

# PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF CHAMAK HOLDINGS LIMITED

Registered Office: D-3/2, Okhla Industrial Area, Phase-II, New Delhi - 110020

*This Public Announcement (PA) is being issued by the Manager to the Offer i.e., D & A Financial Services (P) Limited, on behalf of the Acquirer(s), Mr. Subhash Chander Kathuria and Mr. Anubhav Kathuria, pursuant to Regulation 10 and Regulation 12 as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "SEBI (SAST) Regulations, 1997") and subsequent amendments thereto.*

## THE OFFER

- 1.1 Mr. Subhash Chander Kathuria and Mr. Anubhav Kathuria, (hereinafter referred to as "Acquirer(s)") are making an Open Offer pursuant to Regulation 10 and Regulation 12 and in compliance with the SEBI (SAST) Regulations, 1997. There are no other acquirer or other entities/ persons who are or can be deemed to be Persons acting in concert for the purpose of this offer.
- 1.2 The Acquirers have entered into a Share Purchase Agreement [SPA] on Wednesday, March 31, 2010 to acquire an aggregate of 1,81,000 (One Lacs Eighty One Thousand Only) fully paid up equity shares of Rs.10/- each representing 73.88% of the total paid up capital and voting rights of M/s Chamak Holdings Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at D-3/2, Okhla Industrial Area, Phase-II, New Delhi - 110 020 (hereinafter referred to as "CHL/the Target Company") from among the promoter group of the CHL, namely, Mr. V. P. Chokhani, Abhimanu Exports Limited, Vitan Departmental Stores & Industries Limited, Chokhani Investments Limited and Dhanuka Estate & Investment Limited (hereinafter collectively referred to as Sellers) (83500, 24500, 24500, 24500 and 24000 respectively - Collectively, the "Sale Shares"), at a price of Rs. 5.00 (Rupees Five Only) per fully paid up equity share payable in cash ("Negotiated Price"). The total consideration for the shares acquired as mentioned above is Rs. 9,05,000/- (Rupees Nine Lacs Five Thousand Only) and that resulted the triggering of SEBI (SAST) Regulations, 1997. The Offer is not as a result of global acquisition resulting in indirect acquisition of the target company.
- 1.3 The Acquirers intend to make an Open Offer in terms of the SEBI (SAST) Regulations, 1997 to the shareholders of "CHL" to acquire 49000 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital / voting share capital of "CHL" at a price of Rs. 5/- (Rupees Five Only) per fully paid up equity share/ Voting Right ("Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter, whose names appear on the register of members on Specified Date i.e April 30, 2010, Friday.
- 1.4 There are no partly paid equity shares in the company.
- 1.5 This is not a competitive bid.
- 1.6 The shares of "CHL" are at present listed on the Delhi Stock Exchange Limited (DSE). The shares of the CHL have not been traded at DSE where they are listed/ permitted to be traded during the preceding six calendar months prior to the month of this Public Announcement within the meaning of explanation (j) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997.
- 1.7 The annualized trading turnover during the preceding the six calendar months ended March 2010 at the DSE where the shares of the company are listed as follows:

Name of the Stock Exchange	Total no. of equity shares traded during October, 2009 to March 2010	Total no. of Listed Shares	Annualized Trading Turnover (% to total Capital)
DSE	Nil	2,45,000	Not Applicable

- 1.8 As the shares of "CHL" have not been traded at DSE, where they are listed/permitted to be traded during the preceding six calendar months prior to the month of this Public Announcement, the Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 has been determined taking into account the following parameters:

a. The Negotiated Price	Rs. 5.00/-(Rupees Five Only)
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	Not Applicable

c. Other Financial Parameters	Based on the audited financial data for the year ended 31 <sup>st</sup> March, 2009	Based on the certified financial data for the Quarter ended December 31, 2009*
1. Return on Net Worth (%)	(5.93)	(0.10)
2. Book Value per share (Rs.)	(35.80)	(35.83)
3. Earning per share (Rs.)	(2.13)	(0.04)
4. Price Earning Multiple (with reference to the Offer price of Rs. 5/- per share)	(125)	(2.35)
5. The average industry P/E for the sector in which CHL operates (Source: Capital Market Journal, edition dated March 22, 2010 to April 04, 2010 Industry: Finance & Investments )		20.9

\*As certified by Mr. Vikas Modi (Membership No. 505603), Partner of Doogar & Associates, Chartered Accountants, Statutory Auditor of the company having office at 13, Community Centre, East of Kailash, New Delhi - 110 065 vide their certificate dated April 05, 2010 Hence the Offer price of Rs 5.00 (Rupees Five Only) for each fully paid up equity shares are justified in terms of Regulation 20(5) of SEBI (SAST) Regulations, 1997.

- 1.9 The Acquirers have not acquired Shares/ voting rights of the Target Company during the 12 months period prior to the date of Public Announcement.
- 1.10 As on date of this Public Announcement, the Acquirers do not hold any equity shares of the target company except 181000 (One Lacs Eighty One Thousand Only) fully paid up equity shares of Rs.10/- each representing 73.88% of the total paid up equity share capital of the CHL, in respect of which they agree to be acquire in terms of the SPA.
- 1.11 The Offer is not subject to any minimum level of acceptance from the shareholders i.e. **it is not a Conditional Offer.** The Acquirers will accept the equity shares of "CHL" those are tendered in valid form in terms of this offer upto maximum of 49000 equity shares of Rs 10/- each representing 20% of the total paid up capital/ voting share capital of "CHL".
- 1.12 Neither the Acquirers, Sellers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act, 1992.
- 1.13 The Manager to the Open Offer i.e. D & A Financial Services (P) Limited does not hold any equity shares in the Target Company as on the date of this Public Announcement. The Manger to the Offer undertakes not to deal in the equity shares of CHL up to a period of fifteen days after closure of the Offer.
- 2 INFORMATION ABOUT THE ACQUIRERS**
- 2.1 Mr. Subhash Chander Kathuria**
- 2.1.1 Mr. Subhash Chander Kathuria, son of Shri R. C. Kathuria, aged 61 years, an Indian Resident residing at 3, Poorvi Marg, Vasant Vihar, New Delhi - 110 057, Tel No: 011-25101497, Fax No. 011-25454495. Mr. Subhash Chander Kathuria has done Diploma in Engineering from Germany and has experience for more than three decades in managing steel industry.
- 2.1.2 Mr. Arun Deora (Membership No. 087729), Partner of M/s Deora & Associates, Chartered Accountants, having Office at FF3 Stutee Building, Bank Street, Karol Bagh, New Delhi-110 005 has certified vide their certificate dated March 29, 2010 that the Net Worth of Mr. Subhash Chander Kathuria as on 28.02.2010 is Rs. 14415.16 Lacs and that he has sufficient liquid funds to fulfill his part of obligations under this Offer.
- 2.1.3 Mr. Subhash Chander Kathuria is holding directorship in M/s Synergy Global Steel (P) Limited, Synergy Steels Limited, R.P.K. Builders (P) Limited, Life Medicare & Biotech (P) Ltd, Rammika Estate (P) Limited, Kathuria Castings (P) Limited, Aakar Technobuild (P) Ltd and Kathuria Special Steels Rolling Mills (P) Limited.
- 2.2 Mr. Anubhav Kathuria**
- 2.2.1 Mr. Anubhav Kathuria s/o Shri Subhash Chander Kathuria, aged 26 years, an Indian National residing at 3, Poorvi Marg, Vasant Vihar, New Delhi - 110 057, Tel No: 011- 26950311, Fax No. 011-25454495. He is B. Sc (Hons) from university of Bradford. He is having 5 years of work experience in Managing Biotech and Steel Industry.
- 2.2.2 Mr. Arun Deora (Membership No. 087729), Partner of M/s Deora & Associates, Chartered Accountants, having Office at FF3 Stutee Building, Bank Street, Karol Bagh, New Delhi-110 005 has certified vide their certificate dated March 29, 2010 that the Net Worth of Mr. Anubhav Kathuria as on 28.02.2010 is Rs. 2188.33 Lacs and that he has sufficient liquid funds to fulfill his part of obligations under this Offer.
- 2.2.3 Mr. Anubhav Kathuria is holding directorship in Synergy Global (P) Ltd, Wonder Software (P) Ltd,

- R P K Builders (P) Ltd, Life Medicare & Biotech (P) Ltd, Himalaya Estate (P) Ltd and Greenlam Properties (P) Ltd.
- 2.3 Among the acquirers, Mr Anubhav Kathuria is a son of Mr Subhash Chander Kathuria.
- 2.4 As the Acquirers do not hold any equity shares in the Target Company, the provisions of Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the acquirers.
- 3 INFORMATION ABOUT THE TARGET COMPANY**
- 3.1 Chamak Holdings Limited (hereinafter referred to as "CHL" or "Target Company") was incorporated on December 18, 1984 under the existing name of Chamak Holdings Limited vide certificate of Incorporation issued by the Registrar of Companies, Delhi & Haryana. The Company obtained the Certificate of Commencement of Business on January 02, 1985. The Company at present has its Registered Office situated at D-3/2, Okhla Industrial Area, Phase II, New Delhi-110020.
- 3.2 The Authorized Share Capital of CHL as on March 31, 2009 is Rs 29.50 Lacs, comprising of 2,45,000 equity shares of Rs 10/- (Rupees Ten Only) each and 5,000 9% Cumulative Preference shares of Rs.100/- each. The issued, subscribed and paid-up equity share capital as on date of Public Announcement stood at Rs 29.50 Lacs comprising of 2,45,000 equity shares of Rs 10/- (Rupees Ten Only) each and 5,000 9% Cumulative Preference shares of Rs.100/- each.
- 3.3 There are no partly paid up shares in the Company.
- 3.4 The main business of CHL was to business of buyers, sellers, producers and dealers in all kinds of tea, coffee, paper, paper board, iron & steel etc. However presently there is no business activities in CHL.
- 3.5 The shares of "CHL" are presently listed on The Delhi Stock Exchange Limited (DSE).
- 3.6 Brief financials of the CHL are as under:

(Rs. In Lacs)

Particulars	Year ended March 31, 2009 (Audited)	Period ended December 31, 2009* (Certified)
Total Income	2.67	Nil
Profit After Tax	(5.20)	(0.09)
Earnings Per Share (EPS) (in Rs.)	(2.13)	(0.04)
Book Value Per Share (in Rs.)	(35.80)	(35.83)
Networth	(87.71)	(87.80)
Return on Networth (in %)	(5.93)	(0.10)

\*As certified by Mr. Vikas Modi (Membership No. 505603), Partner of Doogar & Associates, Chartered Accountants, Statutory Auditor of the company having office at 13, Community Centre, East of Kailash, New Delhi - 110 065 vide their certificate dated April 05, 2010.

## REASON FOR THE OFFER

- 4.1 The Acquirers are interested in taking over the management and control of CHL. Thus substantial acquisition of shares and voting rights accompanied with change in control and management is the reason and rationale for the acquisition. The acquirers are also proposed to undertake new business activities of production of steel billets/flats.
- 4.2 The Offer to the Public Shareholders of CHL is for acquiring 20.00% of the total paid up capital/ voting rights. After the proposed Offer, the Acquirers will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.
- 4.3 The Offer to the shareholders of CHL is being made in accordance with Regulation 10 & 12 of the SEBI (SAST) Regulations, 1997.
- 4.4 The Acquirers at present have no intention to sell, dispose of or otherwise encumber any significant assets of CHL in the succeeding two years, except in the ordinary course of business of CHL. CHL's future policy for disposal of its assets, if any, will be decided by it's Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of CHL.

## 5 STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

- 5.1 As on the date of Public Announcement, no approval from any Bank/Financial Institutions is required for the purpose of this Offer, to the best of the knowledge of the Acquirers.
- 5.2 As on the date of Public Announcement, to the best of the Acquirer's knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.
- 5.3 The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of Offer.
- 5.4 SEBI has the power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22 (12) of the SEBI (SAST) Regulations, 1997, if there is any delay in receipt of statutory approval. If, however, the delay in obtaining the requisite approval takes place on account of any willful default by the Acquirers, then provision contained in Regulation 22 (13) of the SEBI (SAST) Regulations, 1997 will also become applicable.
- 5.5 The Acquirers shall withdraw this offer if the statutory approval(s) required as above is refused as provided in Regulation 27 of the SEBI (SAST) Regulations, 1997.
- 6 CONTINUOUS LISTING OF SHARES IN TERMS OF REGULATION 21(3)**

The Offer (assuming full acceptance) would result in public shareholding in the Target Company being reduced below the minimum level required as per the Listing Agreement with the Stock Exchanges for the purpose of listing on continuous basis. The Acquirers in terms of the provisions of Clause 40A of the Listing Agreement will facilitate the target company to raise the level of Public shareholding to the level specified for continuous listing as specified in the listing agreement entered with the stock exchange within the time limit as specified by the stock exchange.

## 7 FINANCIAL ARRANGEMENTS

- 7.1 The Acquirers have adequate resources to meet the financial requirements of the Offer. The finance will be made through internal/financial resources of the acquirers.
- 7.2 Assuming full acceptance, the total requirement of funds for the Offer for acquisition of 49000 equity shares of "CHL" at Rs. 5/- per share would be Rs. 2,45,000 (Rupees Two Lacs Forty Five Thousand Only). As per Regulation 28 of SEBI (SAST) Regulations, 1997, Acquirers have opened an Escrow Account with DCB Bank, Chandani Chowk Branch, New Delhi and has deposited Rs 2,45,000 (Rupees Two Lacs Forty Five Thousand Only) being 100% of the total consideration payable to the shareholders under the Open Offer.
- 7.3 The Acquirers have duly empowered M/s D & A Financial Services (P) Limited, Manager to the Offer, to realise the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997.
- 7.4 The Manager to the Offer, M/s D & A Financial Services (P) Limited, hereby confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

## 8 OTHER TERMS OF THE OFFER

- 8.1 The Offer is not subject to any minimum level of acceptances from shareholders and in case of the shares received under the offer exceeding the offer size; the acquirers will accept shares on proportionate basis.
- 8.2 The Letter of Offer with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders (other than parties to the Agreement) of "CHL" whose names appear in the Register of Members of "CHL" at the close of business hours as on April 30, 2010 (the "Specified Date"). The Letter of Offer will be mailed to such shareholders by May 20, 2010.
- 8.3 The shareholders of "CHL" are eligible to participate in the offer anytime before the closure of the offer by sending their Form of Acceptance cum Acknowledgement, original share certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer viz: **Beetal Financial & Computer Services Pvt. Limited**, having its office at **Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Near Dada Harsukh Das Mandir, New Delhi-110062, Tel. No.: 29961281-82, Fax No.: 29961284** Contact Person, **Mr. Punit Mittal** either by Registered Post, Courier or Hand Delivery (between 10:00 a.m. to 5:00 p.m. on all working days), on or before the date of closure of the Offer i.e. June 15, 2010 in accordance with the instructions specified in the Letter of Offer & Application Form.
- 8.4 Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement, which will be available on SEBI's website at <http://www.sebi.gov.in> and can apply for the Offer in such downloaded form.

- 8.5 The unregistered owners of shares are also eligible to participate in the Offer by sending their application in writing to the Registrar to the Offer on a plain paper stating the Name, Address, No. of shares held, No. of shares offered under the Offer, Distinctive Nos., Folio No., together with the original Share Certificate(s) and Transfer Deed(s) and the original Contract Note issued by the broker through whom they have acquired their shares. No indemnity is required from unregistered shareholders.

- 8.6 In the event of non-receipt of Letter of Offer, the eligible persons may send application on plain paper stating the Name, Address, No. of shares held, No. of shares offered under the Offer, Distinctive Nos., Folio No. alongwith all documents as mentioned above, so as to reach the Registrar to the Offer on or before the date of Closure of the Offer i.e. June 15, 2010.

- a. The following collection center (s) would be accepting the documents as specified above:

<b>Name &amp; Address</b>	<b>Beetal Financial &amp; Computer Services Pvt. Limited</b> Beetal House, 3 <sup>rd</sup> Floor, Madangir, Near Dada Harsukh Das Mandir, New Delhi-110062
<b>Contact Person</b>	Mr. Punit Mittal
<b>Phone Nos.</b>	011-29961281/82
<b>Fax No</b>	011- 29961284
<b>E-mail</b>	<a href="mailto:beetal@rediffmail.com">beetal@rediffmail.com</a>



- 8.7 The Registrar to the Offer will hold in trust the shares/share certificate(s), Form of Acceptance cum Acknowledgement, if any, and the transfer deed(s), till the Acquirers complete their offer obligations in terms of the SEBI (SAST) Regulations, 1997.
- 8.8 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. June 15, 2010, would be approved and accepted by the Acquirers. The payment of consideration for the applications so accepted will be made by crossed account payee cheque/demand draft/pay order. The intimation regarding acceptance of applications and payment of consideration will be dispatched to the shareholders by registered 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.
- 8.9 Applications in respect of shares that are the subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these shares are not received together with the shares tendered under the Offer.
- 8.10 In the event of non-acceptance of any Application, all the documents as forwarded to the Registrar to the Offer will be sent back to the shareholder at the address as per the records of CHL by registered post at shareholders' sole risk.
- 8.11 All valid responses will be accepted subject to maximum of the offer made as per this public announcement. In case of response in excess of this offer made by the Acquirers, the acceptances would be made on proportionate basis in consultation with the Manager to the Offer in accordance with the SEBI (SAST) Regulations, 1997.
- 8.12 The Schedule of activities pertaining to the Offer is given below:

Activity	Date and Day
<b>Date of Public Announcement</b>	<b>April 07, 2010 (Wednesday)</b>
<b>Specified Date*</b>	<b>April 30, 2010 (Friday)</b>
<b>Last date for a Competitive bid</b>	<b>May 07, 2010 (Friday)</b>
Date by which Letter of Offer Will be posted to the shareholders	May 20, 2010 (Thursday)
<b>Date of Opening of the Offer</b>	<b>May 27, 2010 (Thursday)</b>
<b>Date of Closing of the Offer</b>	<b>June 15, 2010 (Tuesday)</b>
<b>Last Date of Withdrawal of Acceptance</b>	<b>June 10, 2010 (Thursday)</b>
<b>Last date for revising the Offer price/number of shares</b>	<b>June 04, 2010 (Friday)</b>
Date of communicating Rejection/ Acceptance and payment for Applications accepted will be dispatched	June 30, 2010 (Wednesday)

\*Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be sent.

## 9. General

- 9.1 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. latest by June 10, 2010, by filling the Form of Withdrawal enclosed with the Letter of Offer. The Form of Withdrawal will also be available on the SEBI website <http://www.sebi.gov.in>.
- 9.2 The Acquirers can revise the price upwards upto 7 (seven) working days prior to closure of Offer and if there is any upward revision in the Offer price by the Acquirers till the last date of revision i.e. June 04, 2010, the same would be informed by way of Public Announcement in the same newspapers in which the original Public Announcement had appeared and same price would be paid to all the shareholders who tender their shares in the Offer.
- 9.3 **If there is competitive bid:**
- The Public Offers under all the subsisting bids shall close on the same date.
  - 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"
- 9.4 The Acquirers, Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of SEBI Act.
- 9.5 This Public Announcement would also be available on the SEBI's web site at <http://www.sebi.gov.in>.
- 9.6 Pursuant to the Regulation 13 of SEBI (SAST) Regulations, 1997, the Acquirers have appointed M/s D & A Financial Services (P) Limited as Manager to the Offer and M/s Beetal Financial & Computer Services Pvt. Limited as Registrar to the Offer.
- 9.7 This Public Announcement is issued on behalf of the Acquirers by D & A Financial Services (P) Limited, the Manager to the Offer.
- 9.8 The Acquirers Mr. Subhash Chander Kathuria and Mr Anubhav Kathuria residing at 3, Poorvi Marg, Vasant Vihar, New Delhi - 110 057, accept full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

Manager to the Offer	Registrar to the Offer
	
<b>D &amp; A FINANCIAL SERVICES (P) LIMITED</b>	<b>BEETAL FINANCIAL &amp; COMPUTER SERVICES PVT. LIMITED</b>
13, Community Centre, East of Kailash, New Delhi - 110065. Tel nos.: 011-26419079/ 26218274; Fax no.: 011 - 26219491; E-mail : <a href="mailto:dafspi@gmail.com">dafspi@gmail.com</a> Contact Person: <b>Mr. Priyaranjan SEBI Rgn. No. : INM00011484</b>	Beetal House, 3 <sup>rd</sup> Floor, 99, Madangir, Near Dada Harsukh Das Mandir, New Delhi-110062 Tel. Nos.: 29961281-82, Fax No.: 29961284 E. Mail: <a href="mailto:beetal@rediffmail.com">beetal@rediffmail.com</a> Contact Person: <b>Mr. Punit Mittal SEBI Rgn. No. : INR00000262</b>

Date : 06.04.2010  
Place : New Delhi

Issued on behalf of the Acquirers by  
Manager to the Offer