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 **KAILASH AUTO FINANCE LIMITED.** If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager/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 Stock Exchange through whom the said sale was effected.

OPEN OFFER

By

PANCHSHUL MARKETING LIMITED

having its registered Office at 16, India Exchange Place, 1st Floor, Room No. 26, Kolkata- 700 001
Tel. No.: (033) 3025 0638, Fax No.: (033) 4008 0276, E-mail Id: panchshul2010@yahoo.in,

&

CAREFUL PROJECTS ADVISORY LIMITED

having its registered Office at 6, Lyons Range, Fortuna Chambers, Ground Floor, Room No. 50, Kolkata- 700 001
Telefax. No.: (033) 3261 6411, E-mail Id: careful2010@yahoo.in,

(hereinafter collectively referred to as "**the Acquirers**")

To the shareholders of

KAILASH AUTO FINANCE LIMITED ("KAFL" or the "Target Company")

having its registered office at 19, Rollant Complex, 37/17, The Mall, Kanpur- 208 001
Telefax No: (0512) 3012 2032; E-mail Id: kailash1984@gmail.com

For the acquisition of 9,89,534 (Nine Lacs Eighty Nine Thousand Five Hundred and Thirty Four Only) fully paid-up equity shares of Rs.10/- each, representing 26.00 % of the equity and voting share capital of KAFL at a price of Rs. 8/- (Rupees Eight Only) per equity share ("**Offer Price**") payable in cash ("**Offer**" or "**Open Offer**").

Please Note:

1. This Offer is being made by the Acquirers pursuant to regulation 3(1) & (4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**") for substantial acquisition of shares/ voting rights accompanied with change in control and management of the Target Company.

2. There are no statutory approvals required to acquire equity shares that are tendered pursuant to this Offer. 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.

3. If there is any upward revision in the Offer Price/Size at any time up to three (3) working days prior to commencement of the tendering period, viz., 26.09.2012 in terms of the SEBI (SAST) Regulations, the same would also be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement pursuant to Public Announcement dated 09.05.2012 had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 23, the same would be communicated within two (2) working days by an Announcement in the same newspapers in which the Detailed Public Statement was appeared.

4. **There was no Competitive bid.**

5. Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/ Detailed Public Statement/ Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.

6. The Offer is not subject to a minimum level of acceptance by the shareholders of KAFL.

7. The Procedure for acceptance is set out in Para 7 of this LOF. A Form of Acceptance is enclosed with this LOF.

8. The Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgement) would also be available at SEBI website www.sebi.gov.in.

MANAGER TO THE OFFER:	REGISTRAR TO THE OFFER:
VC CORPORATE ADVISORS PRIVATE LIMITED SEBI REGN 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 Email: mail@vccorporate.com	**MAHESHWARI DATAMATICS PRIVATE LIMITED** SEBI REGN No : INR000000353 (Contact Person: Mr. S. Raja Gopal) 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001 Tel No.: (033) 2243 5809/5029 Fax No.: (033) 2248 4787 E-mail: mdpl@cal.vsnl.net.in
OFFER OPENS ON: WEDNESDAY, OCTOBER 03, 2012	**OFFER CLOSES ON: TUESDAY, OCTOBER 16, 2012**

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

Activities	Original Date	Original Day	Revised Date	Revised Day
Date of the PA	May 02, 2012	Wednesday	May 02, 2012	Wednesday
Opening of Escrow Account	May 03, 2012	Thursday	May 03, 2012	Thursday
Publication of Detailed Public Statement in newspapers	May 09, 2012	Wednesday	May 09, 2012	Wednesday
Last date of Filing of the Draft Offer Document with the SEBI	May 16, 2012	Wednesday	May 16, 2012	Wednesday
Last date of a Competing Offer	May 30, 2012	Wednesday	May 30, 2012	Wednesday
Identified Date*	June 08, 2012	Friday	September 17, 2012	Monday
Date by which the Letter of Offer will be dispatched to the shareholders	June 15, 2012	Friday	September 27, 2012	Thursday
Last date by which Board of the Target Company shall give its recommendation	June 20, 2012	Wednesday	September 28, 2012	Friday
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	June 21, 2012	Thursday	October 01, 2012	Monday
Date of commencement of tendering period	June 22, 2012	Friday	October 03, 2012	Wednesday
Date of closing of tendering period	July 05, 2012	Thursday	October 16, 2012	Tuesday
Date by which communicating rejection/ acceptance and payment of consideration for applications accepted	July 19, 2012	Thursday	November 01, 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.

Risk Factors relating to the transaction, the proposed offer and probable risks involved in associating with the Acquirers: -

1. The Offer involves an offer to acquire 26.00% of the total equity and voting share capital of KAFL from the eligible shareholders for the Offer. In the case of oversubscription in the Offer, as per the SEBI (SAST) Regulations, 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 either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of KAFL whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers 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, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders for the delay, as may be specified by the 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. The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers under the Offer. The Acquirers may not be able to proceed with the Offer in the event the approvals are not received in terms of the regulation 23 of the SEBI (SAST) Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

5. **Risks involved in associating with the Acquirers:**

   The Acquirers intend to acquire 9,89,534 fully paid-up equity shares of Rs.10/- each, representing 26.00 % of the total equity and voting share capital of KAFL at a price of Rs. 8/- (Rupees Eight Only) per equity share, payable in cash under the SEBI (SAST) Regulations. KAFL does not have any partly paid-up equity shares as on the date of PA. The equity shares and documents tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the shareholders will not be able to trade such equity shares. Post this Offer, the Acquirers will have significant equity ownership & effective management control over the Target Company pursuant to regulation 3(1) & 4 of the SEBI (SAST) Regulations.

   The Acquirers make no assurance with respect to the market price of the shares during the Offer period and 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 Acquirers make no assurance with respect to the financial performance of the Target Company.

6. The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Public Announcement, Detailed Public Statement or this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.

7. The risk factor set forth above pertains to the acquisition and the Offer and 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 further risk with respect to their respective participation in the Offer.

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DEFINITIONS/ABBREVIATIONS

Acquirers	Panchshul Marketing Limited & Careful Projects Advisory Limited
Board	The Board of Directors of the Target Company
BSE	BSE Limited
CIN	Corporate Identity Number
CLB	Hon`ble Company Law Board Kolkata Bench
DPS	Detailed Public Statement dated 09.05.2012
ECS	Electronic Clearing Service
Equity and voting share capital	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/-
FOA or Form of Acceptance	Form of Acceptance – cum – Acknowledgment accompanying this Letter of Offer
Identified Date	Date 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 Share Purchase Agreement) are eligible to participate in the Offer any time before the Closure of the Offer
LOF	Letter of Offer
Manager to the Offer	VC Corporate Advisors Private Limited
NRI(s)	Non- Resident Indians
Offer Period	02.05.2012 to 01.11.2012
Offer Price	Rs.8/- (Rupees Eight Only) per equity share payable in cash
Offer/Open Offer	Cash Offer being made by the Acquirers to acquire 9,89,534 equity shares of Rs.10/- each, representing 26.00 % of the total equity and voting share capital at a price of Rs.8/- (Rupees Eight Only) per equity share
PA	Public Announcement dated 02.05.2012
Persons eligible to participate in the Offer	All owners (registered and unregistered) of shares of KAFL except the Acquirers and parties to the Share Purchase Agreement
RBI	Reserve Bank of India
Registrar to the Offer	Maheshwari Datamatics Private Limited
Sale Shares	26,23,317 equity shares of Rs. 10/- each at a price of Rs. 4/- per equity share forming part of the SPA
SEBI	Securities & Exchange Board of India
SEBI (SAST) Regulations/ Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
Seller or Present Promoter or "PIPL"	Padma Impex Private Limited
SPA or Agreement	Share Purchase Agreement dated 02.05.2012 entered into between the Acquirers and the Seller
Target Company / KAFL	Kailash Auto Finance Limited

Note: All terms beginning with a capital letter used in this LOF, but not otherwise defined herein, shall have the meaning ascribed thereto in that particular section or in the SEBI (SAST) Regulations unless specified.

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF KAFL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR FOR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER VC CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 14.05.2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER."

2. DETAILS OF THE OFFER:

2.1 Background of the Offer:

2.1.1 This Offer is being made by the Acquirers, in compliance with regulation 3(1) & 4 of the SEBI (SAST) Regulations, to the shareholders of Kailash Auto Finance Limited. 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.

2.1.2 There are 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, to the best of our knowledge and verifications and confirmation received from the Acquirers, there are no Person(s) are Acting in Concert with the Acquirers for the purposes of this Offer.

2.1.3 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 highest and average 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 details of SPA in terms of total number & percentage of shares agreed to be sold and acquired are as follows:

Sl. No.	Name of the Seller	No. of Equity shares agreed to be sold by the Seller	% of Paid-up Equity & Voting Capital of the Target Company	Name of the Acquirers	No. of Equity Shares agreed to be acquired by the Acquirers	% of Paid-up Equity and Voting Capital of the Target Company
1.	Padma Impex Private Limited	26,23,317	68.93%	Panchshul Marketing Limited	13,11,658	34.46%
				Careful Projects Advisory Limited	13,11,659	34.47%
	Total	**26,23,317**	**68.93%**	**Total**	**26,23,317**	**68.93%**

The name, address, and other particulars of the Seller are as follows:

Name	Registered Office	Tel/ Fax No.	No. of equity shares Sold	% of Equity/ voting share capital of KAFL
Padma Impex Private Limited	34-A, Metcafe ST, 4th Floor, Room No. 4F, Kolkata- 700 013	Tel: (033) 2211 0400 Fax:(033) 2211 9547	26,23,317	68.93%
		Total	**26,23,317**	**68.93%**

2.1.4 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 SPA dated 02.05.2012, the Acquirers do not hold any equity shares/ voting rights of KAFL as on date of the DPS.

2.1.5 The Acquirers have not acquired any equity shares of the Target Company during the fifty-two weeks period prior to the date of the PA i.e. 02.05.2012.

2.1.6 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 the 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.

2.1.7 The Offer is not pursuant to any result of global acquisition resulting in indirect acquisition of equity shares of the Target Company.

2.1.8 The Salient features of the Share Purchase Agreement are as follows:

a. The Seller hold 26,23,317 equity shares of the Target Company aggregating to 68.93% of the present equity and voting share capital of the Target Company.

b. As on the date of the Agreement, the Acquirers shall pay Rs. 51,00,000/- (Rupees Fifty One Lacs), being the part consideration for sale of 26,23,317 fully paid-up equity shares, to the Seller through cheque/pay order/demand draft/Electronic Transfer or otherwise. The Acquirers do hereby confirm that the balance amount of the consideration, i.e. Rs. 53,93,268/- (Rupees Fifty Three Lacs Ninety Three Thousand Two Hundred and Sixty Eight Only), shall be paid on the successful completion of the Open Offer formalities in compliance with the SEBI (SAST) Regulations and issue of Certificate by the Manager to the Offer confirming the same.

c. As on the date of the Agreement, the Seller confirms having delivered the Original Share Certificates together with transfer deed(s) duly executed in respect of the Sale Shares to the Acquirers along with the copies of sale bills and money receipts in respect of the receipt of payments thereof.

d. That the shares sold under the Agreement are free from all charges, encumbrances or lien and are not subjects to any lock-in period.

e. That the Seller holds entire equity shares in physical form.

f. That the Acquirers and the Seller agree to abide by its obligations as contained in the SEBI (SAST) Regulations.

g. That in case of non-compliance of any provisions of the SEBI (SAST) Regulations; the Agreement for such sale shall not be acted upon by the Seller or the Acquirers.

h. Upon completion of Open Offer formalities and issue of Completion Certificate by the Manager to the Offer, the Acquirers shall make the balance payment to the Seller/ Present Promoter of the Target Company and will complete all the formalities as mentioned under the Share Purchase Agreement dated 02.05.2012 in compliance with regulation 22(3) of the SEBI (SAST) Regulations, 2011.

2.1.9 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.

The number & percentage of shares to be acquired or proposed to be acquired by each of the Acquirers under the SPA and the Open Offer are as follows:

Name of the Acquirers	**No. & % of shares Acquired under SPA**	**No. & % of shares proposed to be acquired under Open Offer * [Assuming full acceptance] (No. & %age)**	**Total shareholding after Open Offer * [Assuming full acceptance] (No. & %age)**
Panchshul Marketing Limited	13,11,658 (34.46%)	4,94,767 (13.00%)	18,06,425 (47.46%)
Careful Projects Advisory Limited	13,11,659 (34.47%)	4,94,767 (13.00%)	18,06,426 (47.47%)

*The figures may change as per the actual number of shares tendered in the Open Offer.

2.1.10 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.

2.1.11 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.

2.1.12 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.

2.1.13 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.

2.1.14 The recommendation of the committee of Independent Directors of the Target Company on the Offer will be published at least two (2) working days before the commencement of the tendering period, in the same newspapers where the DPS was published and a copy of the same shall be sent to SEBI, BSE and Manager to the Offer in compliance of regulation 26(7) of the SEBI (SAST) Regulations.

2.2 Details of the proposed Offer:

2.2.1. The Detailed Public Statement pursuant to the Public Announcement made by the Acquirers has appeared in The Financial Express (English Daily) all editions, Jansatta (Hindi Daily) all editions and Tarun Bharat (Marathi Daily) on 09.05.2012 in compliance with regulation 14 (3) of the SEBI (SAST) Regulations. The Detailed Public Statement made on 09.05.2012 is available on the SEBI web-site at www.sebi.gov.in.

2.2.2. The Acquirers proposes to acquire from the existing equity shareholders of KAFL (except the Acquirers and the parties to the SPA) 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) (the "**Offer Price**") per equity share payable in cash (the "**Offer**" of "**Open Offer**"), subject to the terms and conditions mentioned hereinafter.

2.2.3. The Target Company doesn't have any partly paid-up equity shares.

2.2.4. The Offer is not subject to any minimum level of acceptances from shareholders and is not a conditional Offer. The Acquirers will accept all the equity shares of KAFL those that are tendered in valid form in terms of this Open Offer upto a maximum of 9,89,534 fully paid-up equity shares of Rs. 10/- each representing 26.00% of the total equity and voting share capital of the Target Company.

2.2.5. Since the date of the PA to the date of this LOF, the Acquirers have not acquired any equity shares of KAFL.

2.2.6. No competitive bid has been received as on date of LOF.

2.3 Object of the Offer:

2.3.1 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.

2.3.2 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 with the SEBI (SAST) Regulations.

2.3.3 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.

2.3.4 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 the SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

3. BACKGROUND OF THE ACQUIRERS:

3.1 Panchshul Marketing Limited ("PML")

3.1.1 PML having its Registered Office at 16, India Exchange Place, 1st Floor, Room No. 26, Kolkata- 700 001, Tel. No.: (033) 3025 0638, Fax No.: (033) 4008 0276, E-mail Id: panchshul2010@yahoo.in, 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. Pursuant to the approval received from the shareholders by way of a special resolution in the Extra ordinary General Meeting held on 01.06.2012, PML filed a petition under Section 17(2) of the Companies Act, 1956 before the Hon'ble Company Law Board, Kolkata Bench for the alteration of its situation clause in the Memorandum of Association so as to shift its registered office from the State of West Bengal to the State of Maharashtra. The Hon'ble Company Law Board, Kolkata Bench vide their Order dated 09.08.2012 confirmed the above mentioned alteration to the situation clause in the Memorandum of Association. As per the available information, PML is yet to file the certified copy of the CLB Order with the Registrar of Companies. The CIN of PML is U51909WB2010PLC153453.

3.1.2 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 31.03.2012 consists of other income only.

3.1.3 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.

3.1.4 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.

Sl. No.	Shareholder's Category	No. and Percentage of shares held	Total shareholding as a % of total no. of shares held
1.	**Promoter:**		
	- Radhashyam Dealtrade Pvt. Ltd.	8,11,57,300	27.03%
2.	**FII/ Mutual- Funds/ FIs/ Banks**	Nil	0.00%
3.	**Public**	21,90,66,700	72.97%
	Total Paid Up Capital	30,02,24,000	100.00%

The details of shareholding of M/s. Radhashyam Dealtrade Private Limited are as follows:

Sl. No.	Names of the Shareholders	No. of shares held	% of voting rights held
1.	Gajgamini Commodities Private Limited (GCPL) [1]	2,00,000	44.79%
2.	Gajgamini Barter Private Limited (GBPL) [2]	2,00,000	44.79%
3.	Renu Finprop Private Limited	6,750	1.51%
4.	Amit Dokania	5,000	1.12%
5.	Priyanshu Kumar Santhalia	5,000	1.12%
6.	Sushmita Distributors Private Limited	3,500	0.78%
7.	Aryadeep Complex Private Limited	3,500	0.78%
8.	Elite Vintrade Private Limited	3,250	0.73%
9.	Nirdesh Trading Private Limited	2,750	0.625
10.	Abhyudaya Builders Private Limited	2,500	0.56%
11.	Southern Lease Finance Limited	2,500	0.56%
12.	Nivedan Realtors Private Limited	2,500	0.56%
13.	Riteshwari Trading & Investments Private Limited	2,150	0.48%
14.	Melody Residency Private Limited	2,000	0.45%
15.	Build Con Finance Limited	1,750	0.39%
16.	Bhagyashree Vincom Private Limited	1,250	0.28%
17.	Devgriha Promoters Private Limited	1,100	0.25%
18.	Arnab Properties Private Limited	1,000	0.22%
	TOTAL	**4,46,500**	**100.00%**

Note: M/s. Gajgamini Commodities Private Limited and M/s. Gajgamini Barter Private Limited are the main Promoters of the M/s. Radhashyam Dealtrade Private Limited.

[1] As on the date of the PA, Mr. Subhash Agarwal and Mr. Dinesh Mishra are the Promoters of GCPL and are holding the entire equity and voting share capital of GCPL. Mr. Shyamal Kumar Laha and Mr. Priyanshu Kumar Santhalia are the Directors of GCPL.

[2] As on the date of the Public Announcement, Mr. Subhash Agarwal and Mr. Sanjay Rai are the Promoters of GBPL and are holding the entire equity and voting share capital of GBPL. Mr. Shyamal Kumar Laha and Mr. Priyanshu Kumar Santhalia are the Directors of GBPL.

3.1.5 Name, residential address and other details of the Board of Directors of PML as on the date of this LOF are as follows:

Name of the Director	Designa-tion	DIN	Residential Address	Experience	Qualifi-cation	Date of Appointment
Mr. Pravash Chandra Jha	Additional Director	00560049	36, Kustia Road, Tiljala, Kolkata- 700 039	8 Years of experience in administration and accounts	B. Com	02.03.2012
Mr. Santosh Sharma	Director	03358249	369/10, Dakshindari Road, Ward No - 34, Lake Town North 24 Parganas, Kolkata- 700 048	6 Years of experience in accounts and finance	B. Com (Hons.)	16.06.2011
Mr. Priyanshu Kumar	Additional Director	03558453	Baraharava (Purana Bhag-9), Post Off-	5 Years of experience in	B. Com	02.03.2012

Name of the Director	Designa-tion	DIN	Residential Address	Experience	Qualifi-cation	Date of Appointment
Santhalia			Barharwa Thana-29, Dist-Sahebganj, Barharwa-816 101	accounts and administration.		

None of above directors is on the Board of Directors of Target Company.

3.1.6 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.

3.1.7 The equity shares of PML are not listed on any Stock Exchange.

3.1.8 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 for the Financial Year ended 31.03.2012 are as follows are as follows:

Profit & Loss Statement **(Rs. in Lacs)**

For the Year Ended	For the period 25.09.2010 to 31.03.2011 (Audited)	31.03.2012 (Audited/ Certified)
Income from Operations	-	-
Other Income	38.46	1.83
Total Income	38.46	1.83
Total Expenditure	38.48	1.51
Profit/ (Loss) before Interest, Depreciation and Tax	(0.02)	0.32
Depreciation	-	-
Interest	-	-
Profit/ (Loss) Before Tax	(0.02)	0.32
Add/ (Less): Provision for Tax (including deferred and fringe benefit tax)	-	0.10
Profit/ (Loss) After tax	(0.02)	0.22

Balance Sheet **(Rs. in Lacs)**

As on	For the period 25.09.2010 to 31.03.2011 (Audited)	31.03.2012 (Audited/ Certified)
Sources of funds		
Paid up share capital	34.69	3002.24
Reserves & Surplus (excluding revaluation reserves)	2324.61	52.96
Less: Total Miscellaneous Expenditure to the extent not written off	0.65	0.00
Net Worth	**2358.65**	**3055.20**
Secured loans	-	-
Unsecured loans	-	-
Total	**2358.65**	**3055.20**
Uses of funds		
Net Fixed Assets	-	-
Investments	2362.90	1049.00
Net Current Assets	(4.25)	2006.20
Total	**2358.65**	**3055.20**

Other Financial Data

For the Year Ended	For the period 25.09.2010 to 31.03.2011 (Audited)	31.03.2012 (Audited/ Certified)
Dividend (%)	0.00	0.00
Earnings Per Share (Rs.)	(0.01)*	0.00
Return on Net worth (%)	0.00	0.00
Book Value Per Share (Rs.)	679.92	1.02

*** Non annualised**

Note:

(i) EPS = Profit after tax / number of outstanding equity shares at the close of the year/ period.
(ii) Return on Net Worth = Profit after Tax / Net Worth.
(iii) Book Value per Share = Net Worth / No. of equity shares.
(iv) Source: Audited Annual Reports **/** Certified Un-audited Financial Statements.

3.1.9 There are no contingent liabilities in PML.

3.2 Careful Projects Advisory Limited ("CPAL")

3.2.1. CPAL having its Registered Office at 6, Lyons Range, Fortuna Chambers, Ground Floor, Room No. 50, Kolkata- 700 001, Telefax No.: (033) 3261 6411, E-mail Id: careful2010@yahoo.in, 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. Pursuant to the approval received from the shareholders by way of a special resolution in the Extra ordinary General Meeting held on 01.06.2012, CPAL filed a petition under Section 17(2) of the Companies Act, 1956 before the Hon'ble Company Law Board, Kolkata Bench for the alteration of its situation clause in the Memorandum of Association so as to shift its registered office from the State of West Bengal to the State of Maharashtra. The Hon'ble Company Law Board, Kolkata Bench vide their Order dated 09.08.2012 confirmed the above mentioned alteration to the situation clause in the Memorandum of Association. As per the available information, CPAL is yet to file the certified copy of the CLB Order with the Registrar of Companies. The CIN of CPAL is U74999WB2010PLC153172.

3.2.2. 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 31.03.2012 consists of other Income only.

3.2.3. 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.

3.2.4. 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.

Sl. No.	Shareholder's Category	No. and Percentage of shares held	Total shareholding as a % of total no. of shares held
1.	**Promoter:**		
	- Sri Karani Exports Pvt. Ltd.	7,67,00,000	26.85%
2.	**FII/ Mutual- Funds/ FIs/ Banks**	Nil	0.00%
3.	**Public**	20,89,86,800	73.15%
	Total Paid Up Capital	28,56,86,800	100.00%

The details of shareholding of M/s Sri Karani Exports Private Limited are as follows:

Sl. No.	Names of the Shareholders	No. of shares held	% of voting rights held
1.	Palash Vincom Private Limited (PDPL) [a]	916345	49.02%
2.	Pradipta Kumar Barick (in capacity as partner of Tejaswi Developers-Partnership Firm) [b]	915954	48.99%
3.	Amit Sharma	17658	0.94%
4.	Subhendu Mitra	19543	1.05%
	TOTAL	**1869500**	**100.005**

[a] *As on the date of the Public Announcement, Mr. Pradipta Kumar Barick and Mr. Gautam Sen are the Promoters and Directors of PDPL and are holding the entire equity and voting share capital of PDPL.*

[b] *As on the date of the Public Announcement, Mr. Pradipta Kumar Barick and Mr. Subhendu Mitra are the Partners of Tejaswi Developers, a Partnership Firm.*

3.2.5. Name, residential address and other details of the Board of Directors of CPAL as on the date of this LOF are as follows:

Name of the Director	Designa-tion	DIN	Residential Address	Experience	Qualifi-cation	Date of Appointment
Mr. Ashok Kumar Singh	Additional Director	01078674	Hare Krishna Nagar, Haskhali Pool, Howrah-711 109	5 Years in Finance and Investment activities	B. Com	09.03.2012

Mr. Anand Thakur Sagar	Director	01097375	Radhanagar Santra Para, 26 Bauria, Howrah- 711 310	3 Years of experience in finance.	B. Com	16.06.2011
Mr. Shyamal Kumar Laha	Additional Director	03409993	95/3B, Beniatola Street, Kolkata- 700 005	6 Years of experience in accounts.	B. Com	02.03.2012

None of above directors is on the Board of Directors of Target Company.

3.2.6. The equity shares of CPAL are not listed on any Stock Exchange.

3.2.7. 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.

3.2.8. 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 for the Financial Year ended 31.03.2012 are as follows:

Profit & Loss Statement **(Rs. in Lacs)**

For the Year Ended	**For the period 18.09.2010 to 31.03.2011 (Audited)**	**31.03.2012 (Audited/ Certified)**
Income from Operations	-	-
Other Income	39.06	1.88
Total Income	39.06	1.88
Total Expenditure	39.09	1.56
Profit/ (Loss) before Interest, Depreciation and Tax	(0.03)	0.32
Depreciation	-	-
Interest	-	-
Profit/ (Loss) Before Tax	(0.03)	0.32
Add: (Less): Provision for Tax (including deferred and fringe benefit tax)	-	0.10
Profit/ (Loss) After tax	(0.03)	0.22

Balance Sheet **(Rs. in Lacs)**

As on	**For the period 18.09.2010 to 31.03.2011 (Audited)**	**31.03.2012 (Audited/ Certified)**
Sources of funds		
Paid up share capital	34.02	2856.87
Reserves & Surplus (excluding revaluation reserves)	1947.91	61.54
Less: Total Miscellaneous Expenditure to the extent not written off	0.67	-
Net Worth	**1981.26**	**2918.41**
Secured loans	-	-
Unsecured loans	-	-
Total	**1981.26**	**2918.41**
Uses of funds		
Net Fixed Assets	-	-
Investments	1980.90	1397.00
Net Current Assets	0.36	1521.41
Total	**1981.26**	**2918.41**

Other Financial Data

For the Year Ended	**For the period 18.09.2010 to 31.03.2011 (Audited)**	**31.03.2012 (Audited/ Certified)**
Dividend (%)	0.00	0.00
Earnings Per Share (Rs.)	(0.01) *	0.00
Return on Net worth (%)	0.00	0.00
Book Value Per Share (Rs.)	582.38	1.02

***** *Non annualised*

Note:

(i) EPS = Profit after tax / number of outstanding equity shares at the close of the year/ period.
(ii) Return on Net Worth = Profit after Tax / Net Worth.
(iii) Book Value per Share = Net Worth / No. of equity shares.
(iv) Source: Audited Annual Reports **/** Certified Financial Statements.

3.2.9. There are no contingent liabilities in CPAL.

3.2.1 There are 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, to the best of our knowledge and verifications and confirmation received from the Acquirers, there are no Person(s) are Acting in Concert with the Acquirers for the purposes of this Offer.

3.3 The Acquirers are business associates.

3.4 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 SPA dated 02.05.2012, the Acquirers do not hold any equity shares/ voting rights of KAFL as on date of the DPS. The Acquirers have till date complied with the relevant provisions of Chapter V of the SEBI (SAST) Regulations, wherever applicable. Further, the Acquirers have undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement and its related conditions.

3.5 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.

3.6 None of the Acquirers have previously made any acquisitions of the shares of the Target Company including acquisition made through open offers other than those acquired through SPA as stated above.

4. BACKGROUND OF KAILASH AUTO FINANCE LIMITED ("KAFL" or "TARGET COMPANY")

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

4.1 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 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.

4.2 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 equity 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).

4.3 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. KAFL is 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.With respect of the various compliances made by the Target Company with RBI , the RBI has made the following observations as detailed below in respect to the compliance status of the Target Company as an NBFC:

a. The Target Company has been reporting negative Net Owned Fund (NOF) and negative Capital to Risk Weighted Assets (CRAR) since March 31, 2005. The Company had a negative NOF of Rs. 222.30 lakhs in Financial Year 2008-2009, Rs. 99.38 lakhs in Financial Year 2009- 2010 and Rs. 116.98 lakhs in Financial Year 2010- 2011 which is a violation of Section 45IA of RBI Act, 1934. Therefore, the Target Company is not eligible to hold Certificate of registration issued by the Bank.

b. In terms of para 9(2) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998, every NBFC is required to submit "within commencement of the next Financial Year and each subsequent Financial Year, a resolution to the effect that the company has neither accepted public deposit nor would accept any public deposit during the year". The Target Company has not yet submitted the same for the Financial Years 2010-2011 and 2011- 2012.

c. In terms of para 15 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions8 2007 "Every NBFC shall submit a Certificate from its Statutory Auditor that it is engaged in the business of non-banking financial institutions requiring it to hold a Certificate of Registration under Section 45 IA of the RBI Act" within stipulated period as the RBI guidelines. Submissions of Auditor's Certificate and Asset Income pattern for the Target Company were made with significant delay since Financial Year 2008-09.

d. In terms of para 15 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007, it is obligatory that "Every Non-Banking Financial Company not accepting/holding public deposit shall communicate, not later than one month from the occurrence of any change in the postal address, telephone numbers and fax number/s of the Registered/Corporate Office". The Target Company has not followed these directions and this is a violation of the Reserve Bank Directions.

e. In this connect, while an Officer of the RBI visited the Registered Office of the Target Company, it was observed that the registered office was not situated in the building or premises of 19, Rollant Complex, 37/17, The Mall, Kanpur, as mentioned in the notice published in the newspapers. It was found to be the office of one Chartered Accountant named "M/s. Ajay Kedia & Associates". There was no name board of the company. On enquiry of the location of the Target Company from neighbours, nobody could provide any sort of information. It is matter of serious concern that the Target Company was not located at the address which was mentioned in the advertisement.

f. The Target Company has not responded to several letters of RBI.

g. RBI vide show cause notice dated June 19, 2012 has asked the Target Company why their Certificate of Registration issued by RBI to their Company should not be cancelled under the provisions of Section 45 IA (6) of the RBI Act, 1934 in view of the gross irregularities and non-compliances observed by RBI and why penal action should not be initiated against their Company and its Director(s) as per the provisions of Section 58B of the RBI Act, 1934. The reply to the Show Cause Notice is awaited.

However, against the aforementioned observations issued by the RBI, the Target Company has replied to RBI clarifying their stand as detailed below:

(i) The Registered Office of the Target Company was duly shifted from 84/ 105, G. T. Road, Kanpur, Uttar Pradesh to 19, Rollant Complex, 37/17, The Mall, Kanpur- 208 001, Uttar Pradesh w.e.f. 22.02.2012 and the same has already been intimated by the Target Company to the Reserve Bank of India ("RBI") vide their letter dated 18.05.2012 and other appropriate authorities and the same is also available on the Website of BSE and Master Data appearing on the MCA portal. The Target Company also submitted that part of the Office Premises, situated at 37/17, The Mall, Kanpur- 208 001, has been taken on rent by them on Lease and License basis from Mrs. Sangeeta Kedia, wife of Mr. Ajay Kedia. Further, they also state that Mr. Ajay Kedia, Chartered Accountants, Proprietor/Partner of M/s. Ajay Kedia & Associates, also operates from the same premises.

(ii) Pursuant to the show cause notice dated June 19, 2012 issued by the RBI, the Target Company has already replied to the show cause notice vide their letter 28.06.2012 received by RBI on 05.07.2012.

4.4 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.

4.5 The Share Capital of the Target Company is as follows:

Paid up Equity Shares of Target Company	No. of Shares / Voting Rights	% of Shares / Voting Rights
Fully Paid-up Equity Shares	38,05,900	100.00%
Partly Paid-up Equity Shares	Nil	Nil
Total Paid-up Equity Shares	38,05,900	100.00%
Total voting rights in the Target Company	38,05,900	100.00%

4.6 The equity shares of KAFL are listed at 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. The equity shares of the Target Company have not been suspended any time from the BSE since listing.

4.7 The Target Company has been complying with the relevant provisions of the Listing Agreement entered into with the BSE. No punitive/ penal action has been taken by BSE against the Target Company.

4.8 As on the date of this LOF, the Board of Directors of KAFL is as follows:

Names of Directors	Designation	Din No.	Date of Appointment
Mr. Kailash Chand Gupta	Director	00004951	29.02.2008
Mr. Rakesh Bansal	Promoter Director	01518702	13.02.2012
Mr. Sachin Satish Bhise	Independent Director	05267956	21.04.2012
Mr. Shyam Kishor Rajkumar Mishra	Independent Director	05268052	21.04.2012

Note: As on the date of the LOF, there are no persons on the Board of Directors of the Target Company, representing the Acquirers.

4.9 There has been no merger / demerger or spin off involving KAFL during the last 3 years.

4.10 Financial Information:

Brief audited financial information of the Target Company for the last three financial years ended 31.03.2010, 31.03.2011 and 31.03.2012 are as follows:

Profit & Loss Statement **(Rs. in Lacs)**

For the Year Ended	Year ended 31.03.2010 (Audited)	Year ended 31.03.2011 (Audited)	Year ended 31.03.2012 (Audited)
Income from Operations	225.77	34.32	-
Other Income	132.08	2.09	23.12
Total Income	357.85	36.41	23.12
Total Expenditure	184.23	21.88	21.84
Profit/ (Loss) before Interest, Depreciation and Tax	173.62	14.53	1.28
Less: Depreciation	2.51	-	-
Less: Interest	38.73	1.86	20.32
Profit/ (Loss) Before Tax	132.38	12.67	(19.04)
Add/ (Less): Provision for Tax (including deferred and fringe benefit tax)	(9.45)	(30.24)	(0.94)
Provision for tax for earlier years	-	(0.04)	-
Profit/ (Loss) After tax	122.93	(17.61)	(19.98)

Balance Sheet **(Rs. in Lacs)**

As on	Year ended 31.03.2010 (Audited)	Year ended 31.03.2011 (Audited)	Year ended 31.03.2012 (Audited)
Sources of funds			
Paid up share capital	389.16	389.16	389.16
Reserves & Surplus (excluding revaluation reserves)	113.77	113.77	113.77
Less: Miscellaneous Expenditure not written off	-	-	-
Less: Debit Balance in Profit & Loss Account	602.31	619.91	639.89
Net Worth	**(99.38)**	**(116.98)**	**(136.96)**
Secured loans	-	-	-
Unsecured loans	246.79	29.40	195.44
Total	**147.41**	**(87.56)**	**58.48**
Uses of funds			
Net Fixed Assets	-	-	-
Investments	2.80	1.33	-

As on	Year ended 31.03.2010 (Audited)	Year ended 31.03.2011 (Audited)	Year ended 31.03.2012 (Audited)
Net Current Assets	111.90	(94.40)	54.79
Deferred Tax Asset	32.71	5.51	3.69
Total	**147.41**	**(87.56)**	**58.48**

Other Financial Data

For the Year Ended	Year ended 31.03.2010 (Audited)	Year ended 31.03.2011 (Audited)	Year ended 31.03.2012 (Audited)
Dividend (%)	-	-	-
Earning Per Share (Rs.)	3.23	(0.46)	(0.52)
Return on Net worth (%)	-	-	-
Book Value Per Share (Rs.)	(2.61)	(3.07)	(3.60)

***** *Non annualised*

Note:

(i) EPS = Profit after tax / number of outstanding equity shares at the close of the year/ period.

(ii) Return on Net Worth = Profit after Tax / Net Worth

(iii) Book Value per Share = Net Worth / No. of equity shares

(iv) Source: Audited Annual Reports**/** Certified Financials

4.11 Pre and Post-Offer Shareholding Pattern of KAFL (based on Issued, Subscribed & Paid-up Equity and Voting Share Capital) is as under:

Shareholders' Category	Share holding/ voting rights Prior to the SPA and SPSA/ acquisition and Offer		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations, 2011		Shares/voting rights to be acquired in Open Offer (assuming full acceptances)		Share holding /voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
1. Promoters/ Promoter Group:								
(a) Parties to Agreement: - Padma Impex Private Limited	26,23,317	68.93%	(26,23,317)	(68.93%)	-	-	-	-
(b) Promoters other than (a) above	-	-	-	-	-	-	-	-
TOTAL 1 (a+b)	26,23,317	68.93%	(26,23,317)	(68.93%)	-	-	-	-
2. Acquirers:								
- Panchshul Marketing limited	-	-	13,11,658	34.46%	4,94,767	13.00%	18,06,425	47.46%
- Careful Projects Advisory Limited	-	-	13,11,659	34.47%	4,94,767	13.00%	18,06,426	47.47%
TOTAL 2	-	-	26,23,317	68.93%	9,89,534	26.00%	36,12,851	94.93%
3. Parties to Agreement other than 1 (a) & 2	-	-	-	-	-	-	-	-
TOTAL (3)	-	-	-	-	-	-	-	-
4. Public (other than Parties to Agreement and Acquirers)								
a) FIs/MFs/FIIs/ Banks/MF's/ Bodies Corporate	7,100	0.19%	-	-				
b) Others	11,75,483	30.88%	-	-				
Total No. of Shareholders in Public Category, i.e. 4625 TOTAL 4 (a+b)	11,82,583	31.07%	-	-	(9,89,534)	(26.00%)	1,93,049	5.07%
GRANDTOTAL (1+2+3+4)	**38,05,900**	**100.00%**	**-**	**-**	**-**	**-**	**38,05,900**	**100.00%**

The total number of shareholders in Public Category is 4625 as on date of the LOF.

4.12 M/s. Padma Impex Private Limited, Present Promoter of the Target Company, has belatedly complied with requirement of making disclosures under regulation 29(1) and 30(1) & (2) of the SEBI (SAST) Regulations by 79 working days and 3 working days respectively. **SEBI may initiate adjudication proceedings against M/s. Padma Impex Private Limited for the aforesaid delayed compliances of the SEBI (SAST) Regulations**.

5. OFFER PRICE & FINANCIAL ARRANGEMENTS:

5.1 Justification of Offer Price:

5.1.1 The equity shares of KAFL are listed at 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 marketable lot for equity shares of KAFL is 100 (One Hundred) equity shares. This acquisition of shares is direct acquisition as per the regulation 3 (1) & 4 of the SEBI (SAST) Regulations.

5.1.2 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 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.

5.1.3 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, 2011 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, 2011 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**	**As at 31st March, 2012**
	(a) Return on Net Worth (%)	Not Meaningful	Not Meaningful
	(b) Book Value Per Share	(3.07)	(3.07)
	(c) Earnings Per Share	(0.46)	(0.52)
	(d) Industry Average P/E Multiple *	12.50	12.50
	(e) Offer price P/E Multiple	(17.39)**	(15.38)***

**(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.*

****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. (0.52) per equity share for the year ended 31.03.2012.*

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.

5.1.4 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

5.1.5 As on date of this LOF, 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.

5.1.6 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.

5.2 Financial arrangements:

5.2.1 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.

5.2.2 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. Based on the certificate received from 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 dated 19.06.2012, the Acquirers as on 18.06.2012 are having liquid assets in the form of Cash & Bank Balance of Rs.40.44 Lakhs and Rs. 51.90 Lakhs respectively, which is more than the amount required to fulfill their obligation under the Open Offer assuming full acceptance.

5.2.3 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.

5.2.4 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.

6. TERMS AND CONDITIONS OF THE OFFER:

6.1 The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of KAFL (except the Acquirers and the parties to the SPA) whose name appear on the Register of Shareholders of the Target Company at the close of business hours on 17.09.2012 ("Identified Date").

6.2 All owners of the shares, Registered or Unregistered (except the Acquirers and the parties to the SPA) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer as per the procedure set out in Para 7 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.

6.3 Accidental omission to dispatch this LOF or the non-receipt or delayed receipt of this LOF will not invalidate the Offer in anyway.

6.4 Subject to the conditions governing this Offer, as mentioned in the LOF, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

6.5 Locked-in Shares:

There are no locked-in shares in KAFL.

6.6 Eligibility for accepting the Offer:

The Offer is made to all the public shareholders (except the Acquirers and parties to the SPA) whose names appeared in the Register of Shareholders of the Target Company at the close of the business hours on 17.09.2012 and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

6.7 Statutory Approvals and conditions of the Offer:

6.7.1 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.

6.7.2 As on the date of the 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.

6.7.3 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 the DPS has appeared.

6.7.4 In case of delay in receipt of any statutory approval, 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 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.

6.7.5 No approval is required from any bank or financial institutions for this Offer.

6.7.6 The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

7.1 The Shareholder(s) of KAFL who qualify and who wish to avail of this Offer will have to send their shares to the Registrar to the Offer as mentioned in the Form of Acceptance cum Acknowledgement at the following address:

MAHESHWARI DATAMATICS PRIVATE LIMITED
(Contact Person: : Mr. S. Raja Gopal)
6, Mango Lane, 2nd Floor,
Kolkata- 700 001
Phone No: (033) 2243 5809/ 2243 5029,
Fax: (033) 2248 4787
E-Mail: mdpl@cal.vsnl.net.in

Acceptances may be sent by Registered Post or by hand so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. 16.10.2012. Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday – Friday	10.00 a.m.to 5:00 p.m.	Hand Delivery
Saturday (excluding second and fourth Saturday)	10.00 a.m.to 5:00 p.m.	Hand Delivery

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

7.2 Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent.

7.2.1 For Equity Shares held in physical form:

(i) Registered shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s);
- Original Share Certificates;
- 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 KAFL and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this LOF.

(ii) Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein.
- Original Share Certificate(s)
- Valid share transfer form(s) as received from the market. The details of the buyer should be left blank failing which; the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. All other requirements for valid transfer will be preconditioned for acceptance. No indemnity is required from unregistered shareholders.

7.3 The Share Certificate(s), Share Transfer Form, Form of Acceptance cum Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, as mentioned above. They should not be sent to the Manager to the Offer or the Acquirers or the Target Company.

7.4 In case of non-receipt of the Letter of Offer, the eligible persons may obtain a copy of the same from Registrar to the Offer or Manager to the Offer on providing suitable documentary evidence of acquisition of shares of KAFL. The Public Announcement, Detailed Public Statement, Draft LOF, LOF, Form of Acceptance Cum Acknowledgement will be available on SEBI website at ***www.sebi.gov.in***, from the Offer opening date. The eligible persons can download these documents from the SEBI's website & apply using the same. Alternatively, they may send their consent to participate in the Offer, to the Registrar to the Offer, on a plain paper stating the name & address of the first holder, name(s) & address(s) of joint holders, if any, registered folio no, share certificate no., distinctive nos., no. of the shares held, no. of the shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before closure to the Offer i.e. 16.10.2012. Unregistered owners should not sign the transfer deeds & the transfer deed should be valid.

7.5 Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions/ orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

7.6 While tendering the equity shares under the Offer, NRIs / 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 equity shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirers reserve the right to reject such equity shares tendered. While tendering shares under the Offer, NRI / 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 the Acquirers under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirers will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

7.7 As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ('FII') as defined in Section 115AD of the Income Tax Act.

7.8 No indemnity is needed from the unregistered shareholders.

7.9 The Acquirers shall complete all procedures relating to the Offer including payment of consideration to the shareholders by 01.11.2012. In case of delay in receipt of any statutory approval, 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 SEBI, in terms of regulation 18 (11) of the SEBI (SAST) Regulations.

7.10 Payment of consideration will be made by crossed account payee cheques /demand drafts / pay orders / through ECS mode of payment and will be sent by registered post, to those shareholders / unregistered owners & at their sole risk, whose shares/ share certificates & other documents are found in order & accepted by Acquirers in part or in full except in case of joint holders, cheques / demand drafts/ pay orders/ECS Credit, in the name of first holder. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that same can be incorporated in the cheques/ demand drafts/ pay orders. In order to get payment through ECS mode shareholders are requested to provide their Bank Details like Account Number, Name of the Bank and its address, IFSC Code of Bank etc.

7.11 In case the shares tendered in the Offer by the shareholders are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be on proportionate basis which would be determined in consultant with the Manager to the Offer so as to ensure that the basis of acceptance is decided in a fair and equitable manner. Provided that the acquisition of the equity shares from the shareholders of KAFL shall not be less than the minimum marketable lot. The marketable lot for equity shares of KAFL is 100 (One Hundred) equity shares. The rejected Applications/ Documents will be sent by Registered Post.

7.12 Unaccepted share certificates, transfer forms & other documents, if any, will be returned by registered post at the shareholders/ unregistered owners sole risk to the sole / first shareholder.

7.13 The Registrar to the Offer will hold in trust the Share Certificates, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form/s on behalf of the shareholders of KAFL who have accepted the Offer, till the Cheques/Drafts/ECS credit for the consideration and/or the unaccepted shares/share certificates are dispatched/ returned.

7.14 In case any person has lodged shares of KAFL for transfer & such transfer has not yet been effected, the concerned person may apply as per the instructions in Para 7.4 above together with the acknowledgement of lodgment shares for transfer. Such persons should also instruct KAFL to send the transferred share certificate(s) directly to the Registrar to the Offer. The applicant should ensure that the certificate(s) reached the Registrar to the Offer on or before the Offer closing date.

7.15 In case the shareholder has already sold his Shares, he may kindly forward this Offer document to the transferee or to the broker through whom the shares were sold.

8. DOCUMENTS FOR INSPECTION:

Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, VC Corporate Advisors Private Limited at 31, Ganesh Chandra Avenue, 2nd Floor, Suite No. –2C, Kolkata-700 013 on any working day between 10.00 a.m. and 2.00 p.m. during the period the Offer is open i.e., from 03.10.2012 to 16.10.2012.

i) Memorandum & Articles of Association of Kailash Auto Finance Limited along with the Certificate of Incorporation.

ii) Memorandum & Articles of Association of Panchshul Marketing Limited along with the Certificate of Incorporation.

iii) Memorandum & Articles of Association of Careful Projects Advisory Limited along with the Certificate of Incorporation.

iv) Audited Annual Reports for the financial year ended 31.03.2009, 31.03.2010 and 31.03.2011 and for the Financial Year ended 31.03.2012 of Kailash Auto Finance Limited.

v) Audited Annual Reports for the period 25.09.2010 to 31.03.2011 and for the Financial Year ended 31.03.2012 of Panchshul Marketing Limited.

vi) Audited Annual Reports for the period 18.09.2010 to 31.03.2011 and for the Financial Year ended 31.03.2012 of Careful Projects Advisory Limited.

vii) Certificate dated 02.05.2012 from Mr. N.D. Mimani, (Firm Registration No. 324930E & Membership No. 060565), Partner of M/s. N.D. Mimani & Associates, Chartered Accountants, having office at 29B, Rabindra Sarani, Room No. 23(W), 3rd Floor, Kolkata- 700 073, E-mail: mimanind@yahoo.co.in relating to the fair value of the equity shares of KAFL as on 31.03.2011 as per regulation 8(2) of the SEBI (SAST) Regulations.

viii) Certificate dated 02.05.2012 from Mr. N.D. Mimani, (Firm Registration No. 324930E & Membership No. 060565), Partner of M/s. N.D. Mimani & Associates, Chartered Accountants, having office at 29B, Rabindra Sarani, Room No. 23(W), 3rd Floor, Kolkata- 700 073, E-mail: mimanind@yahoo.co.in certifying that the sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

ix) Certificate dated 19.06.2012 from Mr. N.D. Mimani, (Firm Registration No. 324930E & Membership No. 060565), Partner of M/s. N.D. Mimani & Associates, Chartered Accountants, having office at 29B, Rabindra Sarani, Room No. 23(W), 3rd Floor, Kolkata- 700 073, E-mail: mimanind@yahoo.co.in certifying that the availability of liquid resources with the Acquirers for fulfilling the obligations under this "Offer" in full.

x) Copy of the letter received from HDFC Bank Limited dated 03.05.2012 confirming the required amount kept in the escrow account and marked lien in favour of Manager to Offer.

xi) The copy of Share Purchase Agreement dated 02.05.2012 between the Seller and the Acquirers, which triggered the Open Offer.

xii) Copy of the Public Announcement dated 02.05.2012, published copy of the Detailed Public Statement dated 09.05.2012 and Issue of Opening Public Announcement dated 01.10.2012.

xiii) Copy of the recommendations made by the Committee of Independent Directors of the Target Company.

xiv) Copy of SEBI Observation letter no. CFD/DCR1/20980/12 dated September 18, 2012 isued in terms of proviso to regulation 16(4) of the SEBI (SAST) Regulations.

xv) Copy of the Memorandum of Understanding between the Acquirers & the Manager to the Offer dated 02.05.2012.

9. DECLARATION BY THE ACQUIRERS:

The Acquirers and their Board of Directors, accept full responsibility jointly and severally for the information contained in this LOF and also for the obligations of the Acquirers laid down in the SEBI (SAST) Regulations and the Acquirers would be responsible for ensuring compliance with the SEBI (SAST) Regulations.

For Panchshul Marketing Limited	**For Careful Projects Advisory Limited**
Sd/-	**Sd/-**
(Director)	**(Director)**
Place: Kolkata	**Date: 22.09.2012**

Attached: Form of Acceptance cum Acknowledgement

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

To,
Maheshwari Datamatics Private Limited
6, Mangoe lane, 2nd Floor,
Kolkata- 700 001

Date:

OFFER	
Opens on	October 03, 2012
Closes on	October 16, 2012

Dear Sir,

Subject: **Open Offer by Panchshul Marketing Limited, having its registered office at 16, India Exchange Place, 1st Floor, Room No. 26, Kolkata- 700 001 and Careful Projects Advisory Limited, 6, Lyons Range, Fortuna Chambers, Ground Floor, Room No. 50, Kolkata- 700 001 (hereinafter collectively referred to as the "Acquirers") to the shareholders of Kailash Auto Finance Limited ("KAFL" or the "Target Company") to acquire from them upto 9,89,534 equity shares of Rs. 10/- each representing 26.00% of the total equity and voting share capital of KAFL at a price of Rs. 8/- per equity share.**

I/We refer to the Letter of Offer dated 22.09.2012 for acquiring the equity shares held by us in Kailash Auto Finance Limited.
I/We, the undersigned have read the Letter of Offer, understood its contents including the terms and conditions as mentioned therein.

FOR EQUITY SHARES HELD IN PHYSICAL FORM

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	Ledger Folio No.	Certificate No(s).	Distinctive No(s).		No. of shares
			From	To	
Total number of equity shares					

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers gives the purchase consideration as mentioned in the Letter of Offer.
I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.
I/We also note that that the shares would reside with the Registrar to the Offer until the time the Acquirers accepts the Share Certificates and makes the payment of the purchase consideration as mentioned in the Letter of Offer.
I/We confirm that the equity shares of Kailash Auto Finance Limited, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.
I/We authorize the Acquirers to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted.
I/We authorise the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post as may be applicable at my/our risk, the draft /cheque/ warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.
I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,

Signed and Delivered

	Full Names (s) of the holders	Address & Telephone No.	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings all must sign. Enclose duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s). A corporation must affix its common seal and enclose necessary certified corporate authorizations. Non-resident shareholders with repatriable benefits must enclose appropriate documentation.
Place:
Date:

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

Acknowledgement slip

Ledger Folio No. ____________ Received from ______________________________ ___________an application for sale of __________Equity Share(s) of Kailash Auto Finance Limited together with ________share certificate(s) bearing Certificate Numbers _________________ and _______________transfer deed(s).

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

Date of receipt **Signature of the official**

Bank Details

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

I / We permit the Acquirers or the Manager to the Offer to make the payment of Consideration through Electronic Clearance Service (ECS) of the Reserve Bank of India based on the Bank Account Details provided below and a photo copy of cheque is enclosed.

Savings/Current/(Others; please specify) : ____

Name of the Bank Branch: ____

Account Number: _______________________ IFSC Code of Bank_____________________________________

The Permanent Account Number (PAN No.) allotted under Income Tax Act, 1961 is as below:

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN No.			

INSTRUCTIONS

i. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance cum Acknowledgement.

ii. The Form of Acceptance cum Acknowledgement should be filled-up in English only.

iii. Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.

iv. Mode of tendering the Equity Shares Pursuant to the Offer:

(i) The acceptance of the Offer made by the Acquirers is entirely at the discretion of the equity shareholder of KAFL.

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