company has also issued 4,50,000 warrants convertible to equity at a price of Rs.58/- per share I,e including the premium of Rs. 48/- per share on 28th September 2011 in the Annual General Meeting and thereafter these warrants has been converted in to equity on 28th March 2012 by allotting 2,25,000 shares each to Mr. Bharat Anumolu and Mrs. Jayashree Anumolu.

By the above allotments during the year i.e. from 1st April 2011 to 31st March 2012 total 8,50,000 shares were allotted to the promoter group through preferential allotment and in addition to this Mrs. Jayasree Anumolu has also acquired 1706 equity shares from the Open Market on 17th June 2011.

Therefore the total acquisition of 851706 shares during the year has triggered the open offer i.e. as on 31st March 2011 the promoter group was holding 48.20% of the paid-up share capital of the TC and post conversion of warrants into equity on 28th March 2012 the promoter group's holding was increased to 57.64%.

Pursuant to the acquisition of equity shares of more than 5% of the paid up capital in one financial year in the Target Company, the mandatory open offer is being made by the acquitters in compliance with the Regulation 3 and other applicable provisions of SEBI (SAST) Regulations 2011.

## 6 OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1 Justification of Offer Price

6.1.1 The Equity Shares of the Target Company are listed on MSE and are permitted to be traded on the NSE. The shares are placed under Scrip code: **BEARDSELL** on the NSE

6.1.2 There has been no active trading in the shares of Target Company as per the data maintained on the website of the NSE i.e. www.nseindia.com during twelve calendar months preceding the month in which this PA is made. The Equity Shares of BSL are not frequently traded shares within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations.

6.1.3 The Offer Price of Rs. 58/- (Rupees Fifty Eight only) is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations on the basis of the following:

| S. NO. | PARTICULARS | PRICE (IN RS. PER SHARE) |
|---|---|---|
| (a) | Negotiated price under the Shares Purchase Agreement | N.A |
| (b) | The volume- weighted average price paid or payable for acquisitions by the acquirers during 52 weeks immediately preceding the date of PA. | 57.97 |
| (c) | Highest price paid or payable for acquisitions by the acquirers during 26 weeks immediately preceding the date of PA. | 58.00 |
| (d) | 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. | N.A |
| (e) | Other Financial Parameters as at: | 31.03.2011 |
| | Fair Market Value based on Return on Networth | 44.40 |
| | Fair Market Value based on EPS | 47.36 |
| | Fair Market Value based on Book Value per Share | 53.65 |
| | Fair Market Value based on HLL Method | 44.22 |

In view of the parameters considered and presented in table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 58/- (Rupees Fifty Eight Only) per share being the highest of the prices mentioned above is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.

**The Fair Value of BSL, is Rs. 53.65/- (Rupees Fifty Three and Sixty Five Paise Only)** as certified vide Valuation certificate dated 28 March 2012, by Mr N Subramanian (Membership No. 021628) , Chartered Accountant having its office situated at No.81, Greams Road, MNO Complex, Chennai 600006, Tel. No.: 044-28292272/ 28292273, Email ID: nsubramanians@gmail.com.

### 6.2 Financial Arrangements

6.2.1 Assuming full acceptance under the offer, the maximum consideration payable by the Acquirers under the offer would be Rs. 7,06,22,192/- (Rupees Seven Crore Six lakhs Twenty Two Thousand One Hundred and Ninety Two Only) ("maximum consideration") i.e. consideration payable for acquisition of 12,17,624 equity shares of the target Company at offer price of Rs. 58/- per Equity Share.

6.2.2 The Acquirers have adequate resources to meet the financial requirements of the Open Offer. No funds are being borrowed from any bank or financial institution for the purpose of this Open Offer by the Acquirers.

6.2.3 Assuming the full acceptance of 26% i.e. acquisition of 12,17,624 equity shares of the target Company, the total requirement of funds for the Open Offer is Rs. 7,06,22,192/- (Rupees Seven Crore Six lakhs Twenty Two Thousand One Hundred and Ninety Two Only). In compliance with Regulation 17 of SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account bearing no. 00600350105740 with the Escrow Agent, i.e. HDFC Bank Limited, having address at 2nd floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai 400 001, and have deposited cash of Rs. 1,76,56,000/- (Rupees One Crore Seventy Six Lakhs Fifty Six Thousand Only), being more than 25% of the total amount required for the Open Offer. The Acquirers empowered M/s Comfort Securities Limited, Manager to the Offer, to instruct the bank to issue demand drafts or to make payment of the amounts to the shareholders who tendered their shares in the open offer and realise the value of the escrow account in terms of Regulation 17(5) of the SEBI (SAST) Regulations.

6.2.4 The Acquirers have duly empowered M/s Comfort Securities Limited, Manager to the Offer, to realise the value of the escrow account in terms of the SEBI (SAST) Regulations, 2011.

6.2.5 The Manager to the Offer, M/s Comfort Securities Limited, hereby confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligation under the SEBI (SAST) Regulations.

6.2.6 Mr.G Srinivasa Rao Chartered Accountant, Membership No. 210535, having his office at No 12, Master Sai Apartments, Sangeeth Nagar, Somajiguda, Hyderabad – 500082 Tel. No. 040-23396336; Email:gattamaneni_gs@yahoo.com certified that the total Net Worth of Acquirers as on 22nd March, 2012 is Rs. 2,590.72 Lakhs and 1,315.53 Lakhs respectively and the Acquirers have sufficient means to fulfil the obligations under this open offer.

6.2.7 The Manager to the Offer, M/s. Comfort Securities Limited, hereby confirms that the Acquirers are capable to implement the Offer obligations in accordance with the SEBI (SAST) Regulations.

## 7 TERMS AND CONDITIONS OF THE OFFER

### 7.1 Persons eligible to participate in the Offer

7.1.1 Registered Shareholders of BSL and unregistered Shareholders who own the Equity Shares of BSL on or before the last date of tendering period.

7.1.2 15,52,591 Equity Shares (i.e.33.15% ) of BSL are under lock-in requirements as per SEBI Regulations and belongs to Promoter Group. There shall be no discrimination in the acceptance of locked-in and non-locked in shares in the Offer.

### 7.2 Statutory Approvals

7.2.1 NRI/OCB Shareholders who wish to tender their Shares in the Offer will be required to submit all the previous RBI approvals (Specific and general) that they would have obtained for acquiring the Shares of Target Company. In case the previous RBI approvals are not submitted, the Acquirers reserves the right to reject the Shares tendered in the Offer.

7.2.2 No approval from any bank or financial institutions is required for the purpose of this Offer.

7.2.3 As on the date of PA, no other statutory approvals are required to be obtained for the purpose of this Offer.

7.2.4 The Open Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of the Open Offer.

7.2.5 In case of delay in receipt of any statutory approval, Regulation 18(11) of SEBI (SAST) Regulations, will be adhered to, i.e. SEBI has power to grant extension of time to Acquirers for payment of consideration to Shareholders subject to Acquirers agreeing to pay interest for delayed period as directed by SEBI.

7.2.6 The Acquirers shall complete all procedures relating to the Open Offer including payment of consideration to the shareholders who have accepted the open offer within 10 working days from the last date of the tendering period.

## 8 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1.1 The Acquirers have appointed **Cameo Corporate Services Limited** as the Registrar to the Offer.

8.1.2 All eligible Equity Shareholders of fully paid Equity Shares of BSL, registered or unregistered who wish to avail and accept the Offer will be required to communicate their acceptance along with all relevant documents in the form and manner specified in the LoO/FOA at below mentioned collection centre on or before closure of the Offer i.e. Wednesday, 20th June 2012. The documents shall be tendered at below mentioned collection centre on all working days i.e. from Monday to Friday between 10.00 a.m. to 6.00 p.m. and on Saturday from 10.00 a.m. to 2.00 p.m. The centre will be closed on Sundays and Public holidays.

| Address of Collection Centre | Name of the Contact Person, Tel. No., Fax No. and Email | Mode of Delivery |
|---|---|---|
| Cameo Corporate Services Ltd.,<br>SEBI Registration No INR000003753<br>Subramanian Building # 1, Club House Road,<br>Chennai 600 002 - India | Ms Sree Priya Phone: +91-44-28460390<br>Fax: +91-44-28460129<br>Email: cameo@cameoindia.com<br>Website: http://www.cameoindia.com | Hand Delivery / Registered Post |

***Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respects; otherwise the same are liable to be rejected. In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the 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, will be rejected.***

**8.1.2.1 Shareholders should send all the relevant documents mentioned herein.**

**I For equity shares held in physical form – Documents to be delivered:**

**A Registered Shareholders should enclose:**

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- 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 BSL and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this LoO.
- Self attested copy of the PAN card.

**B Unregistered owners should enclose:**

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original Broker Contract Note.
- Valid Share Transfer form(s) as received from the market.
- Self attested copy of the PAN card of all the proposed transferees.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

**II For Equity shares held in demat form:**

**C. Beneficial owners should enclose:**

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.
- The Beneficial Owners who hold shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the Special Depository Account. The credit in the Special Depository Account should be received on or before 6.00 pm as on the date of closure of the Offer, i.e., Wednesday, 20th June 2012.
- The Delivery Instructions to be given to the DP should be in “Off-Market” mode only. A special depository account has been opened, details thereof are as under:

| Account Name | “CAMEO CORPORATE SERVICES LTD ESCROW A/C BSL OPEN OFFER” |
|---|---|
| Depository | National Securities Depository Limited (NSDL) |
| DP Name | Stock Holding Corporation of India Limited |
| DP ID Number | IN301080 |
| Client ID Number | 22815303 |
| Mode | Off Market |

Shareholders having their beneficiary account with Central Depository Services (India) Limited (CDSL), have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the above mentioned Special Depository Account with NDSL. In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirers may deem the Offer to have been accepted by the shareholder.

***Applicants may send their documents only by Registered Post, at their own risk, if not hand delivered at the designated collection centre, to the Registrar at the addresses as mentioned here-in-above during business hours indicated above other than on holidays. Please note that the Share Certificates/Delivery Instruction Slip and other documents in relation to the acceptance of the Offer should not be sent to the Acquirers or the Target Company. Such documents should not be sent to the Manager to the Offer.***

8.1.3 In case of non-receipt of the Letter of Offer, Shareholders may obtain a copy of the same by writing to the Registrar to the Offer at either of the collection centres mentioned at 8.1.2 marking the envelope **"CAMEO CORPORATE SERVICES LTD ESCROW A/C BSL OPEN OFFER".** Alternatively, eligible Shareholders may send their acceptance to the Registrar to the Offer, on a plain paper stating their name, address, folio nos., distinctive nos. no. of Shares held, No. of Shares tendered, along with documents as mentioned at para 8.1.3 so as to reach the Registrar to the Offer on or before 6.00 p.m on the Closure of the Offer i.e Wednesday, 20th June, 2012 or in case of beneficial owners they may send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Number of shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, or the eligible persons can write to the Manager to the Offer requesting for the LoO and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., not later than Wednesday, 20th June, 2012. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the LoO and Form of Acceptance cum Acknowledgement will be available on SEBI's website (www.sebi.gov.in), from the date of Opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI's website and apply using the same.

8.1.4 No Indemnity is needed from Unregistered Shareholders.

8.2 If the aggregate of the valid responses to the Offer exceeds 12,17,624 fully paid up Equity Shares, then the Acquirers shall accept the valid applications received on a proportionate basis in such a way that acquisition from a shareholder shall not be less than the market lot or the entire holding, if it is less than the market lot. The marketable lot of BSL is **1 (One) Equity Share.**

8.3 In case of delay in receipt of any statutory approval, Regulation 18(11) of SEBI (SAST) Regulations, will be adhered to, i.e. SEBI has the power to grant extension of time to the Acquirers for payment of consideration to Shareholders of BSL subject to Acquirers agreeing to pay interest for delayed period as directed by SEBI. If the delay in payment consideration is not due to the above reasons, then the amount held in the Escrow Account shall be subject to forfeiture as per Regulation 17(9) and dealt in the manner provided in Regulation 17(10) of the SEBI (SAST) Regulations.

8.4 Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the shareholders' sole risk to the sole/ first shareholder. Unaccepted shares held in dematerialised form will be credited back to the beneficial owners' DP account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective depository participants when transferred by the Registrar to the Offer.

8.5 The Registrar to the Offer will hold in trust the shares/share certificates, shares lying in the credit of the Special Depository Account, Form of Acceptance cum Acknowledgment, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the Offer, till the cheques/drafts for the consideration and/ or the unaccepted shares/ share certificates are despatched/ returned.

8.6 Payment of consideration for the applications accepted in the Offer shall be made within 10 days from the last date of the tendering period. Credit for the consideration will be given to the shareholders whose Equity Shares have been accepted in the Open Offer by ECS, or crossed account payee cheques/pay orders/demand drafts, RTGS and NEFT.

8.7 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Special Depository Account is received on or before the date of Closure of the Offer, i.e., not later than Wednesday, 20th June, 2012 else the application would be rejected.

8.8 The consideration received by the shareholders for Equity Shares accepted in the Offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act, 1961. Further, the securities transaction tax will not be applicable on Equity Shares accepted in this Offer.

8.9 Dispatches involving payment of a value in excess of Rs. 1,500/- will be made by registered post/speed post at the shareholder's sole risk. In the case shareholders residing in any of the centres specified by the SEBI and have opted an option to get payment consideration through electronic transfer of funds by using ECS, Direct Credit, RTGS or NEFT, as is for the time being permitted by the Reserve Bank of India should provide all the necessary Bank details including MICR code or RTGS code or IFSC code in Form of Acceptance-cum-Acknowledgement and the payment intimation will be sent to the sole / first named shareholder of BSL whose equity shares are accepted by the Acquirers at his address registered with BSL. Rejected documents will be sent by registered post/speed post. All other despatches will be made by ordinary post at the shareholder's sole risk. All cheques / demand drafts will be crossed Account Payee and will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of 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 Form of Acceptance-cum-Acknowledgement for incorporation in the cheque / demand draft.

8.10 **Non Resident Shareholders**

8.10.1 Non-Resident Shareholders may tender their Shares in accordance with the Procedure mentioned at 8.1.3 (as applicable) above. In case the RBI approvals are not submitted, the Acquirers reserves the right to reject such equity shares.

8.10.2 While tendering the shares under the Offer, NRIs/ OCBs/ 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 shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirers reserves the right to reject such shares tendered.

8.10.3 While tendering shares under the Offer, NRIs / OCBs / 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 Acquirers under the Income Tax Act, 1961 (the "Income Tax Act"), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirers 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.

8.10.4 The above documents should not be sent to the Acquirers or to BSL or to the Manager to the Offer. The same should be sent only to the Registrar to the Offer at the collection centre given above in 8.1.2.

**8.11 General**

a. The Form of Acceptance and instructions contained therein are integral part of this LoO.

b. Neither the Acquirers nor the Manager nor the Registrar nor the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of BSL.

c. The Offer Price is denominated and payable in Indian Rupees only.

d. All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole/first applicant, folio number, Number of Equity Shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

e. If there is any upward revision in the Offer Price by the Acquirers at anytime prior to the last three working days before the commencement of the tendering period viz., Friday 1st June 2012 the same would be informed by way of another Public Announcement in the same newspapers in which the DPS pursuant to PA was published as per Regulation 18(7) of SEBI (SAST) Regulations, 2011.

f. If there is Competing Offer:

- The Public Offers under all the subsisting bids shall close on the same date.
- The Offer Price can be revised at any time prior to the commencement of the last three working days before the commencement of the tendering period to know the final Offer Price of each bid and tender their acceptance accordingly.

**9. DOCUMENTS FOR INSPECTION**

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at Comfort Securities Limited A-301, Hetal Arch, Opp. Natraj Market, S. V. Road, Malad (West), Mumbai – 400 064 from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

9.1 Certificate of Incorporation, Memorandum and Articles of Association of Beardsell Limited.

9.2 Certificate of Incorporation, Memorandum and Articles of Association of M/s. Gunnam Subba Rao Insulation Pvt. Ltd.

9.3 Mr. G Srinivasa Rao, Chartered Accountant, certifying the Net worth of Acquirers as on 22nd March 2012.

9.4 Annual Reports of BSL for years ended on March 31, 2009, 2010 and 2011

9.5 Annual Reports of GSIPL for year ended on March 31, 2011

9.6 Certificate from HDFC Bank Limited having office at 2nd floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai- 400001 confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation.

9.7 Copy of Public Announcement dated 28th March, 2012.

9.8 Published copy of the Detailed Public Statement, which appeared in the newspapers on Wednesday, 4th April, 2012 for acquisition of 12,17,624 Equity Shares.

9.9 Copy of Recommendation made by BSL Board of Directors dated **25.05.2012.**

9.10 Observation letter no. CFD/DCR/TO/SS/OW/11414/12 dated 22nd May 2012 on the draft Letter of Offer filed with the Securities and Exchange Board of India.

9.11 Memorandum of Understanding between Lead managers i.e. Comfort Securities Limited. & Acquirers.

9.12 Undertaking from the Acquirers, stating full responsibility for all information contained in the P.A., Detailed Public Statement and the Letter of Offer.

9.13 Certificate from Statutory Auditors for financial data audited for the purpose of Open Offer of BSL, the Target Company.

9.14 Undertaking from the Acquirers that if they acquire any shares of the target company during the Offer Period, they shall inform Stock Exchange, the Target Company and the Manager to the Offer within 24 hours as per Regulation 18(6) of SEBI (SAST) Regulations, 2011.

9.15 Undertaking from the Acquirers for unconditional payment of the consideration within 10 working days from the last date of the tendering period to all Shareholders of the Target Company whose applications are accepted in the Open Offer.

9.16 Undertaking from the Acquirers with regard to Regulation 2(o) and Regulation 7(4) of SEBI (SAST) Regulations.

## 10. DECLARATION BY THE ACQUIRERS

10.1 The Acquirers Mrs. Jayasree Anumolu and Mr. Bharat Anumolu accept full responsibility for the information contained in this Letter of Offer and also accept responsibility for the obligations of the Acquirers laid down in the SEBI (SAST) Regulations. All the information contained in this document is as on date of the PA, unless stated otherwise.

10.2 We have made all reasonable inquiries, accept responsibility for, and confirm that this Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

10.3 We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (SAST) Regulations have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956 and SEBI (SAST) Regulations.

**Mrs. Jayasree Anumolu**

**Mr. Bharat Anumolu**

Place : Chennai
Date : 25.05.2012

**ENCLOSURES :**

1. Form of Acceptance cum Acknowledgement
2. Blank Share Transfer Deed(s) in the case of shares held in physical mode.

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to **Cameo Corporate Services Limited**, Registrar to the Offer at their address given overleaf)

## FORM OF ACCEPTANCE-CUM-ACKNOWLEDGMENT

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

| | |
|---|---|
| **OFFER OPENS ON** | **JUNE 7, 2012** |
| **OFFER CLOSES ON** | **WEDNESDAY 20, 2012** |

| FOR OFFICE USE ONLY | |
|---|---|
| Acceptance Number: | |
| Number of Equity Shares offered: | |
| Number of Equity Shares accepted: | |
| Purchase Consideration (Rs.): | |
| Cheque/ Demand Draft/Pay Order No/ECS: | |

PLEASE READ THE INSTRUCTIONS OVERLEAF BEFORE FILLING-IN THIS FORM OF ACCEPTANCE

From: -

Name :

Address :

Status: Resident/ Non Resident

| | | |
|---|---|---|
| Folio No.: | Sr. No: | No of Shares Held: |
| Tel. No: | Fax No: | E-Mail: |

**To,**

**Mrs Jayasree and Mr Bharat Anumolu**
**C/o Ms Sree Priya**
**Cameo Corporate Services Limited**
SEBI Registration No INR000003753
Subramanian Building # 1,
Club House Road,
Chennai 600 002 - India

Dear Sir,

**Sub. : Cash Offer for purchase of 12,17,624 ( Twelve Lakhs Seventeen Thousand Six Hundred and Twenty four Only) Equity Shares of Beardsell Limited at a price of Rs. 58/- (Rupees Fifty Eighty Only) per Share under SEBI (SAST) Regulations.**

**I/We refer to the Letter of Offer dated 25.05.2012 for acquiring the Equity Shares held by me/us in BSL.**

I/We, the undersigned, have read the Letter of Offer, Detailed Public Statement and understood their contents including the terms and conditions and procedure as mentioned therein.

**FOR SHARES IN PHYSICAL FORM**

**I/We, hold the following shares in physical form and accept the Offer and enclose the original Share certificate (s) and duly signed share transfer deed (s) in respect of my/our Shares as detailed below:**

| Sr. No. | Certificate No(s) | Distinctive No(s) | | No. of shares |
|---|---|---|---|---|
| | | From | To | |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| | | | **Total number of shares** | |

*(Please attach authenticates additional sheets, if required)*

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**BEARDSELL LIMITED - CASH OFFER**

**Folio No.**______________ **ACKNOWLEDGEMENT SLIP** **Sr. No.**______________

Received from Mr./Ms. ____________________

Address :____________________ Form of Acceptance for____________________ shares along with a copy of ____________________ Share Certificate (s) ____________________ Transfer Deed folio number (s) ____________________

For accepting the Offer made by the Acquirers

| Signature of Official and Date of Receipt | Stamp of Registrar to the Offer | Date of Receipt |
|---|---|---|
| | | |

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

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

I/We authorize the Acquirers to accept the equity shares so offered or such lesser number of equity shares that the Acquirers may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I/we further authorise the Acquirers to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirers to return to me/us, equity share certificate(s) in respect of which the Offer is not found/not accepted, specifying the reason thereof.

My/Our execution of this Form of Acceptance shall constitute my/our warranty that the equity shares comprised in this application are owned by me/us and are transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I/we will hold the Acquirers, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these equity shares. I/we agree that the Acquirers may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.

I/We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me/us till the date the Acquirers makes payment of consideration or the date by which Shares/Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be.

I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my/our agreeing to sell the said equity shares.

I/We irrevocably authorise the Acquirers to send by Registered Post at my/our risk, the Cheque(s)/Demand Draft(s)/Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with BSL/DP:

**Name and complete address of the Sole/ First holder (in case of member(s), address as registered with BSL:**

**Name**

**Address**

**Place:** ________________ **Date:** ________________ **Tel. No(s). :** ________________ **Fax No.:** ________________

**So as to avoid fraudulent encashment in transit, the shareholder(s) are requested to kindly provide the following bank details of the first/sole shareholder and the consideration will be payable by way of ECS Mode/ cheque or demand draft will be drawn accordingly. In case of shareholders holding Shares in electronic mode, bank particulars noted with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/ demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished. In order to receive payment consideration through ECS mode, the shareholders are requested to compulsorily provide their following bank details:-**

Bank Account No.: ________________________________________

Type of Account: ________________ (Savings / Current / Other (please specify))

Name of the Bank: ________________________________________

Name of the Branch and Address: ________________________________

MICR Code of Bank ________________________________

IFSC Code of Bank ________________________________

The Permanent Account No. (PAN / GIR No.) allotted under the Income Tax Act, 1961 is as under:

| PAN / GIR No. | 1st Shareholder | 2nd Shareholder | 3rd Shareholder |
|---|---|---|---|
| | | | |

**Enclosure (Please tick)**

- Power of Attorney, if any person apart from the shareholder, has signed the acceptance from or transfer deed(s).
- Duly attested Death certificate/succession certificate (in case of single shareholders) in case the original shareholders has expired
- RBI approval (for NRI/OCB/Foreign shareholders)
- Corporate Authorisation in case of companies along with Board resolutions and specimen signature of authorized signatory
- No objection certificate & Tax clearance certificate under Income Tax Act, 1961 (for NRI/OCB/Foreign shareholders)
- Other (please specify)

Yours faithfully,

Signed and Delivered:

- - - - - - - - - - - - - - - - - - - - Tear Here - - - - - - - - - - - - - - - - - - - -

For Future Correspondence, if any, should be addressed to Registrar to the Offer at the following address

**Mrs Jayasree and Mr Bharat Anumolu**
**C/o.Ms Sree Priya**
**Cameo Corporate Services Limited**
SEBI Registration No INR000003753
Subramanian Building # 1, Club House Road, Chennai 600 002 - India
**Phone:** +91-44-28460390, **Fax:** +91-44-28460129
**Contact Person:** Ms. Sree Priya
**Email:** cameo@cameoindia.com, **Website:** http://www.cameoindia.com

| PARTICULARS | FULL NAME (S) OF THE HOLDERS | SIGNATURE (S) |
|---|---|---|
| First/Sole Shareholder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |

**Note:** In case of joint holdings, all the holders must sign. In case of body corporate, stamp of the company should be affixed and necessary Board Resolution should be attached.

**INSTRUCTIONS**

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

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

I. The acceptance of the Offer made by the Acquirers is entirely at the discretion of the equity shareholder of BSL.

II. Shareholders of BSL to whom this Offer is being made, are free to offer his / her / their shareholding in BSL for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in the Offer.

Business Hours: Monday to Friday: 10.00 hours to 18.00 hours
Saturday: 10.00 to 14.00 hours
Holidays: Sundays, Public Holidays and Bank Holidays

**INSTRUCTIONS**

1. Shareholders should enclose the following:-.

   **For Equity shares held in physical form: -**

   **A. Registered Shareholders should enclose:**

   - ❖ Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
   - ❖ Original Share Certificate(s).
   - ❖ 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 BSL and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this LoO.
   - ❖ Self attested copy of the PAN card.

   **B. Unregistered owners should enclose:**

   - ❖ Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
   - ❖ Original Share Certificate(s).
   - ❖ Original Broker Contract Note.
   - ❖ Valid Share Transfer form(s) as received from the market.
   - ❖ Self attested copy of the PAN card of all the proposed transferees.

2. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirers or BSL.
3. Non resident shareholders/FII/OCB should enclose a copy of the permission received from RBI for the equity shares held by them in BSL. If, the shares are held under General Permission of RBI, the non resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.
4. Non resident shareholders/FII should enclose No Objection certificate/ Tax Clearance certificate from the Income Tax Authorities under Income-Tax Act, 1961, indicating the tax to be deducted by the Acquirers before remittance of consideration otherwise tax will be deducted at marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirers.
5. Shareholders who wish to accept the Offer and tender their Equity Shares pursuant to this Offer will be required to communicate their acceptance along with all relevant documents in the form and manner specified in the LoO to the Registrar to the Offer on or before closure of the Offer i.e. Wednesday, 20th June 2012, The documents shall be tendered at the above centre between 10.00 am to 6.00 pm from Monday to Friday and between 10.00 am to 2.00 pm on Saturday. The centre will be closed on Sundays and Public holidays.

Applicants may send their documents only by Registered Post/Courier, at their own risk, if not hand delivered at the designated collection centre, to the Registrar during business hours indicated above other than Sunday and public holidays.

**THE SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE/SHARES ARE RECEIVED BY THE REGISTRAR TO OFFER AFTER THE CLOSURE OF THE OFFER I.E 6.00 P.M ON WEDNESDAY, 20TH JUNE 2012 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE LIABLE TO BE REJECTED.**

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