DETAILED PUBLIC STATEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

# KAILASH AUTO FINANCE LIMITED

(Registered Office: 19, Rollant Complex, 37/17, The Mall, Kanpur- 208 001)

**OPEN OFFER FOR ACQUISITION OF 9,89,534 (NINE LACS EIGHTY NINE THOUSAND FIVE HUNDRED AND THIRTY FOUR ONLY) EQUITY SHARES FROM THE EQUITY SHAREHOLDERS OF KAILASH AUTO FINANCE LIMITED (HEREINAFTER REFERRED TO AS THE "TARGET COMPANY" OR "KAFL") BY PANCHSHUL MARKETING LIMITED & CAREFUL PROJECTS ADVISORY LIMITED (HEREINAFTER COLLECTIVELY REFERRED TO AS "THE ACQUIRERS")**

This Detailed Public Statement ("**DPS**") is being issued by VC Corporate Advisors Pvt. Ltd., the Manager to the Offer ("**Manager**"), on behalf of Panchshul Marketing Limited & Careful Projects Advisory Limited, in compliance with regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**") pursuant to the Public Announcement ("**PA**") filed on 2nd May, 2012 with the BSE Limited, the Securities and Exchange Board of India ("**SEBI**") and the Target Company in terms of regulation 3(1) & 4 of the SEBI (SAST) Regulations.

**I. ACQUIRERS, SELLER, TARGET COMPANY AND OFFER:**

**A. INFORMATION ABOUT THE ACQUIRERS:**

**A.1. PANCHSHUL MARKETING LIMITED ("PML")**

**A.1.a.** PML having its Registered Office at 16, India Exchange Place, 1st Floor, Room No. 26, Kolkata- 700 001 was incorporated under the provisions of the Companies Act, 1956 on 25.09.2010 as a Private Limited Company by the Registrar of Companies, West Bengal, in the name and style of "Panchshul Marketing Private Limited". The name of PML was subsequently changed to its present name vide a special resolution passed in the general meeting on 17.06.2011 and a fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company was issued on 08.07.2011 by the Registrar of Companies, West Bengal. The Corporate Identity Number (CIN) of PML is U51909WB2010PLC153453.

**A.1.b.** PML was originally incorporated with the object of carrying on the business as distributors, agents, traders, merchants, contractors, brokers, and otherwise deal in merchandise and articles of all kinds and also to work as commission agents, brokers, contractors, processors order suppliers and dealing agents. However, presently it's only source of income for the year ended 31.03.2011 and for the nine (9) months period ended 31.12.2011 consists of other income only.

**A.1.c.** The Authorised Share Capital of PML is Rs. 3100.00 Lacs comprising of 31,00,00,000 equity shares of Re. 1/- each. The Issue, Subscribed and Paid-up capital of PML is Rs. 3002.24 Lacs comprising of 30,02,24,000 equity shares of Re. 1/- each. The face value of equity shares was changed from Rs. 10/- each to Re. 1/- each on 17.06.2011. As on date, PML does not have any partly paid- up equity shares.

**A.1.d.** PML doesn't belong to any group. The main Promoter of PML is Radhashyam Dealtrade Pvt. Ltd. The other key shareholders of PML are Brijdhara Mercantile Pvt. Ltd., Needful Vincom Pvt. Ltd., Overflow Merchandise Pvt. Ltd. and Sanskriti Vincom Pvt. Ltd.

**A.1.e.** The equity shares of PML are not listed on any Stock Exchange.

**A.1.f.** The present Board of Directors of PML is Mr. Pravash Chandra Jha, Mr. Santosh Sharma and Mr. Priyanshu Kumar Santhalia.

**A.1.g.** PML including its Directors, Promoters, & key employees doesn't have any relationship &/or interest in the Target Company including with its Directors, Promoters & key employees.

**A.1.h.** Brief audited Financial Information of PML as per the audited accounts for the period 25.09.2010 (the date of Incorporation) to 31.03.2011 and Un-audited Certified Financials for the nine (9) months period ended 31.12.2011 are as follows:

**(Rs. In Lacs)**

| Particulars | For the period 25.09.2010 to 31.03.2011 (Audited) | Nine months period ended 31.12.2011 (Certified and Un-audited) |
|---|---|---|
| Total Revenue | 38.46 | 1.00 |
| Net Income i.e. Profit/(Loss) After Tax | (0.02) | 0.32 |
| EPS* | (0.01) | 0.00 |
| Net worth /Shareholder' Funds | 2358.65 | 2359.09 |

* Non annualized

**A.2. CAREFUL PROJECTS ADVISORY LIMITED ("CPAL")**

**A.2.a.** CPAL having its Registered Office at 6, Lyons Range, Fortuna Chambers, Ground Floor, Room No. 50, Kolkata- 700 001 was incorporated under the provisions of the Companies Act, 1956 on 18.09.2010 as a Private Limited Company by the Registrar of Companies, West Bengal, in the name and style of "Careful Projects Advisory Private Limited". The name of CPAL was subsequently changed to its present name vide a special resolution passed in the general meeting on 16.06.2011 and a fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company was issued on 08.07.2011 by the Registrar of Companies, West Bengal. The CIN of CPAL is U74999WB2010PLC153172.

**A.2.b.** CPAL was originally incorporated with the main object of carrying on the business of consultancy and advisory services. However, presently it's only source of income for the year ended 31.03.2011 and for the nine (9) months period ended 31.12.2011 consists of other income only.

**A.2.c.** The Authorised Share Capital of CPAL is Rs. 2900.00 Lacs comprising of 29,00,00,000 equity shares of Re. 1/- each. The Issue, Subscribed and Paid-up capital of CPAL is Rs. 2,856.87 Lacs comprising of 28,56,86,800 equity shares of Re. 1/- each. The face value of equity shares was changed from Rs. 10/- each to Re. 1/- each on 16.06.2011. As on date, CPAL does not have any partly paid-up equity shares.

**A.2.d.** CPAL doesn't belong to any group. The main Promoter of CPAL is Sri Karani Exports Pvt. Ltd. The other key shareholders of CPAL are Stepan Commotrade Pvt. Ltd., Niraj Realtors & Shares Pvt. Ltd. and Sanskriti Vincom Pvt. Ltd.

**A.2.e.** The equity shares of CPAL are not listed on any Stock Exchange.

**A.2.f.** The present Board of Directors of CPAL is Mr. Ashok Kumar Singh, Mr. Anand Thakur Sagar and Mr. Shyamal Kumar Laha.

**A.2.g.** CPAL including its Directors, Promoters, & key employees doesn't have any relationship &/or interest in the Target Company including with its Directors, Promoters & key employees.

**A.2.h.** Brief audited Financial Information of CPAL as per the audited accounts for the period 18.09.2010 (the date of Incorporation) to 31.03.2011 and Un-audited Certified Financials for the nine (9) months period ended 31.12.2011 are as follows:

**(Rs. In Lacs)**

| Particulars | For the period 18.09.2010 to 31.03.2011 (Audited) | Nine months period ended 31.12.2011 (Certified and Un-audited) |
|---|---|---|
| Total Revenue | 39.06 | 1.60 |
| Net Income i.e. Profit/ (Loss) After Tax | (0.03) | 0.32 |
| EPS* | (0.01) | 0.00 |
| Net worth /Shareholder' Funds | 1981.26 | 1981.70 |

* Non annualized

**A.3.** There is no Person Acting in Concert ("PAC") alongwith the Acquirers for the purpose of this Offer. In terms of regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, there could be person(s) deemed to be acting in concert with the Acquirers. However, such Person(s) are not Acting in Concert with the Acquirers for the purposes of this Offer.

**A.4.** Apart from 26,23,317 (Twenty Six Lacs Twenty Three Thousand Three Hundred and Seventeen Only) equity shares which the Acquirers intend to acquire through Share Purchase Agreement ("**SPA**") dated 02.05.2012, the Acquirers do not hold any equity shares/ voting rights of KAFL as on date of this DPS.

**A.5.** None of the Acquirers, including their Directors, have been prohibited by the SEBI from dealing in the securities, in terms of direction issued under Section 11B of SEBI Act 1992 as amended or under any other Regulations made under the SEBI Act.

**A.6.** The Acquirers have not entered into any formal agreement with regard to acquisition of equity shares under the Open Offer and are acting on informal understanding amongst themselves to acquire the shares in equal proportion.

**B. INFORMATION ABOUT THE SELLER:**

**(i)** Padma Impex Private Limited ("**PIPL**") was incorporated on 8th July, 1988 in the name and style as "Luharuka Commercial Private Limited" as a Private Limited Company under the Companies Act, 1956. The name of PIPL was subsequently changed to its present name and a fresh Certificate of Incorporation consequent upon change of name was issued on 22.09.1999 by the Registrar of Companies, West Bengal. The CIN of PIPL is U51909WB1988PTC044746. The Registered Office of PIPL is situated at 34-A, Metcafe ST, 4th Floor, Room No. 4F, Kolkata- 700 013, Tel No.: (033) 2211 0400; Fax No.: (033) 2211 9547 and E-mail: padma.impex@rediffmail.com.

**(ii)** PIPL is the Promoter of the Target Company. PIPL does not belong to any Group and the equity shares of PIPL are not listed on any of the Stock Exchange(s). Prior to the sale of shares through SPA, PIPL was holding 26,23,317 equity shares of KAFL representing 68.93% of the total equity and voting share capital of the Target Company.

**(iii)** Neither PIPL nor any of its Directors has been prohibited by the SEBI from dealing in the securities, in terms of direction issued under Section 11B of SEBI Act 1992 as amended or under any other Regulations made under the SEBI Act.

**C. INFORMATION ABOUT THE TARGET COMPANY:**

**(i)** Kailash Auto Finance Limited ("**KAFL**") was originally incorporated on 14th November, 1984, at Kanpur, Uttar Pradesh State, under the Companies Act, 1956 in the name and style "Shivam Commercial Services Ltd" The name of the Target Company was subsequently changed to its present name vide a special resolution passed in the general meeting on 23.03.1992 and a fresh certificate of Incorporation consequent upon change of name was issued on 08.04.1992 by the Registrar of Companies, Uttar Pradesh, Kanpur. The CIN of KAFL is L65921UP1984PLC006829. KAFL was registered with the Reserve Bank of India as an Non- Banking Financial Company ("NBFC") vide registration number B-12.00129 dated 12.01.2009 as non-accepting deposit taking NBFC. KAFL made its maiden public issue in the year 1985 & 1993 and got its equity shares listed at the Stock Exchange, Mumbai. KAFL made a further issue of capital in the year 1989 & 1998 by way of a right issue. KAFL have shifted its registered office from 84/105, G. T. Road, Kanpur, Uttar Pradesh to 19, Rollant Complex, 37/17, The Mall, Kanpur, Uttar Pradesh – 208 001 w.e.f. 22.02.2012, Tel. No.: (0512) 3012032; E-mail: kailash1984@gmail.com.

**(ii)** The Authorised Share Capital of KAFL is Rs. 1500.00 Lacs divided into 1,00,00,000 Equity Shares of Rs. 10/- each and 5,00,000 Preference Shares of Rs. 100/- each. The Issued, Subscribed & Paid-up Capital of the PIPL is Rs. 3,89,16,033/- comprising of 38,05,900 equity shares of Rs. 10/- each and 94,100 equity shares forfeited on which amount paid up is Rs. 8,57,033/-. All the shares of KAFL are in physical form. KAFL has yet to established connectivity with both National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL).

**(iii)** KAFL is presently engaged in the business of financiers and trading on hire purchase, purchasing, selling, hiring or letting on hire all kinds of plant and machinery, vehicles and other articles.

**(iv)** As on date the Target Company does not have any partly paid-up equity shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. No shares are subject to any lock in obligations.

**(v)** The equity shares of KAFL are listed at BSE Limited ("BSE") only. The equity shares of KAFL are placed under Group 'T' having a scrip code of "511357" & Scrip Id: KAILASH on the BSE. The equity shares of KAFL are not frequently traded on BSE within the meaning of regulation 2(j) of the SEBI (SAST) Regulations.

**(vi)** Brief audited Financial Information of the Target Company for the year ended 31.03.2009, 31.03.2010, 31.03.2011 and Un-audited Certified Financials for the nine (9) months period ended 31.12.2011 are as follows:

**(Rs. in Lacs)**

| Particulars | Year ended 31.03.2009 (Audited) | Year ended 31.03.2010 (Audited) | Year ended 31.03.2011 (Audited) | Nine months period ended 31.12.2011 (Certified and Un-audited) |
|---|---|---|---|---|
| Total Revenue | 394.25 | 357.85 | 36.41 | 23.09 |
| Net Income i.e. Profit/(Loss) After Tax | 189.68 | 122.93 | (17.61) | (18.28) |
| EPS | 4.98 | 3.23 | (0.46) | (0.48)* |
| Net worth /Shareholder' Funds | (222.31) | (99.38) | (116.98) | (135.26) |

* Non annualized

**(vii)** The present Board of Directors of KAFL is Mr. Kailash Chand Gupta, Mr. Sachin Satish Bhise, Mr. Shyam Kishor Rajkumar Mishra and Mr. Rakesh Bansal.

**D. DETAILS OF THE OPEN OFFER:**

**(i)** The Acquirers are making an Open Offer to acquire 9,89,534 Equity Shares of Rs. 10/- each representing 26.00% of total equity and voting share capital of the Target Company, at a price of Rs. 8/- (Rupees Eight Only) per equity share (the "**Offer Price**") payable in cash (the "**Offer**" or "**Open Offer**"), subject to the terms and conditions mentioned hereinafter.

**(ii)** This Open Offer is being made to all the equity shareholders of the Target Company as on 08.06.2012 ("Identified Date"), other than the Acquirers and the parties to the SPA, including persons deemed to be acting in concert with such parties, for the sale of shares of the Target Company.

**(iii)** The payment of consideration shall be made to all the shareholders, who have tendered their shares in acceptance of the Open Offer, within ten working days of the expiry of the Tendering Period. Credit for consideration will be paid to the shareholders who have tendered shares in the Open Offer by crossed account payee cheques/ pay order/ demand drafts/ electronic transfer. It is desirable that shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheques / demand draft / pay order.

**(iv)** As on the date of DPS, no other statutory approvals are required to be obtained for the purpose of the Open Offer. If any other statutory approvals are required or become applicable, the offer would be subject to the receipt of such other statutory approvals.

**(v)** This Offer is not conditional upon any minimum level of acceptance in terms of the regulation 19(1) of the SEBI (SAST) Regulations.

**(vi)** This is not a competing Offer in terms of the regulation 20 of the SEBI (SAST) Regulations.

**(vii)** This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of equity shares of the Target Company.

**(viii)** The Manager to the Offer, VC Corporate Advisors Private Limited, does not hold any equity shares in the Target Company as on the date of DPS. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the equity shares of the Target Company during the Offer Period.

**(ix)** This Offer is subject to receipt of statutory and other approvals as mentioned in Schedule VI of this DPS. In terms of regulation 23(1)(a) of the SEBI (SAST) Regulations, if the statutory approvals are not received, the Open Offer will stand withdrawn.

**E.** The Acquirers do not have any plans to dispose off or otherwise encumber any significant assets of KAFL in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirers undertake that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

**F.** Pursuant to completion of this Offer, assuming full acceptance to this Offer, the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per the Securities Contract (Regulation) Rules, 1957 as amended and the Listing Agreement. The Acquirers undertake that they will, in accordance with the regulation 7(4) of the SEBI (SAST) Regulations facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the BSE within the specified time permitted under the SEBI Securities Contract (Regulation) Rules, 1957 as amended.

**II. BAKGROUND TO THE OFFER**

**(i)** The Acquirers have entered into a Share Purchase Agreement dated 02.05.2012 with the present Promoter of the Target Company viz, Padma Impex Private Limited (the "**Seller**") to acquire in aggregate 26,23,317 (Twenty Six Lacs Twenty Three Thousand Three Hundred and Seventeen Only) equity shares of Rs. 10/- each representing 68.93% of the fully paid-up equity and voting share capital of the Target Company at a price of Rs. 4/- per fully paid-up equity share payable in cash ("**Negotiated Price**") for a total consideration of Rs. 1,04,93,268/- (Rupees One Crore Four Lacs Ninety Three Thousand Two Hundred and Sixty Eight Only). The number & percentage of shares to be acquired by each of the Acquirer under the SPA are as follows:

| Name of the Acquirers | No. of shares acquired under SPA | % of shares acquired under SPA |
|---|---|---|
| Panchshul Marketing Limited | 13,11,658 | 34.46% |
| Careful Projects Advisory Limited | 13,11,659 | 34.47% |

Pursuant to the execution of the SPA, this mandatory Open Offer is being made by the Acquirers in compliance with the regulation 3(1) & 4 of the SEBI (SAST) Regulations.

**(ii)** The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.

**(iii)** This Open Offer is for acquisition of 26.00% of total equity and voting share capital of the Target Company. After the completion of this Open Offer and pursuant to transfer of equity shares so acquired under SPA, the Acquirers shall hold the majority of the Equity Shares by virtue of which they shall be in a position to exercise effective management and control over the Target Company.

**(iv)** Subject to satisfaction of the provisions under the Companies Act, 1956 and/ or any other Regulation(s), the Acquirers intend to make changes in the management of KAFL.

**(v)** The Acquirers intend to 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.

**(vi)** The Acquirers propose to continue and expand the existing business of the Target Company. The main purpose of the above mentioned acquisitions is to consolidate their shareholding in the Target Company and thereby to exercise effective management and control over the Target Company.

**III. SHAREHOLDING AND ACQUISITION DETAILS:**

The Current and proposed shareholding of the Acquirers in the Target Company and the details of their acquisition are as follows:

| Sr. No. | Particulars | Panchshul Marketing Limited | | Careful Projects Advisory Limited | |
|---|---|---|---|---|---|
| | | No. of Equity Shares | % of Shares /Voting Rights | No. of Equity Shares | % of Shares /Voting Rights |
| 1. | Shareholding before PA, i.e. 02.05.2012 | Nil | Nil | Nil | Nil |
| 2. | Shareholding on the PA date as acquired through SPA dated 02.05.2012 | 13,11,658 | 34.46% | 13,11,659 | 34.47% |
| 3. | Shares to be acquired in the Open Offer (assuming full acceptances) | 4,94,767 | 13.00% | 4,94,767 | 13.00% |
| 4. | Shares acquired between the PA date and the DPS date | Nil | Nil | Nil | Nil |
| 5. | Post Offer shareholding (*)(On Diluted basis, as on 10th working day after closing of tendering period) | **18,06,425** | **47.46%** | **18,06,426** | **47.47%** |

* Assuming all the equity shares which are offered are accepted in the Open Offer.

The Acquirers do not hold any equity shares in the Target Company before the execution of the SPA.

**IV. OFFER PRICE:**

**(i)** The Equity Shares of the Target Company are listed at the BSE only. The equity shares are placed under Group 'T' having a Scrip Code of "511357" & Scrip Id: KAILASH on the BSE. The marketable lot for equity shares is One Hundred (100) equity shares.

**(ii)** The total trading turnover in the Equity Shares of the Target Company on the BSE based on trading volume during the twelve calendar months prior to the month of PA (May 01, 2011 to April 30, 2012).

| Stock Exchange | Total No. of Equity Shares traded during the Twelve calendar months prior to the month of PA | Total No. of listed equity shares of the Target Company | Total Trading Turnover (as % of total equity shares listed) |
|---|---|---|---|
| BSE | Nil* | 38,05,900 | Not Applicable |

*The equity share of the Target Company was last traded on BSE on July 24, 2008. Since then there has been no trading in the equity shares of the Target Company.

**(iii)** Since 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 (12) calendar months preceding the month in which the PA was made, the equity shares of KAFL are not frequently traded shares within the meaning of regulation 2(j) of the SEBI (SAST) Regulations and therefore the Offer Price has been determined taking into account the parameters as set out under regulation 8 (2) of the SEBI (SAST) Regulations, as under:

| Sr. No. | Particulars | Price (In Rs. per share) |
|---|---|---|
| 1. | Negotiated Price under the SPA | Rs. 4/- per equity share |
| 2. | The Volume- Weighted Average Price paid or payable for acquisitions by the Acquirers during 52 weeks immediately preceding the date of PA | Not Applicable |
| 3. | Highest price paid or payable for acquisitions by the Acquirers during 26 weeks immediately preceding the date of PA | Not Applicable |
| 4. | The Volume-Weighted Average Market Price of shares for a period of sixty trading days immediately preceding the date of the PA as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period | Not Applicable |
| 5. | **Other Financial Parameters as at 31st March 2011:** | |
| | (a) Return on Net Worth (%) | Not Meaningful |
| | (b) Book Value Per Share | (3.07) |
| | (c) Earnings Per Share | (0.46) |
| | (d) Industry Average P/E Multiple * | 12.50 |
| | (e) Offer price P/E Multiple** | (17.39) |

*(Source: Capital Market Journal Vol. XXVII/04 Apr 16- 29, 2012, Industry – Finance & Investments).

**Offer Price P/E Multiple implies price to earnings ratio calculated based on the Offer Price of Rs. 8/- per equity share divided by EPS of Re. (0.46) per equity share for the year ended 31.03.2011.

In view of the parameters considered and presented in the table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 8/- per equity share is justified in terms of regulation 8 (2) of the SEBI (SAST) Regulations.

**(iv)** There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

**(v)** As on date there is no revision in Open Offer price or Open Offer size. In case of any revision in the Open Offer price or Offer Size, the Acquirers shall comply with regulation 18 of the SEBI (SAST) Regulations and all other applicable provisions of the SEBI (SAST) Regulations.

**(vi)** If there is any revision in the Offer Price on account of future purchases / competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the tendering period and would be notified to shareholders.

**V. FINANCIAL ARRANGEMENTS**

**(i)** The Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of their own sources/ net worth and no borrowings from any Bank and/ or Financial Institutions are envisaged. Mr. N.D. Mimani, Partner of N.D. Mimani & Associates (Firm Registration No. 324930E & Membership No. 060565), Chartered Accountants, having office at 29B, Rabindra Sarani, Room No. 23 (W), 3rd Floor, Kolkata- 700 073, Tel. No.: (033) 3021 0668, Fax No.: (033) 2235 1229 and E-mail: mimanind@yahoo.co.in has certified vide certificate dated 02.05.2012 that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

**(ii)** The maximum consideration payable by the Acquirers to acquire 9,89,534 fully paid-up equity shares at the Offer Price of Rs. 8/- (Rupees Eight Only) per equity share, assuming full acceptance of the Offer would be Rs. 79,16,272/- (Rupees Seventy Nine Lacs Sixteen Thousand Two Hundred and Seventy Two Only). In accordance with regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account under the name and style of "KAFL- Open Offer Escrow Account" with HDFC Bank Limited, Central Plaza, 2/6, Sarat Bose Road, Kolkata-700 020 ("**Escrow Banker**") and made therein a cash deposit of Rs. 20,00,000/- (Rupees Twenty Lacs Only) being more than 25% of the total consideration payable in the Open Offer, assuming full acceptance.

**(iii)** The Manager to the Offer is authorized to operate the above mentioned Escrow account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

**(iv)** Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

**VI. STATUTORY AND OTHER APPROVALS**

**(i)** The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring equity shares tendered by non-resident shareholders, if any.

**(ii)** As on the date of this DPS, there are no other statutory approvals and/ or consents required. However, the Offer would be subject to all-statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

**(iii)** The Acquirers, in terms of regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has appeared.

**(iv)** In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by the SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.

**(v)** No approval is required from any bank or financial institutions for this Offer.

**VII. TENTATIVE SCHEDULE OF ACTIVITY:**

| Activities | Date | Day |
|---|---|---|
| Date of the PA | 02.05.2012 | Wednesday |
| Opening of Escrow Account | 03.05.2012 | Thursday |
| Publication of Detailed Public Statement in newspapers | 09.05.2012 | Wednesday |
| Last date of Filing of the Draft Offer Document with the SEBI | 16.05.2012 | Wednesday |
| Last date of a Competing Offer | 30.05.2012 | Wednesday |
| Identified Date* | 08.06.2012 | Friday |
| Date by which the Letter of Offer will be dispatched to the shareholders | 15.06.2012 | Friday |
| Last date for upward revision of Offer Price and/or Offer Size | 18.06.2012 | Monday |
| Last date by which Board of the Target Company shall give its recommendation | 20.06.2012 | Wednesday |
| Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspapers and sending the same to SEBI, Stock Exchanges and Target Company | 21.06.2012 | Thursday |
| Date of commencement of tendering period | 22.06.2012 | Friday |
| Date of closing of tendering period | 05.07.2012 | Thursday |
| Date by which communicating rejection/ acceptance and payment of consideration for applications accepted | 19.07.2012 | Thursday |

*Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirers and the parties to the SPA) are eligible to participate in the Offer any time before the Closure of the Offer.

**VIII. PROCEEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER**

**(i)** All owners of Equity Shares (except the Acquirers and the parties to the SPA), registered or unregistered, are eligible to participate in the Offer any time before closure of the tendering period.

**(ii)** Persons who have acquired the Equity Shares of the Target but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the Equity Shares of the Target Company after the Identified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer as per the terms and conditions of this Offer. The application is to be sent to Maheshwari Datamatics Private Limited ("Registrar to the Offer") at the address mentioned below so as to reach the Registrar to the Offer on or before 5th July, 2012 (i.e. the date of closing of the tendering period). Registered shareholders should sent their application containing full details, viz, name, address, number of shares held, number of shares offered, distinctive nos. and folio no. together with the Original Share Certificate/s and valid transfer deeds.

**(iii)** Shareholders of the Target Company who have sent their equity shares for transfer should submit Form of Acceptance duly completed and signed, copy of letter sent to Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form.

**(iv)** In case of non-receipt of Letter of Offer alongwith a form of acceptance cum acknowledgement, shareholders may download the same from the SEBI's website, www.sebi.gov.in or obtain a copy of the same from the Manager to the Offer on providing suitable documentary evidence of acquisition of the said shares.

**(v)** The Registrar to the Offer will hold in trust the Share Certificate(s), Form of Acceptance and the transfer deed(s) on behalf of the shareholders of the Target Company who have accepted the Offer, until the Drafts for the consideration and/or the unaccepted equity shares/ share certificates are dispatched/ returned.

**(vi)** Unaccepted share certificates, transfer forms and documents, if any, will be returned by registered post at the Shareholder's/unregistered owner's sole risk to the sole/ first Shareholder.

**(vii)** No indemnity is needed from the unregistered shareholders.

**IX. DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THE OPEN OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER**

**X. OTHER INFORMATION:**

(i) The Acquirers and their Board of Directors accept full responsibility jointly and severally for the information contained in the Public Announcement & Detailed Public Statement and also for the obligations of the Acquirers laid down in the SEBI (SAST) Regulations.

(ii) The Acquirers have appointed Maheshwari Datamatics Private Limited, as the Registrar to the Offer, having office at 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001, Tel No.: (033) 2243 5809/ 2243 5029; Fax No.: (033) 2248 4787, E-mail-Id: mdpl@cal.vsnl.net.in. The Contact Person is Mr. S. Raja Gopal.

(iii) The Acquirers have appointed VC Corporate Advisors Private Limited as Manager to the Open Offer pursuant to regulation 12 of the SEBI (SAST) Regulations.

(iv) This Detailed Public Statement will also be available on SEBI's website at www.sebi.gov.in.

**Issued by Manager to the Offer:**


**Manager to the Offer:**

**VC CORPORATE ADVISORS PRIVATE LIMITED**
SEBI Registration No. INM000011096
(Contact Person: Ms. Urvi Belani)
31, Ganesh Chandra Avenue, 2nd Floor,
Suite No. - 2C, Kolkata – 700 013
Phone No: (033) 2225-3940 / 3941
Fax: (033) 2225-3941
E-mail: mail@vccorporate.com


On behalf of Panchshul Marketing Limited & Careful Projects Advisory Limited (the **"Acquirers"**)

**Place: Kolkata** **Date : 09.05.2012**