

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 M/s. Grandma Trading and Agencies 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 said sale was effected.

OPEN OFFER

Pursuant to Regulations 3 and 4 and applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.

BY

Mr. Bharat B. Jain (“the Acquirer”)

Having the residential address at A-703, Shreepati Jewels, Pimplewadi, Taty Gharpure Marg, Girgaon, Mumbai 400004, Maharashtra, India, Mob. No: 09699799442, Fax No: 022-66362628; Email: bharatbdevada@gmail.com

(Hereinafter referred as “Acquirer”)

TO THE SHAREHOLDERS OF M/S. GRANDMA TRADING AND AGENCIES LIMITED
(Hereinafter referred as “GTAL” or “the Target Company” or “TC” or “the Company”)

Having the Registered Office at Office No. 12, 2nd Floor, New Vora Building, 59, Nakoda Street, Mumbai-400 003, Maharashtra, Tel No: 022-6631 1134, Fax No: 022- 6631 1134, Email id: grandmatrading@gmail.com, Website: www.grandmatrading.com

TO ACQUIRE

Up to 33,95,600 Fully Paid-up Equity Shares of Rs. 10/- each, representing in aggregate 26% of the Paid up and Voting Equity Share Capital of GTAL, for cash, at a price of **Rs. 11/- (Rupees Eleven Only)** per Fully Paid-up Equity Share (“Offer Price”).

1. This Offer is being made pursuant to the Regulations 3 & 4 of SEBI (Substantial Acquisition of Shares & Takeover) 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. As on the date of this LOF, to the best of the knowledge of the Acquirer, there are no statutory or other approvals which are required to make this Offer. However, in case of any regulatory or statutory or other approval being required at a later date before the closure of the Tendering Period, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary application for such approvals.
5. **There has been no competing offer or revision of Offer Price as on date of this Letter of Offer.**
6. 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.
7. If there is any upward revision in the Offer Price by the Acquirer at any time prior to commencement of the last three working days before the commencement of the tendering period viz., **Friday, 3rd May, 2013** 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 Acquirer shall pay such revised price for all shares validly tendered 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 appeared.
8. 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
9. All correspondence relating to this offer, if any, should be addressed to the Registrar to the Offer, viz **M/s. Purva Sharegistry (India) Private Limited.**

| MANAGER TO THE OFFER | | REGISTRAR TO THE OFFER | |
|---|--|---|--|
|  | COMFORT SECURITIES LTD SEBI Registration No. INM000011328 A-301, Hetal Arch, Opp Natraj Market, S. V. Road, Malad (West), Mumbai – 400 064. Tel nos.: 022- 28449765/28449766 Fax no.: 022- 28892527 Contact Person : Ms. Mayuri Thakkar/ Mr. Ankur Agarwal Email: mayurithakkar@comfortsecurities.co.in / ankur@comfortsecurities.co.in Website: www.comfortsecurities.co.in |  | PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED SEBI Registration No. INR000001112 9, Shiv Shakti Industrial Estate, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai-400 011 Tel. No. 022 – 2301 8261/2301 6761 Fax no.: 022 – 2301 2517 Contact Person : Mr. V. B. Shah Email: busicomp@vsnl.com Website : www.purvashare.com |
| OFFER OPENS ON: THURSDAY, 9TH MAY, 2013 | | OFFER CLOSES ON: WEDNESDAY, 22ND MAY, 2013 | |

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

| Sr. No. | Activity | Original Date and Day | Revised Date and Day |
|----------------|--|------------------------------|-----------------------------|
| 1 | Date of Public Announcement | 07.01.2013, Monday | 07.01.2013, Monday |
| 2 | Opening of Escrow Account | 09.01.2013, Wednesday | 09.01.2013, Wednesday |
| 3 | Publication of Detailed Public Statement (DPS) in newspapers | 11.01.2013, Friday | 11.01.2013, Friday |
| 4 | Submission of Detailed Public Statement to BSE, Target Company & SEBI | 14.01.2013, Monday | 14.01.2013, Monday |
| 5 | Filing of Draft Offer Document with SEBI along with soft copies of Public Announcement and Detailed Public Statement. | 18.01.2013, Friday | 18.01.2013, Friday |
| 6 | Last Date for a competing Offer | 04.02.2013, Monday | 04.02.2013, Monday |
| 7 | Receipt of Comments from SEBI on Draft Letter of Offer | 11.02.2013, Monday | 22.04.2013, Monday |
| 8 | Identified Date* | 12.02.2013, Tuesday | 23.04.2013, Tuesday |
| 9 | Date by which Letter of Offer will be dispatched to the Shareholders | 20.02.2013, Wednesday | 02.05.2013, Thursday |
| 10 | Last date for revising the Offer Price | 21.02.2013, Thursday | 03.05.2013, Friday |
| 11 | Last date by which Board of Target Company shall give its recommendations** | 20.02.2013, Wednesday | 02.05.2013, 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. | 25.02.2013, Monday | 07.05.2013, Tuesday |
| 13 | Date of Commencement of tendering period (Offer Opening Date). | 27.02.2013, Wednesday | 09.05.2013, Thursday |
| 14 | Date of Expiry of tendering period (Offer Closing Date) | 12.03.2013, Tuesday | 22.05.2013, Wednesday |
| 15 | Date of communicating the rejection/ acceptance and payment of consideration for the acquired shares | 26.03.2013, Tuesday | 05.06.2013, Wednesday |
| 16 | Final Report from Merchant Banker | 04.04.2013, Thursday | 12.06.2013, 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 Acquirer and Sellers) are eligible to participate in the Offer any time before the closure of the Offer.*

*** The Independent Directors of Target Company has given its recommendation on the Open Offer on 23rd April, 2013 which was published on 24th April, 2013 in the same newspapers in which the Detailed Public Statement was published.*

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 Wednesday, 22nd May, 2013.

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. 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 involves an offer to acquire up to 26% of the Paid up Equity Share Capital of GTAL from the Eligible Persons for the Offer. In the case of over subscription in the Offer, 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) there is any litigation leading to a “stay” of the Offer, or (b) SEBI instructing the Acquirer not to proceed with the Offer, and 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 GTAL whose Shares has been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 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 Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders for the delay, as may be specified by SEBI.
- 3) Shareholders should note that shareholders who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.
- 4) No statutory and regulatory approvals are required by the Acquirer, and wherever applicable, by the Target Company, in connection with 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 GTAL. Accordingly, 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 any shareholder of GTAL on whether to participate or not to participate in the Offer.

B. IN ASSOCIATION WITH THE ACQUIRER

The Acquirer makes 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 the 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 Acquirer 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 Acquirer) would be doing so at his / her / its own risk.

C. RISK IN THE TRANSACTION

The Share Purchase Agreement (SPA) dated 7th January, 2013 contains a clause that it is subject to the provisions of SEBI (SAST) Regulations and in case of non-compliance with any of the provisions of the Regulations, the Sellers or the Acquirer shall not act upon the agreement for such sale. Further in case if SEBI does not clear this Open Offer, then the Acquirer cannot take the Management Control of the Target Company and therefore this Share Purchase Agreement shall not be acted upon.

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 any Shareholder on whether to participate or not to participate in the Offer.

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1. DEFINITIONS

| | | |
|-----|--|--|
| 1. | Acquirer | Mr. Bharat B. Jain |
| 2. | Acquisition Agreement or SPA | Share Purchase Agreement dated 7 th January, 2013 for purchase of 77,700 paid up Equity Shares of M/s. Grandma Trading and Agencies Limited of Rs. 10/- each, representing up to 0.59% of total paid up capital of GTAL from the following Sellers by Acquirer at a price of Rs. 10/- each per fully paid up Share. <ul style="list-style-type: none"> a. Mr. K.K. Mansingka b. Ms. Anuja Mansingka c. Mr. V.N. Mansingka d. Ms. Usha Devi Mansingka e. Mr. Pankaj Mansingka |
| 3. | BSE | Bombay Stock Exchange Limited |
| 4. | CA | Chartered Accountant |
| 5. | Detailed Public Statement or DPS | Detailed Public Statement of the Open Offer made by the Acquirer, which appeared in the newspapers on Friday, 11 th January, 2013. |
| 7. | Grandma Trading and Agencies Limited | GTAL//Target Company/ TC |
| 8. | Effective Date | The date of certificate by the Merchant banker after filing the final Report with SEBI under SEBI (SAST) Regulations |
| 9. | FEMA | Foreign Exchange Management Act, 1999 including related rules and regulations |
| 10. | Form of Acceptance or FOA | Form of Acceptance cum Acknowledgement. |
| 11. | HDFC | HDFC Bank Limited |
| 12. | Identified Date | Tuesday, 23 rd April, 2013. |
| 13. | Listing Agreement | Listing agreement as entered by the Target Company with the Stock Exchange |
| 14. | LOO, or Letter of Offer | This Offer Document. |
| 15. | Manager to the Offer or, Merchant Banker | Comfort Securities Limited |
| 16. | Negotiated Price | Rs. 10/-(Rupees Ten Only) per fully paid-up Equity Share of face value of Rs.10/- each. |
| 17. | Net Asset Value/ Book Value per Share | (Equity Capital + Free Reserve excluding of Revaluation reserve – Debit balance in Profit & Loss a/c – Misc expenditure not written off) / No. of Equity Shares. |
| 18. | Offer/Open Offer/ The Offer | Offer to acquire up to 33,95,600 Equity Shares of Rs. 10/- each representing 26% of the total paid up equity share capital of the Target Company, to be acquired by the Acquirer, at a price of Rs. 11 /- per Equity share payable in cash |
| 19. | Offer Price | Rs. 11 /-(Rupees Eleven Only) per fully paid up Share of Rs. 10/- each payable in cash. |

| | | |
|-----|--|---|
| 20. | PA | Public Announcement |
| 21. | PAC/PACs | Person(s) Acting in Concert |
| 22. | Persons eligible to participate in the Offer/ Shareholders | Registered shareholders of Grandma Trading and Agencies Limited, and unregistered shareholders who own the Shares of Grandma Trading and Agencies Limited on or before the last date of tendering period is eligible to participate in the offer other than the parties to the SPA. |
| 23. | Promoter/ Promoter Group | a. Mr. K.K. Mansingka b. Ms. Anuja Mansingka c. Mr. V.N. Mansingka d. Ms. Usha Devi Mansingka e. Mr. Pankaj Mansingka |
| 24. | 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 |
| 25. | RBI | Reserve Bank of India. |
| 26. | Registrar or Registrar to the Offer | M/s. Purva Sharegistry (India) Pvt. Limited |
| 27. | Return on Net worth | (Profit after Tax)/ (Equity Capital + Free Reserve excluding of Revaluation reserve– Debit balance in Profit & Loss a/c – Misc. expenditure not written off) *100. |
| 28. | SEBI | Securities and Exchange Board of India |
| 29. | SEBI (SAST) Regulations / the Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. |
| 30. | SEBI Act | Securities and Exchange Board of India Act, 1992. |
| 31. | Sellers | a. Mr. K.K. Mansingka b. Ms. Anuja Mansingka c. Mr. V.N. Mansingka d. Ms. Usha Devi Mansingka e. Mr. Pankaj Mansingka |
| 32. | Shares | Equity shares of Rs. 10 /- (Rupees ten only) each of the Target Company |

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 “Lacs” unless otherwise specifically stated. 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 DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF GRANDMA TRADING AND AGENCIES 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/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 DISCHARGES 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 18TH JANUARY, 2013 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 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

- 3.1.1 This Open Offer (“Offer”) is being made by Mr. Bharat B. Jain (“Acquirer”) under the offer to the Equity Shareholders of M/s. **Grandma Trading and Agencies Limited (“GTAL” or the “Target Company”)** a company incorporated and duly registered under the Companies Act, 1956, and having its Registered office at Office No. 12, 2nd Floor, New Vora Building, 59, Nakoda Street, Mumbai-400 003, Maharashtra, Tel No: 022-6631 1134, Fax No: 022- 6631 1134, Email id: grandmatrading@gmail.com , Website: www.grandmatrading.com pursuant to the Regulation 3 and the Acquirer propose to take management control in the Target Company and therefore this offer is also in compliance with Regulation 4 and other applicable provisions of SEBI (SAST) Regulations, 2011 as amended.
- 3.1.2 The Acquirer hereby makes this Offer to the Shareholders of the Target Company (other than the parties to the SPA) to acquire up to 33,95,600 fully paid up Equity Shares (“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. 11/- (Rupees Eleven 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 There is no person acting in concert (“PAC”) with the Acquirer within the meaning of Regulation 2 (1) (q) of the SEBI (SAST) Regulations.
- 3.1.4 The Acquirer has entered into a SPA with Sellers on **7th January, 2013** for the purchase of 77,700 Equity Shares (“Sale Shares”), of the Target Company bearing a face value of Rs.10/- each which amounts to 0.59% of the total paid-up equity share capital of M/s. **Grandma Trading and Agencies Limited**, at a price of Rs. 10/- (Rupees Ten Only) per fully paid up Share (Negotiated Price) payable through cash wherein it is also proposed to take the Management Control of the Target Company under regulation 4 of SEBI (SAST) Regulations, 2011 as amended . The total consideration payable in cash for the proposed acquisition will be Rs. 7,77,000 /- (Rupees Seven Lacs Seventy Seven Thousand Only). The Sellers belong to the Promoter group of the Target Company. Consequent changes in control of the Target Company contemplated under the SPA, this mandatory Open Offer is being made by the Acquirer in compliance with Regulation 3, 4 and other applicable provisions of SEBI (SAST) Regulations, 2011.
- 3.1.5 The details of the Sellers are as under:

| Sr. No. | Name & Address of the Sellers | Telephone No. | No. of Shares sold through SPA | % of Paid up Capital of Target Company (as on the date of SPA) |
|----------------|--|----------------------|---------------------------------------|---|
| 1. | Mr. K.K. Mansingka Address: 11, Mansingka Chamber, 258, Kalbadavi Road, Mumbai - 400 002 PAN: AAEPM2159C | 022-6651 0834 | 3,000 | 0.02 |
| 2. | Ms. Anuja Mansingka Address: 11, Mansingka Chamber, 258, Kalbadavi Road, Mumbai - 400 002 PAN: AAEPM2160K | 022-6651 0834 | 18,500 | 0.14 |
| 3. | Mr. V.N. Mansingka Address: 11, Mansingka Chamber, 258, Kalbadavi Road, Mumbai - 400 002 PAN: AAEPM2157N | 022-6651 0834 | 17,500 | 0.13 |
| 4. | Ms. Usha Devi Mansinghka Address: 11, Mansingka Chamber, 258, Kalbadavi Road, Mumbai - 400 002. PAN: AEEPM1258G | 022-6651 0834 | 18,500 | 0.14 |
| 5. | Mr. Pankaj Mansingka Address: 11, Mansingka Chamber, 258, Kalbadavi Road, Mumbai - 400 002. PAN: ABWPM9428M | 022-6651 0834 | 20,200 | 0.16 |
| | Total | | 77,700 | 0.59 |

3.1.6 The salient features of the SPA dated 7th January, 2013 are as under:

3.1.6.1 The SPA is subject to compliance of provisions of SEBI(SAST) Regulations and in case of non compliance with the provisions of SEBI(SAST) Regulations this SPA shall not be acted upon.

3.1.6.2 The obligations of the Sellers and the Acquirer under the SPA are subject to the satisfaction of, or, if applicable, waiver of the following conditions precedent:

- The SPA is subject to the compliances of provisions of SEBI (SAST) Regulations and in case of non compliances with the provisions of SEBI (SAST) Regulations, this SPA shall not be acted upon.
- This agreement shall be binding on the parties, their heirs, legal representatives, executors and successors.
- That the Sale Shares under the SPA are free from all charges, encumbrances or liens;
- The Sellers shall hand over to the Acquirer the original certificates relating to the Sale Shares together with transfer deeds/ Delivery instruction slips duly executed by the Sellers only after the completion of the Open Offer formalities as per regulation 22(1) of SEBI (SAST) Regulations, 2011.

- The Acquirer/Sellers agrees to diligently provide all information within his power and possession to give true and proper disclosures to SEBI, Stock Exchanges and to the shareholders.
 - All costs and expenses (including stamp duty on the agreement) shall be borne and paid by the Acquirer.
 - In consideration of the purchase of the Shares, the Acquirer has delivered the Sellers Demand Drafts/ Cheques for Rs. 5,82,750/- (Rupees Five Lakhs Eighty Two Thousand Seven Hundred and Fifty Only) being the part consideration 75% for sale of the said 77,700 number of equity shares. The remaining amount of Rs. 1,94,250/- (Rupees One Lakh Ninety Four Thousand Two Hundred and Fifty Only) being 25% of consideration shall be paid after the completion of the all the required compliance as contemplated in the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011.
- 3.1.7 Upon completion of this Open Offer in terms of the SEBI (SAST) Regulations, the change of control of Target Company shall be effected.
- 3.1.8 The Acquirer, Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.
- 3.1.9 Mr. Bharat B. Jain is the Acquirer and there is no person acting in concert with the Acquirer in this Offer.
- 3.1.10 The Shares of the Target Company are listed at BSE.
- 3.1.11 As per the Stock Exchanges latest filings made with the BSE the Sellers as mentioned in point no 3.1.5 as above are the Promoters of the Target Company.
- 3.1.12 Mr. Bharat B. Jain has not acquired any equity shares/voting rights of the Target Company during the twelve (12) months period preceding the date of this Public Announcement except 7,00,000 (5.36%) Equity Shares of the Target Company through Preferential Allotment @ Rs. 10/- each on 16th January, 2012 and 77,700 (0.59%) shares through Share Purchase Agreement (SPA) entered with the promoters (Sellers) on 7th January, 2013.
- 3.1.13 The Acquirer does not hold any Shares/ Voting Rights of the Target Company other than 7,00,000 (5.36%) Equity Shares of the Target Company which were allotted through Preferential Allotment @ Rs. 10/- each on 16th January, 2012 and 77,700 (0.59%) shares through Share Purchase Agreement (SPA) entered with the promoters (Sellers) on 7th January, 2013.
- 3.1.14 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.
- 3.1.15 The Acquirer intends to take control over the Target Company & make changes in the Board of Directors of the Target Company subsequent to the completion of this Open Offer in accordance hereof Mr. Bharat B. Jain will be the proposed director on behalf of Acquirer after the Open offer.
- 3.1.16 There is no non-compete arrangement and/or agreement between the Acquirer and the Sellers.
- 3.1.17 The Independent directors of the Target Company has came out with their recommendations for the Offer in compliance with the regulation 26(7) of SEBI (SAST) Regulations, 2011 on 23rd April, 2013 which was published on Wednesday, 24th April 2013 in the same newspapers in which the Detailed Public Statement was published.
- 3.2 Details of the Proposed Offer**
- 3.2.1 The Acquirer has made a Detailed Public Statement pursuant to Public Announcement in the following newspapers in accordance with the Regulation 14 (3) and pursuant to Regulation 3 and 4 of SEBI (SAST) Regulations.

| Name of the Newspaper | Language | Editions |
|-----------------------|----------|--------------|
| The Financial Express | English | All Editions |
| Jansatta | Hindi | All Editions |
| Apla Mahanagar | Marathi | Mumbai |

The Detailed Public Statement is also available on the SEBI website at www.sebi.gov.in.

- 3.2.2 The Acquirer is making this Open Offer under the SEBI (SAST) Regulations, to acquire up to 33,95,600 Equity Shares of Rs. 10/- each representing up to 26% of the total paid up equity share capital from the Shareholders of GTAL on the terms and subject to the conditions set out in this Letter of Offer, at a price of Rs. 11/- (Rupees Eleven Only) payable in cash. These Shares are to be acquired by the Acquirer, 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 Acquirer has not acquired any Shares in the Target Company since the date of PA i.e. 7th January, 2013 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 Acquirer from time to time in this regard.

3.3 Object of the Offer:

- 3.3.1 The Offer is being made pursuant to signing of the SPA as provided in Para 3.1.4 above and also to take Management Control in the Target Company and is being made in accordance with Regulations 3 and 4 of the SEBI (SAST) Regulations, 2011.
- 3.3.2 The Offer to the Shareholders of GTAL is for the purpose of acquiring up to 26% of the total paid up capital. After the proposed Offer, the Acquirer will achieve substantial acquisition of Shares and voting rights, accompanied with effective management control over the Target Company.
- 3.3.3 The Acquirer 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.
- 3.3.4 The Acquirer intends to seek a reconstitution of the Board of Directors of the Target Company after successful completion of the Takeover.

4. BACKGROUND OF MR. BHARAT B. JAIN, THE ACQUIRER

- 4.1 Mr. Bharat B. Jain, aged 36 years, S/o. Bansilal Jain is residing at A-703, Shreepati Jewels, Pimplewadi, Tatyga Gharpure Marg, Girgaon, Mumbai 400004, Maharashtra, India, Mob. No: 09699799442, Fax No: 022-6636 2628; Email: bharatbdevada@gmail.com
- 4.2 Mr. Bharat B. Jain has passed Higher Secondary Certificate (HSC) Examination from State Board of Maharashtra.
- 4.3 Mr. Bharat B. Jain is engaged in and has rich experience in the business of trading of Ferrous and Non-Ferrous Metal for around 2 decades and is a first generation entrepreneur with his business interest in metal and real estate.
- 4.4 Mr. Bharat Jain is holding a Permanent Account Number (PAN) AACPJ5429Q.

- 4.5 The Networth of Mr. Bharat B. Jain as on 8th November, 2012 is **Rs. 4,43,64,861.65/-** (Rupees Four Crores Forty Three Lakhs Sixty Four Thousand Eight Hundred Sixty One and Sixty Five Paise Only) and the same is certified by Mr. Sanjay Minda (Membership No. **046535**) Partner of M/s. AVS & Co, Chartered Accountants having his office at 107, A.S. Dias Building 268/272, Dr. C.H. Street, Marine Lines, Mumbai – 400002, Tel. No. 022-22005905/6637311.
- 4.6 Mr. Bharat B. Jain 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.
- 4.7 Mr. Bharat B. Jain has promoted and is holding directorship in M/s. Anchor Metal Private Limited, which is an unlisted Company.
- 4.8 Mr. Bharat B. Jain is not related to the Target Company, its Directors and Promoters in any manner whatsoever except 7,00,000 (5.36%) Equity Shares of the Target Company through Preferential Allotment @ Rs. 10/- each on 16th January, 2012 and the signed SPA dated 7th January, 2013 with the promoters of Target Company to acquire 77,700 equity shares constituting 0.59% of the fully paid equity shares of the Target Company
- 4.9 Mr. Bharat B. Jain has not acquired any equity shares/voting rights of the Target Company during the twelve (12) months period preceding the date of this Public Announcement except 7,00,000 (5.36%) Equity Shares of the Target Company through Preferential Allotment @ Rs. 10/- each on 16th January, 2012 and also complied with provisions of chapter V of the SEBI (SAST) Regulations 2011.

4.10 Other details about Acquirer

- 4.10.1 As per Regulation 17 of SEBI (SAST) Regulations, the Acquirer has deposited Rs. 1,05,00,000/- (Rupees One Crore Five Lacs Only) which is more than 25% of the amount required for the Open Offer in an escrow account opened bearing no. 00600350111023 with the Escrow Agent, i.e. HDFC Bank Ltd, having address at 2nd floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai 400 001.
- 4.10.2 The Acquirer has 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 Acquirer. As per certificate by Mr. Sanjay Minda (Membership No. 046535) Partner of M/s. AVS & Co, Chartered Accountants having his office at 107, A.S. Dias Building 268/272, Dr. C.H. Street, Marine Lines, Mumbai - 400002 Tel. No. 22005905/6637311, the Networth of Mr. Bharat B. Jain as on 8th November, 2012 is Rs. 4,43,64,861.65/- (Rupees Four Crores Forty Three Lakhs Sixty Four Thousand Eight Hundred Sixty One and Sixty Five Paise Only).
- 4.10.3 As per the Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer 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 Acquirer 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.
- 4.10.4 The Acquirer 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. However, no firm decision in this regard has been taken or proposed so far.
- 4.10.5 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 Acquirer 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 (GTAL)

- 5.1 Grandma Trading and Agencies Limited (“GTAL”) is a Company incorporated on 28th January, 1981 under the provisions of the Companies Act, 1956 and presently has its Registered Office at Office No. 12, 2nd Floor, New Vora Building, 59, Nakoda Street, Mumbai- 400 003, Maharashtra, Tel No: 022-6631 1134, Fax No: 022-6631 1134, Email id: grandmatrading@gmail.com , Website: www.grandmatrading.com.

- 5.2 The Sellers as mentioned in point no. 3.1.5 as above current Promoters of GTAL and they collectively hold 0.59% of the total paid up Equity Share Capital of GTAL.
- 5.3 GTAL is presently engaged in business of trading, dealing in any goods, commodities, merchandise, produce things and shares.
- 5.4 The authorized share capital of GTAL as on date of PA is Rs. 16,00,00,000/- (Rupees Sixteen Crores Only) divided into 1,60,00,000 (One Crore Sixty Lakhs) Equity Shares of Rs 10/- (Rupees Ten Only) each. The Paid up share capital of the Company is Rs 13,06,00,000/- (Rupees Thirteen Crores Six Lakhs Only) divided into 1,30,60,000 (One Crore Thirty Lakhs Sixty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

| Paid up Equity Shares of GTAL | No. of Equity Shares/ Voting rights | % of Shares / voting rights |
|---|--|------------------------------------|
| Fully paid-up Equity Shares | 1,30,60,000 | 100.00 |
| Partly paid-up Equity Shares | NIL | NIL |
| Total Equity Shares | 1,30,60,000 | 100.00 |
| Total Voting Rights in the Target Company | 1,30,60,000 | 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 | % of shares issued | Cumulative paid up capital in Rs. | Mode of Allotment | Identity of allottees (Promoters/ ex-promoters/ others) | Status of compliance |
|-----------------------------------|-----------------------------|---------------------------|--|--------------------------|--|-----------------------------|
| Subscription to MOA 10.12.1980 | 7 | 0.00 | 70 | Subscribers | Ex-promoters | Complied |
| 6.01.1982 | 1,49,993 | 1.15 | 15,00,000 | Public Issue | Others | Complied |
| 16.01.2012 | 1,29,10,000 | 98.85 | 13,06,00,000 | Preferential Issue | Others | Complied |
| Total | 1,30,60,000 | 100.00 | | | | |

Note: No Open Offer obligations were triggered in terms of the Regulations on account of Preferential allotment made on 16th January 2012

- 5.6 The Equity Shares of the GTAL are listed on BSE.
- 5.7 There are no partly paid-up Shares in the Company.
- 5.8 There are no outstanding convertible instruments/warrants.

- 5.9 The composition of the board of directors of GTAL as the date of P.A i.e. 7th January, 2013 is as follows:

| Sr. No | Name of Director | Designation | Residential Address | Date of Appointment | Qualification | DIN No. | Experience in years | No. of Shares held in the Company |
|---------------|-------------------------|--------------------|---|----------------------------|----------------------|----------------|--|--|
| 1. | Krishna Kumar Mansingka | Promoter Director | Mansingka House, Gangapur Choraha, Bhilwara- 311001 | 28.02.1994 | Graduate | 00518594 | 40 years of experience in the business of paper manufacturing, soya oil. | 3000 |
| 2. | Mahavir Pannalal Jain | Managing Director | R. No. 15, 1 Floor, Banu Manzil, Khambata Lane, Khetwadi, Back Road, Mumbai-400004. | 14.11.2011 | B. Com | 03622921 | 15 years of experience in the field of Metal Industry. | 0 |

| Sr. No | Name of Director | Designation | Residential Address | Date of Appointment | Qualification | DIN No. | Experience in years | No. of Shares held in the Company |
|--------|-----------------------------|------------------------|---|---------------------|---------------|----------|---|-----------------------------------|
| 3. | Mr. Suryakant Rasal | Non Executive Director | I-7/10, Shivkutir Building, Khetwadi 8 th Lane, Bombay- 04. | 14.11.2011 | B. Com | 05124215 | 22 years of experience in Accounts, Finance and Taxation field. | 0 |
| 4. | Mr. Prabhakar Balu Belnekar | Non Executive Director | 9/3, Adarsh Nagar 'B' Welfare Committee, J.R. Boricha Marg, Dhobighat, Mumbai- 400011 | 16.10.2012 | Matric | 06386764 | 22 years of experience in Administration field. | 50 |

5.10 The Shareholding pattern of the GTAL, 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 | 77,700 | 0.59 |
| Public | 1,29,82,300 | 99.41 |
| Total | 1,30,60,000 | 100.00 |

5.11 There has been no merger, de-merger and spin-off during the past three years in GTAL. There are no pending litigations against GTAL.

5.12 Audited financial information of Grandma Trading and Agencies Limited for the financial year ended on March 31, 2010, 2011, 2012 and Un-audited financial information for the Period ended December 31st 2012 are given below:

(Amount in Rs.)

| Profit & Loss Statement | Year Ended 31.03.2010 (Audited) | Year Ended 31.03.2011 (Audited) | Year Ended 31.03.2012 (Audited) | Nine months Ended 31.12.2012 (Unaudited & certified) |
|--|---------------------------------|---------------------------------|---------------------------------|--|
| Income from Operations | 1,254,151 | 1,377,944 | - | 85,000 |
| Other Income | - | 25,494 | 2,869,626 | 4,541,562 |
| Total Income | 1,254,151 | 1,403,438 | 2,869,626 | 4,626,562 |
| Total Expenditure | 1,150,854 | 1,322,783 | 1,636,390 | 1,581,187 |
| Profit before Depreciation, Interest and Tax | 103,297 | 80,655 | 1,233,236 | 3,045,375 |
| Depreciation | - | - | - | - |
| Interest and Financial Charges | - | - | - | - |
| Profit before Tax | 103,297 | 80,655 | 1,233,236 | 3,045,375 |
| Provision for FBT | - | - | - | - |
| Provision for Tax | 31,920 | 27,176 | 381,071 | - |
| Deferred Tax | - | - | - | - |
| Earlier Year | - | - | 30,784 | - |
| Profit after Tax | 71,377 | 53,479 | 821,381 | 3,045,375 |

(Amount in Rs.)

| Balance Sheet Statement | Year Ended 31.03.2010 (Audited) | Year Ended 31.03.2011 (Audited) | Year Ended 31.03.2012 (Audited) | Nine months Ended 31.12.2012 (Un-Audited & Certified) |
|--|---------------------------------|---------------------------------|---------------------------------|---|
| Sources of Funds | | | | |
| Paid up Share Capital | 1,500,000 | 1,500,000 | 130,600,000 | 130,600,000 |
| Reserves & Surplus (Excluding Revaluation Reserve) | - | - | - | - |
| Secured Loan | - | - | - | - |
| Unsecured Loan | - | 4,450,000 | - | - |
| Current Liabilities & Provisions | 16,228,022 | 2,308,465 | 2,932,066 | 3,174,812 |
| Deferred Tax Liability | - | - | - | - |
| TOTAL | 17,728,022 | 8,258,465 | 133,532,066 | 133,774,812 |
| Uses of Funds | | | | |
| Net Fixed Assets | - | - | - | - |
| Deferred Tax Asset (net) | - | - | - | - |
| Investments | 1,717,441 | - | - | - |
| Current Assets, Loans and Advances | 10,196,988 | 2,498,350 | 127,555,492 | 131,038,208 |
| Miscellaneous Expenses not written off/ Preliminary Expenses | - | - | 1,037,840 | 843,245 |
| Profit & Loss A/c (Dr. Bal) | 5,813,593 | 5,760,115 | 4,938,734 | 1,893,359 |
| TOTAL | 17,728,022 | 8,258,465 | 133,532,066 | 133,774,812 |

| Other Financial Data | Year Ended 31.03.2010 (Audited) | Year Ended 31.03.2011 (Audited) | Year Ended 31.03.2012 (Audited) | Nine months Ended 31.12.2012 (Un-Audited & Certified) |
|--------------------------|---------------------------------|---------------------------------|---------------------------------|---|
| Net Worth (Rs.) | (4,313,593) | (4,260,115) | 124,623,426 | 127,863,396 |
| Dividend (%) | - | - | - | - |
| Earnings Per Share (Rs.) | 0.48 | 0.36 | 0.06 | 0.23 |
| Return on Networth (%) | (1.65) | (1.26) | 0.66 | 2.38 |
| Book Value Per Share | (28.76) | (28.40) | 9.54 | 9.79 |

There are no contingent liabilities for the year ended 31st March, 2012 as well as on the date of this Letter of Offer.

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

GTAL is mainly engaged in the business of trading, dealing in any goods, commodities, merchandise, produce things etc. which depends upon the prevailing market conditions at that time.

Comparision of Financial year 2008-09 & 2009-10

Due to commencing the trading activities in the year 2009-10, the turnover/revenue of Rs.13.08 Lacs was achieved. Profit after Tax was of Rs.0.71 Lacs in year 2009-10 against loss of Rs.0.14 Lacs in year 2008 - 09.

Comparison of Financial year 2009-10 & 2010-11

Due to increase in trading business, the revenue has marginally increased from Rs.13.08 Lacs in the year 2009-10 to Rs. 14.03 Lacs in the year 2010-11. However, due to increase in cost, the Profit after Tax has decreased from Rs. 0.71 Lacs in the year 2009-10 to Rs. 0.53 Lacs in the year 2010-11.

Comparison of Financial year 2010-11 & 2011-12

Due to temporary investments of funds raised in the year 2011-12, the Company has achieved revenue of Rs. 28.69 Lacs as compared to revenue of Rs.14.03 Lacs in the year 2010-11. Profit after Tax has also increased from Rs 0.53 Lacs in the year 2010-11 to 8.21 Lacs in the year 2011-12.

5.13 Pre- and Post-Offer shareholding pattern of the GTAL is as per the following table:

| Sr. No. | Shareholder category | Shareholding & voting rights prior to the agreement/acquisition and offer (A) | | Shareholding & Voting Rights acquired through SPA | | 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 | | | | | | | | |
| | a. Parties to agreement | 77,700 | 0.59 | (77,700) ¹ | (0.59) | Nil | Nil | Nil | Nil |
| | b. Promoters other than (a) above | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total 1 (a+b) | 77,700 | 0.59 | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. | Acquirer | | | | | | | | |
| | Mr. Bharat B. Jain | 7,00,000 ² | 5.36 | 77,700 | 0.59 | 33,95,600 | 26.00 | 41,73,300 | 31.95 |
| | Total 2 | 7,00,000 | 5.36 | 77,700 | 0.59 | 33,95,600 | 26.00 | 41,73,300 | 31.95 |
| 3. | Public (other than Parties to agreement Acquirer & PAC's) | | | | | | | | |
| a. | FIs/MFs/FIIs/ Bank, Central Bank of India | Nil | Nil | Nil | Nil | (33,95,600)¹ | (26.00)¹ | 88,86,700 | 68.05 |
| b. | Others | 1,22,82,300 | 94.05 | Nil | Nil | | | | |
| | Total no. of shareholders i.e. 137 in "Public Category" 3(a+b) | 1,22,82,300 | 94.05 | Nil | Nil | | | | |
| | Grand Total | 1,30,60,000 | 100.00 | 77,700 | 0.59 | Nil | Nil | 1,30,60,000 | 100.00 |

Notes: ¹ The data within bracket indicates sale of Equity Shares.

²Mr. Bharat B. Jain holds 7,00,000 equity shares in GTAL through allotment made on preferential basis @ Rs. 10/- each on 16th January, 2012.

5.14 The number of Shareholders in GTAL in public category is 141 as on the Quarter ended 31st March, 2013.

5.15 The Company is not a sick Company.

5.16 There is no change in shareholding of Promoters group. However, there was interse transfer between the Promoters on 6th November, 2012 and the reporting u/r 13(4), 13(4A) and 13(6) of SEBI (Prohibition of Insider Trading) Regulations, 2011 has been filed with Stock Exchange on 8th November, 2012. The details of shareholding of Promoters as per reporting u/r. 8(3) of the SEBI (SAST) Regulations, 1997 filed with the Stock Exchanges since 1997 to 7th January, 2013 (Date of Public Announcement) are as under.

| Year ended 31 st 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 (+/- %) | Remarks |
|-----------------------------------|---------------------------------|----------------------------------|----------------------|----------------------------|--|----------------------------------|--|---|
| 1997 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | -- | -- |
| 1998 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | -- | -- |
| 1999 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | -- | -- |
| 2000 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | -- | -- |
| 2001 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | --- | -- |
| 2002 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | --- | -- |
| 2003 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | ---- | -- |
| 2004 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | --- | -- |
| 2005 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | --- | -- |
| 2006 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | | -- |
| 2007 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | -- | -- |
| 2008 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | --- | |
| 2009 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | -- | -- |
| 2010 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | ---- | -- |
| 2011 | 77,700 | 51.80 | -- | -- | 77,700 | 51.80 | -- | |
| 2012 | 77,700 | 51.80* | -- | -- | 77,700 | 0.59* | -- | *The Total paid capital of the Company has been increased due to preferential allotment of 1,29,10,000 equity shares of Rs. 10/- each to Other than Promoters on 16.01.2012 |

5.17 Status of corporate governance compliances by GTAL: -

As per the Annual Report for the Financial Year 2011-2012, 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, 2013. The details are as follows:

Name of the Company : Grandma Trading and Agencies Limited
Quarter ending on : 31st March, 2013

| 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) Other provisions as to Board and Committee | 49 (IC) | Yes | --- |
| (D) Code of Conduct | 49 (ID) | Yes | --- |
| II. Audit Committee | 49II | | --- |
| (A) Qualified & Independent Audit Committee | 49 (IIA) | Yes | --- |
| (B) Meeting of Audit Committee | 49 (IIB) | Yes | --- |

| Particulars | Clause of Listing Agreement | Compliance Status Yes/No | Remarks |
|---|-----------------------------|--------------------------|---------|
| (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) | N.A. | N.A. |
| IV. Disclosures | 49 (IV) | | --- |
| (A) Basis of related party transactions | 49 (IV A) | Yes | --- |
| (B) Disclosure of Accounting treatment | 49 (IV B) | Yes | --- |
| (C) Board Disclosure | 49 (IV C) | Yes | --- |
| (D) Proceeds from public issues, rights issues, Preferential issues etc | 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 (VI) | Yes | --- |
| VII Compliance | 49 (VII) | Yes | --- |

5.18 Mr. Mahavir Jain is the Compliance Officer of the Company, his address is Office No. 12, 2nd Floor, New Vora Building, 59, Nakoda Street, Mumbai-400 003, Maharashtra, Mobile No: 09920036622, Tel No: 022-6631 1134, Fax No: 022- 6631 1134, Email id: grandmatrading@gmail.com

5.19 There has been delay in filing Regulation 6(2), 6(4) and 8(3) of SEBI (SAST) Regulations, 1997 by the Target Company from the years 1997 to 2010. SEBI may initiate action against the Target Company for the delayed compliances under provisions of Chapter II of SEBI (SAST) Regulations, 1997.

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 the Bombay Stock Exchange Limited, Mumbai (BSE). The shares are placed under **Group 'T'** having a Scrip Code of **"504369"** & Scrip Id: **GRANDMA** on the BSE.

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 BSE i.e. www.bseindia.com during twelve calendar months preceding the month in which this PA is made. The Equity Shares of GTAL are not frequently traded shares within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations, 2011.

6.1.3 The Offer Price of Rs. 11/- (Rupees Eleven only) is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations on the basis of the following:

| SR. NO. | PARTICULARS | PRICE (IN RS. PER SHARE) |
|---------|--|--------------------------|
| (a) | Negotiated price under the Shares Purchase Agreement | 10.00 |
| (b) | The volume- weighted average price paid or payable for acquisitions by the acquirer during 52 weeks immediately preceding the date of PA. | 10.00 |
| (c) | Highest price paid or payable for acquisitions by the acquirer during 26 weeks immediately preceding the date of PA. | Not applicable |
| (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 | Not applicable |

| SR. NO. | PARTICULARS | PRICE (IN RS. PER SHARE) |
|---------|---|--------------------------|
| | exchange where the maximum volume of trading in the shares of the target company are recorded during such period. | |
| (e) | Other Financial Parameters as at: | 31.03.2012 |
| | (i) Return on Net Worth | 0.66% |
| | (ii) Book Value Per Share | 9.54/- per share |
| | (iii) Earnings Per Share | 0.06/- per share |

In view of the parameters considered and presented in table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs.11/- (Rupees Eleven 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 GTAL is Rs. 10.97/- per share as certified vide Valuation certificate dated 5th January, 2013, by Mr. S. S. Rathi (Membership No. 73373) Partner of M/s. Gupta Saharia & Co, Chartered Accountants (Reg. No. 103446W) having its office situated at C/103-104, Pranay Nagar, Ram Mandir Road Extn, Vazira Naka, Borivali (W), Mumbai – 400091. Tel: 022-2833 7953, Email: shyamrathi1@gmail.com

6.2 Financial Arrangements

- 6.2.1 Assuming full acceptance under the offer, the maximum consideration payable by the Acquirer under the offer would be Rs. 3,73,51,600/- (Rupees Three Crores Seventy Three Lacs Fifty One Thousand Six Hundred Only) (“maximum consideration”) i.e. consideration payable for acquisition of 33,95,600 equity shares of the target Company at offer price of Rs. 11 /- per Equity Share.
- 6.2.2 The Acquirer has 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 Acquirer.
- 6.2.3 Assuming the full acceptance of 26% i.e. acquisition of 33,95,600 equity shares of the target Company, the total requirement of funds for the Open Offer is Rs. 3,73,51,600/- (Rupees Three Crores Seventy Three Lacs Fifty One Thousand Six Hundred Only). In compliance of Regulation 17 of SEBI (SAST) Regulations, 2011, the Acquirer has deposited Rs. 1,05,00,000/- (Rupees One Crore Five Lacs Only) which is more than 25% of the amount required for the Open Offer in an escrow account opened bearing no. 00600350111023 with the Escrow Agent, i.e. HDFC Bank Ltd, having address at 2nd floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai 400 001.
- 6.2.4 The Acquirer has duly empowered Comfort Securities Limited, the Manager to the Open Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.
- 6.2.5 The Manager to the Open Offer hereby confirms that the firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Open Offer obligations.
- 6.2.6 Mr. Sanjay Minda (Membership No. **046535**), Partner of M/s. AVS & Co, Chartered Accountants having his office at 107, A.S. Dias Building 268/272, Dr. C.H. Street, Marine Lines, Mumbai – 400 002, Tel. No. 022-22005905/6637311 certified that the Networth of Mr. Bharat B. Jain as on 8th November, 2012 is Rs. 4,43,64,861.65/- (Rupees Four Crores Forty Three Lakhs Sixty Four Thousand Eight Hundred Sixty One and Sixty Five Paise Only) and 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 Acquirer is capable to implement the Offer obligations in accordance with the SEBI (SAST) Regulations by his own funds not borrowed from any bank or financial institutions

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Persons eligible to participate in the Offer

- 7.1.1 Registered Shareholders of GTAL and unregistered Shareholders who own the Equity Shares of GTAL on or before the last date of tendering period except the parties to the SPA.
- 7.1.2 No Equity Shares of GTAL are under lock-in requirements as per SEBI Regulations. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

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 being submitted, the Acquirer 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 this LOF, to the best of the knowledge of Acquirer, there are no statutory or other approvals which are required to make this Offer. However, in case of any regulatory or statutory or other approval being required at a later date before the closure of the Tendering Period, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary application for such approvals
- 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, 2011, will be adhered to, i.e. SEBI have power to grant extension of time to Acquirer for payment of consideration to Shareholders subject to Acquirer agreeing to pay interest for delayed period as directed by SEBI.
- 7.2.6 The Acquirer 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 Acquirer has appointed M/s. Purva Sharegistry (India) Private Limited as the Registrar to the Offer.
- 8.1.2 All eligible Equity Shareholders of fully paid Equity Shares of GTAL, 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, 22nd May, 2013. 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. 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 |
|--|--|---------------------------------|
| Purva Sharegistry (India) Private Limited 9, Shiv Shakti Industrial Estate, JR Boricha Marg, Lower Parel (East), Mumbai- 400 011 | Contact person - Mr. V.B. Shah Tel. No. 022- 23018261/ 022- 23016761 Fax no.: 022- 23012517 Email : busicomp@vsnl.com Website : www.purvashare.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.

8.1.3 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 GTAL 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, 22nd May, 2013.

- ❖ 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 | “PSIPL Escrow A/c Grandma Open Offer PSIPL (“Depository Escrow Account”) |
|------------------|--|
| Depository | Central Depository Services (India) Limited |
| DP Name | BCB Brokerage Private Limited |
| DP ID Number | 12010400 |
| Client ID Number | 00039007 |
| Mode | Off Market |

Shareholders having their beneficiary account with National Securities Depository Limited (NSDL), 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 CDSL. In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirer 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 Acquirer or the Target Company. Such documents should not be sent to the Manager to the Offer.

- 8.1.4 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 “Grandma Trading and Agencies Limited -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, 22nd May, 2013 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, 22nd May, 2013. 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.
- 8.1.5 No Indemnity is needed from Unregistered Shareholders.
- 8.2 If the aggregate of the valid responses to the Offer exceeds 33,95,600 fully paid up Equity Shares, then the Acquirer 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 GTAL is **1 (One)**.
- 8.3 In case of delay in receipt of any statutory approval, Regulation 18(11) of SEBI (SAST) Regulations, 2011, will be adhered to, i.e. SEBI have power to grant extension of time to Acquirer for payment of consideration to Shareholders of GTAL, subject to Acquirer 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, 2011.
- 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, 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 working 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, 22nd May, 2013 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 (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), 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 GTAL whose equity shares are accepted by the Acquirer at his address registered with GTAL. 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 Acquirer 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, Acquirer 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 Acquirer under the Income Tax Act, 1961 (the "Income Tax Act"), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.
- 8.10.4 The above documents should not be sent to the Acquirer or to GTAL or to the Manager to the Offer. The same should be sent to the Registrar to the Offer only at the collection centres 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 Acquirer 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 GTAL.
- 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 Acquirer at any time prior to commencement of the last three working days before the commencement of the tendering period viz., Friday, 3rd May, 2013 the same would be informed by way of another Public Announcement in the same newspapers in which the detailed Public Statement pursuant to Public Announcement 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 Grandma Trading and Agencies Limited.
- 9.2 Net worth Certificate of the Acquirer as on 8th November, 2012 certified by Mr. Sanjay Minda, the Partner of M/s. AVS & Co, Chartered Accountants.
- 9.3 Annual Reports of GTAL for years ended on March 31, 2010, 2011 and 2012 and Provisional Balance Sheet as on 31st December, 2012.
- 9.4 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.
- 9.5 A copy of the Share Purchase Agreement between the Acquirer and the Sellers dated 7th January, 2013 for Acquisition of upto 77,700 (0.59%).
- 9.6 Copy of Public Announcement dated 7th January, 2013.
- 9.7 Published copy of the Detailed Public Statement, which appeared in the newspapers on Friday, 11th January, 2013 for acquisition of 33,95,600 Equity Shares.
- 9.8 Copy of Recommendation made by GTAL Board of Independent Directors dated 23rd April 2013
- 9.9 Observation letter no CFD/DCR1/9554/13 dated 22nd April, 2013 on the draft Letter of Offer filed with the Securities and Exchange Board of India.
- 9.10 Memorandum of Understanding between Lead managers i.e. Comfort Securities Limited & Acquirer.
- 9.11 Undertaking from the Acquirer, stating full responsibility for all information contained in the PA, Detailed Public Statement and the Letter of Offer.
- 9.12 Certificate from Mr. S.S. Rathi, Partner of M/s. Gupta Saharia & Co, Chartered Accountants, the Statutory Auditors of the Target Company for financial data audited for the purpose of Open Offer of GTAL, the Target Company.

- 9.13 Valuation Certificate dated 5th January, 2013 for valuation of Equity Shares of the Target Company as on 31st March, 2012 from S.S. Rathi, Partner of M/s. Gupta Saharia & Co, Chartered Accountants, Statutory Auditors of the Target Company.
- 9.14 Undertaking from the Acquirer that if they acquire any shares of the target company during the Offer Period, they shall inform Stock Exchanges, 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 Acquirer 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 Acquirer with regard to Directors Responsibility under Regulation 2(o) and Regulation 7(4) of SEBI (SAST) Regulations.

10. DECLARATION BY THE ACQUIRER

- 10.1 The Acquirer Mr. Bharat B. Jain accept full responsibility for the information contained in this Letter of Offer and also accept responsibility for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations. All the information contained in this document is as on date of the Public Announcement, 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, 2011 have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956 and SEBI (SAST) Regulations.

Place: Mumbai
Date: 25.04.2013

Mr. Bharat B. Jain

ENCLOSURES:

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

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to **M/s. PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED**, Registrar to the Offer at their address given overleaf)

FORM OF ACCEPTANCE – CUM – ACKNOWLEDGEMENT

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

| |
|---|
| OFFER OPENS ON :Thursday, 9th May, 2013 |
| OFFER CLOSES ON : Wednesday, 22nd May, 2013 |

| 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,

Mr. Bharat B. Jain

C/o. Purva Sharegistry (India) Private Limited

SEBI Registration No. INR000001112

9, Shiv Shakti Industrial Estate, J.R. Boricha Marg,

Opp. Kasturba Hospital, Lower Parel (East), Mumbai-400 011

Dear Sir,

Sub.: Cash Offer for purchase of 33,95,600 (Thirty Three Lakh Ninety Five Thousand Six Hundred Only) Equity Shares of Grandma Trading and Agencies Limited at a price of Rs. 11/- (Rupees Eleven only) per Share under SEBI (SAST) Regulations, 2011.

I/We refer to the Letter of Offer dated 25th April, 2013 for acquiring the Equity Shares held by me/us in GTAL.

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 HELD 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. | Distinctive No(s) | | No. of Equity Shares |
|--------------------------------------|-----------------|-------------------|----|----------------------|
| | | From | To | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total Number of Equity Shares | | | | |

(Please attach authenticates additional sheets, if required)

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

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 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 consideration only after verification of the documents and signatures.

SHARES HELD IN DEMATERIALIZED FORM

I/We hold the following shares in Demat Form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) in “*Off-market*” mode duly acknowledged by my/our Depository Participant (“DP”) in respect of my/our equity shares as detailed below:

| DP NAME | DP I.D. | CLIENT ID. | NAME OF THE BENEFICIARY | NO OF SHARES OFFERED |
|---------|---------|------------|-------------------------|----------------------|
| | | | | |

I/We have done an off market transaction for crediting the equity Shares to the special depository account in CDSL styled “**PSIPL Escrow A/c Grandma Open Offer PSIPL**” (“**Depository Escrow Account**”) details are as under:

| Account Name | “PSIPL Escrow A/c Grandma Open Offer PSIPL” |
|------------------|---|
| Depository | Central Depository Services (India) Limited |
| DP Name | BCB Brokerage Private Limited |
| DP ID Number | 12010400 |
| Client ID Number | 00039007 |
| Mode | Off Market |

Shareholders having their beneficiary account with National Securities Depository Limited (“NSDL”), 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 CDSL. 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

I / We authorize the Acquirer to accept the equity shares so offered or such lesser number of equity shares that the Acquirer 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 Acquirer 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 Acquirer 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 Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I / We agree that the Acquirer 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 Acquirer 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 Acquirer 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 GTAL/DP:

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

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 |
|---------------|-----------------|-----------------|-----------------|
| | | | |

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

Mr. Bharat B. Jain
C/o. Purva Sharegistry (India) Private Limited
SEBI Registration No. INR000001112
9, Shiv Shakti Industrial Estate, J.R. Boricha Marg,
Opp. Kasturba Hospital, Lower Parel (East),
Mumbai-400 011
Tel Nos : 022- 23018261/ 022- 23016761
Fax no. : 022-28501438022- 23012517
Contact Person: Mr. V.B. Shah
Email: busicomp@vsnl.com
Website: www.purvashare.com

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:

| 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, Malayalam, 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 Acquirer is entirely at the discretion of the equity shareholder of GTAL.
- II. Shareholders of GTAL to whom this Offer is being made, are free to offer his / her / their shareholding in GTAL for sale to the Acquirer, 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

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

ACKNOWLEDGEMENT SLIP

GRANDMA TRADING AND AGENCIES LIMITED - CASH OFFER

Folio No.: _____ Serial 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 Acquirer

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

INSTRUCTIONS

1. Shareholders should enclose the following:-.

For Equity shares held in physical form: -

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 GTAL 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.

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 Acquirer or GTAL.
 3. Non resident shareholders/FII/OCB should enclose a copy of the permission received from RBI for the equity shares held by them in GTAL. 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 Acquirer 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 Acquirer.
 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, 22nd May, 2013, 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.
 6. 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, 22ND MAY, 2013 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE LIABLE TO BE REJECTED.

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BOOK-POST

If undelivered, please return to :

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

SEBI Registration No. INR000001112

9, Shiv Shakti Industrial Estate,

J.R. Boricha Marg,

Opp. Kasturba Hospital,

Lower Parel (East), Mumbai-400 011