

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as shareholder(s)/Beneficial Owner(s) of KUMERGODE ESTATES 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

GONIBEDU COFFEE ESTATES PRIVATE LIMITED ("ACQUIRER") having its Registered Office at No. 23/2, 6th Floor, Vittal Mallya Road, Bangalore 560 001; Phone No.: 080-40012345; Fax No:080 – 40012650; E-Mail: sadananda0108@gmail.com.

TO ACQUIRE UPTO

23400 (Twenty Three Thousand Four Hundred only) Equity Shares of face value Rs.10 (TEN)/-each representing 26% of the Paid Up Equity Share Capital

OF

KUMERGODE ESTATES LIMITED ("TARGET COMPANY") having its Registered Office at No.68/A, H Siddiah Road, Bangalore 560 002; Phone No.: 080-22235200; E-Mail: kumergode@gmail.com

at a price of Rs. 5200/- (Rupees Five Thousand and Two Hundred only) per fully paid up equity share payable in cash.

1. This offer is made by the Acquirer pursuant to regulation 3(1) and 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendment thereto.
2. The Offer is not subject to any minimum level of acceptance.
3. This is not a competitive bid.
4. As on date of this Letter of Offer, there are no statutory approvals required to implement this offer.
5. The Acquirer can revise the Offer Price upto 3 working days prior to the opening of the tendering period for the offer, i.e. 10.09.2012, Monday. Any upward revision, if any of the offer would be informed by way of the Issue Opening PA in the same newspapers in which the original Detailed Public Statement has appeared. Consideration at the same rate will be paid to all Equity Shares tendered any time during the offer period.
6. There was no competing offer
7. A copy of the Public Announcement, Detailed Public Statement and this Letter of Offer (including Form of Acceptance cum Acknowledgement) is also available on the SEBI's website – www.sebi.gov.in

MERCHANT BANKER TO THE OFFER	REGISTRARS TO THE OFFER
 1 st Floor, Khivraj Complex 1, No. 480 Anna Salai, Nandanam, Chennai 600 035 Phone: 044 – 24313094 – 97; Fax No.: 044 – 24313093; E-Mail: mbachennai@indbankonline.com Contact Person: S Rajalakshmi	 30, Ramana Residency, 4 th Cross, Sampige Road, Malleshwaram, Bangalore – 560 003. Phone : 080-23460815. Fax No: 080 - 23460819 E-mail- vijayagopal@integratedindia.in Contact Person : Mr. Vijaygopal
OFFER OPENS ON	OFFER CLOSES ON
10 th September 2012, Monday	26 th September 2012, Wednesday

SCHEDULE OF ACTIVITIES	
Activity	Date and Day
Public Announcement (PA)	19.07.2012, Thursday
Detailed Public Statement (DPS)	20.07.2012, Friday
Last Date for Competitive Bid	10.08.2012, Friday
Identified Date*	24.08.2012, Friday
Letter of Offer dispatched to Shareholders	03.09.2012, Monday
Last date for revising the Offer Price / Number of Shares	04.09.2012, Tuesday
Last date by which the Committee of Independent Directors constituted by the Board of the Target Company shall give its recommendation	06.09.2012, Thursday
Offer Opening PA date	07.09.2012, Friday
Date of Commencement of the Tendering Period (Offer Opening Date)	10.09.2012, Monday
Date of Expiry of the Tendering Period (Offer Closing Date)	26.09.2012, Wednesday
Last date for communicating rejection/acceptance and payment of consideration for applications accepted/return of unaccepted Share Certificates/ credit of unaccepted Shares to the Demat Accounts.	05.10.2012, Friday

**Date falling on the 10th working day prior to the commencement of the Tendering Period, for the purpose of determining the Shareholders to whom the LoF shall be sent. However, all the owners of Equity Shares are eligible to participate in the Offer at any time before the closure of the Tendering Period.*

RISK FACTORS RELATING TO THE PROPOSED OFFER AND THOSE ASSOCIATED WITH THE ACQUIRER

A. RISKS RELATED TO THE PROPOSED OFFER

1. Shareholders accepting this offer will be tendering their Equity Shares before getting payment of consideration as the Acquirer have ten working days' time from date of closure of the tendering period to make payment of consideration. During these 10 working days if there is a favorable price movement in the Shares of the Target Company at the Stock Exchange, then those Shareholders, who have tendered their shares in the open offer, will not be able to take advantage of favorable price movements, if any, in the market.
2. As on date of this Letter of Offer, no statutory approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date. The dispatch of consideration can be delayed beyond 10 working days from the date of closure of tendering period, in case any statutory approval, which becomes so applicable on a later date, is not received in time.
3. The Acquirer and the Managers to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer/Detailed Public Statement/Public Announcement and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his/her/its own risk.
4. In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis.

B. RISKS ASSOCIATED WITH THE ACQUIRER

1. The Acquirer makes no assurance with respect to the Financial Performance of the Target Company and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
2. The Acquirer makes no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.

The risk factors set forth above, pertain to the Offer and are not in relation to the present or future business or operations of the Target Company or any 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 KUMERGODE ESTATES LIMITED are advised to consult their stock brokers or investment consultants, if any, for analyzing all the risks with respect to their participation in the Offer.

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1. DEFINITIONS

Sl. No.	Terms	Description
1.	Acquirer or The Acquirer or GCEPL	Gonibedu Coffee Estates Private Limited
2.	BoD	The Board of Directors
3.	Book Value Per Share	Net worth/ Number of equity shares issued
4.	CDSL	Central Depository Services Limited
5.	CIN	Corporate Identification Number
6.	CIT	Commissioner of Income Tax
7.	Companies Act	The Companies Act, 1956 as amended from time to time
8.	DP	Depository Participant
9.	Detailed Public Statement / DPS	Detailed Public Statement published in the newspapers on 20.07.2012, Friday
10.	DIN	Directors Identification Number
11.	EPS	Profit after tax/Number of equity shares issued
12.	Escrow Agreement	The Open Offer Escrow Agreement entered into between the Acquirer, Escrow Banker, Registrar and the Share Escrow Agent
13.	Escrow Banker	Karnataka Bank Limited, through Open Offer Escrow Agreement dated 19.07.2012, Thursday.
14.	Form of Acceptance	Form of Acceptance cum Acknowledgement
15.	Letter of Offer /LOO/LOF	This Letter of Offer
16.	Manager to the Offer /Merchant Banker	Indbank Merchant Banking Services Limited (IBMBS)
17.	N A	Not Available / Not Applicable
18.	NRI	Non Resident Indian
19.	Offer / The Offer / The Open Offer / Open Offer	Open Offer for acquisition of 23400 [Twenty Three Thousand Four Hundred]full paid up Equity Shares of face value 10 [Ten]/- each at a price of Rs. 5200/- per Equity Share
20.	Offer Period	Period between the date of SPA i.e.19.07.2012 and date of payment of consideration i.e. 05.10.2012
21.	Offer Price	Rs. 5200/- (Rupees Five Thousand and Two Hundred only)
22.	PAT	Profit After Tax

23.	Persons eligible to participate in the Offer / Eligible Shareholders	Registered Shareholders of the Kumergode Estates Limited and un registered shareholders who own Equity Shares of Kumergode Estates Limited any time prior to the closure of the Offer, including the beneficial owners of the shares held in dematerialized form, except the parties to the Share Purchase Agreement dated 19.07.2012.
24.	Public Announcement / PA	Public Announcement submitted to the Target Company, Madras Stock Exchange and SEBI on 19.07.2012.
25.	Registrar / Registrar to the Offer	Integrated Enterprises (India) Limited.
26.	RBI	The Reserve Bank of India.
27.	Return on Net worth	(Profit After Tax/Net Worth)*100
28.	INR. / Rs.	Indian Rupees
29.	SEBI	Securities and Exchange Board of India
30.	SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
31.	Sellers	Mr. M M Anandram, Mr. M M Sampath Kumar, Mr. M Lachia Setty, Mr. M M Panduranga and Mr. M M Parthasarathi.
32.	Share Escrow Agent	M/s. Way2Wealth Brokers Private Limited, through Open Offer Escrow agreement dated 19.07.2012.
33.	Share Purchase Agreement / SPA	Share Purchase Agreement entered between the Acquirer, the Sellers and the Target Company dated 19.07.2012.
	Tendering Period	10.09.2012, Monday to 26.09.2012, Wednesday
	Target Company/ KEL	Kumergode Estates Limited

2. 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 DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF KUMARGODE ESTATES LIMITED (KEL) TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S), PACs OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER(S) IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER(S) DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER “INDBANK MERCHANT BANKING SERVICES LIMITED” HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 25.07.2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 2011 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

3. DETAILS OF THE OFFER

3.1 Background to the Offer

- 3.1.1 This Offer is in Compliance with Regulations 3(1) and Regulation 4 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 and subsequent amendments thereof and in effect (hereinafter referred to as “the Regulations”) for substantial acquisition of shares and change in control of the Target Company.
- 3.1.2 Gonibedu Coffee Estates Private Limited (GCEPL), a private limited Company, was originally incorporated as SIVAN SECURITIES (MANGALORE) PRIVATE LIMITED on 29th March 1996 in Karnataka. The Company changed its name to Gonibedu Coffee Estates Private Limited and fresh Certificate of Incorporation was obtained on 1st February 2012 from the Registrar of Companies, Karnataka.
- 3.1.3 The CIN of GCEPL is **U01403KA1996PTC020171**. The Registered Office of GCEPL is located at No. 23/2, 6th Floor, Vittal Mallaya Road, Bangalore 560 001. Telephone: 080 – 40012345; Fax No.: 080 – 40012650; Contact Person: Mr. Sadananda Poojary; E-Mail: sadananda0108@gmail.com.
- 3.1.4 GCEPL (“Acquirer”) is making an open offer to the eligible shareholders of Kumergode Estates Limited (KEL) (“Target Company”) to acquire 23,400 (Twenty Three Thousand Four Hundred) Equity shares of Rs. 10/-each representing 26% of paid up and voting capital of KEL (“Offer”) at a price of Rs.5200/- [Rupees Five Thousand and Two Hundred]/- per equity share (“Offer Price”) after entering into a Share Purchase Agreement (“SPA”) to acquire 45,900 (Forty Five Thousand Nine Hundred) equity shares constituting 51% of the paid up capital of KEL with Mr. M M Anandram, Mr. M M Sampath Kumar, Mr. M Lachia Setty, Mr. M M Panduranga and Mr. M M Parthasarathi, the current promoters of KEL on 19.07.2012 at a price of Rs. 5200/-per fully paid up equity share.
- 3.1.5 The salient features of the SPA are detailed below:**
- 3.1.5.1 The Acquirer GCEPL had entered into a “Share Purchase Agreement” with the promoters of the Target Company KEL, to purchase equity shares up to 45900 (Forty Five Thousand Nine Hundred), the sale of shares representing 51% of the issued, subscribed and paid up equity capital of the Target Company – KEL, at a price of Rs. 5200/- (Five Thousand and Two Hundred only) per share.
- 3.1.5.2 There will be change in control of the Target Company. The Acquirer GCEPL will appoint its nominees to the Board of Directors of the Target Company KEL, post the completion of the Open Offer.
- 3.1.5.3 On execution of the Agreement, the GCEPL will deposit the entire purchase consideration of Rs.23,86,80,000/-(Rupees Twenty Three Crores Eighty Six Lakhs Eighty Thousand) into the **Escrow Account No:1182000100038801** opened with the Escrow Bank M/s. Karnataka Bank Ltd, St. Marks Road, Bangalore 560 001. Simultaneously, the sellers i.e. promoters of KEL will deposit their shares in the **Share Escrow Account, titled M M Anandram Escrow Account, Account No: 10521385** opened with the Share Escrow Agent M/s. Way2Wealth Brokers Private Ltd, Frontline Grandeur, Ground Floor, No. 14 Walton Road, Bangalore 560 001.
- 3.1.5.4 After signing of the Share Purchase Agreement, GCEPL shall take steps to comply with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 3.1.5.5 The Completion Date is the date on which the Merchant Banker issues the certificate certifying the fulfillment of all obligations, as set out under Regulation 17 (8) of the SEBI (SAST) Regulations.
- 3.1.5.6 On the Completion date, the GCEPL will transfer the purchase consideration deposited in the Escrow Account No: **1182000100038801** to the accounts of the Promoters. The Shares held in the Share Escrow Account No: **10521385** shall be transferred to GCEPL by the Registrars M/s. Integrated Enterprises (India) Ltd.
- 3.1.6 As on date of the Public Announcement, the Acquirer does not hold any equity shares in KEL, except the shares proposed to be acquired in terms of the SPA dated 19.07.2012.

- 3.1.7 The Acquirer, its Promoters and Directors have not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11B of the SEBI Act or under any of the regulations made under SEBI Act.
- 3.1.8 The Offer will result in Change of Control. The Acquirer proposes to appoint its nominees to the Board of the Directors of the Target Company subsequent to the completion of the Offer procedures.
- 3.1.9 The Committee of Independent Directors on the Board of KEL, the target company, will come out with their recommendations for the Offer and the same shall be published in the newspapers where the Detailed Public Statement appeared on 20.07.2012, Friday.
- 3.1.10 There is no Person Acting in Concert with the Acquirer.

3.2 Details of the Proposed Offer

- 3.2.1 In accordance with Regulation 13(1) and 14 (3) of SEBI (SAST) Regulations, 2011, GCEPL has given a PA on 19.07.2012 to the Target Company, the MSE and SEBI and a DPS on 20.07.2012, Friday which was published in the following newspapers:

Publications	Editions
English	Financial Express – All Editions
Hindi	Jansatta – All Editions
Tamil	Makkal Kural – Chennai Edition
Kannada	Samyukta Karnataka – Bangalore Edition

The PA and the DPS is also available on the SEBI website at www.sebi.gov.in and the website of the Manager to the Offer www.indbankonline.com

- 3.2.2 The Offer is to acquire 23400 [Twenty Three Thousand and Four Hundred] Equity Shares of Rs. 10 [Ten]/-each, representing 26% of the issued, subscribed and voting capital of KEL as at ten working days after the closure of the tendering period. No further changes are contemplated in the paid up capital of the company till the expiry of 10 days from the date of closure of this tendering period.
- 3.2.3 There are no partly paid shares.
- 3.2.4 This is not a competitive bid.
- 3.2.5 The offer price is Rs. 5200/- per each fully paid up equity share. The consideration will be paid in cash.
- 3.2.6 The Offer is not subject to any minimum level of acceptance from the shareholders. The Acquirer will accept the equity shares of KEL, those tendered in valid form in terms of this offer up to a maximum of 23400 equity shares representing 26% of equity share capital of KEL.
- 3.2.7 As on date of the Public Announcement, the Acquirer does not hold any equity shares in KEL, except the shares proposed to be acquired in terms of the SPA dated 19.07.2012.
- 3.2.8 Assuming full acceptance of this offer along with the shares being acquired through the SPA, the acquisitions will result in public shareholding falling below the level required for continuous listing. The shareholding of Acquirers shall go beyond the maximum permissible non-public shareholding under Securities Contract (Regulation) Rules, 1957 ("SCRR"). The Acquirer hereby undertakes to reduce their shareholding to the level stipulated in the SCRR within 12 months, the time specified in the SCRR.

3.3 Object of the Acquisition / Offer

- 3.3.1 The Promoters of the Acquirer have vast experience of coffee cultivation. The Acquirer proposes to take over the Management of the Company after the completion of the open offer process and maintain and develop the estates. The Acquirer intends to make the estates under the KEL one of the well maintained and well cultivated estates.
- 3.3.2 The Acquirer intends to turn around the company and make the company profitable.
- 3.3.3 The Acquirers do not have any plans to dispose off or otherwise encumber any significant assets of KEL in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the KEL and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the KEL. 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 KEL.

4. BACKGROUND OF THE ACQUIRER – GONIBEDU COFFEE ESTATES PRIVATE LIMITED (GCEPL)

- 4.1 The Acquirer, GCEPL was incorporated on 29th March 1996 as “Sivan Securities (Mangalore) Private Limited” under the Companies Act, 1956 with the Registrar of Companies, Karnataka. The main object of the company was carrying business of securities, stock brokers and allied activities. The company changed its name to “Gonibedu Coffee Estates Private Limited” on 1st February 2012 and a fresh certificate of incorporation has been obtained. The main objects were also changed from securities business to develop and maintain the estates of coffee, cardamom, rubber, orange, tea etc. The CIN of the company is **U01403KA1996PTC020171**.
- 4.2 GCEPL is into the business of development and maintenance of estates, to cultivate coffee, cardamom, rubber, cinchona, orange, tea and other produce.
- 4.3 GCEPL was promoted by Mr. V G Siddhartha, founder-owner of Café Coffee Day, Mrs. Malavika Hedge, wife of Mr. V G Siddhartha and Mr. Balaraj Shetty. Subsequently GCEPL became a subsidiary of Chandrapore Estates Private Limited, the current promoter. The promoters of Chandrapore Estates Pvt. Ltd are Mr. V G Siddhartha and Mrs. Malavika Hedge. Mr. Balaraj Shetty is currently on the Board of Directors of GCEPL.
- 4.4 Chandrapore Estates Pvt. Ltd is into the business of maintenance of Coffee Estates and cultivation of coffee and allied products. It owns approximately 840 acres of coffee estates in and around Sakleshpur region, Hasan District, Karnataka.
- 4.5 As on date of LoF, GCEPL does not hold any shares in the Target Company except the shares proposed to be acquired through SPA dated 19.07.2012.

4.6 SHAREHOLDING PATTERN OF GCEPL as on date of this LoF

Sl. No.	Shareholder's Category	No. and Percentage of shares held
A.	Promoters	
1.	Chandrapore Estates Private Limited	96895 (99.9%)
2.	Mr. N Balaraj Shetty	10 (0.01%)
	Total (A)	96905 (100%)
B.	FII/Mutual Funds/Banks	0
C.	Public	0
	Total Paid up Capital (A+B+C)	96905 (100%)

4.7 The details of the BOARD OF DIRECTORS OF GCEPL as on date of this LoF are as follows:

Name, Age & DIN	Designation	Date of Appointment	Residential Address	Qualification & Experience
K M Deekshith Age: 41 DIN: 03505388	Director	17.01.2012	No. 19 PMR Residency, 4 th Cross, 34 th Main, Vysya Bank Layout, JP Nagar 1 st Phase, Bangalore 560 078	Diploma in Computer Science Experience: 14 years
Balaraj Shetty Age: 54 DIN: 00192494	Director	17.01.2012	Opp. K P T Kadri Hills, Bejai, Mangalore 575 004.	B A Experience: 25 years

- 4.8 As on date of this LoF, none of the directors of GCEPL are on the Board of the Target Company.

4.9 The Brief Details of the Financials of GCEPL are given as under:

Rs. in Lakhs

Profit & Loss Statement			
	For the year ended 31st March		
	2012	2011	2010
Income from Operations	0.00	0.00	0.00
Other Income	0.00	0.00	0.09
Total Income	0.00	0.00	0.09
Total Expenditure	6.71	275.74	0.34
Profit Before Depreciation, Interest and Tax	(6.71)	(275.74)	(0.25)
Depreciation	0.00	0.00	0.00
Interest	0.00	0.00	111.55
Profit Before Tax	(6.71)	(275.74)	(111.80)
Provision for Tax	0.00	0.00	0.00
Profit After Tax	(6.71)	(275.74)	(111.80)
Balance Sheet Statement			
Sources of Funds			
Paid up share capital	9.69	9.69	9.81
Reserves & Surplus (excluding revaluation reserves)	(872.22)	(865.51)	67.81
Secured Loans	0.00	0.00	400.00
Unsecured Loans	1785.27	1778.56	0.00
Total	922.74	922.74	477.63
Uses of Funds			
Net Fixed Assets	0.00	0.00	0.00
Investments	922.00	922.00	922.00
Deferred Tax Assets	0.00	0.00	0.00
Net Current Assets	0.74	0.74	(1101.95)
Profit & Loss Account	0.00	0.00	657.58
Total	922.74	922.74	477.63
Other Financial Data			
Dividend (%)	0.00	0.00	0.00
Earnings Per Share (Rs.)	0.00	0.00	0.00
Net worth (Rs. in Lakhs)	(-ve)	(-ve)	(-ve)
Return on Net worth (%)	(-ve)	(-ve)	(-ve)
Book Value Per Share (Rs.)	(0.01)	(0.01)	(0.01)

Source: Audited Financial Statements of GCEPL, as certified by Mr. A S Sundaresha (Membership No: 19728), on behalf of Sundaresha & Co. Chartered Accountants (Firm Registration No: 004223S) having office at "Professional Court", 1st Floor, No. 27/7, 15th Cross, 3rd Block, Jayanagar, Bangalore 560 011, Tel: 080 – 26630644/26634664; Fax: 080 – 26647186; E-Mail: sundareshandco@gmail.com.

The Significant Accounting Policies of GCEPL are as under:

1. Basis of Preparation of Special Purpose Statements: The Accounts have been prepared under the Historical Cost Convention and in accordance with applicable accounting principles in India, and Accounting Standards issued by the Institute of Chartered Accountants of India

and as approved by National Advisory Committee on Accounting Standard u/s 211 (3) of the Companies Act, 1956 and the relevant provision of the Companies Act, 1956 except where otherwise stated.

2. Revenue Recognition: The Revenue shall be recognized as and when billed to the customer in respect of share broking and security business. Revenue from the sale of securities is recognized at the time of sale as difference between the sale price and cost of acquisition. Interest income is recognized on time proportion basis. Dividend on shares and mutual funds will be accounted when the right to receive is established. Interest on the deployment of surplus funds is recognized using the time-proportion method based on the underlying interest rates.
3. Fixed Assets, Capital Work in Progress and Depreciation: Fixed assets shall be stated at the cost of acquisition inclusive of freight, duties and levies and any directly attributable cost of bringing the asset to their working condition for intended use, less accumulated depreciation. Depreciation of Fixed Assets shall be provided as per Written down Value method at the rates prescribed in the Schedule XIV of the Companies Act, 1956.
4. Investments: Investments acquired with the intention to hold for a period of more than one year is classified as Long Term Investments and are stated at cost. Diminution, if any, other than temporary diminution in value of investment is recognized. Current Investments are valued at lower cost and market value.
5. Valuation of Inventory: The Company shall adopt the First-in-First-out method for arriving at the quantity of inventory at the year end. The Inventory shall be valued at the cost or net releasable value whichever is less.
6. Foreign Currency Transactions: In case of expenditure in foreign currency, rate of exchange prevailing on the dates of the respective transactions shall be adopted for accounting such expenditure. Monetary items denominated in Foreign Currency at the end of the year shall be translated at the exchange rate prevailing on that date. Non Monetary Foreign Currency items are carried at cost.
7. Retirement benefits: The Company has no employees on roll and is yet to formulate policies in respect of Retirement benefits.
- 4.10 There are no contingent liabilities in GCEPL.
- 4.11 The shares of GCEPL are not listed on any stock exchange.
- 4.12 There are no pending litigations against GCEPL.
- 4.13 GCEPL being a closely held company has not appointed Compliance Officer and the provisions of Corporate Governance are not applicable to the Company.

5. BACKGROUND OF THE TARGET COMPANY – KUMERGODE ESTATES LIMITED (KEL)

- 5.1 Kumergode Estates Limited was incorporated on 29th June 1951 and the Registration Number is 32 – 1951 - 52. KEL obtained its Certificate of Commencement of Business on 6th August 1951. The Registered Office of the Company is located at No. 68/A, H Siddiah Road, Bangalore 560 002; Phone No.: 080-22235200; E-Mail:kumergode@gmail.com. There has been no name change since the incorporation of KEL. The CIN of the company is **L17100KA1951PLC001147**.
- 5.2 KEL owns coffee estates with an area equivalent to 960 acres in Mudigere Taluk, Chickmagalur District in the state of Karnataka. KEL primarily cultivates Arabica crop in its estates. Apart from coffee crops minor crops such as paddy, cardamom and pepper are also cultivated.
- 5.3 The shares of the company are listed on the Madras Stock Exchange. However there is no trading in the shares of the company for the past few years. The Madras Stock Exchange vide its letter dated 28.06.2012 has confirmed that there is no trading in the shares of the company from 31.03.2011 to 31.03.2012.
- 5.4 The current promoter of KEL is Mr. Manjanatha Setty. He started acquiring the shares of the company from 1956, while KEL was managed by M/s. Pierce Leslie India Ltd as Managing Agents. In 1973, after the abolition of Managing Agents, the management was handed over to the Board of the Directors of KEL, of which Mr. Manjunatha Setty was a member. In due course, the other directors retired, through which the Mr. Manjunatha Setty became the promoter of the company.

5.5 The company is currently headed by Mr. M M Anandram, son of Mr. Manjanatha Setty and he is current Managing Director of KEL.

5.6 SHARE CAPITAL STRUCTURE of KEL as on date of this LoF

Paid Up Equity Shares of KEL	No. of Share/Voting Rights	% of Shares/Voting Rights
Full Paid Up equity shares	90000 equity shares of Rs. 10/- each	100
Partly Paid Up equity shares	Nil	NA
Total Voting Rights in Target Company	90000 equity shares of Rs. 10/- each	100

5.7 There are currently no outstanding partly paid up shares or any other instruments convertible into equity shares of KEL at a future date.

5.8 The Composition of the Board of Directors as on date of this LoF is:

Name, Age & DIN	Designation	Date of Appointment	Residential Address	Qualification & Experience
M M Anandaram Age: 79, DIN:01486975	Managing Director	29.12.1970	PMK Road, Shankarapuram, Bangalore – 560 004	B. Com, B. L 54 years
M M Sampath Kumar Age: 77 DIN:01322394	Director	06.04.1974	77/19, 'Prakasha', Ratna Vilasas Road, Bangalore – 560 004	B. Sc. 52 years
M Lachia Setty Age: 75 DIN:01322375	Director	06.04.1974	16/2, M N Krishna Rao Road, Basavanagudi, Bangalore – 560 004	M. Sc. 50 years
M M Panduranga Age: 69 DIN:01322413	Director	30.09.1989	No.100, Sumadeepa, 6th main, 40th Cross, 5th Block. Jayanagar, Bangalore – 560 041	D M E 49 years
M M Parthasarathy Age: 41 DIN:01461532	Director	01.01.1996	No.2 Karnic Road, Vardhamanaiah Block, 3rd Cross, Shankarapuram, Bangalore – 560 004	B. E 41 years
K L Manjunatha Gupta Age: 55 DIN:05332239	Director	31.05.2012	23, East Circle Road, V V Puram, Bangalore - 560 004	Diploma 25 years
Sanjay Kumar Deepchand Age: 37 DIN:05016095	Director	31.05.2012	132, 3 rd Floor, Block 1, Ranka Park Apt, No. 6 Lalbagh Road, Nr. Richmond Circle, Bangalore 560 027	B Arch 12 years
R Bhagyalakshmi Age: 25 DIN:05332709	Director	30.06.2012	No.8, Gandhi Nagar 2 nd St, Keelkattalai, Chennai – 600 0117	B Com, Cost Accountant 4 years

None of the above Directors is representative of the Acquirer GCEPL.

5.9 There has been no merger/de-merger, spin off during the last 3 years involving the Target Company except as stated below.

KEL had a subsidiary Kumergode Investments Limited. In January 2012, the subsidiary was hived off into a separate entity with no change in the management. The Board of Directors of KEL passed a resolution to the effect at its meeting held on 25.01.2012.

5.10 The financials of KEL for the financial years ended 31st March 2012, 2011 and 2010 is set out below:

Rs. in Lakhs			
Profit & Loss Statement			
	For the year ended 31st March		
	2012	2011	2010
Income from Operations	197.71	286.95	114.22
Other Income	167.17	0.40	130.31
Total Income	364.88	287.35	244.53
Total Expenditure	311.81	193.68	159.72
Profit Before Depreciation, Interest and Tax	53.07	93.67	84.81
Depreciation	4.39	4.48	4.64
Interest	48.27	46.31	43.19
Profit Before Tax	0.40	48.78	25.74
Provision for Tax	2.00	0.00	0.00
Profit After Tax	-1.60	48.78	25.74
Balance Sheet Statement			
Sources of Funds			
Paid up share capital	9.00	9.00	9.00
Reserves & Surplus (excluding revaluation reserves)	83.62	83.62	83.62
Secured Loans	61.13	102.72	279.99
Unsecured Loans	369.59	357.38	269.97
Total	523.34	552.72	642.58
Uses of Funds			
Net Fixed Assets	314.32	285.12	251.33
Investments	1.67	26.42	26.42
Deferred Tax Assets	0.00	0.00	0.00
Net Current Assets	-70.63	-35.21	39.67
Profit & Loss Account	277.98	276.38	325.16
Total	523.34	552.72	642.58
Other Financial Data			
Dividend (%)	0.00	0.00	0.00
Earnings Per Share (Rs.)	-1.78	54.20	28.60
Networth (Rs. in Lakhs)	(- ve)	(- ve)	(- ve)
Return on Networth (%)	(- ve)	(- ve)	(- ve)
Book Value Per Share (Rs.)	(- ve)	(- ve)	(- ve)

Source: Audited Financial Statements of the KEL, as certified by Mr. H Mukundachar (Membership No: 213074), on behalf of Chandran & Raman, Chartered Accountants (Firm Registration No: 000571S) having office at 83, Gandhi Bazar, Basavangudi, Bangalore 560 004 Tel: 080 – 22425667, 22423285; Fax: 080 - 26604557; E-Mail: blr1@chandranraman.com.

The significant accounting policies of KEL are:

1. Fixed assets are capitalized at cost to the Company inclusive of development expenditure incurred on new clearings.
2. Investments are stated at cost inclusive of brokerage and stamp duty.
3. Demand/claims against the company which are not likely to materialize into actual liabilities are regarded as contingent liabilities.
4. Inventories
 - a. Stores and spare parts are valued at cost.
 - b. Stock of coffee for current and prior season is valued on the basis of estimated realizable values.
5. Gratuity payable to the eligible employees as at the date of the Balance Sheet is provided on Actuarial Valuation basis in the books.
6. Income and expenses are accounted on accrual basis.
7. Income from Coffee Crop for the season is accounted on the basis of the estimated/releasable amount from the private sales on the crop picked for the season. In regard to earlier year's crop, excess/shortfall against the respective estimate is accounted as income/loss in the year of actual sales.
8. Depreciation is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.
9. The Contingent Liabilities of the Company as on 31.03.2012 are:

Particulars	Amount (Rs.)
Claims against the company not acknowledged as debts: - Demand from Income Tax department for the Tax liability on sale of Shade Trees as Capital Gains (Pending with CIT, Appeals)	813894

- 5.11 There are no litigations pending for/against the company except the appeal in CIT, which has been stated above.
- 5.12 As per the information available with KEL, KEL and its Promoters have complied with the listing requirements of Stock Exchange and with the provisions of Chapter II of the erstwhile SEBI (SAST) Regulations 1997 and the SEBI (SAST) Regulations 2011. Further no penal action has been initiated against the Company as on date of this LoF.

5.13 Pre and Post Offer Shareholding of the Target Company as on date of this LoF is as follows:

Sr. No.	Shareholder Category	Shareholding & Voting Rights prior to the Agreement/Acquisition and Offer (A)		Shareholding & Voting Rights agreed to be acquired which triggered the Offer Regulations (B)		Shareholding & Voting Rights agreed to be acquired in the Offer (Assuming full acceptance) ©		Shareholding & Voting Rights after the acquisition and the Offer (A+B+C)	
		No.	%	No.	%	No.	%	No.	%
1	Promoter Group								
	a. Parties to the Agreement	47951	53.28	NA	NA	NA	NA	2051	2.28
	b. Promoters other than (a) above	32956	36.62	NA	NA	NA	NA	18649	20.72
	Total 1 (a+b)	80907	89.90	0	0.00%	0	0.00	20700	23.00
2	Acquirer								
	GECPL	0	0.00	45900	51.00	23400	26.00	69300	77.00
	Total 2	0	0	45900	51.00	23400	26.00	69300	77.00
3	Parties to the agreement other than 1 & 2	0	0.00	0	0	0	0	0	0

4	Public								
	a. FII/ MFs	0	0.00	0	0	0	0	0	0
	b. Others	9093	10.10	NA	NA	NA	NA	0	0.00
	Total 4 (a+b)	9093	10.10	NA	NA	NA	NA	0	0.00
	Grand Total (1+2+3+4)	90000	100.00					90000	100.00

5.14 The total number of shareholders as on date of this LoF is **193**.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 Direct Acquisition

- The shares of the company are listed on the Madras Stock Exchange. However there is no trading in the shares of the company for the past few years. The Madras Stock Exchange vide its letter dated 28.06.2012 has confirmed that there is no trading in the shares of the company from 31.03.2011 to 31.03.2012.
- Since the equity shares are not frequently traded, the Offer Price has been justified taking into account, the following parameters, as set out under Regulation 8 (2) of the SEBI (SAST) Regulations, 2011.

A	Highest Negotiated Price Per Share	Rs. 5200
B	Volume Weighted Average Price paid by Acquirer during the 52 weeks preceding the date of the PA	NA
C	Highest Price paid for any acquisition by the Acquirer in the 26 weeks preceding the date of the PA	NA
D	Volume Weighted Average Market Price for the shares of the target company during the period of 60 trading days preceding the date of the PA	NA
E	Highest Price paid for the Market Purchase of the transaction, which triggered the open offer	NIL
F	Other Financial Parameters Face Value Return on Net worth (%) Book Value Per share (Rs.) Earnings Per Share (Rs.)	Rs. 10/- -ve

- The **FAIR VALUE OF EQUITY SHARES OF KEL IS Rs. 4686.21** as Certified vide Valuation Certificate dated 29.06.2012 by Mr. H Mukundachar (Membership No: 213074), on behalf of Chandran & Raman, Chartered Accountants (Firm Registration No: 000571S) having office at 83, Gandhi Bazar, Basavangudi, Bangalore 560 004 Tel: 080 – 22425667, 22423285; Fax: 080 - 26604557; E-Mail: blr1@chandranraman.com.
 - The Offer price of Rs. 5200/- (Rupees Five Thousand and Two Hundred only) per equity share is the highest of the prices mentioned above.
- 6.1.2 In view of the parameters considered and presented in the table above and taking into account that the shares are not being traded in the Madras Stock Exchange, the Offer Price of Rs. 5200/- per equity share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011 in the opinion of the Acquirer and the Manager to the Offer.**
- 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 Open Offer Size, the Acquirer shall comply with the Regulation 18 of SEBI (SAST) Regulations, 2011 and all the other applicable provisions, which are required to be fulfilled.
 - The Acquirer is permitted to revise the Offer Price upward at any time up to 3 working days prior to the commencement of the tendering period. If there is any such upward revision in the Offer Price by the Acquirer or in case of withdrawal of Offer, the same would be informed by way of the Issue Opening Public Announcement in the same

newspapers where the original DPS has appeared. Such revision in the Offer Price would be payable by the Acquirer for all the shares validly tendered anytime during the Offer.

6.2 Financial Arrangements

- 6.2.1** The total funding requirement for the Offer (assuming full acceptance) i.e. for the acquisition of 23400 equity shares from the eligible shareholders of KEL at a price of Rs. 5200/- (Rupees Five Thousand and Two Hundred only) per equity share is Rs. **12,16,80,000/- (Twelve Crores Sixteen Lakhs Eighty Thousand only) ("The Maximum Consideration")**.
- 6.2.2** The Acquirer has deposited 3, 04, 20,000/- (Three Crores Four Lakhs Twenty Thousand only) in **Escrow Account No: 1182000100038701, Account title: Gonibedu-Kumergode Open Offer Share Escrow Account** held with the Escrow agent M/s. Karnataka Bank Ltd being 25% of the total consideration for the offer.
- 6.2.3** The Acquirer has authorized the Manager to the Offer to realize the value in the Escrow Account in terms of SEBI (SAST) Regulations, 2011.
- 6.2.4** The Acquirer has adequate financial resources and has made firm arrangements for financing the acquisition of the Equity Shares under the Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations 2011. The acquirer has obtained an interest free unsecured loan of Rs. 36 Crores from its holding company M/s. Chandrapore Estates Pvt. Ltd through an agreement dated 3.07.2012 for meeting its obligations. The rest of the consideration will be met through internal accruals.
- 6.2.5** Mr. A S Sundaresha (Membership No: 019728), on behalf of M/s. Sundaresha & Co, Chartered Accountants (Firm Registration No: 004223S), "Professional Court", 1st Floor, No. 27/7, 15th Cross, 3rd Block, Jayanagar, Bangalore 560 011; Phone: 080 -26630644; Fax No: 080 – 26647186; E-Mail:sundareshandco@gmail.com, vide his letter dated 05.07.2012 has certified that the Acquirer has sufficient resources to meet the funding requirements pertaining to the takeover of the Target Company.
- 6.2.6** **Based on the above arrangements, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to fulfill the Acquirer's obligations through verifiable means in relation to the Offer in accordance with the SEBI (SAST) Regulations, 2011.**

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational Terms and Conditions

- 7.1.1** This offer is not subject to any minimum level of acceptances from shareholders.
- 7.1.2** LoF will be dispatched to all the equity shareholders of KEL, whose names appear in its Registrar of Members on 24.08.2012, Friday, the Identified Date.
- 7.1.3** The Offer is subject to the terms and conditions set out in this Letter of Offer, the Form of Acceptance cum Acknowledgement, the PA, the DPS and any other Public Announcement(s) that may be issued with respect to the Offer.
- 7.1.4** The LoF along with the Form of Acceptance cum Acknowledgement would also be available at the SEBI's website www.sebi.gov.in, and the website of the Manager to the Offer – Indbank Merchant Banking Services Ltd. www.indbankonline.com and shareholders can also apply by downloading such forms from the website.
- 7.1.5** This Offer is subject to the receipt of the statutory and other approvals as mentioned in paragraph 7.4 of this LoF. In terms of Regulation 23 (1) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- 7.1.6** Accidental omission to dispatch this LoF to any member entitled to this Open offer or non-receipt of this Letter of Offer by any member entitled to this Open offer shall not invalidate the Open offer in any manner whatsoever.
- 7.1.7** The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance cum Acknowledgement and sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- 7.1.8** Any equity share that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from any other statutory authorities wherein the shareholders may be precluded from transferring the equity shares during

the pendency of the said litigation are liable to be rejected if directions/orders regarding these equity shares are not received together with the equity shares tendered under the Offer.

7.2 Locked in Shares : There are no locked in shares in the Target Company.

7.3 Persons eligible to Participate in the Offer

Registered Shareholders of KEL and unregistered shareholders who own the Equity Shares of KEL any time prior to the Closure of the Offer, including beneficial owners of the shares held in dematerialized form, except the parties to the SPA dated 19.07.2012 are eligible to participate in the Offer.

7.4 Statutory and Other Approvals

- 7.4.1 As on date of this LoF, no statutory approvals are required for the Acquirer to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.
- 7.4.2 Barring unforeseen circumstances beyond its control, the Acquirer would endeavor to obtain all such approvals referred in clause 7.4.1 above and complete all procedures relating to the Offer within 10 days of the expiry of the tendering period. In terms of Regulation 18(11) of the Regulations, in case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to, the Acquirer agreeing to pay interest to the Shareholders for delay beyond 15 days from the date of the Open offer. In case the Acquirer fails to obtain requisite statutory approvals in time, on account of any willful default or neglect or inaction on non-action, then action will be initiated by SEBI.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1 The below mentioned collection center would be accepting the documents by Hand Delivery/Registered Post/Courier, both in case of shares in physical and dematerialized form:

Name and Address of the Collection Center	Working days and Timings	Mode of Delivery
Integrated Enterprises (India) Limited 30 Ramana Residency, 4 th Cross, Sampige Road, Malleshwaram, Bangalore 560 003 Phone: 080-23460815 E-Mail: vijayagopal@integratedindia.in Contact Person: Mr. Vijayagopal	Monday to Friday between 10.00 am to 5.00 pm. Saturday between 10.00 to 1.00 pm.	Registered Post Courier Hand Delivery

- 8.2 Shareholders who hold equity shares of the Target Company in physical form and wish to tender their equity shares pursuant to the Offer will be required to submit the duly completed Form of Acceptance cum Acknowledgement, Original Share Certificate(s), Valid Transfer Deed(s) duly signed and witnessed and other documents as may be specified in the LoF, to the Registrar to the Offer either by Registered Post/Courier, at their own risk or by hand delivery so as to reach on or before the date of closing of the business hours on the date of the closure of the Offer i.e. **26.09.2012, Wednesday**.
- 8.3 The Acquirer, **GCEPL** has opened a special depository account titled **“Gonibedu – Kumergode – Open Offer Escrow A/c”** with the Share Escrow Agent, M/s. Way2Wealth Brokers Private Limited, Frontline Grandeur, Ground Floor, No. 14 Walton Road, Bangalore 560 001, **Account No: 10521176** for receiving the equity shares tendered during the offer from eligible shareholders who hold equity shares in demat form.
- 8.4 The shareholders holding equity shares in dematerialized form, will be required to send their Form of Acceptance cum Acknowledgement and other documents as may be specified in the LoF to the Registrar to the Offer either by Registered Post/Courier or by hand delivery so as to reach on or before the date of closing business hours on the date of closure of the Offer i.e. 26.09.2012, Wednesday along with a photocopy of the delivery

instructions in **“Off Market”** mode or Counterfoil of the Delivery instructions in **“Off Market”** mode, duly acknowledged by the Depository Participant (**“DP”**) in favour of **“Gonibedu – Kumergode – Open Offer Share Escrow A/c”** (**“Depository Escrow Account”**) filed as per the instructions given below:

DP NAME	Way2wealth Brokers Private Limited
DP ID	IN303077
CLIENT ID	10521176
DEPOSITORY	NSDL

- 8.5 The shares and other relevant documents should sent only to the Registrar to the Offer i.e. M/s. Integrated Enterprises (India) Limited. The documents should not be sent to the Acquirer, Target Company or the Manager to the Offer.
- 8.6 In case of (a) shareholders who have not received the LoF, (b) unregistered shareholders, (c) owner of the shares who have sent the shares to the Target Company or for transfer, may send their consent to the Registrars to the Offer on plain paper, stating the name, the addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate/original letter of allotment and valid share transfer deeds (one per folio), duly signed by such shareholders (in case of joint holdings the same order as per the specimen signatures lodged with KEL) and witnessed (if possible) by the notary public or a bank manager or the member of the stock exchange with membership number, as the case may be, shall need to be provided so as to reach the Registrar to the Offer on or before the date of closing of the business hours on the date of closure of the Offer i.e. 26.09.2012, Wednesday. Such shareholders can also obtain the LoF from the Registrar to the Open Offer by giving an application in writing to that effect.
- 8.7 In case of shareholders who have not received the LoF and holding equity shares in the dematerialized form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of equity shares offered along with a photocopy of the original delivery instructions in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the Depository Participant as specified in Para 8.4. above, so as to reach the Registrar to the Offer on or before the date of closing of the business hours on the date of closure of the Offer i.e. 26.09.2012, Wednesday. Such equity shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.
- 8.8 Shareholders who have sent their equity shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Depository Escrow Account should be received on or before the date of closing of the business hours on the date of closure of the Offer i.e. 26.09.2012, Wednesday, else the application would be rejected.
- 8.9 No indemnity is needed from unregistered shareholders.
- 8.10 Where the number of equity shares offered for sale by the shareholders are more than the equity shares agreed to be acquired by the Acquirer, the Acquirer will accept the offers received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of KEL is **1 (ONE) Equity Share**.
- 8.11 In case of a delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

- 8.12 The consideration for the shareholders whose shares have been accepted will be paid by crossed account payee cheques/demand drafts/Electronic Clearance Service (ECS) where applicable including RTGS/NEFT. Such payments through account payee cheques/demand drafts will be sent by registered post, at the shareholders registered/unregistered owners sole risk to the sole/first shareholder/unregistered owners address.
- 8.13 Unaccepted share certificate(s) , transfer deed(s) and other documents, if any, will be returned by registered post, at the shareholders' registered / unregistered owners' sole risk to the sole/ first shareholder/ unregistered owner. Equity shares held in dematerialized form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective DPs when transferred by the Registrar to the Offer.
- 8.14 The Registrars to the Offer will hold in trust the equity shares and share certificate(s), equity shares lying in credit of the Special Depository Account, Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of Target Company who have accepted the Offer, until the cheques/ drafts for the consideration and/ or the unaccepted equity shares/ share certificates are dispatched/ returned.

9. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the Registered Office of **GCEPL- the Acquirer situated at 23/2, 6th Floor, Vittal Mallya Road, Bangalore 560 001; Phone No.: 080-40012345; Fax No: 080 – 40012650; E-Mail: sadananda0108@gmail.com, on all working days (except Saturdays and Sundays) between 10.00AM to 5.00PM.** The documents are available for inspection for the period from the date of this Letter of Offer till the date of expiry of the tendering period.

- 9.1 Certificate of Incorporation, Memorandum and Articles of Association of GCEPL –the Acquirer.
- 9.2 Audited Annual Reports of GCEPL (the Acquirer) and KEL (the Target Company) for the financial years 2011-12, 2010-11, 2009-10.
- 9.3 Copy of Valuation Certificate dated 29.06.2012 certifying the Fair Value of Shares of the Target Company by Mr. H Mukundachar (Membership No: 213074), on behalf of Chandran & Raman, Chartered Accountants (Firm Registration No: 000571S).
- 9.4 Copy of Certificate dated 05.07.2012 certifying the adequacy of the fund to meet the funding requirements of the Open Offer by the Acquirer and the Net worth of the Acquirer issued by Mr. A S Sundaresha (Membership No: 019728), on behalf of M/s. Sundaresha & Co, Chartered Accountants (Firm Registration No: 004223S).
- 9.5 Escrow Bank Account letter
- 9.6 A copy of the Public Announcement, published copy of the Detailed Public Statement, issue opening PA made by the Acquirer
- 9.7 A copy of the recommendation made by the Committee of the Independent Directors.
- 9.8 Copy of the Share Purchase Agreement dated 19.07.2012
- 9.9 Copy of the unsecured loan agreement entered into between GCEPL and Chandrapore Estates Pvt. Ltd.
- 9.10 Copy of the Agreement dated 17.07.2012 between the Acquirer and Manager to the Offer.
- 9.11 Copy of the Agreement dated 17.07.2012 between the Acquirer and the Registrar to the Offer.
- 9.12 Copy of the Resolution passed by the Board of Directors of GCEPL dated 25th May 2012, authorizing the offer.
- 9.13 Copy of the Due Diligence Certificate dated 25.07.2012 submitted by the Manager to the Offer – IBMBS to SEBI.
- 9.14 SEBI Observation letter ***** dated *****

10. DECLARATION BY THE ACQUIRER

The Acquirer (GCEPL) accepts full responsibility for the information contained in this LoF and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations, 2011 and subsequent amendments made thereof. The Acquirer would be responsible for ensuring compliance with the concerned Regulations.

For GONIBEDU COFFEE ESTATES PRIVATE LIMITED

Authorised Signatory

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

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this Form of Acceptance with enclosures to the Registrar to the Offer)

OFFER OPENS ON	10.09.2012, Monday
OFFER CLOSSES ON	26.09.2012, Wednesday
PLEASE READ THE INSTRUCTIONS OVERLEAF BEFORE FILLING-IN THIS FORM OF ACCEPTANCE	

FOR OFFICE USE ONLY	
Acceptance Number	
Number of Equity Shares Offered	
Number of Equity Shares Accepted	
Purchase Consideration (Rs.)	
Cheque/Demand Draft/Pay Order No. /Direct Credit Ref. No.	

From

TelNo:

Fax No:

E-Mail:

To,
Gonibedu Coffee Estates Private Ltd.
C/o. Integrated Enterprises (India) Ltd.
30, Ramana Residency, 4th Cross, Sampige Road,
Malleshwaram, Bangalore – 560 003.

Dear Sir/Madam

REG: OPEN OFFER TO THE SHAREHOLDERS OF M/S. KUMERGODE ESTATES LIMITED (KEL - Target Company) BY M/S. GONIBEDU COFFEE ESTATES PRIVATE LIMITED (Acquirer) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011.

I/We, refer to the Letter of Offer dated _____ for acquiring the equity shares held by me/us in **M/s. Kumergode Estates Limited**.

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

I/We, unconditionally Offer to sell to the Acquirer the following equity shares of Kumergode Estates Ltd, held by me/us at a price of Rs. 5200/- (Rupees Five Thousand Two Hundred only) per fully paid-up equity share.

For Shares in Physical Form

1. I/We enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my/our equity shares as detailed below (please enclose additional sheet(s), if required)

Ledger Folio No:		Number of share certificates attached:		representing	
equity shares					
Number of equity shared held in KEL			Number of equity shares Offered		
In Figures		In Words	In Figures		In Words

Sl. No.	Share Certificate No.	Distinctive Nos.		No. of Equity shares
		From	To	
1.				
2.				
3.				
Total No. of Equity Shares				

For Shares in Demat Form

2. I/We holding equity shares in the dematerialized form, accept the Offer and enclose the photo copy of the Delivery Instruction in "Off Market" mode, duly acknowledged by the Depository Participant (DP) in respect of my shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Equity shares
1.				
2.				
3.				
Total No. of Equity Shares				

DP Name	
DP ID	
Client ID	
Depository	
Depository Escrow Account	

3. I / We confirm that the Equity Shares of KEL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
4. I / We authorize the Acquirer to accept the Equity Shares so offered or such lesser number of equity shares that the Acquirer may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorize the Acquirer to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
5. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I / We agree that the Acquirer may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.

6. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be.
7. I/We note and understand that the Shares would held in trust by the Registrar until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
8. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
9. I / We irrevocably authorize the Acquirer to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with KEL:

Name	
Complete Address of the Sole/First Holder (in case of member(s) address as registered with KEL.	
Telephone No:	
E-Mail ID:	
Place & Date:	

TO AVOID FRADULENT ENCASHMENT IN TRANSIT, THE SHAREHOLDER(S) HAVE AN OPTION TO RECEIVE THE SALE CONSIDERATION THROUGH RTGS/ECS MODE AND ARE REQUESTED TO KINDLY PROVIDE THE FOLLOWING INFORMATION COMPULSORILY TO RECEIVE PAYMENT THROUGH RTGS/ECGS

Bank Account Number	
Type of Account - Savings/Current/Others (please specify)	
Name of the Bank	
Name of the Branch and Address	
MICR Code of the Bank	
IFSC Code of the Bank	

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

	1 st Shareholder	2 nd Shareholder	3 rd Shareholder
PAN / GIR Number			

Yours Faithfully,
Signed and Delivered

	FULL NAME(S) OF THE SHAREHOLDER	SIGNATURE(S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

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

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.
2. The Form of Acceptance should be filled up in English only.
3. Signature(s) other than in English, Hindi and thumb impressions must be attested by a Notary Public under his Official Seal.
4. **Mode of Tendering Equity Shares Pursuant to the Offer**
 - a. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Acquirer – Gonibedu Coffee Estates Private Ltd.
 - b. Shareholders of KEL to whom this Offer is being made, are free to Offer his/her shareholding in KEL for sale to the Acquirer, in whole or part, while tendering his/her/their equity shares to the Offer.

ACKNOWLEDGEMENT SLIP

SHARES IN PHYSICAL FORM

OPEN OFFER TO THE SHAREHOLDERS OF M/S. KUMERGODE ESTATES LIMITED (KEL - Target Company) BY M/S. GONIBEDU COFFEE ESTATES PRIVATE LIMITED (Acquirer) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011.

Received from Mr./Ms. _____

Ledger Folio No. _____ Number of Certificates enclosed _____ under the Letter of Offer dated _____, Form of Acceptance, Transfer Deed(s) and Original Share Certificate(s) as detailed hereunder:

Sl. No.	Share Certificate No.	Distinctive Nos.		No. of Equity shares
		From	To	
1.				
2.				
3.				
Total No. of Equity Shares				

Authorized Signatory

Date:

Stamp:

Note: All future correspondence should be addressed to **Registrar to the Offer:**

INTEGRATED ENTERPRISES (INDIA) LIMITED

30, Ramana Residency, 4th Cross, Sampige Road,
Malleshwaram, Bangalore – 560 003.

Phone : 080-23460815. Fax No: 080 - 23460819

E-mail- vijayagopal@integratedindia.in

Contact Person : Mr. Vijaygopal

SEBI Registration No: INR000000544

ACKNOWLEDGEMENT SLIP

SHARES IN DEMAT FORM

OPEN OFFER TO THE SHAREHOLDERS OF M/S. KUMERGODE ESTATES LIMITED (KEL - Target Company) BY M/S. GONIBEDU COFFEE ESTATES PRIVATE LIMITED (Acquirer) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011.

Received from Mr./Ms. _____

I / We, holding equity shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Equity shares
1.				
2.				
3.				
Total No. of Equity Shares				

DP Name	
DP ID	
Client ID	
Depository	
Depository Escrow Account	

Authorized Signatory

Date:

Stamp:

Note: All future correspondence should be addressed to **Registrar to the Offer:**

INTEGRATED ENTERPRISES (INDIA) LIMITED

30, Ramana Residency, 4th Cross, Sampige Road,
Malleshwaram, Bangalore – 560 003.

Phone : 080-23460815. Fax No: 080 - 23460819

E-mail- vijayagopal@integratedindia.in

Contact Person : Mr. Vijaygopal

SEBI Registration No: INR000000544