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 **GG Automotive Gears Limited**. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer 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, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER

By

HAKEEM AUTO LIMITED (HAL)

Reg. Off. : 4, Hakeem House, Sarveshwar Mandir Road, Takiawad, Kurla (West), Mumbai-400 071.
Corp. Off.: 28, Great Western Building, 130, Shahid Bhagad Singh Road,
Opp. Lion Gate, Fort, Mumbai-400001; Ph.: 022-22818202; Fax.: 022-22818179.

to acquire upto 15,83,300 equity shares of Rs. 10/- each representing 20% of the voting capital at a price of Rs. 9.30 per share (Including Interest of Rs. 3.95 per share), of

GG AUTOMOTIVE GEARS LIMITED (GGAGL)

Reg. Off. : Bharti Bhavan, 211/219, P. D. Mello Road, Mumbai-400 001.
Ph.: 022-22692875; Fax:022-22655150.

These shares will be acquired in cash, in accordance with regulation 20 (2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof (hereinafter referred to as 'Regulations').

The Offer is being made pursuant to the Honorable SAT Order dated 24th August, 2006 and in compliance with regulation 11(1) and 12 of Chapter III of the Regulations.

The Offer is subject to receiving the necessary approval(s), if any, from the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders. In case of acceptances from Non-Resident shareholders, the Acquirer would after the closure of the Offer, make the requisite applications to RBI to obtain its approval for transfer of such shares of GGAGL to the Acquirer. There are no other statutory approvals required to acquire equity shares that are tendered pursuant to this Offer.

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the date of Closure of the Offer i.e. on or before January 3, 2008.

If there is any upward revision in the Offer Price/Size at any time up to seven working days prior to the date of closure of the Offer i.e. December 28, 2007 or withdrawal of the Offer in terms of the regulations, the same would also be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.

If there is a Competitive Bid:

- **The Public Offers under all the subsisting bids shall close on the same date.**
- **As the Offer Price cannot be revised during 7 working days prior to the Closing date of the Offers/ Bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**

The Public Announcement, Corrigendum to the Public Announcement and this Letter of Offer including the Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be available on SEBI's website at www.sebi.gov.in.

MANAGER TO THE OFFER:	REGISTRAR TO THE OFFER:
ASHIKA CAPITAL LIMITED 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021. Tel: 022-66111700 Fax:022-66111710 E-Mail: mbd@ashikagroup.com **Contact Person: Mr. Narendra Kumar Gamini**	**PURVA SHAREGISTRY INDIA PVT LTD** 33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai-400 001. Tel:-022-23016761 Fax:-022-23018261 E-mail:-busicomp@vsnl.com **Contact Person:- Mr. V. B. Shah**

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activities	Original Date & Day	Revised Date & Day
Public Announcement	December 27,2006 (Wednesday)	December 27,2006 (Wednesday)
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	January 5, 2007 (Friday)	January 5, 2007 (Friday)
Last Date for a Competitive Bid, if any	January 17, 2007 (Wednesday)	January 17, 2007 (Wednesday)
Corrigendum to Public Announcement	December 10, 2007 (Monday)	December 10, 2007 (Monday)
Date by which the Letter of Offer to be Despatched to shareholders	February 9, 2007 (Friday)	December 15, 2007 (Saturday)
Date of Opening of the Offer	February 15, 2007 (Thursday)	December 20, 2007 (Thursday)
Last date for revising the Offer Price/ Number of Shares	February 23, 2007 (Friday)	December 28, 2007 (Friday)
Last date for Withdrawal of Acceptance by Shareholders who have accepted the Offer	March 1, 2007 (Thursday)	January 3, 2008 (Thursday)
Date of Closing of the Offer	March 6, 2007 (Tuesday)	January 8, 2008 (Tuesday)
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be dispatched	March 21, 2007 (Wednesday)	January 23, 2008 (Wednesday)

RISK FACTORS:

Relating to the Offer:

1. The Offer involves an offer to acquire upto 15,83,300 equity shares of Rs. 10/- each representing 20% of voting capital of GGAGL from its shareholders. In case of oversubscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

2. The Shares tendered in the Offer in demat form will lie to the credit of a designated escrow account and the shares tendered in physical form will lie with the Registrar to the Offer, till the completion of the Offer formalities. The Acquirer 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 the shareholders on whether or not to participate in the Offer.

Relating to the Acquirer:

3. The Acquirer makes no assurance with respect to the future financial performance of the Target Company or with respect to their investment/divestment relating to their proposed shareholding in the Target Company.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of GGAGL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of GGAGL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

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1. ABBREVIATIONS / DEFINITIONS

Acquirer	Hakeem Auto Limited
ASE	Ahmedabad Stock Exchange, Ahmedabad
BSE	Bombay Stock Exchange, Mumbai
DSE	Delhi Stock Exchange ,New Delhi
Eligible Persons for the Offer	All owners of shares registered or unregistered of GGAGL (who own shares at any time prior to the Closure of the Offer) including the existing Promoters except the Acquirer
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance	Form of Acceptance cum Acknowledgement
Form of Withdrawal	Form of Withdrawal cum Acknowledgement
GGAGL / Target Company	GG Automotive Gears Limited
LOO or Letter of Offer	Offer Document
MPSE	Madhya Pradesh Stock Exchange,Indore
MSE	Madras Stock Exchange,Chennai
Manager to the Offer	Ashika Capital Limited
Offer	Cash Offer being made by the Acquirer to acquire upto 15,83,300 equity shares of Rs. 10/- each representing 20% of the voting capital
Offer Price	Rs. 9.30 per equity share (Including Interest of Rs.3.95 per share)
PA / Public Announcement	Announcement of the Offer made by Acquirer on December 27, 2006 and December 10, 2007
RBI	Reserve Bank of India
Registrar to the Offer / Registrar	Purva Sharegistry India Private Limited
SEBI	Securities & Exchange Board of India
SEBI (SAST) Regulations or 'Regulations'	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof
Specified Date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of GGAGL, to whom the Letter of Offer should be sent, i.e. January 5, 2007

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "Rs." are to Indian Rupees. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount 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 DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF GG AUTOMOTIVE GEARS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS 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 ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 8, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER 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 OF THE OFFER

a) GGAGL forfeited 17,16,100 equity shares which were allotted in public issue and the Board of Directors of the company passed a resolution to this effect on 16.11.2001. The Board of Directors of GGAGL in its meeting held on June 13, 2002 has agreed and passed a resolution for issue and allotment of said forfeited shares on preferential basis. Out of the said forfeited shares, the company re-issued 9,00,000 shares (22.31%) on 25.08.2002 and 7,15,900 shares (11.71%) on 29.10.2002 to the Acquirer by way of preferential allotment aggregating to 16,15,900 shares constituting 34.02% of the total share capital of the company.

b) Acquirer submitted a report on 12.09.2002 to SEBI under regulation 3(4) of the Regulations claiming the exemption under regulation 3(1)(c) for the allotment of aforesaid 9,00,000 shares on 25.08.2002. On 18.11.2002, the Acquirer filed another report under regulation 3(4) of the Regulations claiming the exemption under regulation 3(1)(c) for allotment of further aforesaid 7,15,900 shares on 29.10.2002.

c) On 14th February 2003, SEBI issued a show cause notice to the Acquirer in respect of the aforesaid transaction (as detailed above). Pursuant to the above show cause notice and the inquiry conducted thereon, SEBI passed an Order on 6th November 2003 directing the Acquirer to make a public offer within 45 days of the order date for acquisition of 20% of the share capital of GGAGL from public, taking 4th November 2002 as the reference date for making the Public Announcement and 13th June 2002 as the reference date for calculation of Offer Price. Since no public announcement has been made, the Acquirer was directed by SEBI to pay interest @ 10% per annum on the Offer Price to the shareholders of GGAGL for the loss of interest caused to them from 5th March 2003 till the date of actual payment of consideration for the shares to be tendered and accepted in the public offer.

d) SEBI also initiated adjudicating proceedings against the Acquirer for non compliance of the provisions of the Regulations. The Adjudicating Officer (AO) by his two separate Orders dated 5th March 2004 has imposed a penalty of Rs. 5.00 Crores each on the Acquirer for contravening the provisions of the Regulations while acquiring shares on 25.08.2002 and for failure in making a public announcement in accordance with the Regulations while acquiring shares on 29.10.2002. AO has further directed to pay the penalty amount of Rs. 25.00 Crores in case of failure in making a public announcement.

e) The Acquirer has filed the appeals, against the Order of SEBI (Appeal No. 160 of 2003)and the Adjudicating Officer (Appeal No. 60 and 61 of 2004) as described in (c) and (d) above, before the Honorable SAT. The Honorable SAT passed its Order on 24th August, 2006.

The Honorable SAT observed that the AO had imposed a penalty of Rs. 5 Crores under Section 15H(ii) of the Act on the Acquirer for contravening regulation 10 of the Regulations. The Honorable SAT modified the AO Order and reduced the penalty to Rs. 5 Lakhs.

SAT passed its Order dated 24.08.2006 disposing all the three appeals. In the matter of appeal no. 60 of 2004, SAT reduced the penalty of Rs. 25.00 Crores to Rs. 5.00 Lakhs. In the matter of appeal no. 61 of 2004, SAT reduced the penalty of Rs. 5.00 Crores to Rs. 5.00 Lakhs with a stipulation that in case the appellant does not come out with a Public Announcement before the end of 2006, the penalty that will be levied on it shall be Rs. 5.00 Crores. Further, the appeal no. 160 of 2003 was dismissed and the SEBI's Order dated 06.11.2003 was upheld. The Appellant has paid a sum of Rs. 10.00 (Rupees Ten Lakhs only) on 14.01.2005.

f) The Offer is being made pursuant to the Honorable SAT Order dated 24th August, 2006 and regulation 11(1) and 12 of Chapter III of the Regulations.

g) As on date of PA, the Acquirer holds 26,93,166 equity shares (Allotment out of forfeited shares - 16,15,900 shares and Bonus Issue in the ratio of 2:3–10,77,266 shares) representing 34.02% of the voting capital of the company.

h) Neither the Acquirer nor any of its Directors have acquired any shares in GGAGL during the last twelve months. None of the Directors of the Acquirer hold any shares in GGAGL.

i) The Acquirer and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

j) For the purpose of this Offer, there is no Person Acting in Concert as per the provisions of the Regulation 2(1)(e) of the Regulations.

k) The Acquirer has undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment.

l) After completion of the Offer formalities (assuming full acceptances in the Offer), the shareholding of the Acquirer will be more than the present Promoters and hence there might be a change in control of the management of the company.

m) After completion of all formalities relating to the Offer and under the Regulations, the Board of Directors may be reconstituted to include nominee(s) of Acquirer. However, the appointment of nominee(s) of Acquirer on the Board of Target Company will be subject to approval of the present Directors on the Board and Shareholders of the Target Company in their respective Meetings.

3.2 DETAILS OF THE PROPOSED OFFER

(a) The Acquirer made a Public Announcement of the Offer, which was published in all Editions of **The Financial Express** (English), **Jansatta** (Hindi) and **Lakshadeep** (Marathi) on December 27, 2006 in compliance with Regulation 15 (1) of the Regulations. A Corrigendum to PA was also published in the same Newspapers on December 10, 2007. The Public Announcement as well as Corrigendum to PA is also available on SEBI's website at www.sebi.gov.in.

(b) The Acquirer propose to acquire upto 15,83,300 equity shares of Rs.10/- each from the existing equity shareholders of GGAGL at a price of Rs. 9.30 per share (including interest of Rs. 3.95 per share) representing 20% of the voting capital.

(c) The offer is not subject to any minimum level of acceptance. The Acquirer will acquire all Equity Shares of GGAGL that are tendered in terms of this Offer up to a maximum of 15,83,300 equity shares.

(d) The Acquirer has not acquired any shares after the date of the Public Announcement and up to the date of Letter of Offer.

3.3 OBJECT OF THE OFFER

(a) The Offer is being made pursuant to the Honorable SAT Order dated 24th August, 2006 and in compliance with regulation 11(1) and 12 of Chapter III of the Regulations.

(b) The Acquirer intends to carry on the existing business of the Target Company. However, the Acquirer reserves the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be effected will be in accordance with the laws applicable. The Acquirer may reorganize and/or streamline business for commercial reasons and operational efficiencies.

(c) The Acquirer does not have any plans to sell, dispose of or otherwise encumber any significant assets of GGAGL in the next two years, except in the ordinary course of business of GGAGL. The Acquirer shall not sell, dispose of or otherwise encumber any substantial assets of GGAGL except with the prior approval of the shareholders.

4. BACKGROUND OF THE ACQUIRER

4.1. Information about Acquirer

Hakeem Auto Limited (HAL), was incorporated on 11.06.1986 under the Companies Act, 1956 in the State of Maharashtra. The Registered Office of the company is situated at 4, Hakeem House, Sarveshwar Mandir Road, Takiawad, Kurla (W), Mumbai-400 071. The Corporate Office of the company is situated at 28, Great Western Building, 130, Shahid Bhagad Singh Road Opp. Lion Gate, Fort, Mumbai-400001; Ph.: 022-22818202; Fax.: 022-22818179.

HAL is promoted by Mr. Nazir Hakeem and Mrs. Zohra Hakeem. HAL is not carrying on any business except the Investments/trading in shares. The present Board of Directors of HAL consists of Mr. Nazir Hakeem and Mrs. Zohra Hakeem. HAL is not a Sick Industrial Company within the meaning of Clause (O) of Sub-section (I) of Section 3 of the Sick Industrial Companies (Special Provision) Act, 1985 and the shares of HAL are not listed on any of the stock exchange(s).

The Authorised Share Capital of HAL is Rs. 1.00 Lakhs comprising of 10,000 Equity Shares of Rs.10/- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs. 1.00 Lakhs comprising of 10,000 fully paid up equity shares of Rs.10/- each.

HAL has received an aggregate amount of Rs. 150.00 Lakhs (Rupees One Crore Fifty Lakhs only) in the form of Inter Corporate Deposit (ICD) from Veronica Financial Services Limited. The ICD of Rs. 130.00 Lakhs taken on December 20, 2006 is due for payment within 12 months from the date of agreement or till completion of the Open Offer, whichever is later and second ICD of Rs. 20.00 Lakhs taken on December 7, 2007 is due for payment within 9 months. Veronica Financial Services Limited is the group company of the Acquirer and is under the same management. The lender is not intending to acquirer any shares of the Target Company and therefore not acting in concert with the Acquirer for the purpose of this Open Offer.

The shareholding pattern of the company is as under:

Shareholder's Category	No. of Shares	%
Promoter and their associates	10,000	100
TOTAL	**10,000**	**100**

The Names and Addresses of the Board of Directors of HAL are as follows: -

S. No.	Name	Address	Qualification	Experience	Date of Appointment
1.	Mr. Nazir Hakeem	B-14, NCPA Apartments, Dorabji Tata Road, Nariman Point, Mumbai-21.	B. Com.	20 years in Investments and Financial Services	Since Incorporation

2.	Mrs. Zohar Hakeem	B-14, NCPA Apartments, Dorabji Tata Road, Nariman Point, Mumbai-21.	--	Around 12 years Administration & management	Since Incorporation

None of the above Directors are on the Board of Target Company.

Brief audited financials of the company for the last 3 Years are as follows:

Profit and Loss Statement

(Rs. in Lakhs)

For the Year/Period ended	31.03.2007	31.03.2006	31.03.2005
Income:			
Gross Income	--	12.61	31.07
Other Income	--	--	--
Total Income	Nil	12.61	31.07
Total Expenditure	2.16	9.37	27.22
Profit before Interest, Depreciation & Tax	(2.16)	3.24	3.85
Depreciation	0.10	0.11	0.13
Profit/(Loss) before Tax	(2.26)	3.13	3.72
Provision for Tax	--	1.25	1.71
Provision for Differed Tax Liability	--	--	0.47
Profit/(Loss) after Tax	(2.26)	1.88	1.54

Balance Sheet Statement

(Rs. in Lakhs)

As at	31.03.2007	31.03.2006	31.03.2005
Sources of funds:			
Paid-up Share Capital	1.00	1.00	1.00
Share Application Money	--	0.51	0.51
Reserves & Surplus	0.66	0.60	0.55
Networth	**1.66**	**2.11**	**2.06**
Secured Loans	--	--	--
Unsecured Loans	264.91	205.77	205.77
TOTAL	**266.57**	**207.88**	**207.83**
Application of funds:			
Net Fixed Assets	0.61	0.71	0.82
Investments	113.11	113.11	113.11
Net Current Assets	149.41	92.97	90.97
Profit & Loss Account	3.44	1.09	2.93
TOTAL	**266.57**	**207.88**	**207.83**

Other Financial Data

Particulars	31.03.2007	31.03.2006	31.03.2005
Dividend (%)	Nil	NIL	NIL
EPS (Rs.)	Negative	18.8	15.40
Return on Networth (%)	Negative	117.5	99.35
Book Value per Share (Rs.)	Negative	Negative	Negative

Notes:
Networth=Paid up Share Capital+ Reserves & Surplus
EPS = Profit after tax / number of outstanding equity shares at the close of the year/period.
Return on Net Worth = Profit after Tax /Net Worth
Book Value per Share = Net Worth-Misc. Exp. Not Written Off / No. of equity shares

SIGNIFICANT ACCOUNTING POLICIES:

Basis of preparation of financial statement: The Company follows the practice of accounting on accrual basis.

Fixed Assets and Depreciation: Fixed Assets are stated at cost less accumulated depreciation. The company capitalizes all cost relating to the acquisition and installation of fixed assets and depreciation is calculated on a written down value method at the rates and in manner specified under schedule XIV to the Companies Act, 1956.

Inventories: Inventories are valued at cost or realizable value.

Miscellaneous Expenditure: Preliminary Expenses are being amortized over period of ten years in equal installments.

Income and Expenditure Recognition: Income and Expenditure are recognized on an accrual basis.

Provision for Taxation: Provision for Income Tax is made under the liability method, after availing exemption at the applicable rates under the Income Tax Act.

Provision for Deferred Tax: The Company has adopted the Accounting Standard 22 issued by ICAI and accordingly the company has created deterred tax assets of Rs. 38,136/- for the year ended 31.03.2007.

4.2. The Compliance under Chapter II of SEBI (SAST) Regulations, 1997 is applicable to the Acquirer in case of shares acquired through preferential allotment.

4.3. Disclosures in terms of Regulations 16(ix) of the Regulations:

(a) The Offer is being made pursuant to the Honorable SAT Order dated 24th August, 2006 and in compliance with regulation 11(1) and 12 of Chapter III of the Regulations

(b) The Acquirer intends to carry on the existing business of the target company. However, the Acquirer reserves the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be effected will be in accordance with the laws applicable. The Acquirer may reorganize and/or streamline business for commercial reasons and operational efficiencies.

(c) The Acquirer does not have any plans to sell, dispose of or otherwise encumber any significant assets of GGAGL in the next two years, except in the ordinary course of business of GGAGL. The Acquirer shall not sell, dispose of or otherwise encumber any substantial assets of GGAGL except with the prior approval of the shareholders.

5. DISCLOSURE IN TERMS OF REGULATION 21(2)

In the event, pursuant to this Offer, the Public Shareholding in the Target Company falls below 25% of its outstanding equity share capital, the Acquirer will, in accordance with Regulation 21(2) of the SEBI (SAST) Regulations, 1997, facilitate the target company to raise the level of Public Shareholding to the level specified for continuous listing in the Listing Agreement with the stock exchanges within the specified time and in accordance with the prescribed procedure under amended clause 40A(viii) of the Listing Agreement and in compliance with SEBI (SAST) Regulations, 1997.

6. BACKGROUND OF THE TARGET COMPANY-GGAGL

6.1. Brief History and Main Areas of Operations:

a. GG Automotive Gears Limited (GGAGL) having its Registered Office at Bharti Bhavan, 211 / 219, P D Mello Road, Mumbai-400 001 was originally incorporated on 15.02.1974 in the name and style of 'GG Automotives Gears Private Limited' under the Companies Act, 1956 in the State of Maharashtra and the company was subsequently converted into limited company on 24.01.1991 under Section 43A of the Companies Act, 1956 as deemed public company and lastly became full fledged limited company on 20.02.1995.

b. The Authorised Share Capital of the company is Rs. 800.00 Lakhs comprising of 80,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid-up capital of the company is Rs. 791.62 Lakhs comprising of 79,16,167 fully paid-up Equity Shares of Rs. 10/- each. There are no partly paid-up Equity Shares.

c. GGAGL is presently engaged in the manufacturing of Gears, Pinions, Gear Train Assemblies, Transmission Housings and Hydraulic Gear Pumps. The manufacturing facility of the company is located at 2-A, Industrial Area No. 1, A.B. Road, Dewas (MP)-455 001.

d. The Equity Shares of GGAGL are listed on ASE, BSE, DSE, MSE and MPSE.

e. The Company came out with its maiden Public Issue during November 1995 to part finance Company expansion project for manufacturing of Locomotive Gears and Gears Pumps and to meet the requirement of working capital.

6.2. **Share Capital Structure of GGAGL:**

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity shares	79,16,167 / 79,16,167	100% / 100%
Partly Paid-up Equity shares	Nil / Nil	Nil / Nil
Total paid-up Equity shares	79,16,167 / 79,16,167	100% / 100%

6.3. **Current Capital Structure of the Company:**

Date of Allotment	No and % of Shares issued		Cumulative Paid-Up Capital (Rs.)	Mode of Allotment	Identity of Allottees	Status of Compliance
	No.	%				
02.01.1974	3,000	0.04	30,000	Subscribers to Memorandum	Promoters	Complied
12.03.1974	2,000	0.02	50,000	Further Issue	Promoters	Complied
12.03.1974	90,000	1.14	9,50,000	Further Issue	Promoters	Complied
30.12.1975	5,000	0.06	10,00,000	Further Issue	Promoters	Complied
04.09.1976	1,20,000	1.52	22,00,000	Further Issue	Promoters	Complied
30.03.1994	15,40,000	19.45	1,76,00,000	Bonus	Promoters	Complied
08.06.1995	4,70,000	5.94	2,23,00,000	Further Issue	Promoters	Complied
12.01.1996	25,19,700	31.83	4,74,97,000	Public Issue	Promoters / Public	Complied
16.11.2001	(16,15,900)	(20.41)	3,13,38,000	Forfeiture of shares		
25.08.2002	9,00,000*	11.37	4,03,38,000	Re-Issue of the forfeited shares	Acquirer	Complied
29.10.2002	7,15,900*	9.04	4,74,97,000	Re-Issue of the forfeited shares	Acquirer	Complied
23.10.2003	31,66,467	40.00	7,91,61,670	Bonus	Promoters / Public	Complied
TOTAL	**79,16,167**	**100.00**				

*Re-Issue of the forfeited shares.

6.4. **Present Composition of the Board of Directors of GGAGL:**

As on the date of Public Announcement i.e. December 27, 2006, the Directors representing the Board of GGAGL were:

Sl. No.	Name	Address	Date of Appointment
1.	Mr. Ram S. Gajra	Gajra House, 20/16, Sewri Wadla Road, Mumbai-31.	25.10.90
2.	Mr. Kennedy R. Gajra	38/B, Sector-A, S-6, Scheme-78, Indore-452010.	25.10.90
3.	Mr. Prem S. Gajra	Gajra House, 20/16, Sewri Wadla Road, Mumbai-31.	25.10.90

6.5. **Financial Information:**

Brief audited financials of the company for the last 3 Years are as follows:

Profit & Loss Statements (Rs. In Lakhs)

For the Year ended	31.03.2007	31.03.2006	31.03.2005
Income:			
Total Income	440.08	346.76	1191.77
Other Income	1.94	1.76	1.96
Share of Profit from Partnership	--	(0.32)	(0.33)
Total Income	**442.02**	**348.20**	**1193.40**
Total Expenditure	399.31	325.56	1188.16
Profit/(Loss) Before Depreciation Interest and Tax	42.71	22.64	5.24
Depreciation	12.92	15.07	14.44
Interest & Bank Charges	16.48	6.74	9.26
Prior Period Expenses	1.36	2.21	6.24
Profit/ (Loss) Before Tax	11.95	(1.38)	24.70
Provision for Tax	6.30	8.50	
Deferred Tax Assets	2.29	12.37	(6.10)
Provision for FBT Tax	1.45	1.25	
Provision for Income Tax	(4.13)		
Profit/ (Loss) After Tax	**6.04**	**(23.50)**	**(18.60)**

Balance Sheet Statement (Rs. in Lakhs)

As on	31.03.2007	31.03.2006	31.03.2005
Sources of Funds:			
Paid up Share Capital	791.61	791.61	791.61
Reserves & Surplus	1.20	(4.83)	18.66
NETWORTH	**792.81**	**786.78**	**810.27**
Secured Loans	343.88	437.77	504.77
Unsecured Loans	85.03	7.50	7.50
Deferred Tax Liabilities	66.32	64.03	51.66
Total	**1,288.04**	**1296.08**	**1374.20**
Application of funds:			
Net Fixed Assets	256.05	239.23	242.99
Investments	0.02	187.60	187.64
Net Current Assets	915.35	747.51	820.38
Misc. Exp.(not written off)	116.62	121.74	123.19
TOTAL	**1,288.04**	**1296.08**	**1374.20**

Other Financial Data

For year ended	31.03.2007 (Audited)	31.03.2006 (Audited)	31.03.2005 (Audited)
Dividend (%)	Nil	Nil	Nil
EPS (Rs.)	0.08	(0.30)	(0.23)
Return on Networth (%)	0.76	(2.99)	(2.30)
Book Value per share (Rs.)	8.54	8.40	8.68

Notes:
Networth=Paid up Share Capital+ Reserves & Surplus
EPS = Profit after tax / number of outstanding equity shares at the close of the year/period.
Return on Net Worth = Profit after Tax /Net Worth
Book Value per Share = Net Worth-Misc. Exp.Not Written Off / No. of equity shares

6.6. There was no trading of the shares of GGAGL on December 27, 2006 i.e. the date of Public Announcement.

6.7. The trading in equity shares of the company have been suspended from Bombay Stock Exchange, Mumbai (BSE). BSE vide its letter no DCS/COMP/AS/447/2007-08 dated June 19, 2007 has confirmed that the shares of the company have been suspended from BSE w.e.f. 21.12.2004 for non-compliance of the Listing Agreement which are listed as below:

S. No	Clauses of Listing Agreement	Status of Compliance
1.	Clause 31(a) (Annual Report)	Not submitted from 2004 to 2006
2.	Clause 35 (Shareholding Pattern)	Not submitted from quarter ended March, 2004 to March, 2007
3.	Clause 38 (Annual Listing Fees)	Rs. 16,150/- pending
4.	Clause 40B (SEBI-SAST Regulations, 1997)	Not submitted disclosure u/r 8(3) of SEBI (SAST) Regulations, 1997 from 2004 to 2007
5.	Clause 41 (Quarterly Results)	Not submitted quarterly un-audited financial results from September, 2004 to March, 2007
6.	Clause 47 (Compliance Certificate, Appointment of Compliance Officer, RTA & Common Agency)	MOU not submitted. Half yearly certificate not submitted from September, 2005 to March, 2007
7.	Clause 49 (Corporate Governance)	Not submitted quarterly certificate for the quarter ended September, 2004 to March, 2005 & September, 2005 to March, 2007
8.	Clause 51- EDIFAR Registration	EDIFAR Registration Form not submitted
9.	Secretarial Audit	Not submitted for the quarter ending from June, 2004, December, 2004 to March, 2007
10.	Investor Service Cell	4 (Four) Pending Complaints

6.8. As per the Annual Report for the year 2005-06, the company is regular in the paying listing fee to BSE but not paying the listing fee to other stock exchanges. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.

6.9. SEBI, at a later stage, may initiate an appropriate action under SEBI Act for the delay or non-compliance of Chapter II by the Target Company.

6.10. **Pre and Post-Offer Shareholding Pattern of GGAGL based on Voting Capital**

Shareholders' Category	Shareholding prior to the Agreement/ Acquisition and Offer		Shares agreed to be Acquired which triggered off the Regulations		Shares to be Acquired in Open Offer (Assuming full acceptances)		Shareholding after the Acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group	29,08,664	36.74	Nil	Nil	Nil	Nil	29,08,664	36.74
Total (a+b)	**29,08,664**	**36.74**	**Nil**	**Nil**	**Nil**	**Nil**	**29,08,664**	**36.74**
2. Acquirer								
Hakeem Auto Limited	26,93,166	34.02	Nil	Nil	15,83,300	20.00	42,76,166	54.02
3. Parties to Agreement other than (1) (a) & (2)	--	--	Nil	Nil	--	--	--	--
4. Public (other than parties to Agreement, Acquirer)								
a. FIs/MFs/FIIs/Banks, SFIs	3,685	0.05	Nil	Nil	(15,83,300)	(20.00)	7,31,037	9.24
b. Others	23,10,652	29.19	Nil	Nil				
Total (a+b)	**23,14,337**	**29.24**	**Nil**	**Nil**	**(15,83,300)**	**(20.00)**	**7,31,037**	**9.24**
GRAND TOTAL (1+2+3+4)	**79,16,167**	**100%**	**Nil**	**Nil**			**79,16,167**	**100%**

6.11. There are 5,400 equity shareholders in the company under Public category.

6.12. Name and Contact details of the Compliance Officer:
Mr. Ram S. Gajra, Chairman,
Bharti Bhavan, 211/219, P.D' Mello Road, Mumbai-400 001; Ph.: 022-22692875; Fax.:022-22655150.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1. Justification of Offer Price:

1. The shares of GGAGL are listed on Bombay Stock Exchange Limited, Mumbai , Madhya Pradesh Stock Exchange, Indore , Delhi Stock Exchange, New Delhi , The Madra Stock Exchange Limited, Chennai and the Ahmedabad Stock Exchange Limited, Ahmedabad. The shares of the company are not traded on any Stock Exchanges under Permitted Category.

2. The annualized trading turnover during the preceding 6 calendar months prior to the month (taking 13.06.2002 as the reference date) December 2001 to May 2002 (both days Inclusive) at each Stock Exchange is as under: -

Name of Stock Exchange	Total No. of Shares traded during the 6 calendar months prior to the month of June 2002 (taking 13.06.2002 as the reference date)	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	4,500	79,16,167	0.11
MPSE	Nil	79,16,167	Nil
DSE	Nil	79,16,167	Nil
MSE	Nil	79,16,167	Nil
ASE	Nil	79,16,167	Nil

3. The equity shares of the GGAGL are infrequently traded on these stock exchange(s) within the meaning of regulation 20(5) of the Regulations and hence, the Offer Price has been determined taking into account the following parameters:
   i. The Negotiated price under the Agreement-Not Applicable.
   ii. The Acquirer has not acquired any equity shares of GGAGL during 26 weeks prior to the date of PA including by way of allotment in a public, rights or preferential issue.
   iii. Other parameters as on 31.03.2002* such as Book Value per share, Earning per share and Return on Networth are Rs. 10.91, Rs. 0.14 and 1.30% respectively. (*considering the 13.06.2002 as reference date for making the Open Offer).
   iv. The P/E Multiple of the GGAGL considering the Offer Price of Rs. 5.35 per share works out to 44.58.
   v. As per the valuation report dated December 13, 2006 given by Mr. Sanjay Khemani (Membership No. 44577), partner of M/s. M. M. Nissim and Co., Chartered Accountants having their office at Barodawala Mansion, B-Wing, 3rd Floor, 81, Dr. Annie Besant Road, Worli, Mumbai-400 018. Tel: 022-2494 9991; Fax: 022-2494 9995, the fair value per share of the GGAGL works out to Rs. 8/- as on 12th June 2002.

The working of Book Value is given hereunder on the basis of financials for the year ended 31.03.2002:

Particulars	Rs. in Lakhs
Paid up Share Capital	313.38
Share forfeited	80.80
Reserves & Surplus	342.35
	736.53
Less: Adjustments on account of outstanding interest and disputed tax liability not provided	164.40
	572.13
Less: Miscellaneous Expenses not written off	142.32
	429.81
Less: Revaluation Reserve capitalized	88.00
Networth of the company	**341.81**
No. of shares outstanding	31,33,800
Book Value per share	**10.91**

Statement showing Fair Value per Share

Particulars	Price	Weight	Total
Net Asset Value	10.91	1.00	10.91
Market Price	5.00	1.00	5.00
Profit earning capacity value	--	--	--
Total		2.00	15.91
Value per share (Rs.)			7.96
Say (Rs.)			**8.00**

vi. Subsequently, during the year 2003-04, the company came out with the bonus issue in the ratio of two equity shares for every three equity shares held (2:3). Considering the same, the fair value per share has been diluted in the ratio of 2:3 and it works out to Rs. 5.33 per share. The issue of bonus shares was not considered in the valuation report given by Chartered Accountant while determining the fair price of the equity share of the Target Company as the fair vale was calculated as on March 31, 2002, where as bonus shares were issued thereafter on October, 2003.

3. Thus, in the opinion of the Manager to the Offer and Acquirer, the Offer Price of Rs.5.35 is justified in terms of regulation 20 of Regulation.

5. Considering the Honorable Supreme Court's Order in respect of the Colour-Chem Limited, in addition to above Offer Price, interest of Rs. 3.25 per share (calculated @ 10% p.a. on Rs. 8/- per share from March 5, 2003 till the date of actual payment of the Offer Price for the shares acquired i.e. March 15, 2007) would be payable to the shareholders holding shares on February 3, 2003 and continue to be the shareholders on the closure date of the Offer and tendered out of the shares held on February 3, 2003 in response to the Offer and acquired by the Acquirer.

6. If the Acquirer acquire Shares after PA and up to seven working days prior to closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisitions shall be payable for all acceptances received under this Offer as per Regulation 20(4) of the SEBI (SAST) Regulations, 1997. Any revision in the Offer Price shall be notified by advertisement in the same newspapers in which the Public Announcement dated December 27, 2006 appeared.

7. There is no non-compete agreement.

7.2. Details of Firm Financial arrangements:

1. Assuming full acceptance, the total Financing Resources required to fulfill the Offer is Rs. 1,47,24,690/- (Rupees One Crore Forty Seven Lakhs Twenty Four Thousand Six Hundred Ninety only).

2. The Acquirer, in terms of Regulation 28 (2) has created an Escrow Account by way of deposit of cash in **HDFC Bank Limited** and the details are given below:

1.	Name of the Bank	**HDFC Bank Limited**
2.	Address	Maneckji Wadia Building, Ground Floor, Nanik Motwani Marg,Fort ,Mumbai-400001
3.	Amount	**Rs. 38,00,000/-**
4.	Account Number	**0600350032695**

3. The Manager to the Offer, Ashika Capital Limited has been empowered by Acquirer to Operate the said Escrow Account solely and accordingly **HDFC Bank Limited** have issued a Letter dated December 23, 2006 and December 7, 2007 in favour of Manager to the Offer confirming the same.

4. In accordance with Regulation 22(11) of the Regulations, the Acquirer has made firm financial arrangements for fulfilling the obligations under the Public Offer.

5. The Acquirer has adequate financial resources and has made firm financial arrangements by way of borrowing in the form of two Inter Corporate Deposits (ICD) aggregating to Rs. 150.00 Lakhs (Rupees One Hundred Fifty Lakhs only) from Veronica Financial Services Ltd for the implementation of the offer in full. The ICD of Rs. 130.00 Lakhs taken on December 20, 2006 is due for payment within 12 months from the date of agreement or till completion of the Open Offer, whichever is later and second ICD of Rs. 20.00 Lakhs taken on December 7, 2007 is due for payment within 9 months. The ICD carries an interest of 8% p.a. No borrowings from any bank and/or Financial Institutions are envisaged. Mr. Kamlesh B. Mehta (Membership No. 36323) Proprietor of M/s. Kamlesh B. Mehta & Co., Chartered Accountants, having Office at 58,Shree Krishna Niwas,4th Floor,496 Kalbadevi Road Mumbai-400 002. Tel. No. 022-22015951,39508176; Fax No: 022-56353084 has certified vide letter dated December 22, 2006 that sufficient resources are available with the Acquirer for fulfilling the obligations under this 'Offer' in full.

6. The Manager to the Offer, Ashika Capital Limited confirms that the firm arrangements for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

1. The Letter of Offer along with Form of Acceptance cum Acknowledgement shall be mailed to all those shareholders of GGAGL including existing Promoter (except the Acquirer) whose name appear on the Register of Members of GGAGL and to those beneficial owners of the equity shares of GGAGL, whose names appear as beneficiaries on the records of the respective Depository Participants, at the close of business hours on January 5, 2007 (the 'Specified Date')

2. None of the shares of GGAGL are under lock-in.

3. Shareholders holding equity shares in physical form and wish to tender their shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) to the Registrar or Manager to the Offer, either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e. January 8, 2008 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

4. The Registrar to the Offer has opened a Special Depository Account with BCB Brokerage Private Limited, (Registered with CDSL), styled 'PSIPL ESCROW ACCOUNT-GG AUTO-OPEN OFFER'. The DP ID is 12010400 and Client ID is 00002458. Shareholders having their beneficiary account in NSDL have to use

Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account.

5. Beneficial owners and Shareholders holding shares in the Dematerialised Form and wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in 'Off-Market' mode or counterfoil of the delivery instruction in 'Off-Market' mode, duly acknowledged by the Depository Participant ('DP'), in favour of the Special Depository Account, to the Registrar either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post, on or before the Closing of the Offer, i.e. .m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e. January 8, 2008 (Tuesday) in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

6. Shareholders who have sent their shares for dematerialisation need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Special Depository Account should be received on or before the closure of the Offer, else the application would be rejected.

7. All owners of the shares, Registered or Unregistered (except the Acquirer) who own the shares any time prior to the closing of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar or Manager to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s), if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original Share Certificate(s), valid Transfer Deeds and the original Contract Note issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners.

8. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar or Manager to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Distinctive Number, Folio Number and Number of Shares offered, along with documents as mentioned in point '4' above, so as to reach the Registrar or Manager to the Offer on or before the Closing of the Offer, i.e. .m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e. January 8, 2008 (Tuesday). In case of beneficial owners, they may send the application in writing to the Registrar or Manager to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, 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, so as to reach the Registrar or Manager to the Offer, on or before the Closing of the Offer, i.e. January 8, 2008 (Tuesday).

9. The Registrar to the Offer will hold in trust the Share Certificates, shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form/s on behalf of the shareholders of GGAGL who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

10. In case the number of shares validly tendered in the Offer by the shareholders of GGAGL are more than the shares to be acquired under the Offer (i.e. 15,83,300 equity shares) then the Acquirer will accept shares on a proportionate basis subject to a minimum of 50 shares or the entire holding if less than 50 shares, in case of physical mode, from each shareholder accepting this Offer, as per the provisions of the Regulations. Incase, the equity shares of GGAGL are surrendered in dematerialized mode, minimum marketable lot is one (1) equity share only. The rejected applications/ documents will be sent by Registered Post.

11. Share Certificates, Transfer Forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by Registered Post at the shareholders /'unregistered owners' sole risk to the sole/first shareholder. Shares held in dematerialised form to the extent not accepted will be

credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

12. The payment of acquisition of shares will be made by the Acquirer in Cash through a crossed Demand Draft/Pay Order and the same will be sent by Registered Post, to those shareholders/unregistered owners, whose shares/ share certificates and other documents are found in order and accepted by Acquirer in part or in full, with in 15 Days from the date of closing of the Offer. The Acquirer undertake to pay interest pursuant to regulation 22 (12) to the shareholders for the delay, if any, in payment of consideration.

13. The Offer is subject to receiving necessary approval(s), if any, from Reserve Bank of India under Foreign Exchange Management Act, 1999 and subsequent amendments there to for acquiring equity shares tendered by Non Resident Shareholders, if any.

14. To the best of the knowledge of the Acquirer, there are no other statutory Approvals/or consents required to acquire the shares that are tendered pursuant to the Offer. However, if any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals.

15. In case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to Acquirer for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirer agreeing to pay interest for the delayed period as directed by SEBI under regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the approvals, regulation 22(13) of Regulations will become applicable.

16. Accidental omission to despatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

17. Attention of the shareholders is invited to the fact that the Letter of Offer along with the form of Acceptance would also be available on the SEBI web site at www.sebi.gov.in and eligible persons may download the Form of Acceptance cum Acknowledgement from the website for participating in the Offer.

18. The form of Acceptance along with Share Certificate (s) and other documents delivered as per the requirements mentioned above, shall become acceptance on your part, but will become a fully valid and binding contract between you and the Acquirer only upon the fulfillment of all the conditions mentioned herein.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

1. The Shareholder(s) of GGAGL who qualify and who wish to avail this Offer are free to offer their shareholding in full or in part. They should send their shares to the Registrars to the Offer as mentioned in the Form of Acceptance at the following address: -

Purva Sharegistry India Private Limited
(Unit:- GG Automotive Gears Limited-Open Offer)
33,Printing House,28-D,Police Court Lane,
Behind Old Handloom House, Fort , Mumbai-400 001.

8. Acceptances may be sent by Registered Post or by hand so as to reach the Registrars/Manager to the Offer on or before January 8, 2008 (Tuesday).

Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday-Friday	10.00 a.m. to 1.00 p.m. and 2.00p.m. to 4.00 p.m.	Hand Delivery
Saturday	10.00 a.m. up to 2.00 p.m.	Hand Delivery

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

2. Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other relevant documents are complete in all respects; otherwise the same is liable to be rejected. In the case of demated 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 demated shares not credited in favour of the special depository account before the closure of the Offer will be rejected.

3. **Shareholder should enclose the following: -**

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 in the share certificates.
- **Original Share Certificate(s)**
- **Valid Share Transfer form(s)** duly signed as Sellers by all the registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with GGAGL and duly witnessed at the appropriate place. A blank Share Transfer Form is enclosed along with this Letter of Offer.
  Notwithstanding that the signature(s) of the transferor(s) has/have been attested, if the signature(s) of the transferor(s) differs from the Specimen signature(s) recorded with GGAGL or are not in the same order, such shares are liable to be rejected under the open offer even if the offer has been accepted by bonafide owner of such shares.

Unregistered Shareholders should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, or application on plain paper.
- **Original Share Certificate(s)**
- **Original Broker Contract Note.**
- **Valid Share Transfer form(s)** as received from the market**.**

No indemnity is required from unregistered shareholders. **Unregistered shareholders should not sign the transfer deed.** The details of buyer should be left blank failing which the same will be invalid under the Offer. All other requirements for valid transfer will be preconditions for valid acceptance

b) **For Equity shares held in Demat form: -**

The Registrar to the Offer has opened a Special Depository Account with BCB Brokerage Private Limited, (Registered with CDSL), styled 'PSIPL ESCROW ACCOUNT-GG AUTO-OPEN OFFER'. The above said account details are as under: -

DP Name	BCB Brokerage Private Limited
DP ID	12010400
Beneficiary ID	00002458

Shareholders having their beneficiary account in NSDL have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account.

- **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, as per the records of the respective depository.
- **Photocopy of the delivery instruction** in 'Off-Market' mode or counterfoil of the delivery instruction in 'Off-Market' mode, duly acknowledged by DP.

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. All beneficial owners maintaining accounts with NSDL are required to fill in an additional inter depository slip, maintained with the DP while giving instructions to their respective DPs.

4. The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent. Such documents may include but are not limited to:
   i. Duly attested death certificate and succession certificate (in case of single shareholders) if the original shareholder is deceased, in case succession certificate has not been obtained, the legal heir may approach the registrar.
   ii. Duly attested power of attorney if any person apart from the shareholder has signed the application form and / or transfer deed(s).
   iii. In case of Companies, the necessary corporate authorization (including Board Resolution) and specimen signatures of authorized signatories.

5. The share certificate(s), share transfer form(s) and the Form of Acceptance along with the relevant documents should be sent to the Registrar to the Offer/Manager to the Offer and not to the Acquirer or GGAGL.

6. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Registered Folio Number, Share Certificate Numbers, Distinctive Numbers, Number of Shares held, Number of Shares offered, along with documents as mentioned in above point 'e', so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. January 8, 2008 (Tuesday), in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the 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, so as to reach the Registrar to the Offer, on or before the Closing of the Offer, i.e. January 8, 2008 (Tuesday).

   The eligible persons can write to the Manager to the Offer requesting for the Letter of Offer 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 or Manager to the Offer, on or before the Closure of the Offer i.e. January 8, 2008 (Tuesday).

   Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.

   Alternatively, the Letter of Offer 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 in the same.

7. The equity shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of the Closure of the Offer i.e. on or before January 3, 2008 (Thursday). The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, so as to reach them on or before January 3, 2008 (Thursday). In case of non-receipt of 'Form of Withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the following details :
   a) **In case of Physical Shares:** Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn, and
   a) **In case of Dematerialised Shares:** Name, Address, number of shares tendered/withdrawn, 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.

Shares [Physical /Dematerialised form] withdrawn by the shareholders would be returned by the Registered post.

The form of Withdrawal can also be downloaded from SEBI's website www.sebi.gov.in or obtained from the Manager/ Registrar to the Offer.

8. Unaccepted Share Certificate(s), transfer forms and other documents, if any, will be returned by sregistered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

9. The Registrar to the Offer will hold in trust the Shares / Share Certificates, Form of Acceptance cum Acknowledgement, 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.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Offer, **Ashika Capital Limited**, 1008, Raheja Centre 10th Floor, 214, Nariman Point, Mumbai-400 021 on any working day between 10.00 A. M. to 2.00 P. M. during the period the Offer is open i.e., from December 20, 2007 to January 8, 2008:

i) Memorandum & Articles of Association of GGAGL along with Certificate of Incorporation.
ii) Copy of Prospectus of GGAGL.
iii) Audited Annual Reports of GGAGL for the Financial Years ended 31.03.2005, 31.03.2006 & 31.03.2007.
iv) Memorandum & Articles of Association along with Certificate of Incorporation of HAL.
v) Audited Annual Reports of HAL for the Financial Year ended 31.03.2005, 31.03.2006 & 31.03.2007.
vi) Chartered Accountant's Certificate dated 22.12.2006 certifying the adequacy of financial resources with Acquirer to fulfill the Open Offer obligations.
vii) A Letter dated December 23, 2006 and December 7, 2007 of HDFC Bank Limited for the amount kept in the Escrow Account and empowering solely the Manager to the Offer to operate it.
viii) Published copies of the Public Announcement made on December 27, 2006.
ix) A copy of the Letter no. CFD/DCR/TO/AG/107233/07 dated October 26, 2007 received of SEBI in terms of Provisions of Regulation 18(2).
x) Other relevant documents such as;
   a. Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer dated December 20, 2006.
   b. Copy of the Memorandum of Understanding between the Acquirer & the Registrar to the Offer dated October 17, 2006.
   c. Copies of undertakings from Target Company and Acquirer.

11. DECLARATION BY THE ACQUIRER

The Acquirer and its Directors accepts full responsibility severally and jointly for the information contained in this Public Announcement and also for the obligations of Acquirer laid down in SEBI (SAST) Regulations 1997 and subsequent amendments thereof.

The Manager to the Offer hereby states that the person signing this Letter of Offer is Acquirer.

For Hakeem Auto Limited

Director

Place: Mumbai
Date: December 14, 2007

Attached: Form of Acceptance cum Acknowledgement and Withdrawal

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

Date:

From:

Tel No. Fax No.: E-mail:

To

Purva Sharegistry India Pvt. Ltd.
(Unit:- GG Automotive Gears Limited-Open Offer)
33, Printing House, 28-D, Police Court Lane,
Behind Old Handloom House, Fort, Mumbai-400 001.

Dear Sir,

Sub: Open Offer to acquire upto 15,83,300 equity shares of Rs. 10/- each at a price of Rs. 9.30 (including interest of Rs. 3.95) per share, representing 20% of the Voting Capital by Hakeem Auto Limited (Acquirer).

I/We, refer to the Letter of Offer dated December 14, 2007 for acquiring the Equity Share(s) held by me/us in **GG Automotive Gears Limited**.

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

For Shares held in Physical Form

I/We, hereby irrevocably & unconditionally accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our shares as detailed below:

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

(In case the space provided is inadequate, please attach a separate sheet with the details)

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

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

For Shares held in Demat Form:

I/We holding the shares in dematerialised form and accept the Offer and enclose photocopy of the Delivery Instruction Slip in 'Off-Market ' mode, duly acknowledgement by Depository Participant ('DP') in respect of my / our equity shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We have done an 'Off-Market' transaction for crediting the Shares to the Special Depository Account named 'PSIPL ESCROW ACCOUNT-GGAUTO OPEN OFFER' with the following particulars, opened for the purposes of the Offer, for which necessary instructions have been given to my/our DP.

DP Name	BCB Brokerage Private Limited
DP ID	12010400
Beneficiary ID	00002458

I/We note and understand that the shares would reside in the above Special Depository Account until the time the Acquirer accepts the Shares and makes the payment of purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the shares of **GG Automotive Gears Limited** which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

Non resident shareholders should enclose No objection Certificate / Tax Clearance Certificate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer before remitting the consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of shareholder on the consideration payable by the Acquirer.

I/We authorise the Acquirer to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We authorise the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the Draft/Cheque, in full and final settlement of the amount due to me/us, to return to me/us, share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

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

Yours faithfully,
Signed and delivered:

	FULL NAME (S)	**SIGNATURE (S)**
First/sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder:____
____

Place:__________________ Date:____________________

Note: In case of joint holding, all must sign. A Company must affix the common seal and furnish its corporate authorizations.

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

Name of the Bank: ________________________________ Branch: _______________________

Account Number: ____________________ Savings/Current/Others(please specify)____________

--Tear Here---

S. No. **(Acknowledgement Slip)**

PURVA SHARE REGISTRY INDIA PRIVATE LIMITED

(Unit:- GG Automotive Gears Limited-Open Offer)

33, Printing House, 28-D, Police Court Lane,Behind Old Handloom House,Fort,Mumbai-400 001
Tel: 022-23016761, Fax: 022-23018261

Received from Mr./Ms/Mrs:____________________________________

Address:____

____

Folio Number________________ DP ID ___________Client ID_________

Signature of the Official Date of receipt	Stamp of Registrar to the Offer

Number of Share Certificates Enclosed _____________

Certificate Numbers __________________

Total Number of Shares Enclosed___________

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

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PLEASE USE THIS FORM ONLY IF YOU HAVE TENDERED THE SHARES AND WISH TO WITHDRAW YOUR APPLICATION

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to the offer any time upto three working days prior to the date of closure of offer i.e. on or before January 3, 2008 (Thursday). In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE** **Offer Opens on : December 20, 2007 (Thursday)** **Last Date of withdrawal : January 3, 2008 (Thursday)** **Offer Closes on : January 8, 2008 (Tuesday)**

Please read the Instructions in Letter of Offer before filling-in this Form of Withdrawal

From:

Tel No. Fax No.: E-mail:

To
Purva Sharegistry India Pvt. Ltd.
(Unit:- GG Automotive Gears Limited-Open Offer)
33, Printing House, 28-D, Police Court Lane,
Behind Old Handloom House, Fort, Mumbai-400 001.

Dear Sir,

Sub: Open Offer to acquire upto 15,83,300 equity shares of Rs. 10/- each at a price of Rs. 9.30 (including interest of Rs. 3.95) per share, representing 20% of the Voting Capital by Hakeem Auto Limited (Acquirer).

I/We refer to the Letter of Offer dated December 14, 2007 for acquiring the equity shares held by me/us in **GG Automotive Gears Limited**.

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

I/We wish to withdraw our acceptance tendered in response to the said Offer. We had deposited/sent our 'Form of Acceptance' to you on _________ 2007 along with original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

For Shares held in Physical Form:
(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

(In case the space provided is inadequate, please attach a separate sheet with the details)

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed and authorize you not to remit the consideration as mentioned in the Letter of Offer.

For Shares held in Demat Form:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We note that the shares will be credited back only to that Depository Account, from which the shares have been tendered and necessary standing instructions have been issued in this regard.
I/We authorise the Acquirer to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer.

I/We confirm that the particulars given above are true and correct.

In case of dematerialised shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and Delivered:

	FULL NAME (S)	SIGNATURE (S)
First/sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder:____

____

Note: In case of joint holding, all must sign. A Company must affix the common seal and furnish its corporate authorizations.

Place:__________________ Date:____________________

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 17.00 hours upto the last date of withdrawal i.e. January 3, 2008 (Thursday).

2. Shareholders should enclose the following:-
   Registered Shareholders should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
   - In case of partial withdrawal, 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 Target Company and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
- The withdrawal of Shares will be available only for the Share certificates that have been received by the Registrar to the Offer/ Manager to the Offer.
- The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
- The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
- In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from GGAGL. The facility of partial withdrawal is available only on to Registered shareholders.

--TEAR HERE--

S. No. **(Acknowledgement Slip)**

PURVA SHARE REGISTRY INDIA PRIVATE LIMITED

(Unit:- GG Automotive Gears Limited-Open Offer)

33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai-400 001

Tel: 022-23016761, Fax: 022-23018261

Received Form of Withdrawal from Mr./ Ms/ Mrs..: ____

Address:____

____

Folio Number_________________ DP ID ___________Client ID_________

Number of Shares tendered ______________

Number of Shares withdrawn ___________________

Signature of the Official Date of receipt	Stamp of Registrar to the Offer

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PRINTED MATTER

BOOK POST

To

If undelivered, please return to:

PURVA SHAREGISTRY INDIA PRIVATE LIMITED

(Unit:- GG Automotive Gears Limited-Open Offer)

33, Printing House, 28-D, Police Court Lane,
Behind Old Handloom House,
Fort, Mumbai-400001; Tel: 022-23016761;
E-mail: busicomp@vsnl.com