# LETTER OF OFFER

**Note: This document is important and requires your immediate attention.**

This Letter of Offer is being sent to you as an existing shareholder of **Yash Trading and Finance Limited** ('YTFL'). If you require any clarifications about the action to be taken, you should consult your Stockbroker or your Investment Consultant, or the Registrar to the Offer. In case you have sold your shares in YTFL, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deeds to the Member of the Stock Exchange (as defined) through whom the sale was affected.

## PRADEEP KUMAR SETHY ('the Acquirer')

Residing at: D-2, 4th Floor, Bishnupriya Apartment, Jayadev Vihar, IRC Village Road,
Bhubaneswar, Odisha – 751 012; Tel No: +91 22 674 2531 231.

## MAKES CASH OFFER AT AN OFFER PRICE OF ₹ 157 PER FULLY PAID UP EQUITY SHARE TO ACQUIRE

49,000 equity shares of face value of ₹ 10/- each representing 20% of the paid up share Capital from the existing shareholders

OF

## YASH TRADING AND FINANCE LIMITED ('the Target Company')

Having its registered office at: Bagri Niwas, 53/55, N.M. Path, Mumbai 400 002.

Corporate office: 1207/A, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001.
Tel No: +91 22 2272 2448-50; Fax No: +91 22 2272 2451
Email: yashtradingandfinancelimited@gmail.com; Website: www.yashtradingfinance.com

The Offer is being made pursuant to the provisions of Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

**The Offer is not a conditional offer.**

As on the date of this Offer the Offer is not subject to any statutory and regulatory approvals, however it will be subject to statutory approvals that may become applicable prior to completion of the offer.

Regulation 26 of SEBI (SAST) Regulations, 1997 provides for an upward revision of the Offer Price / Offer Size at anytime, up to seven working days prior to the date of the closure of the Offer i.e. December 23, 2011. In case of a revision in the Offer Price / Offer size, the Public Announcement for revision will be made in the same newspaper in which the original Public Announcement had appeared. In case of a revision in Offer Price, the same price shall be paid by Acquirer for all the shares tendered anytime during the period the Offer is open and accepted under the Offer.

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public announcement/Letter of offer, can withdraw the same upto three working days prior to the date of the closure of the offer i.e. upto December 28, 2011.

"If there is a competitive bid: (i) The public offer under all the subsisting bids shall close on the same date. (ii) As the offer price cannot be revised during 7 working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly."

**There has been no competitive bid as on the date of this Letter of Offer.**

**THE PROCEDURE FOR ACCEPTANCE IS SET OUT IN PARAGRAPH 9.A. FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT, FORM OF WITHDRAWAL AND TRANSFER DEED(S) ARE ENCLOSED WITH THIS LETTER OF OFFER. A COPY OF PUBLIC ANNOUNCEMENT AND THIS LETTER OF OFFER (INCLUDING FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL) IS ALSO AVAILABLE ON SEBI'S WEBSITE AT www.sebi.gov.in**

| MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
|---|---|
| Indbank Merchant Banking Services Ltd (A Subsidiary of Indian Bank) | BSS |
| **Indbank Merchant Banking Services Limited**<br>11, Varma Chambers, Homji Street,<br>Fort, Mumbai – 400 001.<br>**Tel No:** +91 - 22 - 2263 4601<br>**Fax No:** +91 - 22 - 2265 8270<br>**Website:** www.indbankonline.com<br>**Email:** mumbai@indbankonline.com<br>**Contact Person:** Kishore Iyer<br>**SEBI Registration No:** INM000001394 | **Bigshare Services Private Limited**<br>E-2, Ansa Industrial Estate,Saki Vihar Road, Saki Naka,<br>Andheri (East), Mumbai – 400 072.<br>**Tel No:** +91 - 22 - 4043 0200<br>**Fax No:** +91 - 22 - 2847 5207<br>**Website:** www.bigshareonline.com<br>**Email:** openoffer@bigshareonline.com<br>**Contact Person:** Ashok Shetty<br>**SEBI Registration No:** INR000001385 |
| **Offer Opens:** Wednesday, December 14, 2011 | **Offer Closes:** Monday, January 02, 2012 |

## OFFER SCHEDULE

| Activity | Original Schedule | Revised Schedule |
|---|---|---|
| Date of Public Announcement | Monday, 18-Jul-11 | Monday, 18-Jul-11 |
| * Specified Date (for the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent) | Friday, 29-Jul-11 | Friday, 29-Jul-11 |
| Last date for a competitive bid, if any | Monday, 08-Aug-11 | Monday, 08-Aug-11 |
| Date by which Letter of Offer will be posted to shareholders | Thursday, 01-Sept-11 | Saturday, 10-Dec-11 |
| Date of opening of the Offer | Friday, 09-Sep-11 | Wednesday, 14-Dec-11 |
| Last date for Revising the Offer Price / Number of Shares | Monday, 19-Sep-11 | Friday, 23-Dec-11 |
| Last date for Withdrawing acceptances tendered by shareholders | Friday, 23-Sep-11 | Wednesday, 28-Dec-11 |
| Date of closing of the Offer | Wednesday, 28-Sep-11 | Monday, 02-Jan-12 |
| Date of communicating acceptance/ rejection and payment of consideration for accepted shares / dispatch of the share certificate in case of rejection. | Wednesday, 12-Oct-11 | Monday, 16-Jan-12 |

**** "Specified Date" is only for the purpose of determining the Shareholders as on such date to whom the letter of offer would be mailed. It is clarified that all owners (registered or unregistered) of the Shares of the Target Company (except the Acquirers, sellers and parties to the SPA) are eligible to participate in the Offer anytime before the closing of the Offer.***

***Note:*** *Duly Signed Application and Transfer Deed(s) together with share certificate(s) should be dispatched by Registered Post / Courier or hand delivered to the Registrar to the Offer at above address to arrive not later than 4.00 p.m. on January 02, 2012.*

**RISK FACTORS**

**Risk Factors relating to the Proposed Offer**

1) In the event of any litigation leading to stay on the Offer, or SEBI instructing that the Offer should not be proceeded with, thus the Offer process may be delayed beyond the Offer Schedule indicated in this Letter of Offer.

2) The Acquirer makes no assurance with respect to the market price of the shares during/ after the Offer. Further, the tendered shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the shares of YTFL.

3) 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 as per the provisions of Regulation 21(6) of the SEBI (SAST) Regulations on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company's share is 1 (One) share.

4) If the Acquirer is unable to make the payment to the shareholders who have accepted the Offer within 15 days of the date of closure of the Offer, then SEBI may, if satisfied that the delay in making the payment was not due to any willful default or neglect of the Acquirer, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time. Further, shareholders should note that after the last date for

Withdrawing acceptances, the shareholders who have lodged the shares will not be able to withdraw them 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 tendered shares and payment of consideration is completed.

**Risk Factors relating to the transaction**

1) The Offer is subject to completion risks as would be applicable to similar transactions.

**Risks involved in associating with the Acquirer**

1) The Offer to the shareholders of YTFL is for acquisition of control and management, and it is made in accordance with Regulation 10 and 12 of the SEBI (SAST) Regulations. Post this offer the Acquirer will have significant ownership of shares of YTFL and control over it. Further, there is no assurance with respect to the continuation of the past trend in the financial performance of YTFL.

**INDEX**



Attached:

- Form of Acceptance-cum-Acknowledgement
- Form of Withdrawal
- Transfer Deed(s) (for shareholders holding shares in Physical mode)

## DEFINITIONS

The following definitions apply through this document, unless the context requires otherwise:

| Term | Definition |
|---|---|
| Acquirer | Pradeep Kumar Sethy |
| Company, Target Company or YTFL | Yash Trading and Finance Limited |
| BSE | Bombay Stock Exchange Limited |
| FEMA | Foreign Exchange Management Act, 1999 |
| Manager or Manager to the Offer | Indbank Merchant Banking Services Limited |
| Offer | The offer being made by the Acquirer to shareholders of YTFL as set out in this Letter of Offer |
| Offer Document | This Letter of Offer |
| Offer Price | ₹ 157 (Rupees One Hundred Fifty Seven only) per fully paid up equity share |
| Person(s) eligible to participate in the Offer | All owners (registered or unregistered) of Shares of Target Company (other than the Acquirers/Sellers/Parties to the SPA) anytime before the closure of the Offer |
| Public Announcement or PA | Announcement of the Offer made on July 18, 2011 |
| RBI | The Reserve Bank of India |
| SEBI | Securities & Exchange Board of India |
| SEBI (SAST) Regulations | Securities & Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto |
| Existing Promoters | Uttam Bharat Bagri jointly with Bharat Bagri |
| Stock Exchanges | Unless otherwise mentioned, refers to the Bombay Stock Exchange Limited |

## 1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF **YASH TRADING AND FINANCE LIMITED** TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF **PRADEEP KUMAR SETHY, ('THE ACQUIRER')** OR **YASH TRADING AND FINANCE LIMITED ('THE TARGET COMPANY')**, WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE 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 JULY 22, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER."

## 2. DETAILS OF THE OFFER

### 2.1 Background of the Offer

a) The Acquirer has entered into a Share Purchase Agreement (hereinafter referred to as **"SPA"** or **"the Agreement"**) dated July 15, 2011, with Uttam Bharat Bagri and Bharat Bagri (herein after referred to as **"Sellers"**), to acquire 1,71,500 fully paid up shares of ₹ 10/- (Rupees Ten only) each representing 70.00% of paid up equity capital of Yash Trading and Finance Limited (hereinafter referred to as the **"Target Company"** as defined in Regulation 2(1) (o) of the SEBI (SAST) Regulations, 1997 or **"YTFL"**) at a price of ₹ 156.42 (Rupees One Hundred Fifty Six and Paise Forty Two only) per share (hereinafter referred to as the "**Negotiated Price"**). The Acquirer proposes to be a majority and substantial shareholder and take over the management control of YTFL.

b) The salient features of the Agreement are as under:

- o Upon completion of the offer, Existing Promoter will cease to be a part of Promoter Group and any shares held by them will be reclassified under Public category. The Acquirer will be termed as "Promoter" after completion of this transaction.
- o There is no non-compete fees payable under the Agreement.
- o The acquisition of shares under SPA and change of control of target Company will be subject to compliance of SEBI (SAST) Regulations; i.e. the transaction shall be termed completed on receipt of a certificate from Indbank Merchant Banking Services Limited, the Merchant Bankers of the Acquirer, under Regulation 23(6) of the Takeover Code certifying fulfillment of all obligations by the Acquirer for the Public Offer under the Takeover Code. The Acquirer shall exercise voting rights on the 1,71,500 equity shares, only after receiving the above certificate.

c) The Acquirer has acquired 1,71,500 equity shares ("Sale Shares") of the Target Company representing 70.00% of total paid up equity share capital of YTFL in terms of the SPA which resulted into the triggering of SEBI (SAST) Regulations. The Sale shares have been acquired by the Acquirer in open market on the BSE.

d) Pursuant to the signing of SPA and acquisition of sale shares, the Acquirer is making this offer under Regulations 10 & 12 of the SEBI (SAST) Regulations, to the Public Shareholders of YTFL to acquire 20% (or 49,000 equity shares) of the paid up Capital at a price of ₹ 157 (Rupees One Hundred Fifty Seven only) per fully paid up Share ("Offer Price") payable in cash ("Offer"). The Acquirer proposes to be a majority and substantial shareholder and take over the management control of YTFL. Equity shares that would be tendered in the valid form in terms of this Offer will be transferred in favour of the Acquirer upon completion of the Open Offer formalities.

| **Seller (Uttam Bagri jointly with Bharat Bagri)**<br><br>Address: Bagri Niwas,<br>53/55 N.M. Path, Mumbai 400 002.<br><br>Tel No: +91 22 2272 2448-50<br>Fax No: +91 22 2272 2451 | | **Acquirer (Pradeep Kumar Sethy)**<br><br>Address: D-2, 4th Floor, Bishnupriya Apartment, Jayadev Vihar,<br>IRC Village Road, Bhubaneswar, Odisha – 751 012.<br><br>Telefax No: +91 674 6570 321/2531 231 | | | |
|---|---|---|---|---|---|
| **Shares held prior to SPA** | **Shares post open offer** | **Shares held prior to SPA** | **Shares Acquired through the SPA** | **Shares proposed to be Acquired through the Open Offer** | **Shares held after the open offer*** |
| 1,83,000<br>(74.69%) | 11,400<br>(4.65%) | -- | 1,71,500<br>(70.00) | 49,000<br>(20.00) | 2,20,500<br>(90.00) |

** assuming that the entire 49,000 shares are tendered in the open offer by other shareholders, eligible to tender their shares*

e) The Acquirer will not exercise voting rights on the said shares until all the Offer formalities are completed. The Acquirer through his letter dated October 25, 2011, has undertaken that he shall exercise voting rights on the 1,71,500 equity shares of the Target Company referred to in the Share Purchase Agreement dated July 15, 2011, only after receiving a certificate from Indbank Merchant Banking Services Limited, the Manager to the Offer, in terms of Regulation 23(6), that all obligations for the Public Offer under the SEBI (SAST) Regulations, 1997, have been fulfilled by him.

The Acquirer has not received any corporate benefits from the date of Share Purchase Agreement (i.e. July 15, 2011) till date, on the Equity Shares acquired under the Share Purchase Agreement. Corporate benefits for the 1,71,500 Equity Shares of the Target Company will accrue to the Acquirer, only after receipt of certificate from the Manager to the Offer, as mentioned in above

The Registrar and Share Transfer agent of the Target Company have also confirmed *vide* their letter dated November 09, 2011, that no corporate benefits have accrued to the Acquirer since July 15, 2011, the date of the SPA, and further no corporate benefits shall accrue to the Acquirer till they receive a copy of the certificate from Indbank Merchant Banking Services Limited, the Manager to the Offer, in terms of Regulation 23(6), that all obligations for the Public Offer under the SEBI (SAST) Regulations, 1997, have been fulfilled by the Acquirer.

f) As on the date of the PA and this Letter of Offer, the Acquirer does not hold any shares of the Target Company, except the 1,71,500 Sale Shares acquired as mentioned above, representing 70.00% of paid up equity capital of the Target Company.

g) Pradeep Kumar Sethy is the sole Acquirer for this Open Offer. There are no other persons acting in concert with the Acquirer for the purpose of this Offer.

h) Neither the Acquirer nor the Target Company have been prohibited by SEBI from dealing in securities in terms of direction issued u/s 11B of SEBI Act or under any other regulation.

i) As on the date the PA and this Letter of Offer, there are no representatives of the Acquirer on the Board of the Target Company.

j) Indbank Merchant Banking Services Limited, the Manager to the Offer, has undertaken that it shall not deal in the shares of the Target Company during the period commencing from the date of their his appointment in terms of regulation 13 till the expiry of the fifteen days from the date of closure of the offer.

**2.2 Details of the Proposed Offer**

a) The Public Announcement dated July 17, 2011 was made in the following newspapers on July 18, 2011, in accordance with Regulation 15 of the SEBI (SAST) Regulations.

| **Publications** | **Edition** |
|---|---|
| Financial Express (English) | All Editions |
| Jansatta (Hindi) | All Editions |
| Nav Shakti (Marathi) | Mumbai Edition, place where the Registered Office of the Target Company is situated as well as the stock exchange where the shares of YTFL are listed and traded |

A copy of the PA is also available on the SEBI's website at www.sebi.gov.in

b) Pursuant to Regulations 10 and 12 of the SEBI (SAST) Regulations, the Acquirer is making an Open Offer to the Public Shareholders of YTFL to acquire 20% (or 49,000 equity shares) of the equity Capital at a price of ₹ 157 (Rupees One Hundred Fifty Seven only) per share payable in cash ("Offer") subject to the terms and conditions mentioned herein. Equity shares that would be tendered in the valid form in terms of this Offer will be transferred in favour of the Acquirer upon completion of the Open Offer formalities.

c) There are no partly paid up shares in the Target Company.

d) Acquirer has not acquired either directly or through any person, any equity shares in the Target Company during the twelve months preceding the date of the PA except the shares referred to in para 2.1(a) above. The Acquirer has not acquired any equity shares during the 26 week period prior to the date of the Public Announcement by way of (a) allotment in public issue or (b) allotment in rights issue or (c) preferential allotment. Further the Acquirer has not acquired either directly or through any other person, any shares of YTFL after the date of Public Announcement.

e) The equity shares of YTFL are to be acquired, pursuant to the Offer, free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividend or other distributions hereinafter declared, made or paid.

f) The Offer is not conditional on any minimum level of acceptances and the Acquirer will be obliged to acquire all the equity shares tendered in response to the Offer, subject to a maximum of 49,000 equity shares that are tendered in the valid form in terms of this Offer subject to the terms and conditions mentioned in the PA and this Letter of Offer ("LOF") to be mailed to the shareholders of YTFL.

g) Indbank Merchant Banking Services Limited, the Manager to the Offer, does not hold any shares of YTFL as on the date of the Public Announcement and this Letter of Offer.

h) There has not been any competitive bid as on date.

i) The Offer is made to all the shareholders of YTFL except the Acquirer, Seller and parties to the SPA.

**2.3 Objects of the Acquisition /Offer**

a. The Acquirer having acquired 1,71,500 equity shares representing 70.00% of the paid-up equity capital, intends to comply with the SEBI (SAST) Regulations, 1997, by completing the Open Offer formalities.

b. The Offer to the Public shareholders of YTFL is for acquiring 20% of the total paid up capital. After the proposed Offer, the Acquirer will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

c. This Offer of 20% of the paid up Capital i.e. 49,000 shares of YTFL is made in terms of Regulations 10 and 12 of the SEBI (SAST) Regulations.

d. Pursuant to substantial acquisition, the Acquirer will be in control and management of the Target Company. The Acquirer does not currently have any plans to dispose of or otherwise encumber any assets of YTFL in the two years from the date of the closure of this Offer. The Acquirer hereby undertakes not to sell, dispose of or otherwise encumber any substantial asset of YTFL, except with the prior approval of the shareholders of YTFL.

e. The Acquirer propose to reconstitute the board of directors of the Target Company upon completion of Open Offer formalities and the Acquirer or its authorized representatives, who will be in control of the management of the Target Company, will take decisions regarding the future course of the Target Company.

f. The Acquirer intends to pursue his group's long term strategy to carry on his business in an organized and structured manner through a listed company. Currently the acquirer has business interests in his group companies, which carry on the business of consultancy, real estate, restaurant, entertainment and foodmart, infrastructure development etc. the acquirer intends to carry on all or some of these business activities through YTFL. This will ensure significant long term value creation for YTFL and its stakeholders.

**3. BACKGROUND OF PRADEEP KUMAR SETHY (THE ACQUIRER)**

a. Pradeep Kumar Sethy, aged 34, is a resident of D-2, 4th Floor, Bishnupriya Apartment, Jayadev Vihar, IRC Village Road, Bhubaneswar, Odisha – 751 012; Telefax No: +91 674 6570 321/2531 231. He is a Science graduate (B.Sc) from Berhampur University and has done his Business Management from The Indian Institute of Planning & Management, New Delhi.

b. He has an overall experience of more than 15 years in Insurance & Finance sector. He is the promoter of Artha Tatwa group of companies which includes 1) Artha Tatwa Consultancy Private Limited 2) Artha Tatwa Shares & Stocks Private Limited 3) Artha Tatwa Enterprises Private Limited 4) Artha Tatwa Infra India Limited 5) Systematix Developers & Builders Private Limited 6) Artha

Tatwa Ventures Private Limited and 7) Artha Tatwa Foodmart Private Limited. He is on the Board of Directors of all the above companies, expect for Artha Tatwa Consultancy Private Limited.

None of the above companies promoted by Pradeep Kumar Sethy are listed on any stock exchanges in India and abroad. Pradeep Kumar Sethy is neither a Director and nor does he have a controlling stake in any other listed entity in India and abroad.

c. The Net Worth of Pradeep Kumar Sethy as on October 29, 2011, is ₹ 2,79,69,793.97 (Rupees Two Crores Seventy Nine Lacs Sixty Nine Thousand Seven Hundred Ninety Seven and Paise Ninety Seven only). The same is certified by M/s. Guttu & Associates, Chartered Accountants, through its proprietor Mr. M K Agarwalla (Membership No. 62678), Address: 28-A, Station Square, 1st Floor, Unit – III, Kharvel Nagar, Bhubaneshwar – 751 001 Tel No: +91 674 2536333, Email: agarwalonline@rediffmail.com, *vide* their certificate dated October 30, 2011.

d. The Acquirer has complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations.

e. As on date, neither the Acquirer nor any of its representatives are on the Board of the Target Company.

f. There are no pending litigations against Pradeep Kumar Sethy.

a) Information in respect of companies promoted by the Acquirer are as under:

Name of Company : **Artha Tatwa Consultancy Private Limited**
Date of incorporation : August 27, 2007
Nature of Business : Outsourcing Business

(Amount in ₹)

| Particulars | FY 2009 | FY 2010 | FY 2011 |
|---|---|---|---|
| Equity Capital | 1,03,300 | 1,03,300 | 1,03,300 |
| Reserves (excluding revaluation reserves) | 15,745 | 18,79,400 | 43,91,837 |
| Total Income | 78,500 | 2,11,34,224 | 11,60,72,144 |
| Profit After Tax | 21,672 | 18,63,655 | 19,54,063 |
| Earnings Per Shares (Rs.) | 18.51 | 1,804.12 | 2,432.18 |
| Net Asset Value per share (Rs.) | 103.63 | 1,910.65 | 4,345.73 |

The increase in Total Income is due to increase in services and clients. The Company has expanded its service portfolio and also the billing rate which has resulted in increase in Total Income from ₹ 2,11,34,224 in FY 2010 to ₹ 11,60,72,144 in FY 2011.

Name of Company : **Artha Tatwa Shares and Stocks Private Limited**
Date of incorporation : October 08, 2009
Nature of Business : Share Trading

(Amount in ₹)

| Particulars | FY 2010 | FY 2011 |
|---|---|---|
| Equity Capital | 1,00,000 | 31,00,000 |
| Reserves (excluding revaluation reserves) | 1,17,837 | 4,08,120 |
| Total Income | 5,01,000 | 13,54,681 |
| Profit After Tax | 1,17,837 | 2,90,283 |

| | | |
|---|---|---|
| Earnings Per Shares (Rs.) | 11.78 | 0.94 |
| Net Asset Value per share (Rs.) | 20.37 | 11.06 |

The increase in the Total Income in FY 2011 is due to increase in the customer base and increase in trading volume by the existing clients and new clients, which also resulted in increased PAT for FY 2011. The increase share capital was necessitated to meet the requirements of Bombay Stock Exchange for Stock Broker Registration.

Name of Company : **Artha Tatwa Enterprises Private Limited**
Date of incorporation : March 05, 2009
Nature of Business : Trading of goods/products

(Amount in ₹)

| Particulars | FY 2009 | FY 2010 | FY 2011 |
|---|---|---|---|
| Equity Capital | 1,00,000 | 1,00,000 | 15,00,000 |
| Reserves (excluding revaluation reserves) | 0 | 58,672 | 14,29,889 |
| Total Income | 0 | 15,78,890 | 8,42,81,531 |
| Profit After Tax | 0 | 51,051 | 13,71,217 |
| Earnings Per Shares (Rs.) | 0.00 | 58.67 | 478.28 |
| Net Asset Value per share (Rs.) | 82.80 | 69.47 | 190.87 |

The Total Income of the Company has increased from ₹ 15,78,890 in FY 2010 to ₹ 8,42,81,531 in FY 2011, which was due to increase in trading activities and also due to the company adding new products for its trading activities. The Profit after tax has also increased due to the increase in business activities.

Name of Company : **Artha Tatwa Infra India Limited**
Date of incorporation : December 18, 2009
Nature of Business : Real Estate, Construction and Infrastructure

(Amount in ₹)

| Particulars | FY 2010 | FY 2011 |
|---|---|---|
| Equity Capital | 5,00,000 | 5,00,000 |
| Reserves (excluding revaluation reserves) | 64,185 | 2,63,98,403 |
| Total Income | 2,58,100 | 94,30,63,006 |
| Profit After Tax | 64,185 | 2,63,34,218 |
| Earnings Per Shares (Rs.) | 12.84 | 5,266.84 |
| Net Asset Value per share (Rs.) | 77.38 | 5,353.09 |

The Total Income of the Company has increased from ₹ 2,58,100 in FY 2010 to ₹ 94,30,63,006 in FY 2011, due to increase in business activities, mainly purchase and sale of land. The increase in Profit After Tax from ₹ 64,185 in FY 2010 to ₹ 2,63,34,218 in FY 2011 is attributable to increase in business activities and also general appreciation in property prices in the state of Odisha, where the company is operative.

Name of Company : **Systematix Developers & Builders Private Limited**
Date of incorporation : March 05, 2009
Nature of Business : Real Estate, Construction and Infrastructure

(Amount in ₹)

| Particulars | FY 2009 | FY 2010 | FY 2011 |
|---|---|---|---|
| Equity Capital | 1,00,000 | 2,00,000 | 2,00,000 |
| Reserves (excluding revaluation reserves) | 0 | 4,08,984 | 1,12,41,849 |
| Total Income | 0 | 36,92,669 | 28,61,04,562 |
| Profit After Tax | 0 | 5,24,960 | 1,08,32,865 |
| Earnings Per Shares (Rs.) | 0.00 | 276.90 | 5,461.43 |
| Net Asset Value per share (Rs.) | 68.30 | 291.81 | 5,711.41 |

The Total Income of the Company has increased from ₹ 36,92,669 in FY 2010 to ₹ 28,61,04,562 in FY 2011, due to increase in business activities, mainly purchase and sale of land. The increase in Profit After Tax from ₹ 5,24,960 in FY 2010 to ₹ 1,08,32,865 in FY 2011 is attributable to increase in business activities and also general appreciation in property prices in the state of Odisha where the company is operative.

Name of Company : **Artha Tatwa Ventures Private Limited**
Date of incorporation : August 08, 2010
Nature of Business : Security and Insurance agency

Since the Company has been incorporated on August 08, 2010, the mandatory 18 months period is not yet completed and the first accounts are yet to be drawn up.

Name of Company : **Artha Tatwa Foodmart Private Limited**
Date of incorporation : March 05, 2009
Nature of Business : Retail Restaurants and Entertainment

(Amount in ₹)

| Particulars | FY 2009 | FY 2010 | FY 2011 |
|---|---|---|---|
| Equity Capital | 1,00,000 | 1,00,000 | 1,00,000 |
| Reserves (excluding revaluation reserves) | 0 | 9,786 | 38,084 |
| Total Income | 0 | 1,94,650 | 3,72,000 |
| Profit After Tax | 0 | 12,323 | 28,298 |
| Earnings Per Shares (Rs.) | 0.000 | 9.79 | 28.30 |
| Net Asset Value per share (Rs.) | 79.70 | 93.55 | 125.90 |

Total Income of the Company has increased from ₹ 1,94,650 in FY 2010 to ₹ 3,72,000 in FY 2011 on account of increase in sales and accordingly the PAT has risen from ₹ 12,323 in FY 2010 to ₹ 28,298 in FY 2011.

The above mentioned companies promoted by the Acquirer are not sick companies within the meaning of Sick Industrial Companies (Special Provisions) Act 1985. Further, they are not listed on any stock exchanges. Except as mentioned above, the Acquirer has not promoted any other company.

## 4. DISCLOSURE IN TERMS OF REGULATION 16 (IX) AND OBJECTS OF THE OFFER & FUTURE PLANS

### 4.1 Disclosure in terms of Regulation 16(ix)

a. The Acquirer does not have any plans to dispose of or otherwise encumber any assets of YTFL within two years from the date of closure of the Offer.

b. Further, the Acquirer undertakes that in the next two years it shall not sell, dispose of or otherwise encumber any substantial asset of YTFL except with the prior approval of the YTFL's shareholders.

### 4.2 Objects of the offer & Future Plans

a. The Acquirer, having acquired 1,71,500 equity shares representing 70.00% of the paid-up equity capital, intends to comply with the SEBI (SAST) Regulations, 1997, by completing the Open Offer formalities.

b. The Offer to the Public shareholders of YTFL is for acquiring 20% of the total paid up capital. After the proposed Offer, the Acquirer will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

c. This Offer of 20% of the total paid-up capital i.e. 49,000 shares of YTFL is made in terms of Regulations 10 and 12 of the SEBI (SAST) Regulations.

d. The Acquirer propose to reconstitute the board of directors of the Target Company upon completion of Open Offer formalities and the Acquirer or their authorized representatives, who will be in control of the management of the Target Company, will take decisions regarding the future course of the Target Company.

e. The Acquirer intends to pursue some of its groups business activities through YTFL, a listed vehicle, as detailed in para 2.3(f) above.

## 5. DELISTING / CONTINUOUS LISTING OPTION TO THE ACQUIRERS IN TERMS OF REGULATION 21(2)

a) As per the Listing Agreement with BSE, the Target Company is required to maintain at least 25% Public shareholding for listing on continuous basis with the Exchange. The Acquirer entered into a SPA with the existing promoters of the Target Company to acquire 70.00% of the current paid-up equity share capital and making this offer to acquire up to 20.00% of the paid up equity share capital. Assuming full acceptance under this Offer, the post offer holding of the Public shall be 10.00 % of the voting Capital. If pursuant to the Offer and any acquisition of Shares by the Acquirer from the open market or through negotiations or otherwise made in compliance with the SEBI (SAST) Regulations, the public shareholding is reduced to below 25% of the voting share capital of YTFL, then in accordance with Regulation 21(2) of the SEBI (SAST) Regulations and clause 40A of Listing Agreement, the Acquirer undertakes to disinvest through an offer for sale or by a fresh issue of capital or by any other permitted mode, to the public such number of equity shares so as to satisfy the listing requirement within the time limit specified therein.

Further, in terms of clause 19A of Securities Contracts (Regulation) Rules, 1957, the Target Company shall maintain public shareholding of at least twenty five per cent. In case the public shareholding falls below twenty five per cent the Target Company shall bring the public shareholding to twenty five per cent within a maximum period of twelve months from the date of such fall, by way of 1) further issue of equity shares to public/non-promoter and/or 2) by sale of shares by the promoter to public/non-promoter.

b) Acquirer intends to maintain the listing status of Target Company on the Stock Exchange for the next 3 years after the Open Offer.

## 6. BACKGROUND OF YASH TRADING AND FINANCE LIMITED (“YTFL”) (“THE TARGET COMPANY”)

a) Yash Trading and Finance Limited was incorporated on July 09, 1984, as a public limited company and received its certificate for commencement of business on December 05, 1985. The registered office was then situated at Beria House, Bazargate Street, Fort, Mumbai – 400 001. The Corporate Identity Number of the Company is L51900MH1985PLC036794.

b) The Company was promoted by Dwarka Prasad Gaggar, Giriraj Saboo, Anil Gaggar, Umanath Agarwal, Arun Kabra, P.V. Subramaniam and Sandeep Singhania, who were the original subscribers to the Memorandum and Articles of Association of the Company, while Sandeep Singhania, Arun Kabra and Ramesh Innani were the Directors.

c) The Company came out with its Initial Public Offering of 2,44,930 shares of ₹ 10 each at par in January 1986 and listed its shares on BSE. The entire equity share capital of the Target Company; i.e. 2,45,000 Equity Shares is listed on BSE.

d) The registered office of Yash Trading and Finance Limited is situated at Bagri Niwas, 53/55 N.M. Path, Mumbai 400 002, while its corporate office is situated at 1207/A, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001; Tel No: +91 22 2272 2448-50; Fax No: +91 22 2272 2451; Email: yashtradingandfinancelimited@gmail.com; Website: www.yashtradingfinance.com

e) YFTL was a dealer registered with OTCEI from 1993 and surrendered the same in 2008. The Company is presently engaged in investment activities in primary and secondary markets. Further, YTFL is not registered with the Reserve Bank of India (RBI) as a Non Banking Finance Company (NBFC), nor is it registered with SEBI.

f) The Share Capital / Voting Rights of the Target Company is as under :

| ***Paid up Equity Shares of Target company*** | **No. of Shares of ₹ 10 each/ voting rights** | **% of shares/voting rights** |
|---|---|---|
| Fully paid up equity shares | 2,45,000 | 100 |
| Partly paid up equity shares | NIL | NIL |
| Total paid up equity shares | 2,45,000 | 100 |
| Total voting rights in Target company | 2,45,000 | 100 |

There are no partly paid up shares. There are no outstanding Convertible instruments (warrants / FCDs / PCDs etc.) issued by the Company.

g) The current capital structure of YTFL and its build-up since inception is as under:

| **Date of Allotment** | **No and % of shares Issued** | **Cumulative Paid up capital (no. of** | **Mode of allotment** | **Identity of allottees (promoters/ ex-promoters/** | **Status of compliance** |
|---|---|---|---|---|---|

| | No. of Shares | % | shares) | | others) | |
|---|---|---|---|---|---|---|
| July 09, 1984 (On incorporation) | 70 | 0.03% | 70 | Incorporation | Promoters | N.A. |
| January 1986 | 2,44,930 | 99.97% | 2,45,000 | IPO | Promoters and Public | N.A. |
| **Total** | **2,45,000** | **100.00%** | | | | |

h) The shares of the Target Company are listed on BSE and are infrequently traded on BSE within the meaning of explanation (i) to Regulation 20 (5) of the SEBI (SAST) Regulations. The annualized trading turnover of shares traded of the Target Company during the preceding six calendar months prior to the month in which the public announcement is made is less than five per cent of the listed shares, as is evident from the past six month trading details available from BSE's website www.bseindia.com.

| Date | Open Price | High Price | Low Price | Close Price | No. of shares | Annualized trading turnover (as a % of total listed shares) |
|---|---|---|---|---|---|---|
| 13-Apr-11 | 153 | 153 | 153 | 153 | 100 | |
| 04-Mar-11 | 150 | 150 | 150 | 150 | 100 | |
| 25-Feb-11 | 144.65 | 144.65 | 144.65 | 144.65 | 1 | |
| 23-Feb-11 | 137.8 | 137.8 | 137.8 | 137.8 | 1 | |
| 17-Feb-11 | 131.25 | 131.25 | 131.25 | 131.25 | 1 | |
| 08-Feb-11 | 125 | 125 | 125 | 125 | 1 | |
| 28-Jan-11 | 119.05 | 119.05 | 119.05 | 119.05 | 99 | |
| 27-Jan-11 | 113.4 | 113.4 | 113.4 | 113.4 | 1 | |
| | **Total Volume** | | | | **304** | **0.25%** |

i) The shares of YTFL are listed on BSE. The Company's shares were suspended from trading by BSE in from November 17, 1997 till November 24, 1997 due to non adherence of notice period requirement for record date. The trading in the shares was again suspended from October 01, 2002 till August 09, 2005 for non compliance of listing agreement. As on date, the Company has been complying with all the applicable clauses of the Listing Agreement as mentioned in the Listing Agreement entered into with the BSE and no penal action has been taken by the BSE against the Company, except as mentioned in this instant paragraph.

j) YTFL, its existing promoters have been in compliance with Chapter II requirements of SEBI SAST Regulations, however there has been delay in compliance by the Company in compliance of Regulation 6(2) and 6(4) for 1997 and 8(3) from 1998 till 2005 and 2010.

SEBI *vide* its letter no. CFD/DCR/RC/TO/13060/04 dated September 10, 2004, had communicated that SEBI has decided to consider YTFL's request for consent if YTFL was willing to pay an amount of ₹ 1,75,000/- (Rupees One Lac Seventy Five Thousand only) as penalty for the aforesaid violations upto 2002.

YTFL, *vide* its letter dated October 10, 2004, had consented to pay an amount of ₹ 1,75,000/- (Rupees One Lac Seventy Five Thousand only) as penalty under section 15A of the SEBI Act and also for the consent order by the adjudicating officer. There has not been any further communication on the matter since from SEBI.

YTFL *vide* its letter dated April 28, 2011, again filed a *suo moto* consent application for the aforesaid violations and submitted further documents *vide* its letter dated May 12, 2011, as advised by SEBI thorough its letter no. OW/15073/2011, dated May 10, 2011. SEBI further asked documents to be submitted *vide* its letter dated May 24, 2011, which was submitted by YTFL through its letter submitted to SEBI on May 26, 2011.

YTFL has received a letter no. OW/36493 dated November 30, 2011, from SEBI, intimating that since the consent mechanism has been challenged before the Delhi High Court through a writ petition No. 6949/2011, the consent order would be subject to the outcome of the writ petition, and has asked YTFL for acceptance of the said condition. YTFL, through its reply letter dated December 02, 2011, has accepted SEBI's above condition. There has not been any communication on the matter thereafter.

***Please note that SEBI may initiate suitable action against the Target Company for the delay in compliances / non – compliances of the Takeover Regulations.***

k) Board of Directors of YTFL as on the date of PA and this Letter of Offer:

| Sr. No | Name, DIN and Address | Designation and Date of Appointment | Brief Profile |
|---|---|---|---|
| 1. | Bharat Bagri<br>DIN: 01379855<br>Bagri Niwas,<br>53/55 N.M. Path<br>Mumbai 400 002. | Director<br><br>02/09/1989 | Mr. Bharat Bagri, aged 62 is the Director of YTFL since 1989. A post graduate in Commerce (M.Com), he has 40 years of experience in the field of capital markets |
| 2. | Sarla Bagri<br>DIN: 01379882<br>Bagri Niwas,<br>53/55 N.M. Path<br>Mumbai 400 002. | Director<br><br>26/05/2010 | Ms. Sarla Bagri, aged 62 is the Director of YTFL. An undergraduate, she has been involved in the capital market since 30 years. |
| 3. | Suresh Ahiya<br>DIN: 02973290<br>Smriti, 3rd Floor<br>199, Sion (East)<br>Mumbai – 400 022. | Director<br><br>20/11/1986 | Mr. Suresh Ahiya, aged 87, is a retired architect. He is associated with YTFL as a Director since 1986. |

l) The Acquirer has confirmed that it has not nominated any director to represent the Acquirer on the board of directors of Target Company as on the date of the PA and this Letter of Offer.

m) There have been no mergers/ de-mergers /spin-offs during the past three years involving YTFL.

n) There has been a change in the name of the Target Company as described in para 6 (a) herein above.

o) **Brief Financials of Yash Trading and Finance Limited**

Brief financials of YTFL certified by Statutory Auditors of the Company, M/s. Mohanlal Jain & Co, Chartered Accountants, through their proprietor Mohanlal Jain (Membership No. 36824) based on audited financial statements for the year ending March 31, 2009, 2010 and 2011 are as under:

(₹ in lacs)

| PARTICULARS | FY 2008-09 | FY 2009-10 | FY 2010-11 | 6 months period ended Sept 30, 2011 |
|---|---|---|---|---|
| **PROFIT AND LOSS STATEMENT** | | | | |
| Income From Operation | 0.03 | 0.33 | 13.90 | 3.60 |
| Other Income | 5.78 | 6.22 | 6.18 | - |
| **Total Income** | **5.81** | **6.55** | **20.08** | **3.60** |
| Total Expenditure | 0.72 | 7.91 | 2.03 | 0.86 |
| Profit Before Depn, Finance Exps. & Tax | 5.09 | (1.36) | 18.05 | 2.74 |
| Depreciation | - | - | - | - |
| Financial Expenses | - | - | - | - |
| Profit Before Tax | 5.09 | (1.36) | 18.05 | 2.74 |
| Provision For Tax | 1.70 | - | 5.45 | 0.83 |
| **Profit After Tax** | **3.39** | **(1.36)** | **12.60** | **1.91** |
| | | | | |
| **BALANCESHEET STATEMENT** | | | | |
| **Sources Of Fund** | | | | |
| Paid Up Equity Share Capital | 24.50 | 24.50 | 24.50 | 24.50 |
| Advance against Share Application Money | - | - | - | - |
| Reserves And Surplus | 47.00 | 45.64 | 58.24 | 60.15 |
| P& L Account (Dr. Balance) | - | - | - | - |
| Total Misc. Exps. Not W/Off | - | - | - | - |
| **Net Worth** | **71.50** | **70.14** | **82.74** | **84.65** |
| Secured Loans | - | - | - | - |
| Unsecured Loans | - | - | - | - |
| **Total** | **71.50** | **70.14** | **82.74** | **84.65** |
| | | | | |
| **Use Of Funds** | | | | |
| Net Fixed Assets | - | - | - | - |
| Investments | 2.89 | 2.83 | 12.66 | 21.03 |
| Net Current Assets | 68.61 | 67.31 | 70.08 | 63.62 |
| Deferred Tax | - | - | - | - |
| **Total** | **71.50** | **70.14** | **82.74** | **84.65** |
| | | | | |
| **OTHER FINANCIAL DATA** | | | | |
| Dividend (%) | - | - | - | - |
| Earnings Per Share (Re.) | 1.38 | (0.56) | 5.14 | 0.78 |
| Return On Net Worth (%) | 4.74 | (1.94) | 15.23 | 2.29 |
| Book Value Per Share (Rs.) | 29.18 | 28.63 | 33.77 | 34.55 |

**Reasons for rise in PAT or Total Income during above period:**

**For Period FY 2009-10 vis-à-vis FY 2008-09**

During the year 2009-2010, the main source of Income for the Company was Interest on Bank FDR and stock trading. Major expenditure incurred was on Rent and professional/legal fees paid. These factors had led to lower profitability for the Company.

**For Period FY 2010-11 vis-à-vis FY 2009-10**

During the year 2010-11, the Company income from operations of ₹ 13.90 lacs and ₹ 6.18 lacs as other income, while the expenses came down, resulting in profit before tax of ₹ 18.05 lacs. The PAT was ₹ 12.60 lacs after provision for income tax of ₹ 5.45 lacs. The company has benefitted from revival of the secondary markets in 2010-11 and better trading opportunities therein.

**For 6 months period ended September 30, 2011**

The Total Income for the 6 months period ending September 30, 2011 was ₹ 3.60 lacs, which was received as Interest on deposits. Corresponding expenses for the period were ₹ 0.86 lacs. The PAT was ₹ 1.91 lacs after provision for income tax of ₹ 0.83 lacs.

p) **Pre and Post offer Shareholding Pattern of YTFL:**

| | | Shareholders Category | Shareholder & Voting rights prior to the agreement/acquisition and offer | | Shares/voting rights agreed to be acquired, which triggered off the regulations | | Shares/voting rights to be acquired in open offer (Assuming full acceptances) | | Shareholding/voting rights after the acquisition and offer | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | A | | B | | C | | A+B+C=D | |
| | | | No. | % | No. | % | No. | % | No. | % |
| 1 | | **Promoter Group** | | | | | | | | |
| | a | Parties to agreement, if any | 1,83,000 | 74.69 | (1,71,600) | (70.04) | -- | -- | -- | -- |
| | b | Promoters, other than (a), above | -- | -- | -- | -- | -- | -- | -- | -- |
| | | **Total 1 (a+b)** | **1,83,000** | **74.69** | **(1,71,600)*** | **(70.04)*** | **--** | **--** | **--** | **--** |
| | | **Note: On the date of the transaction, i.e. July 15, 2011, 100 Equity Shares of YTFL were inadvertently sold to public @ ₹ 156.42 per share, since the transaction was executed on BSE.* | | | | | | | | |
| 2 | | **Acquirer** | | | | | | | | |
| | a | Pradeep Kumar Sethy (SPA) | -- | -- | 1,71,500 | 70.00 | 49,000 | 20.00 | 2,20,500 | 90.00 |
| | | **Total 2** | **--** | **--** | **1,71,500** | **70.00** | **49,000** | **20.00** | **2,20,500** | **90.00** |
| 3 | | **Parties to agreement, other than 1 & 2** | -- | -- | -- | -- | -- | -- | -- | -- |
| 4 | | **Public** | | | | | | | | |
| | a | FIs/MFs/FIIs, Banks, SFIs (indicate names) | -- | -- | -- | -- | -- | -- | -- | -- |
| | b | Others | 62,000 | 25.31 | 100 | 0.04 | (49,000) | (20.00) | 13,100* | 5.35 |
| | c | existing promoter holding classified as public | -- | -- | -- | -- | -- | -- | 11,400* | 4.65 |
| | | Total number of shareholders in Public Category | 90 | | | | | | | |
| | | **Total 4 (a+b+c)** | **62,000** | **25.31** | **-** | **-** | **(49,000)** | **(20.00)** | **24,500** | **10.00** |
| | | | | | | | | | | |
| | | **Grand Total (1+2+3+4)** | **2,45,000** | **100.00** | **-** | **-** | **-** | **-** | **2,45,000** | **100.00** |

**Note: On the date of the transaction, i.e. July 15, 2011, 100 Equity Shares of YTFL were inadvertently sold to public @ ₹ 156.42 per share, since the transaction was executed on BSE.*

**Change in the Shareholding pattern of Promoter group and compliance with regulations**

| Name of the promoter /promoter group entity | Date of transaction (allotment / purchase / transfer) | Opening Balance - Promoter group | Opening Capital | Opening % holding - promoter group | Name of promoter (New) / Acquirer | No of shares Acquired | Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,) | No of shares sold | Closing Capital | Closing holding - promoter group (New) / Acquirer | Closing % holding - promoter group (New) / Acquirer | Increase / Decrease in percentage holding - Promoter Group (New) / Acquirer(+/ - %) | Applicable regulations of SEBI(SAST) Regulations | Compliance status with SEBI (SAST) Regulations and other applicable regulations |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **As on 01-01-1997** | | | | | | | | | | | | | | |
| Bharat Bagri | | 75,000 | | | | | | | | | | | | |
| Uttam Bagri | | 20,000 | | | | | | | | | | | | |
| Sarla Bagri | | 60,000 | | | | | | | | | | | | |
| Urvashi Bagri | | 20,000 | | | | | | | | | | | | |
| Bharat Bagri (HUF) | | 8,000 | | | | | | | | | | | | |
| | | 1,83,000 | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| As above | 29/09/ 2001 | 1,83,000 | 2,45,000 | 74.69% | BCB Brokerage P Ltd | 1,83,000 | Off market (inter-se) | - | 2,45,000 | 1,83,000 | 74.69% | 74.69% | Regulation 3(4) filed on 18.10.2001.<br><br>Report u/r 7(1A) filed on 29.09.2001 | Complied with. Taken on record *vide* SEBI's letter dated 24-12-01 |
| | | | | | | | | | | | | | | |
| BCB Brokerage P Ltd | 13/02/ 2010 | 1,83,000 | 2,45,000 | 74.69% | Uttam Bagri jointly with Bharat Bagri | 1,83,000 | Off market (inter-se) | - | 2,45,000 | 1,83,000 | 74.69% | 74.69% | Regulation 3(4) filed on 15.02.2010<br><br>Report u/r 7(1A) filed on 15.02.2010 | Complied with |
| | | | | | | | | | | | | | | |

***Note: There have been no other changes in the promoter share holding pattern of the company from 1997 till date except as mentioned above. There are no other changes, other than the ones disclosed in the table above, and also have not triggered the provisions of the SEBI (SAST) Regulations.***

**Chapter II Compliances**

a. **By Promoters, sellers and other major shareholders of target company**

There is no non-compliance of the provisions of Chapter II by the Promoters, sellers and other major shareholders of Target company.

b. **By Target Company:**

I. Delay of 2914 days in filing report by the Target Company as per Regulation 6(2) of SAST. Submitted on May 12, 2005, for the due date of May 20, 1997.

II. Delay of 2914 days in filing report by the Target Company as per Regulation 6(4) of SAST. Submitted on May 12, 2005, for the due date of May 20, 1997.

III. Delay of 2569 days in filing report by the Target Company as per Regulation 8(3) of SAST. Submitted on May 12, 2005, for the due date of April 30, 1998.

IV. Delay of 2204 days in filing report by the Target Company as per Regulation 8(3) of SAST. Submitted on May 12, 2005, for the due date of April 30, 1999.

V. Delay of 1838 days in filing report by the Target Company as per Regulation 8(3) of SAST. Submitted on May 12, 2005, for the due date of April 30, 2000.

VI. Delay of 1473 days in filing report by the Target Company as per Regulation 8(3) of SAST. Submitted on May 12, 2005, for the due date of April 30, 2001.

VII. Delay of 1108 days in filing report by the Target Company as per Regulation 8(3) of SAST. Submitted on May 12, 2005, for the due date of April 30, 2002.

VIII. Delay of 743 days in filing report by the Target Company as per Regulation 8(3) of SAST. Submitted on May 12, 2005, for the due date of April 30, 2003.

IX. Delay of 377 days in filing report by the Target Company as per Regulation 8(3) of SAST. Submitted on May 12, 2005, for the due date of April 30, 2004.

X. Delay of 12 days in filing report by the Target Company as per Regulation 8(3) of SAST. Submitted on May 12, 2005, for the due date of April 30, 2005.

XI. Delay of 94 days in filing report by the Target Company as per Regulation 8(3) of SAST. Submitted on August 02, 2010, for the due date of April 30, 2010.

***Please note that SEBI may initiate suitable action against the Target Company and its promoters for the delay in compliances / non – compliances of the Takeover Regulations.***

c. **By Acquirer:**

There is no non-compliance of the provisions of Chapter II by the Acquirer. There is no PAC.

q) **Other details :**

(a) **Status of Corporate Governance compliances by YTFL:** Since the paid up capital of the Company does not exceed ₹ 3 crore and also its Net Worth has not exceeded ₹ 25 crore at any point of time, provisions of clause 49 of the Listing Agreement are not applicable.

(b) There are no Litigations/ Legal Notices pending against YTFL.

(c) Name and other Details of compliance Officer:

**Bharat Bagri**
Bagri Niwas,
53/55, N.M. Path,
Mumbai - 400 002.
Tel No: +91 22 2272 2448-50
Fax No: +91 22 2272 2451;
Email: yashtradingandfinancelimited@gmail.com
Website: www.yashtradingfinance.com

(**Source:** All the data about Target Company is provided by Yash Trading and Finance Limited)

## 7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 7.1 Justification of Offer Price

a. The Offer price is ₹ 157 per share (Rupees One Hundred Fifty Seven only).

b. As on the date of the PA and this Letter of Offer the equity shares of YTFL are listed on BSE only.

c. There has been sporadic trading in the shares of the target company on BSE during 6 calendar months preceding the month in which the PA is made. The shares of the Target Company are listed on BSE and are infrequently traded on BSE within the meaning of explanation (i) to Regulation 20 (5) of the SEBI (SAST) Regulations.

The annualized trading turnover of shares traded of the Target Company during the preceding six calendar months prior to the month in which the public announcement is made is less than five per cent of the listed shares, as is evident from the past six month trading details available from BSE's website www.bseindia.com.

| Date | Open Price | High Price | Low Price | Close Price | No. of shares | Annualized trading turnover (as a % of total listed shares) |
|---|---|---|---|---|---|---|
| 13-Apr-11 | 153 | 153 | 153 | 153 | 100 | |
| 04-Mar-11 | 150 | 150 | 150 | 150 | 100 | |
| 25-Feb-11 | 144.65 | 144.65 | 144.65 | 144.65 | 1 | |
| 23-Feb-11 | 137.8 | 137.8 | 137.8 | 137.8 | 1 | |
| 17-Feb-11 | 131.25 | 131.25 | 131.25 | 131.25 | 1 | |
| 08-Feb-11 | 125 | 125 | 125 | 125 | 1 | |
| 28-Jan-11 | 119.05 | 119.05 | 119.05 | 119.05 | 99 | |
| 27-Jan-11 | 113.4 | 113.4 | 113.4 | 113.4 | 1 | |
| | **Total Volume** | | | | **304** | **0.25%** |

*(Source: www.bseindia.com)*

d. The Offer Price is justified in terms of Regulation 20(5) of the SEBI (SAST) Regulations in view of the following:-

| | | |
|---|---|---|
| a. | The Negotiated Price as per SPA | 156.42 |
| b. | Highest Price paid by Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or Preferential issue during the 26 weeks prior to the date of PA (through open market operations, including taxes) | 156.42 |

| c. | **Other Financial Parameters** | **30-09-2011** |
|---|---|---|
| | Return on Net Worth (%) | 2.29 |
| | Book Value per share (Rs.) | 34.55 |
| | Earnings per share (Rs.) | 0.78 |
| | Price Earning multiple (with reference to Offer price of ₹ 157 per share) | 201.28 |
| | Average Price Earning Multiple (Industry – Finance & Investments)** | 69.33 |

*** (Source – Capital Market – Vol. XXVI/20 dated Nov 28 – Dec 11, 2011)*

M/s. Mohanlal Jain & Co., Chartered Accountants, through its proprietor Mr. Mohanlal Jain (Membership No. 36824), Address: Chartered House, Ground Floor, Office No. 10, Dr. C.H. Street, Marine Lines, Mumbai – 400 002; Tel No: +91 22 2207 6886, Email: jain.mohanlal58@gmail.com, have certified *vide* their certificate dated July 15, 2011, that the Fair Value per share of YTFL is ₹ 66.74 (Rupees Sixty Six and Paise Seventy Four only).

The fair value is calculated based on the decision of the Hon'ble Supreme Court of India in case of Hindustan Lever Employees Union vs. Hindustan Lever Limited, 1995, (83 Com case 30) ("HLL Case") using a combination of Book Value (Net Asset Value), Price Earning Capacity Value (PECV) and Market Price shall be included as under:

| Measure | Weight (a) | Price(b) | (a x b) |
|---|---|---|---|
| Net Asset Method | 1 | 33.77 | 33.77 |
| PECV | 2 | 9.95 | 19.91 |
| Market value | 2 | 140 | 280 |
| | **5** | | **333.68** |

Fair value = 333.68/5 = ₹ 66.74

f. There is no non-compete fees payable.

g. In the opinion of the Manager to the Offer and the Acquirer, the offer price of Rs.157 per share (Rupees One Hundred Fifty Seven only) per fully paid up share is justified in terms of Regulation 20(5).

h. If the Acquirer acquires shares after the date of Public Announcement upto 7 working days prior to the closure of the offer at a price higher than the offer price, then the highest price paid for such acquisition shall be payable for all the shares tendered in the offer and accepted under the offer.

### 7.2 Financial Arrangements

a. The total fund requirement for the acquisition of 49,000 equity shares, being 20% of the paid up equity capital of YTFL at ₹ 157 per share is ₹ 76,93,000 (Rupees Seventy Six Lacs Ninety Three Thousand only).

b. In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirer has deposited in Escrow, an amount of ₹ 80 lacs, being in excess of 100% of the offer size, with Indian Bank, Fort Branch, Mumbai (Current A/c No. 961151220).

   Indbank Merchant Banking Services Limited, the Manager to the Offer has been empowered to realize the value of the Escrow in terms of the SEBI (SAST) Regulations. In case of a revision in the Offer price, the Acquirer would raise the amount in the escrow account so as to ensure compliance with Regulation 28 of SEBI (SAST) Regulations.

c. The Acquirer has adequate resources to meet the financial requirements of the Offer as apparent from the Net Worth certificate certified by M/s. Guttu & Associates, Chartered Accountants, through its proprietor Mr. M K Agarwalla (Membership No. 62678), Address: 28-A, Station Square, 1st Floor, Unit–III, Kharvel Nagar, Bhubaneshwar – 751 001 Tel No: +91 674 2536 333, Email: agarwalonline@rediffmail.com.

d. The Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations. The Offer will be implemented by the Acquirer through his own funds and/or borrowings from friends and relatives.

## 8. TERMS AND CONDITIONS OF OFFER

### 8.1 Statutory Approvals

a) Non-resident shareholders who wish to tender their shares in this offer will be required to submit all the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of Target Company. **In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject the shares tendered in the offer.**

b) There are no statutory approvals required to acquire the shares tendered pursuant to this Offer except those mentioned above. However, the Offer would be subject to all statutory approvals that may become applicable prior to completion of the Offer.

c) The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the date of closing of the offer.

d) The Offer may be withdrawn in terms of Regulation 27 of the SEBI (SAST) Regulations. In the event of withdrawal, a Public Announcement will be made in the same newspapers in which the original PA is made.

e) In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of the approvals was not due to willful default or negligence, grant an extension for the purpose of completion of the offer provided the Acquirer agrees to pay interest to the shareholders for delay beyond 15 days from the date of closing of the offer.

f) If the Acquirer fails to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on their part, the amount lying in the escrow account shall be forfeited in the manner provided in Regulation 28(12)(e) of SEBI (SAST) Regulations.

**8.2 Others Terms and Conditions**

a. The Letter of Offer together with Form of Acceptance cum Acknowledgement (FOA), the Form of Withdrawal (FOW) and Transfer Deed (TD) (for shareholders holding shares in physical form) will be mailed to all the shareholders of YTFL, except the Acquirer, Seller and parties to the Agreement, whose names appear on the Register of Members of YTFL and the beneficial owners of the shares whose names appear as beneficiaries on the records of the respective share depositories, at the close of business hours on July 29, 2011 (**"Specified Date"**).

b. Accidental omission to dispatch Letter of Offer to any member entitled to this open offer or non-receipt of the Letter of Offer by any member entitled to this open offer shall not invalidate the open offer in any manner whatsoever. The Offer is subject to the terms and conditions set out at para 8.1 and 9 in this Letter of Offer.

c. All the shareholders, except the Acquirer, Seller and parties to the Agreement, who own the shares of YTFL anytime before the closure of the Offer, are eligible to participate in the Offer anytime before date of closing of the offer.

**9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT**

The Acquirer has appointed Bigshare Services Private Limited as Registrar to the Offer. The shareholders who wish to tender their shares will be required to send the Form of Acceptance-cum-Acknowledgement duly filled and signed along with enclosures to the Registrar to the Offer: Bigshare Services Private Limited, E/2, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri (East), Mumbai - 400 072; Tel No: + 91 22 4043 0200 Fax No: +91 22 2847 5207; Email: openoffer@bigshareonline.com; Contact Person: Mr. Ashok Shetty, either by Hand Delivery or by Registered Post on or before the closure of the Offer, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

The documents can be tendered at the above address between 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturday. The centre will be closed on Sundays and Public holidays.

**a. Registered Shareholders (holders of shares in physical form) should enclose:**

1. **Form of Acceptance Cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.

2. **Original Share Certificate(s)**

3. **Valid Share Transfer deed(s)** duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with YTFL and duly witnessed at the appropriate place(s).

**b. Beneficial owners (holders of shares in dematerialized form) should enclose:**

1. **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all the beneficial holders of shares as per the records of the DP.

2. **Photocopy/Counterfoil of Delivery Instruction slip** in "off market" mode in favour of the special depository account mentioned herein after, duly acknowledged by DP.

c. In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, it will be deemed that the shareholder has tendered acceptance of the Offer.

d. A special depository account has been opened details thereof are as under:

| | |
|---|---|
| Account Name | **IBMBS Escrow A/C - YTFL Open Offer** |
| Depository | National Securities Depository Limited |
| DP Name | HDFC Bank Limited |
| DP ID Number | IN301549 |
| ISIN | INE745A01012 |
| BSE Scrip Code | 512345 |
| Mode | Off Market |
| Client ID Number | 33103927 |

**e. Unregistered Shareholders should enclose:**

1. **Form of Acceptance cum Acknowledgement or an application on plain paper** duly completed and signed in accordance with the instructions contained therein by the person(s) accepting the Offer. Application on plain paper should be duly signed and state the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer.
2. **Original Share Certificate(s)**

3. **Original Contract Note(s) from the broker through whom the shares were acquired.**

4. **Valid Share Transfer deed(s)** as received from market. The details of buyer should be left blank failing which, the same will be invalid under this offer. All other requirements for valid transfer will be pre condition for valid acceptance.

5. **No indemnity is required from the unregistered owners.**

f. The shareholders tendering shares in demat form should ensure the credit of shares in favour of the special depository account mentioned above, before the closure of the Offer i.e. January 02, 2012. FOA, in respect of dematerialized equity shares not credited to the above special depository account before the date of closing of offer, is liable to be rejected.

g. **Shareholders having their beneficiary account with Central Depository Services (India) Limited (CDSL), have to use inter-depository delivery instruction slip for the purpose of crediting their Equity shares in favour of the above mentioned Special Depository Account with CDSL.**

h. In case of non-receipt of the Letter of Offer/FOA, the eligible persons may download the same from SEBI website or obtain a copy of the same by writing to Registrars to the offer at the collection centre clearly marking the envelope "YTFL Open Offer" or make an application on plain paper duly signed and stating their name, address, No. of Shares held, no. of shares offered, DP name, DP ID, Client ID and the counterfoil/photocopy of the delivery instruction in "Off-Market" mode in favour of the special depository account, duly acknowledged by the DP, to the Registrar to the Offer, before the closure of the Offer.

i. In case any person has lodged shares of YTFL for transfer and the transfer has not yet been effected, the concerned person may apply in writing on a plain paper, duly signed and stating the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer along with the original share certificate(s), valid transfer deed(s) duly signed **(columns meant for transferee / buyer should be kept blank)** and the acknowledgement of the lodgment of shares for transfer. Such person should also instruct YTFL and its Registrars & Transfer Agents to send the transferred share certificate(s) directly to the collection centers of Registrars to the offer as mentioned above before the date of closing of the offer.

j. Shareholders who have sent their physical shares for dematerialization and the dematerialization has not yet been effected, the concerned person should send the completed FOA together with the photocopy of the dematerialization request form acknowledged by shareholder's DP. The shareholder should ensure that process of getting shares dematerialized is completed well in time so that the credit in the special depository account should be received before closure of the Offer i.e. January 02, 2012, else the application will be rejected.

k. The Equity Shares to be tendered by the shareholders of YTFL under this Offer will be free from all lien, charges and encumbrances and together with all rights attached thereto, including rights to all dividends to be declared after all the formalities relating to this Offer are completed.

l. Equity shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of YTFL may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such equity shares are received together with the equity shares tendered in the offer prior to the date of closing of the offer.

m. 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 as per the provisions of Regulation 21(6) of the SEBI (SAST) Regulations on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company's share is 1 (One) share.

n. While tendering shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of Target Company. **In case of previous RBI Approvals not being submitted, the Acquirer reserves the right to reject the shares.** While tendering shares under the Offer, NRI / OCBs / foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

o. The consideration received by the shareholders for shares accepted in the offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act, 1961. Further the securities transaction tax will not be applicable on shares accepted in this offer.

p. The Registrar to the Offer / Manager to the Offer will hold in trust the shares / share certificates, FOA, if any, and the transfer form/s on behalf of the shareholders of YTFL who have accepted the Offer, till the Acquirer completes the offer obligations in accordance with the Regulations.

q. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the FOA.

r. Applications which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of the Offer i.e. January 02, 2012 would be approved and accepted by the Acquirer. The payment of consideration for the applications so accepted will be made by crossed account payee cheque/demand draft/pay order or through Electronic mode as detailed below. The intimation regarding acceptance of applications and payment of consideration will be dispatched to the shareholders by registered/speed post at the shareholders' sole risk. In case of joint holder(s), the cheque/demand draft will be drawn in the name of the first holder and in case of unregistered owners of shares the consideration will be paid to the person whose name is stated in the contract note.

**<u>Payment of Consideration through Electronic Mode</u>**

We shall give credit of consideration for Equity Shares tendered in the offer, if any, to the beneficiary account with Depository Participants within 15 days from the date of the closure of the offer. Credit for the consideration will be paid to the shareholders who have tendered shares in the open offer by ECS, Direct Credit or crossed account payee cheques/pay orders/demand drafts.

The payment of consideration, if any, would be done through various modes as given hereunder:

1. ECS – Payment of consideration would be done through ECS for applicants having an account at any of the following sixty eight centers:

| | | | |
|---|---|---|---|
| 1. Ahmedabad | 2. Nashik | 3. Sholapur | 4. Gorakhpur |
| 5. Bangalore | 6. Panaji | 7. Ranchi | 8. Jammu |
| 9. Bhubaneshwar | 10. Surat | 11. Tirupati (non-MICR) | 12. Indore |
| 13. Kolkata | 14. Trichy | 15. Dhanbad (non-MICR) | 16. Pune |
| 17. Chandigarh | 18. Trichur | 19. Nellore (non- MICR) | 20. Salem |
| 21. Chennai | 22. Jodhpur | 23. Kakinada (non- MICR) | 24. Jamshedpur |
| 25. Guwahati | 26. Gwalior | 27. Agra | 28. Visakhapatnam |
| 29. Hyderabad | 30. Jabalpur | 31. Allahabad | 32. Mangalore |
| 33. Jaipur | 34. Raipur | 35. Jalandhar | 36. Coimbatore |
| 37. Kanpur | 38. Calicut | 39. Lucknow | 40. Rajkot |
| 41. Mumbai | 42. Siliguri (non- MICR) | 43. Ludhiana | 44. Kochi/ Ernakulam |
| 45. Nagpur | 46. Pondicherry | 47. Varanasi | 48. Bhopal |
| 49. New Delhi | 50. Hubli | 51. Kolhapur | 52. Madurai |
| 53. Patna | 54. Shimla (non- MICR) | 55. Aurangabad | 56. Amritsar |
| 57. Thiruvananthapuram | 58. Tirupur | 59. Mysore | 60. Haldia (non- MICR) |
| 61. Baroda | 62. Burdwan (non-MICR) | 63. Erode | 64. Vijaywada |
| 65. Dehradun | 66. Durgapur (non- MICR) | 67. Udaipur | 68. Bhilwara |

This mode of payment of consideration would be subject to availability of complete bank account details in the FOA. The payment of consideration is mandatory for applicants having a bank account at any of the above mentioned sixty eight centers, except where the applicant, being eligible, opts to receive refund through other modes as specified in the FOA.

2. Direct Credit – Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the FOA.

3. RTGS – Applicants having a bank account at any of the abovementioned sixty eight centres and whose payment consideration exceeds ₹ 1 lac, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive consideration through RTGS are required to provide the IFSC code in the FOA. In the event the same is not provided, payment consideration shall be made through other electronic modes or by cheques, pay orders or demand drafts payable.

4. NEFT (National Electronic Fund Transfer) – Payment of consideration shall be undertaken through NEFT wherever the shareholders bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder has registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the applicants through this method. The process flow in respect of consideration by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those applicants whose payment consideration is not credited by ECS/Direct credit due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post/Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.

   In case of payment consideration is rejected through the ECS/Direct credit facility, the registrar would endeavor to dispatch the payment consideration within 3 working days of such rejection.

   ***The bank account details for ECS/ Direct Credit/ RTGS / NEFT will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the FOA. Accordingly, shareholders who are participating in this offer are requested to update the bank account details with their respective depositories.***

**10. PROCEDURE FOR WITHDRAWAL OF APPLICATION / ACCEPTANCE**

a) In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations 1997, shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date i.e. up to December 28, 2011.

b) Shareholders who wish to withdraw their shares from the Offer will be required to send the FOW duly completed & signed along with the requisite documents.

c) In case of non receipt of Form of Withdrawal, the withdrawal can be exercised by making an application on plain paper along with following details :-

   - **In case of physical shares**: by stating Name, Address, Distinctive numbers, Folio number, Number of shares tendered and to be withdrawn.

- **In case of dematerialized shares**: by stating Name, Address, Number of shares tendered and to be withdrawn, DP Name, DP ID, Beneficiary account number, Counterfoil/ Photocopy of the delivery instruction in “Off Market” mode duly acknowledged by the DP in favour of the special depository account.

- **In either case:** a copy of the acknowledgement received from the Manager to the Offer upon tendering of the Shares,

so as to reach the Registrar to the Offer either by hand delivery or by registered post on or before December 28, 2011.

## 11. MATERIAL DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer, Indbank Merchant Banking Services Limited at: 11, Varma Chambers, Homji Street, Fort, Mumbai – 400 001 from 10.00 a.m. to 1.00 p.m. and from 2.00 p.m. to 4.00 p.m. on any working day, except Saturdays, Sundays, and Public/Bank Holidays until the offer closes:

a) Memorandum & Articles of Association and Certificate of Incorporation of Yash Trading and Finance Limited.

b) Copy of Share Purchase Agreement dated July 15, 2011 between Pradeep Kumar Sethy and Uttam Bagri & Bharat Bagri.

c) Copy of MOU entered into between the Acquirer and Indbank Merchant Banking Services Limited, Managers to the Offer dated July 15, 2011.

d) Copy of MOU entered into between the Acquirer and Bigshare Services Private Limited, Registrar to the Offer dated July 15, 2011.

e) Audited Annual Reports for FY 2008-09, 2009-10 and 2010-11 and for the 6 months period ended September 30, 2011 of Yash Trading and Finance Limited.

f) Escrow Account statement of Indian Bank, Fort Branch, Mumbai showing a credit of ₹ 80,00,000/- (Rupees Eighty Lacs only), being in excess of 100% of the total consideration as Escrow Deposit with lien marked in favour of Indbank Merchant Banking Services Limited.

g) Copy of Client master for special depository account opened with HDFC Bank Limited (Depository – NSDL) styled “IBMBS Escrow A/C - YTFL Open Offer” for the purpose of this offer. The DP ID is IN301549 and Client ID is 33103927.

h) Copy of Public Announcement dated July 17, 2011, published on July 18, 2011.

i) Copy of Due Diligence Certificate dated July 22, 2011 issued by Indbank Merchant Banking Services Limited; and

j) Copy of fair value certificate dated July 15, 2011, issued by M/s. Mohanlal Jain & Co, Chartered Accountants, certifying the fair value for the shares of Yash Trading and Finance Limited.

k) Copy of Net Worth certificate of Pradeep Kumar Sethy, issued by M/s. Guttu & Associates, Chartered Accountants, through its proprietor Mr. M K Agarwalla (Membership No. 62678), Address: 28-A, Station Square, 1st Floor, Unit–III, Kharvel Nagar, Bhubaneshwar – 751 001 Tel No: +91 674 2536 333, Email: agarwalonline@rediffmail.com, detailing adequacy of resources of the Acquirer to complete the Open Offer.

l) Copy of SEBI letter No CFD/DCR/TO/EB/OW/36953/2011 dated December 02, 2011.

**12. RESPONSIBILITY STATEMENT**

a) The Acquirer accepts responsibility for the information contained in this Letter of Offer and for its obligations under SEBI (SAST) Regulations and subsequent amendments made thereto.

b) The Acquirer is responsible for fulfillment of its obligations in terms of SEBI (SAST) Regulations.

**Signed by the Acquirer,**

**Sd/-**

**Pradeep Kumar Sethy**

Date: December 08, 2011 Place: Bhubaneshwar, Odisha

# FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Bigshare Services Private Limited at the collection centre mentioned in the Letter of Offer)

| | |
|---|---|
| **Offer Opens on** | Wednesday, 14-Dec-11 |
| **Last Date for Withdrawal of Application** | Wednesday, 28-Dec-11 |
| **Offer Closes on** | Monday, 02-Jan-12 |

***From***

_______________________________________________ **(Name & Complete Address)**

_______________________________________________

_______________________________________________

**Tel No.** _________________**; Cell No.** ________________________

**Fax No.** _________________**; Email.** _________________________

**To,**

**Bigshare Services Private Limited**
Unit: Yash Trading and Finance Limited – Open Offer
E/2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (East), Mumbai - 400 072.

**Dear Sir,**

**Sub: Open offer to acquire 49,000 equity shares of Rs. 10 (Rupees Ten Only) each of Yash Trading and Finance Limited (Target Company) by Mr. Pradeep Kumar Sethy (Acquirer)**

I/We refer to the Letter of Offer dated December 08, 2011, for acquiring the equity shares held by me/us in Yash Trading and Finance Limited.

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

**For 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. | Folio No. | Certificate No. | Distinctive Nos. | | No. of shares |
|---|---|---|---|---|---|
| | | | From | To | |
| | | | | | |
| | | | | | |
| | | | | | |
| **Total number of equity shares** | | | | | |

**(In case of insufficient space, please use additional sheet and authenticate the same)**

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 till the time the Acquirer gives the purchase consideration as mentioned in the Letter of Offer.

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

**For Shares held in Demat Form:**

I/We hold shares in demat form and accept the Offer and enclose photocopy of the Delivery Instruction duly acknowledged by my/our DP in respect of my/our equity shares as detailed below:

| DP Name | DP ID | Client ID | Name of Beneficiary | No. of Equity Shares |
|---|---|---|---|---|
| | | | | |

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

## Yash Trading and Finance Limited – Open Offer

### Acknowledgement slip

Received from Mr/Ms _______________________________________________ Folio No. ________________________ Form of Acceptance cum Acknowledgement, ______________ Number of certificates for _____________ Equity Shares.

Stamp of collection Center: ________________________________

Signature of Official: ___________________________________

Date of Receipt:_______________________________________

I/We have done an off market transaction for crediting the shares to the Escrow Account opened with NSDL named **"IBMBS Escrow A/C - YTFL Open Offer"** (the "Special Depository Escrow Account") with the following particulars:

**DP Name – HDFC Bank Limited** **Client ID – 33103927** **DP ID – IN301549**

Shareholders whose shares are held in beneficiary Account with CDSL have to use an inter–depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Escrow Account with NSDL.

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

I/We confirm that the Equity Shares of Yash Trading and 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 authorise the Acquirer to accept the shares so offered which they may decide to accept in consultation with the Merchant Banker and in terms of the Letter of Offer and I/We further authorise the Acquirer to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorise the Acquirer or their Merchant Banker to send by Registered Post / Courier the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned below.

The Permanent Account Number (PAN) allotted under the Income Tax Act, 1961 is as under

| | **First/Sole Holder** | **Joint Holder 1** | **Joint Holder 2** |
|---|---|---|---|
| **PAN** | | | |

***So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of Bank Account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. Please indicate the preferred mode of receiving the payment consideration. (Please tick)***

***1) Electronic Mode:*** _________ ***2) Physical Mode:*** _________

| **Sr. No** | **Particulars required** | **Details** |
|---|---|---|
| i | Bank name | |
| ii | Complete Address of the bank branch | |
| iii | Account type (CA/SB) | |
| iv | Account No | |
| v | 9 digit MICR code | |
| vi | IFSC Code (for RTGS/NEFT transfers) | |

Yours faithfully,

| **Signed & Delivered by** | **Full Names (s) & Address** | **Signature** | **Verified and Attested (by DP in case of Demat Shares and by Bank in case of Physical Shares)** |
|---|---|---|---|
| First/Sole Holder | | | |
| Joint Holder 1 | | | |
| Joint Holder 2 | | | |

**Note:** In case of joint holdings all must sign. A Corporation must affix its common seal necessary Board resolution should be attached.

Place: _____________ Date: _____________

**Note**: All future correspondence, if any should be addressed to the Registrar to the Offer at:
**Bigshare Services Private Limited**
**[Unit: Yash Trading and Finance Limited]**
E-2, Ansa Industrial Estate,Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai – 400 072.
Tel No: +91 - 22 - 4043 0200
Fax No: +91 - 22 - 2847 5207
Website: www.bigshareonline.com
Email: openoffer@bigshareonline.com
Contact Person: Ashok Shetty
SEBI Registration No: INR000001385

# FORM OF WITHDRAWAL

(Please send this Form of Withdrawal with enclosures to Bigshare Services Private Limited at the collection centre mentioned in the Letter of Offer)

| | |
|---|---|
| **Offer Opens on** | Wednesday, 14-Dec-11 |
| **Last Date for Withdrawal of Application** | Wednesday, 28-Dec-11 |
| **Offer Closes on** | Monday, 02-Jan-12 |

***From***

_______________________________________________ **(Name & Complete Address)**

_______________________________________________

_______________________________________________

**Tel No.** _________________**; Cell No.** ________________________

**Fax No.** _________________**; Email.** ________________________

**To,**

**Bigshare Services Private Limited**
Unit: Yash Trading and Finance Limited – Open Offer
E/2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (East), Mumbai - 400 072.

**Dear Sir,**

**Sub: Open offer to acquire 49,000 equity shares of Rs. 10 (Rupees Ten Only) each of Yash Trading and Finance Limited (Target Company) by Mr. Pradeep Kumar Sethy (Acquirer)**

I/We refer to the Letter of Offer dated December 08, 2011 for acquiring the equity shares held by me/us in Yash Trading and Finance Limited – Open Offer.

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorize the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer /Manager to the Offer/ Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at the collection center mentioned in the Letter of Offer on or before the last date of withdrawal.

I/We note that the Acquirer /Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay/loss in transit for the equity shares held in physical form.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures etc.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

| Folio No. | Certificate No. | Distinctive Nos. | | No. of shares |
|---|---|---|---|---|
| | **Tendered** | | | |
| | | | | |
| | | | | |
| | | | | |
| **Total number of equity shares Tendered** | | | | |
| | **Withdrawn** | | | |
| | | | | |
| | | | | |
| | | | | |
| **Total number of equity shares Withdrawn** | | | | |

**(In case of insufficient space, please use additional sheet and authenticate the same)**

------------------------------TEAR ALONG THIS LINE------------------------------

## Yash Trading and Finance Limited – Open Offer

### Acknowledgement slip

Received from Mr/Ms ______________________________ Folio No. ________________ Form of Withdrawal dated _______________

Stamp of collection Center: ______________________________

Signature of Official: ______________________________

Date of Receipt:______________________________

I/We hold the following equity shares in dematerialized form and have tendered the equity shares in the Offer and had done an off-market transaction for crediting the Shares to **"IBMBS Escrow A/C - YTFL Open Offer"** (the "Special Depository Escrow Account") with the following particulars:

**DP Name – HDFC Bank Limited** **Client ID – 33103927** **DP ID – IN301549**

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP. The particulars of the account from which my/our equity shares have been tendered are as detailed below:

| DP Name | DP ID | Client ID | Name of Beneficiary | No. of Equity Shares |
|---|---|---|---|---|
| | | | | |

I/We note that the equity shares will be credited back only to that Depository Account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.

In case of dematerialized equity shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

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

Yours faithfully,

| Signed & Delivered by | Full Names (s) & Address | Signature | Verified and Attested (by DP in case of Demat Shares and by Bank in case of Physical Shares) |
|---|---|---|---|
| First/Sole Holder | | | |
| Joint Holder 1 | | | |
| Joint Holder 2 | | | |

**Note:** In case of joint holdings all must sign. A Corporation must affix its common seal necessary Board resolution should be attached.

Place: _____________ Date: _____________

**Note**: All future correspondence, if any should be addressed to the Registrar to the Offer at:

**Bigshare Services Private Limited**
**[Unit: Yash Trading and Finance Limited]**
E-2, Ansa Industrial Estate,Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai – 400 072.
Tel No: +91 - 22 - 4043 0200
Fax No: +91 - 22 - 2847 5207
Website: www.bigshareonline.com
Email: openoffer@bigshareonline.com
Contact Person: Ashok Shetty
SEBI Registration No: INR000001385