FINAL LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of HIFUNDA LIMITED. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in the HIFUNDA LIMITED, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was affected.

OPEN OFFER BY

MR. SANJAY KUMAR SANGHI residing at Narbada Niwas, H.No. 8-2-686/DR/6&7, Road no. 12, Banjara Hills, Hyderabad-500034, Tel No.: 040-66628411, Fax No.040-23223124 and **MR. RITESH KUMAR SANGHI** residing at Narbada Niwas, H.No. 8-2-686/DR/6&7, Road no. 12, Banjara Hills, Hyderabad-500034, Tel No.: 040-66628411, Fax No. 040-23223124 **known as the "Acquirers"**

to acquire 18,38,120 equity shares of Rs. 10/- each at an Offer Price of Rs. 0.45/- (Rupees Forty Five Paisa only) per fully paid up equity share of Rs 10/- each payable in cash including interest of Rs. 0.05 (Rupees Five Paisa only) per share, representing 20.00% of the total paid up equity share capital/ voting rights.
Pursuant to Regulation 10 and Regulation 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof

Of

HIFUNDA LIMITED (The Target Company)
Reg. Off. : 224 A. J. C. Bose Road, Suite 618 Krishna, 6th Floor, Kolkata, West Bengal - 700017, Tel. No 91-33-2289 2980 / 22477110 / 22404726, Fax No. +91-33-2280 8200.

ATTENTION:

1. The Offer is being made by the Acquirers pursuant to Regulations 10 and 12 of the Regulations for the purpose of substantial acquisition of Shares and voting rights of the Target Company accompanied with change in control and the management of Company consequent to the acquisition of total holding of the major promoters by the Acquirers.
2. **The Offer is not a conditional Offer on any minimum level of acceptance.**
3. As on the date of this Letter of offer, the offer is not subject to any statutory and regulatory approvals, however, it will be subject to statutory approvals that may become applicable at a later date.
4. 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 closure of the Offer i.e. Saturday, July 23, 2011 can withdraw on or before Wednesday, July 20, 2011.
5. Regulation 26 of SEBI (SAST) Regulations, 1997 provides for an upward revision of the Offer Price / Offer Size at anytime, upto seven working days prior to the date of the closure of the Offer i.e. Saturday, July 23, 2011 can revise the same on or before Thursday, July 14, 2011. In case of a revision in the Offer Price / Offer size, the Public Announcement for revision will be made in the same newspapers in which the original Public Announcement had appeared. In case of a revision in Offer Price, the same price shall be paid by the Acquirers for all the shares tendered anytime during the period the Offer is open and accepted under the Offer.
6. **No Competitive bid has been announced as on the date of this Letter of Offer.**
7. **A copy of Public Announcement, Letter of Offer, Form of Acceptance-cum-Acknowledgement and Form of Withdrawals are also available on SEBI's web-site: www.sebi.gov.in**

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 9
"PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 24 to 27)
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL ARE ENCLOSED WITH THIS LETTER OF OFFER.

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

Manager to the Offer	**Registrar to the Offer**
Intensive Fiscal Services Private Limited 131, C-wing, Mittal Tower, 13th floor, Nariman Point, Mumbai- 400021 Tel. Nos.:- 022 22870443/44/45 Fax No.:- 022 22870446 E-mail:- rishabh@intensivefiscal.com Contact Person:- Rishabh Jain/Nikesh Jain SEBI Registration No.: INM000011112	**Niche Technologies Pvt. Ltd.** D-511, Bagree market, 71, B.R.B. Basu Road Kolkata -700 001, West Bengal- India, Tel. No.- (033) 2235-7271/7270; 2234-3576 Fax - (033) 2215-6823. Email: nichetechpl@nichetechpl.com Contact Person – Mr. S. Abbas SEBI Registration No.: **INR000003290**
OFFER OPENS ON: July 04, 2011____	OFFER CLOSES ON: July 23, 2011___

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

	Original		Revised	
Activity	**Date**	**Day**	**Date**	**Day**
Date of Public Announcement	December 24, 2010	Friday	December 24, 2010	Friday
Specified Date*	January 21, 2011	Friday	January 21, 2011	Friday
Last date for a Competitive Bid, if any	January 14, 2011	Friday	January 14, 2011	Friday
Date by which Letter of Offer will be dispatched to the Shareholders	February 4, 2011	Friday	June 27, 2011	Monday
Date of opening of the Offer	February 14, 2011	Monday	July 4, 2011	Monday
Last date for Revising the Offer Price / Number of Equity Shares	February 23, 2011	Wednesday	July 14, 2011	Thursday
Last date for Withdrawing acceptances tendered by shareholders	March 1, 2011	Tuesday	July 20, 2011	Wednesday
Date of closing of the Offer	March 5, 2011	Saturday	July 23, 2011	Saturday
Date by which the acceptance/ rejection would be intimated and the corresponding payment for the acquired shares and/or share certificate for the rejected shares will be dispatched	March 19, 2011	Saturday	August 6, 2011	Saturday

**** "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 (except the Acquirers and Sellers who own the shares of the HFL) are eligible to participate in the Offer any time before the closing of the Offer.***

Note: Duly Signed Application and Transfer Deed(s)/Delivery Instruction Slip 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 5.00 p.m. on July 23, 2011.

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 Schedule of the Major Activities indicated in this Letter of Offer.
2. The Share Purchase Agreement (SPA) dated December 21, 2010 contains a clause to the effect that the SPA is subject to the provisions of the Regulations and in case of non-compliance of any provisions of the Regulations by the Acquirers or the Sellers, the SPA shall not be acted upon by the parties.
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 Physical share is 100 (Hundred) shares.
4. If the Acquirers are 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 non-receipt of requisite statutory approvals, that may become applicable prior to completion of the Offer, was not due to any willful default or neglect of the Acquirers or the failure of the Acquirers to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirers 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.
5. The transaction is subject to completion risks as would be applicable to similar transactions.

Probable risks involved in associating with the Acquirers

1. The Acquirers expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
2 The Acquirers makes no assurance with respect to the continuation of the past trend in the financial performance of the Target Company. Association of the Acquirers with HFL/taking control of HFL by the Acquirers does not warrant any assurance with respect to the future financial performance of HFL.
3. Post this Offer, the Acquirers will have significant equity ownership and control over the Target Company pursuant to Regulations 10 and 12 of Regulations.
4. The Acquirers have no prior experience in business areas of the Target Company.
5. The Acquirers also makes no assurances with respect to its investment/ divestment decisions relating to its proposed shareholding in the Target Company.
6. The Acquirers have sufficient resources to fullfill the obligations of the Open Offer.

The indicative risk factors set forth above are in relation to the Offer and not in relation to the present or future business or operations of HFL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Offer or in associating with the Acquirers. The Shareholders of HFL are advised to consult their stock broker or investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

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1. DEFINITIONS

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

1.	Acquirers	A) Sanjay Kumar Sanghi and B) Ritesh Kumar Sanghi
2.	CSE	Calcutta Stock Exchange
3.	Book Value per share	Net worth / Number of equity shares issued
4.	Corrigendum	Corrigendum to the Public Announcement of the Offer and Second Corrigendum to Public Announcement issued in newspapers on January 07, 2011(Friday) and June 22, 2011 (Wednesday) respectively by the Manager, on behalf of the Acquirers.
5.	EPS	Profit after tax / Number of equity shares issued
6.	Form of Acceptance/FOA	Form of Acceptance-cum-Acknowledgement
7.	Form of Withdrawal/FOW	Form of Withdrawal-cum Acknowledgement
8.	LOO or Letter of Offer or LOF	Offer Document
9.	Manager to the Offer or Merchant Banker	Intensive Fiscal Services Private Limited
10.	N.A.	Not Applicable
11.	Negotiated Price	Rs. 0.40/- (Rupees Forty Paisa Only) per fully paid-up equity share of face value of Rs.10/- each.
12.	Net worth	Equity Share capital plus Reserve & Surplus excluding Revaluation Reserve minus Debit Balance of P&L or Misc. Exp. not written off.
13.	Offer or The Offer	Open Offer for acquisition of 18,38,120 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 0.45/- (Rupess Forty Five Paisa Only) per fully paid up equity share, payable in Cash including interest of Rs. 0.05 (Rupees Five Paisa only) per share.
14.	Offer Price	Rs. 0.45/- (Rupess Forty Five Paisa Only) per fully paid up equity share, payable in Cash including interest of Rs. 0.05 (Rupees Five Paisa only) per share.
15.	Persons eligible to participate in the Offer	Registered shareholders of Hifunda Limited and unregistered shareholders who own the equity shares of Hifunda Limited any time prior to the Offer closure other than the Parties to SPA i.e. Acquirers & the Sellers under SPA.
16.	Persons not eligible to participate in the Offer	Parties to the Share Purchase Agreement
17.	Public Announcement or "PA"	Announcement of the Open Offer by the Acquirers, which appeared in the newspapers on Friday, December 24, 2010.
18.	RBI	Reserve Bank of India

19.	Registrar or Registrar to the Offer	Niche Technologies Pvt. Ltd.
20.	Return on Net Worth	(Profit After Tax/Net Worth) *100
21.	SEBI	Securities and Exchange Board of India
22.	SEBI (SAST) Regulations, 1997 or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
23.	SEBI Act	Securities and Exchange Board of India Act, 1992
24.	Sellers and Outgoing Promoter	A) Vijay Jain, B) Shivani Jain, C) Urvashi Jain, D) Vikram Jain, E) Richvik Enterprises (P) Ltd. and F) Gaylord Commercial Company Limited
25.	SPA	Share Purchase Agreement
26.	Specified Date	January 21, 2011
27.	Stock Exchanges	CSE
28.	Target Company or HFL	Hifunda Limited
29.	PAT	Profit after Tax
30.	PACs	Persons Acting in Concert with the Acquirers; in this case none

2. 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 OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF HIFUNDA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHO'S SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, INTENSIVE FISCAL SERVICES PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 05, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

3 DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 This open offer (the "Open Offer") is being made by the Acquirers to the equity shareholders of Hifunda Limited, a company incorporated and duly registered under the Companies Act, 1956, and having its registered office at 224 A. J. C. Bose Road, Suite 618 Krishna, 6th Floor, Kolkata, West Bengal - 700017, Tel. No 91-33-2289 2980 / 22477110 / 22404726, Fax No. +91-33-2280 8200 (HFL or the Target Company) pursuant to the Regulation 10 and Regulation 12 and in compliance with the SEBI (SAST) Regulations, 1997. The Acquirers proposes to do a substantial acquisition of shares of HFL pursuant to the SPA and this offer and take over the management control of HFL.

3.1.2 The Acquirers hereby make this Offer to the shareholders of the Target Company (other than the parties to the SPA) to acquire up to 18,38,120 equity shares ("Shares") of the Target Company of face value of Rs.10 each, representing in aggregate 20% of the paid up equity share capital and voting capital of the Target Company at a price of Rs. 0.45/- (Rupess Forty Five Paisa Only) per fully paid up equity share, payable in Cash including interest of Rs. 0.05 (Rupees Five Paisa only) per share subject to the terms and conditions mentioned in the PA and in this Letter of Offer that will be circulated to the shareholders in accordance with the SEBI (SAST) Regulations, 1997, ("Letter of Offer") whose names appear on the register of members on the **Specified Date i.e. January 21, 2011**

3.1.3 Mr. Sanjay Kumar Sanghi & Mr. Ritesh Kumar Sanghi are the Acquirers in this open offer and there are no other Persons acting in concert (PAC's) with the Acquirers in respect of this Offer within the meaning of Regulation 2(1) (e) of the SEBI (SAST) Regulations.

3.1.4 The Acquirers have entered into a Share Purchase Agreement (SPA) on December 21, 2010 with all the major Promoters of the Target Company (collectively referred hereinafter to as the 'Sellers') to acquire 64,33,860 fully paid up equity shares of Rs. 10/- each, representing 70.00% of the issued, subscribed, paid up and voting capital of Target Company at a price of Rs 0.40/- (Forty Paisa only) per share aggregating to Rs.25,73,544 (Rupees Twenty Five Lacs Seventy Three Thousand Five Hundred and Forty Four only) payable in cash.

3.1.5 Details of the Sellers & Acquirers are as under:

Sellers			Acquirers		
Name of the Shareholders	**No. of Equity Shares**	**% w.r.t. to the total paid up capital**	**Name of the Shareholders**	**No. of Equity Shares**	**% w.r.t. to the total paid up capital**
Promoter & Promoter Group					
Vijay Jain	13,93,110	15.16%	Mr. Sanjay Kumar Sanghi	33,18,300	36.10
Shivani Jain	5,47,450	5.96%	Mr. Ritesh Kumar Sanghi	31,15,560	33.90
Urvashi Jain	13,91,000	15.13%			
Vikram Jain	5,71,000	6.21%			
Richvik Enterprises (P) Ltd.	19,27,300	20.97%			
Gaylord Commercial Company Limited	6,04,000	6.57%			
Total	**64,33,860**	**70.00%**	**Total**	**64,33,860**	**70.00%**

By the above acquisition pursuant to SPA and Open Offer, the Acquirers will hold in aggregate 82,71,980 equity shares representing 90% of the total paid up capital and resultant voting rights of the target company, which resulted in triggering of SEBI (SAST) Regulations, 1997.

3.1.6. The salient features of the SPA are as under:-

a) The Acquirers will not apply for the registration of equity shares of the Target Company tendered under Open Offer, in his name, unless and until their Merchant Banker has certified the unconditional fulfillment of the provisions of the SEBI (SAST) Regulations by the Acquirers. Till now, Shares under SPA has not been transferred to the Acquirers and it will be transferred subject to completion of all the formalities of SEBI (SAST) Regulations, 1997. The Acquirers will get voting rights of the Shares under SPA subsequent to transfer of these shares after certification of the Merchant Banker about the unconditional fulfillment of the provisions of the SEBI (SAST) Regulations by the Acquirers.

b) The Sellers acknowledge that there is a levied penalty u/s 271 (1)(c) of the Income Tax Act 1961 for Rs. 14,78,139/- for Assessment Year 2005-2006 on the Company against which the Company has filed an appeal with C.I.T. (A). Further, the Sellers have accepted that in case of appeal filed by the company in not settled in favour of the company by I.T. Dept., the payment of liability that arises on account of above penalty shall be totally to the account of the Sellers.

c) In consideration of above, the Sellers have agreed to hold a cheque amounting to Rs.14,78,139/- (Rupees Fourteen Lakhs Seventy Eight Thousand One Hundred Thirty Nine Only) issued by the Acquirers which shall be utilized to pay the levied penalty on the event of rejection of appeal otherwise, the amount shall be released to the Sellers, as part of consideration in case of favourable order by C.I.T. (A). The remaning amount of Rs. 10,95,405/- (Rupees Ten Lakhs Ninety Five Thousand Four Hundred and Five only) is paid to the Sellers on pro-rata basis of their share holding as per the annexure attached to the agreement.

d) The Sellers shall provide and shall cause the Target Company to provide to the Acquirers or their authorized representatives and advisers, full access to the Target Company its facilities, books, records and documents and provide all required materials, data and information necessary or as the Acquirers may require to investigate any facts or matters for conducting due diligence of any facts, matters, information relating to the business, affairs operations or prospects of the Target Company.

e) Subject to the fulfillment of the requirements under the SEBI (SAST) Regulations, including without limitations the obligation set forth in sub-regulations (7) of Regulation 22 of the SEBI (SAST) Regulations, the Acquirers shall have the right to appoint his nominees as directors of the Target Company after a period of 21 (Twenty One) days from the date of PA and upon exercise of such right by the Acquirers, the Sellers shall provide necessary assistance to the extent reasonably possible for appointment of the persons nominated by the Acquirers as directors of the Target Company including amendments to Articles of Association of the Target company and approval of shareholders of the Company, if required.

f) There is no non compete fee agreement between the Acquirers and the Sellers.

g) The Share Purchase Agreement, by its own terms, shall be effective only upon the certification by the Manager of the Offer that the formalities related to the Offer have been duly completed in compliance with the SEBI (SAST) Regulations as may be applicable to the transfer of the shares in favour of the Acquirers.

h) If the provisions of the SEBI (SAST) Regulations are not complied with, the SPA shall not be acted upon, either by the Sellers or the Acquirers.

i) The Acquirers undertakes and covenants to take all steps and actions as may be necessary for compliance with the provisions of the Takeover Code. The Sellers agree to provide the Acquirers with all possible necessary support (within their control), for complying with the provisions of the Takeover Code relating to Open Offer as are applicable to the transaction envisaged herein.

j) In the event, if Acquirers fails to comply with the applicable provisions of the Takeover Code relating to the Public Offer, the SPA shall stand terminated and shall be null and void.

3.1.7 Apart from 64,33,860 (Sixty Four Lacs Thirty Three Thousand Eight Hundred and Sixty only) fully paid up equity shares which the Acquirers holds pursuant to SPA, the Acquirers do not hold any equity shares/ voting rights of HFL.

3.1.8 As per stock exchange filings made with the Calcuta Stock Exchange Limited ("C**SE"**), the Sellers of the target Company includes the major Promoter Group.

3.1.9 The Acquirers have not entered into any inter-se agreement for the purpose of allocation of shares received in this offer.

3.1.10 The Acquirers, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued U/s 11B of SEBI Act, 1992 or under any other Regulation under the SEBI Act, 1992.

3.1.11 The shares of the Target Company are listed at Calcutta Stock Exchange Limited, Kolkata (CSE). The company was previously listed in Hyderabad Stock Exchange Limited which has been derecognized by SEBI.

3.1.12 There is no other consideration/compensation, in cash or kind, whether directly or indirectly is being given to the Sellers (i.e. those selling shares under the SPA) apart from the consideration as stated 3.1.4 above.

3.1.13 As on date of this PA, the Acquirers do not hold any shares of the Target Company except those acquired under SPA and hence the provisions of Chapter II of SEBI (SAST) Regulations are not applicable.

3.2 Details of the proposed Offer

3.2.1 The Acquirers have made a Public Announcement on December 24, 2010,corrigendum to the Public Announcement on January 7, 2011 and Second corrigendum to the Public Announcement on June 22, 2011 in accordance with the Regulation 15 and pursuant to Regulation 10 and 12 of SEBI (SAST) Regulations, 1997, in the following newspapers:

Publication	**Language**	**Editions**
The Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Dainik Statesman	Kolkata	Bengali (Place where the registered office is situated)

The Public Announcement is also available on the SEBI website at www.sebi.gov.in

3.2.2 Pursuant to the signing of SPA, the Acquirers are making this Open Offer under Regulations 10 & 12 of the SEBI (SAST) Regulations, 1997, to acquire 18,38,120 equity shares of Rs.10 /- each representing 20.00% of the total issued, subscribed paid up and voting capital of the Target Company at a price of Rs. 0.45/- (Rupees Forty Five Paisa Only) per fully paid up equity share ("Offer Price"), payable in Cash including interest of Rs. 0.05 (Rupees Five Paisa only) per share subject to terms and conditions mentioned hereinafter.

3.2.3 This Offer is being made to all the shareholders of the Target Company (other than the parties to the SPA) and is not conditional upon any minimum level of acceptance. The Acquirers will acquire all the Shares of the Target Company that are validly tendered as per the terms of the Offer up to a maximum of 18,38,120 equity shares.

3.2.4 The Offer is not a competitive bid.

3.2.5 The Offer is subject to the terms and conditions set out herein and in the Letter of Offer that will be sent to the shareholders of the Target Company.

3.2.6 The Acquirers do not hold any equity shares in HFL as on the date of the PA except acquired under SPA as mentioned above in Para 3.1.4 and they have not been allotted any equity shares of the Target Company by way of allotment in a Public or Rights or Preferential Issue during the 26-weeks period prior to the date of this PA. Also the Acquirers have not acquired any shares of the Target Company after the date of Public Announcement till the date of this Letter of Offer.

3.2.7 This offer is not subject to any statutory and regulatory approvals, however it will be subject to statutory approvals that may become applicable at a later date (as mentioned in Point No. 8.2 of this Letter of Offer).

3.2.8. The Manager to the Open Offer i.e. **Intensive Fiscal Services Private Limited** does not hold any shares in the Target Company as on the date of PA. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as the Manager to the Open Offer till the expiry of 15 days from the date of closure of Open Offer.

3.2.9 The Offer is made to all the shareholders of HFL except the Acquirers and the Sellers.

3.2.10 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

3.2.11 The Shares of the Target Company will be acquired by the Acquirers as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

3.3 Object of the Acquisition / Offer

3.3.1 The Offer is being made pursuant to SPA between the Acquirers and the Sellers as described in Para 3.1.4 above whereby the Acquirers have acquired 70.00% of the issued, subscribed and paid up share capital from the Sellers. This has resulted in substantial acquisition of shares and change in control of the Target Company in terms of the SEBI (SAST) Regulations. Hence, this Open Offer is being made in compliance with Regulation 10 and Regulation 12 read with other applicable provisions of the SEBI (SAST) Regulations.

3.3.2 The Open Offer to the public shareholders of HFL is for acquiring 20.00% of the total issued, subscribed, paid up and voting capital of the Target Company in accordance with Regulation 10 & 12 of the SEBI (SAST) Regulations, 1997. After the completion of the proposed Open Offer, the Acquirers will achieve substantial acquisition of equity shares and voting rights accompanied with effective management control over the Target Company.

3.3.3 Mr. Sanjay Kumar Sanghi, a certified gemologist, along with Mr. Ritesh Kumar Sanghi are in the business of trading and manufacturing of Gems and Jewellery for more than 25 Years. They propose to utilize their experience to ensure sustained growth and improve the performance of the Target Company. The Acquirers in addition to carrying the existing business of the Target Company propose to amend the Objects Clause of the Company to enable them to carry on the business of gems and jewellery manufacturing, acquiring distributorship of various eminent brands of gems and jewellery and retailing in jewellery sector. The Acquirers are also having future plans to enter into construction industry and other related businesses. The Acquirers are yet to finalize on how they would implement the future plans. The Acquirers believes that acquisition of a Majority stake & Management Control in Target Company is in line with business strategy and is a step towards becoming a broad based and integrated player. Accordingly they are intending to acquire the Target Company, including amendments to Memorandum and Articles of Association of the Target Company subject to approvals of shareholders of the Company and other statutory approvals/consents, as may be required.

3.3.4 To the extent required and to optimize the value to all the shareholders, the Acquirers may subject to applicable shareholders' consent, enter into any compromise or arrangement, reconstruction, restructuring, merger, amalgamation, rationalizing and/or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Notwithstanding, the Board of Directors of the Target Company will take appropriate decisions in these matters in line with the requirements of the business and opportunities from time to time.

3.3.5 As of the date of this Letter of Offer, the Acquirers do not have any plan to dispose off or otherwise encumber any asset of the Target Company in the next two years except in the ordinary course of business of the Target Company.

3.3.6 The Acquirers intends to seek a reconstitution of the Board of Directors of the Target Company after successful completion of the Takeover.

3.3.7 **Disclosure in terms of Regulation 16 (ix)**

a) The Acquirers do not have any plan to dispose of or otherwise encumber any assets of HFL within two years from the date of closure of the offer except in the ordinary course of business of HFL.

b) Further, the Acquirers undertakes that in the next two years they shall not sell, dispose off or otherwise encumber any substantial part of HFL except with the prior approval of the HFL shareholders.

The Acquirers undertakes to take necessary steps to facilitate strict compliance of Regulation 16 (ix) and all the relevant provisions of the Listing Agreements and other applicable laws, within the time period mentioned therein or in accordance with such other directions as may be provided by the relevant stock exchanges. The Acquirers have confirmed that presently they do not have any intention to delist the Target Company from the Stock Exchanges in the next three years from the date of the Letter of Offer.

4 BACKGROUND OF THE ACQUIRERS

4.1 The Offer is being made jointly by Mr Sanjay Kumar Sanghi & Mr. Ritesh Kumar Sanghi. Both the Acquirers are Brother.

4.2 The Acquirers, Mr. Sanjay Kumar Sanghi, residing at Narbada Niwas, H.No. 8-2-686/DR/6&7, Road no. 12, Banjara Hills, Hyderabad-500034, Tel No.: 040-66628411, Fax No.040-23223124 and Mr. Ritesh Kumar Sanghi, residing at Narbada Niwas, H.No. 8-2-686/DR/6&7, Road no. 12, Banjara Hills, Hyderabad-500034, Tel No.: 040-66628411, Fax No. 040-23223124 are the Acquirers within the meaning of Regulation 2(1) (b) of the SEBI (SAST) Regulations. None of the Acquirers are on the Board of Directors of the Target Company.

4.3 Mr. Sanjay Kumar Sanghi is the Promoter and Managing Director in Sanghi Jewellers Private Limited, Narbada Gems & Jewellery Limited and Narbada Properties Private Limited and also the Promoter and Director in Narbada Technosoft Private Limited.

4.4 Mr. Ritesh Kumar Sanghi is the Promoter and Managing Director in Narbada Technosoft Private Limited and also the Promoter and Director in Sanghi Jewellers Private Limited, Narbada Gems & Jewellery Limited and Narbada Properties Private Limited.

4.5 Mr. KBMM Krishna (Membership No. 23142), Proprietor of Krishna and Suresh, Chartered Accountants, having his office at 3-6- 542/2, Himayath Nagar, Hyderabad-500029. Phone no: 040-27638964, has certified vide certificate dated June 18, 2011, that the Net worth of Mr. Sanjay Kumar Sanghi and Mr. Ritesh Kumar Sanghi as on March 31, 2011 is Rs 3,04,93,065 (Rupees Three crores Four Lakhs Ninty Three thousand and Sixty Five Only) and Rs. 2,72,16,380 (Rupees Two Crores Seventy Two Lakhs Sixteen Thousand Three hundred and Eighty Only) respectively.

4.6 **Brief Details of the companies in which Acquirers are the Managing Director/ Director:**

Name of Company	**Sanghi Jewellers Private Limited**
Original Date of Incorporation	April 19, 1999
Nature of Business	Manufacturing and Trading of Gold Jewellery

Financial Information	**March 31, 2008 (Audited)**	**March 31, 2009 (Audited)**	**March 31, 2010 (Audited)**	**March 31, 2011 (Provisional)**
Paid Up Capital (Rs in Lacs)	335.00	335.00	500.00	500.00
Reserves & Surplus (Rs in Lacs)	705.39	794.25	969.56	1228.46
Total Income (Rs in Lacs)	11479.82	9844.29	12958.58	16656.94
Profit After Tax (PAT) (Rs in Lacs)	143.26	88.87	175.31	258.90
Earning Per Share (EPS) (In Rs)	4.28	2.65	3.51	5.18
Net Worth (Rs. In Lacs)	1040.39	1129.25	1469.56	1728.46

Name of Company	**Narbada Gems & Jewellery Limited**
Original Date of Incorporation	May 5, 1992
Nature of Business	Manufacturing and Trading of Gold Jewellery

Financial Information	March 31, 2008 (Audited)	March 31, 2009 (Audited)	March 31, 2010 (Audited)	March 31, 2011 (Provisional)
Paid Up Capital (Rs in Lacs)	541.90	541.90	541.90	541.90
Reserves & Surplus (Rs in Lacs)	-	-	-	-
Total Income (Rs in Lacs)	688.86	222.28	245.04	388.40
Profit After Tax (PAT) (Rs in Lacs)	47.45	10.14	11.41	16.02
Earnings Per Share (EPS) (In Rs)	0.88	0.19	0.21	0.30
Net Worth (Rs. In Lacs)	83.59	93.73	105.14	121.11

Name of Company	**Narbada Properties Private Limited**
Date of Incorporation	October 28, 2005
Nature of Business	Real Estate Business

Financial Information	March 31, 2008 (Audited)	March 31, 2009 (Audited)	March 31, 2010 (Audited)	March 31, 2011 (Provisional)
Paid Up Capital (Rs in Lacs)	1.00	1.00	1.00	1.00
Share Application Money (Rs. In Lacs)	56.00	56.00	56.00	56.00
Total Income (Rs in Lacs)	-	-	-	-
Profit After Tax (PAT) (Rs in Lacs)	-	-	-	-
Earning Per Share (EPS) (In Rs)	-	-	-	-
Net Worth (Rs. In Lacs)	56.04	55.88	55.78	55.68

Name of Company	**Narbada Technosoft Private Limited**
Date of Incorporation	July 13, 2007
Nature of Business	Software Development

Financial Information	March 31, 2008 (Audited)	March 31, 2009 (Audited)	March 31, 2010 (Audited)	March 31, 2011 (Provisional)
Paid Up Capital (Rs in Lacs)	1.00	1.00	1.00	1.00
Share Application Money (Rs. In Lacs)	46.00	46.00	0.60	0.60
Total Income (Rs in Lacs)	-	-	-	-
Profit After Tax (PAT) (Rs in Lacs)	-	-	-	-
Earning Per Share (EPS) (In Rs)	-	-	-	-
Net Worth (Rs. In Lacs)	46.43	46.26	0.50	0.40

As certified by Mr. Sanjay Kumar Sanghi, Managing Director of Narbada Gems and Jewellery , have certified the financial data & key financial ratio of **Sanghi Jewellers Private Limited and Narbada Gems & Jewellery Limited** vide certificate dated June 20, 2011. As certified by Mr. KBMM Krishna (Membership No. 200/23142), Chartered Accountants, Proprietor of Krishna & Suresh having office at 3-6-542/2, Himayath Nagar, Hyderabad – 500029. Tel no. 040-27638964, the financial data & key financial ratio of **Narbada Technosoft Private Limited and Narbada Properties Private Limited** have certified vide certificate dated June 20, 2011.

4.7 The Acquirers are not forming part of the present Promoter Group of the Target Company. There are two nominee Directors of the Acquirers on the Board of Directors of the Target Company. Both are appointed as an additional director on the board of directors of the Target Company.

4.8 The Acquirers have not acquired earlier any equity shares in HFL as mentioned above in Para 3.1.4.

4.9 The Acquirers have sufficient resources to fulfill the obligation under this open offer.

4.10 As on date of this PA, the Acquirers do not hold any shares of the Target Company and hence the provisions of Chapter II of SEBI (SAST) Regulations are not applicable.

4.11 The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the 'SEBI Act') or any other Regulations made under the SEBI Act.

4.12 DISCLOSURE IN TERMS OF REGULATION 16 (IX)

a) The Acquirers do not have any plan to dispose of or otherwise encumber any assets of HFL within two years from the date of closure of the offer except in the ordinary course of business of HFL.

b) Further, the Acquirers undertakes that in the next two years they shall not sell, dispose off or otherwise encumber any substantial part of HFL except with the prior approval of the HFL shareholders.

The Acquirers undertakes to take necessary steps to facilitate strict compliance of Regulation 16 (ix) and all the relevant provisions of the Listing Agreements and other applicable laws, within the time period mentioned therein or in accordance with such other directions as may be provided by the relevant stock exchanges. The Acquirers have confirmed that presently they do not have any intention to delist the Target Company from the Stock Exchanges in the next three years from the date of the Letter of Offer.

5. DISCLOSURE UNDER REGULATION 21(2)

Upon completion of the Offer, assuming full acceptances in the Offer and acquisition of shares through SPA thereinafter entered into SPA, the Acquirers will hold 82,71,980 shares constituting 90.00 % of the total issued, subscribed and paid up equity share capital of the Target Company. It would result in falling the Public shareholding in the Target Company below the minimum level required as per the Listing Agreement entered with the Stock Exchange for the purpose of listing on continuous basis.

As per Clause 40A of the Listing Agreement, the Target Company is required to maintain at least 25% public shareholding on a continuous basis. In the event that the acquisition made in pursuance to the Offer results in the public shareholding of the Target Company falling below such minimum level, the Acquirers undertake to take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreements and other applicable laws, within the time period mentioned therein or in accordance with such other directions as may be provided by the Stock Exchange. The Acquirers have confirmed that presently they do not have any intention to delist the Target Company from the Stock Exchanges in the next three years.

The Acquirers undertake to bring back public shareholding at minimum stipulated level i.e. atleast 25% within six months from the date of closure of public offer by a) issue of new shares by the Company in compliance with the provisions of the Companies Act, 1956 & Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 or b) sale of its holdings through the secondary market in a transparent manner. As of now there is no activity/business transacted in the Target Company. The new Acquirers will carry their existing business in the Target Company and utilize their experience to ensure sustained growth and improve the performance of the Target Company and carry on the business of gems and Jewellery manufacturing, acquiring distributorship of various eminent brands of gems and Jewellery and retailing in Jewellery sector and thereby gain the shareholders confidence. That will also help the shareholders to take interest in buying/selling of the Hifunda Limited shares in the secondary market.

6. BACKGROUND OF THE TARGET COMPANY

6.1 HFL was incorporated on May 13, 1999 under the name of Net Trade Innovations Private Limited under the Companies Act, 1956. The Company was subsequently converted into a Public Limited Company on February 16, 2000. The name of the Company was further changed to Hifunda.Com Limited on February 18, 2000 and a fresh certificate of incorporation was received on that date i.e. February 18, 2000. On June 04, 2004, the Company again changed its name from Hifunda.Com Ltd to HIFUNDA LTD with the change in its various business activities having its registered Office at 224 A. J. C. Bose Road, Suite 618 Krishna, 6th Floor, Kolkata, West Bengal - 700017, Tel. No 91-33-2289 2980 / 22477110 / 22404726, Fax No. +91-33-2280 8200. (Hereinafter referred to as the "Target Company/the Company"). The Corporate Identification Number (CIN) of the Target Company is L72900WB1999PLC089399.

6.2 Presently, the major promoters of the Target Company are Mr. Vijay Jain, Gaylord Commercial Company, Richvik Enterprises (P) Ltd., Ms. Shivani Jain, Mrs. Urvashi Jain, Mr. Vikram Jain who collectively hold 64,33,860 holding (70.00%) of the fully paid up Equity Shares/Voting Right in the Target Company as on December 31, 2010. The Shareholding of the Promoters exceeded the threshold limit of 75% due to Forfeiture of partly paid shares and has been gradually brought down below the threshhold limit.

6.3 The Main Objects clause of HFL, as per Memorandum of Association includes carrying on the business of internet & shipping company, e-commerce, to carry on the investment business etc.

6.4 The Target Company has timely filed Regulation 7(3) & 8(3) of SEBI (SAST) Regulations, 1997 for all the years. The Promoters of the Target Company have filed 7(1A) timely as applicable, under provisions of the Chapter II of SEBI (SAST) Regulation 1997 as mentioned in point no. 6.11. However there has been some interse transfer between the promoters as per point 6.11 for which suitable regulations were not complied for which SEBI may initiate action against the Promoters of the Target Company for non compliance of the chapter II of the SEBI (SAST) Regulations, 1997.

6.5 The Target company has fully complied with the listing requirements of the concerned stock exchange.

6.6 As on the date of this PA, there are no partly paid-up equity shares, no lock-in shares in the Company as on date except for the 56,62,900 shares which are forfeited as per Meeting of Board of Directors held on March 01, 2002 and the same has been furnished to the Stock Exchanges. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.

6.7 As on the date of PA, the authorized share capital of the Target Company is Rs. 15,50,00,000 (Rupees Fifteen Crores and Fifty Lakhs only) divided into 1,55,00,000 (One Crores and Fifty Five Lakhs only) equity shares of Rs 10/- (Rupees Ten Only) each. The issued and subscribed capital of the Company is Rs. 14,85,35,000 (Rupees Fourteen Crores Eighty Five Lakhs and Thirty Five thousand only) divided into 1,48,53,500 (One Crore Forty Eight Lakhs Fifty Three Thousand and Five Hundred Only) equity shares of Rs 10/- (Rupees Ten Only) each. The present paid-up share capital of the Company is Rs. 9,19,06,000/- (Rupees Nine Crores Nineteen Lakhs and Six thousand only) divided into 91,90,600 (Ninety One Lakhs Ninety Thousand and Six Hundred Only) equity shares of Rs 10/- (Rupees Ten Only) each fully paid-up. The entire issued, subscribed, paid up and voting equity capital of the Target Company is listed at Calcutta Stock Exchange Association Limited, Kolkata.

6.8 As on the date of PA, the share capital structure of the target company is as given under:

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity shares	91,90,600	100%
Partly Paid-up Equity shares	NIL	--
Total paid-up Equity shares	91,90,600	100%
Total Voting Rights in the Company	91,90,600	100%

6.9 The Current capital structure of the Company has been built up since inception as under:

Date of Allotment	No of Shares issued	Cumulative Paid-Up Capital (Rs.)	Mode of Allotment	Identity of Allottees	Status of Compliance
MOA	20	--	Initial Subscription	Promoters	Done
24.01.2000	74,000	74,020	Private Placement	Promoters	Form 2 duly filed
30.03.2000	22,94,500	23,68,520	Private Placement	Promoters	Form 2 duly filed
22.05.2000	34,46,000	58,14,520	Private Placement	Promoters and Others	Form 2 duly filed
24.10.2000	8,75,080	66,89,600	Private Placement	Promoters and Others	Form 2 duly filed
14.12.2000	81,63,900	1,48,53,500	IPO	Public	Form 2 duly filed
Sub Total	1,48,53,500				
March 01, 2002	(56,62,900)	91,90,600	Shares Forfeited as per Meeting of Board of Directors		
TOTAL		91,90,600			

6.10 The Promoters, Relatives and their Group Companies (as mentioned in Para 6.11) have exceeded the permissible acquisition limit many times and/or not complied with the norms of SEBI (SAST) Regulations, 1997, due to which they were required to make an open offer to the public shareholders. SEBI may initiate suitable proceedings against the Promoters, Relatives and their Group Companies (as mentioned in Para 6.11) for such violation done in the past. The promoters have undertaken to co-operate with SEBI on any proceedings against them with regard to the violations mentioned. For the non-compliance of Chapter II by the Target Company and the promoters/sellers, SEBI may initiate appropriate action against them.

The Promoters, Relatives and their Group Companies (as mentioned in Para 6.11) have undertaken to co-operate with SEBI on any proceedings against them with regard to the violations mentioned in point no. 6.11 and they have voluntarily filed consent applications separately with SEBI on May 04, 2011 and revised consent letter on June 14, 2011 to avail the facilities under SEBI Consent Order Scheme for the various non-compliances/ delayed compliances.

6.11 Hifunda Limited - Datewise Capital Build up - Promoter & Promoters Relatives and Group Company

Date	Opening Balance Promoter Group	Opening Capital	Opening % holding-Promoter Group	Name of Promoter	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	Closing Holding Promoter Group	Increase/ Decrease in percentage holding Promoter Group(+/ -%)	Compliance status
Opening Balance of Promoters as per Prospectus - December 2000												
2000	120,010	14,853,500	0.81%	Vijay Jain				14,853,500	0.81%	120,010		
2000	58,010	14,853,500	0.39%	Sanjay Sultania						58,010		
Total ("A")	**178,020**											
Opening Balance of Promoters Relatives & their Group Company as per Prospectus - December 2000												
2000	267,000	14,853,500	1.80%	Richvik Enterprises (P) Ltd.								
2000	152,000	14,853,500	1.02%	Shivani Jain								
2000	150,000	14,853,500	1.01%	Urvashi Jain								
2000	136,000	14,853,500	0.92%	Sunita Jain								
2000	153,000	14,853,500	1.03%	Vikram Jain								
2000	550,000	14,853,500	3.70%	Gaylord Commercial Company Limited								
2000	102,000	14,853,500	0.69%	Vijay Jain HUF								
Total ("B")	**1,510,000**	**14,853,500**	**10.17%**									

Total Promoters & their Relatives Holding ("A" + "B")	**1,688,020**	**14,853,500**	**11.36%**									
January 24, 2001	1,688,020	14,853,500	11.36%	Gaylord Commercial Company Limited	70,000	Open Market Purchase		14,853,500	11.84%	1,758,020	0.47%	N.A.
January 30, 2001	1,758,020	14,853,500	**11.84%**	Richvik Enterprises (P) Ltd.	90,000	Open Market Purchase		14,853,500	12.44%	1,848,020	0.61%	N.A.
				Gaylord Commercial Company Limited	50,000	Open Market Purchase		14,853,500	12.78%	1,898,020	0.34%	N.A.
				Vijay Jain	35,000	Open Market Purchase		14,853,500	13.01%	1,933,020	0.24%	N.A.
February 10, 2001	1,933,020	14,853,500	**13.01%**	Gaylord Commercial Company Limited	30,000	Open Market Purchase		14,853,500	13.22%	1,963,020	0.20%	N.A.
February 21, 2001	1,963,020	14,853,500	**13.22%**	Gaylord Commercial Company Limited	80,000	Open Market Purchase		14,853,500	13.75%	2,043,020	0.54%	N.A.
March 16, 2001	2,043,020	14,853,500	**13.75%**	Gaylord Commercial Company Limited	223,250	Open Market Purchase		14,853,500	15.26%	2,266,270	1.50%	N.A.
March 17, 2001	2,266,270	14,853,500	**15.26%**	Gaylord Commercial Company Limited	15,000	Open Market Purchase		14,853,500	15.36%	2,281,270	0.10%	N.A.
March 20, 2001	2,281,270	14,853,500	**15.36%**	Gaylord Commercial Company Limited	120,000	Open Market Purchase		14,853,500	16.17%	2,401,270	0.81%	N.A.
March 23, 2001	2,401,270	14,853,500	**16.17%**	Gaylord Commercial Company Limited	22,000	Interse Transfer		14,853,500	16.31%	2,423,270	0.15%	N.A.
				Shivani Jain		Interse Transfer	22,000	14,853,500	16.17%	2,401,270	-0.15%	N.A.
March 30, 2001	2,401,270	14,853,500	**16.17%**	Richvik Enterprises (P) Ltd.	10,000	Open Market Purchase		14,853,500	16.23%	2,411,270	0.07%	N.A.
April 1, 2001	2,411,270	14,853,500	**16.23%**	Gaylord Commercial Company Limited	40,000	Open Market Purchase		14,853,500	16.50%	2,451,270	0.27%	N.A.
April 3, 2001	2,451,270	14,853,500	**16.50%**	Urvashi Jain	200000	Open Market Purchase		14,853,500	17.85%	2,651,270	1.35%	N.A.

April 4, 2001	2,651,270	14,853,500	**17.85%**	Gaylord Commercial Company Limited	200,000	Open Market Purchase		14,853,500	19.20%	2,851,270	1.35%	N.A.
April 6, 2001	2,851,270	14,853,500	**19.20%**	Gaylord Commercial Company Limited	20,000	Open Market Purchase		14,853,500	19.33%	2,871,270	0.13%	N.A.
April 9, 2001	2,871,270	14,853,500	**19.33%**	Richvik Enterprises (P) Ltd.	40,000	Open Market Purchase		14,853,500	19.60%	2,911,270	0.27%	N.A.
April 13, 2001	2,911,270	14,853,500	**19.60%**	Gaylord Commercial Company Limited	110,000	Open Market Purchase		14,853,500	20.34%	3,021,270	0.74%	N.A.
September 5, 2001	3,021,270	14,853,500	**20.34%**	Richvik Enterprises (P) Ltd.	99,000	Open Market Purchase		14,853,500	21.01%	3,120,270	0.67%	N.A.
September 5, 2001	3,120,270	14,853,500	**21.01%**	Gaylord Commercial Company Limited	250,000	Open Market Purchase		14,853,500	22.69%	3,370,270	1.68%	Open Offer got triggered under Regulation 11(1) but no open offer given.
September 11, 2001	3,370,270	14,853,500	**22.69%**	Gaylord Commercial Company Limited	97,500	Open Market Purchase		14,853,500	23.35%	3,467,770	0.66%	Open Offer got triggered under Regulation 11(1) but no open offer given.
October 31, 2001	3,467,770	14,853,500	**23.35%**	Gaylord Commercial Company Limited	50,000	Open Market Purchase		14,853,500	23.68%	3,517,770	0.34%	N.A.
November 12, 2001	3,517,770	14,853,500	**23.68%**	Vikram Jain	420,000	Open Market Purchase		14,853,500	26.51%	3,937,770	2.83%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(1) but no open offer given.
				Vijay Jain HUF	462300	Open Market Purchase		14,853,500	29.62%	4,400,070	3.11%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(1) but no open offer given.

				Sunita Jain	360000	Open Market Purchase		14,853,500	32.05%	4,760,070	2.42%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(1) but no open offer given.
				Vijay Jain	200000	Open Market Purchase		14,853,500	33.39%	4,960,070	1.35%	Open Offer got triggered under Regulation 11(1) but no open offer given.
November 13, 2001	4,960,070	14,853,500	**33.39%**	Sunita Jain	125,000	Open Market Purchase		14,853,500	34.23%	5,085,070	0.84%	Open Offer got triggered under Regulation 11(1) but no open offer given.
November 14, 2001	5,085,070	14,853,500	**34.23%**	Sunita Jain	70,000	Open Market Purchase		14,853,500	34.71%	5,155,070	0.47%	Open Offer got triggered under Regulation 11(1) but no open offer given.
November 19, 2001	5,155,070	14,853,500	**34.71%**	Sunita Jain	125,000	Open Market Purchase		14,853,500	35.55%	5,280,070	0.84%	Open Offer got triggered under Regulation 11(1) but no open offer given.
November 20, 2001	5,280,070	14,853,500	**35.55%**	Richvik Enterprises (P) Ltd.	200,000	Open Market Purchase		14,853,500	36.89%	5,480,070	1.35%	Open Offer got triggered under Regulation 11(1) but no open offer given.
				Sunita Jain	325,000	Open Market Purchase		14,853,500	39.08%	5,805,070	2.19%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(1) but no open offer given.
December 1, 2001	5,805,070	14,853,500	**39.08%**	Richvik Enterprises (P) Ltd.	210,000	Open Market Purchase		14,853,500	40.50%	6,015,070	3.60%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(1) but no open offer given.

				Gaylord Commercial Company Limited	47,000	Open Market Purchase		14,853,500	40.81%	6,062,070	0.32%	Open Offer got triggered under Regulation 11(1) but no open offer given.
December 6, 2001	6,062,070	14,853,500	**40.81%**	Gaylord Commercial Company Limited	57,000	Open Market Purchase		14,853,500	41.20%	6,119,070	0.38%	Open Offer got triggered under Regulation 11(1) but no open offer given.
				Urvashi Jain	135,000	Open Market Purchase		14,853,500	42.11%	6,254,070	0.91%	Open Offer got triggered under Regulation 11(1) but no open offer given.
December 8, 2001	6,254,070	14,853,500	**42.11%**	Urvashi Jain	50,000	Open Market Purchase		14,853,500	42.44%	6,304,070	0.34%	Open Offer got triggered under Regulation 11(1) but no open offer given.
December 20, 2001	6,304,070	14,853,500	**42.44%**	Urvashi Jain	53,000	Open Market Purchase		14,853,500	42.80%	6,357,070	0.36%	Open Offer got triggered under Regulation 11(1) but no open offer given.
				Sunita Jain	55,000	Open Market Purchase		14,853,500	43.17%	6,412,070	0.37%	Open Offer got triggered under Regulation 11(1) but no open offer given.
December 22, 2001	6,412,070	14,853,500	**43.17%**	Vijay Jain	460,000	Open Market Purchase		14,853,500	46.27%	6,872,070	3.10%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(1) but no open offer given.
December 26, 2001	6,872,070	14,853,500	**46.27%**	Vijay Jain	135,000	Open Market Purchase		14,853,500	47.17%	7,007,070	0.91%	Open Offer got triggered under Regulation 11(1) but no open offer given.
February 9, 2002	7,007,070	14,853,500	**47.17%**	Vijay Jain	150,000	Open Market Purchase		14,853,500	48.18%	7,157,070	1.01%	Open Offer got triggered under Regulation 11(1) but no open offer given.

February 21, 2002	7,157,070	14,853,500	**48.18%**	Vijay Jain	18,100	Open Market Purchase		14,853,500	48.31%	7,175,170	0.12%	Open Offer got triggered under Regulation 11(1) but no open offer given.
March 5, 2002	7,175,170	14,853,500	**48.31%**	Richvik Enterprises (P) Ltd.	393,000	Interse Transfer		14,853,500	50.95%	7,568,170	2.65%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(1) but no open offer given.
				Vijay Jain HUF		Interse Transfer	102,000	14,853,500	50.27%	7,466,170	-0.69%	N.A.
				Vijay Jain		Interse Transfer	155,000	14,853,500	49.22%	7,311,170	-1.04%	N.A.
				Sunita Jain		Interse Transfer	136,000	14,853,500	48.31%	7,175,170	-0.92%	N.A.
March 5, 2002	7,175,170	14,853,500	**48.31%**	Gaylord Commercial Company Limited	433,000	Interse Transfer		14,853,500	51.22%	7,608,170	2.92%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(1) but no open offer given.
				Urvashi Jain		Interse Transfer	150,000	14,853,500	50.21%	7,458,170	-1.01%	N.A.
				Vikram Jain		Interse Transfer	153,000	14,853,500	49.18%	7,305,170	-1.03%	N.A.
				Shivani Jain		Interse Transfer	130,000	14,853,500	48.31%	7,175,170	-0.88%	N.A.
March 13, 2002	7,175,170	14,853,500	**48.31%**	Shivani Jain	217,450	Open Market Purchase		14,853,500	49.77%	7,392,620	1.46%	Open Offer got triggered under Regulation 11(1) but no open offer given.
(56,62,900 shares has been forfieted as per resolution dated March 1, 2002 & letter submited to Calcutta Stock Exchange on March 13, 2002 detailing about the forfieture of shares and list of shareholders, so total equity shares												
will reduce to 9190600 equity shares and promoter holding will automatically increase to 80.44%)												
March 29, 2002	7,392,620	9,190,600	**80.44%**	Richvik Enterprises (P) Ltd.	150,000	Interse Transfer		9,190,600	82.07%	7,542,620	1.63%	Open Offer got triggered under Regulation 11(2) but no open offer given.

				Urvashi Jain		Interse Transfer	150,000	9,190,600	80.44%	7,392,620	-1.63%	N.A.
December 9, 2002	7,392,620	9,190,600	**80.44%**	Urvashi Jain	100,000	Open Market Purchase		9,190,600	81.52%	7,492,620	1.09%	Open Offer got triggered under Regulation 11(2) but no open offer given.
January 7, 2004	7,492,620	9,190,600	**81.52%**	Sanjay Sultania		Open Market Sale	56,900	9,190,600	80.91%	7,435,720	-0.61%	N.A.
January 9, 2004	7,435,720	9,190,600	**80.91%**	Richvik Enterprises (P) Ltd.		Open Market Sale	221,000	9,190,600	78.50%	7,214,720	-1.94%	N.A.
				Sanjay Sultania		Open Market Sale	1,110	9,190,600	78.49%	7,213,610	-0.01%	N.A.
January 10, 2004	7,213,610	9,190,600	**78.49%**	Urvashi Jain	70,000	Open Market Purchase	-	9,190,600	79.25%	7,283,610	0.75%	Open Offer got triggered under Regulation 11(2) but no open offer given.
February 10, 2004	7,283,610	9,190,600	**79.25%**	Vikram Jain	151,000	Open Market Purchase	-	9,190,600	80.89%	7,434,610	1.64%	Open Offer got triggered under Regulation 11(2) but no open offer given.
March 30, 2007	7,434,610	9,190,600	**80.89%**	Richvik Enterprises (P) Ltd.	100,000	Interse Transfer		9,190,600	81.98%	7,534,610	1.09%	N.A.
				Gaylord Commercial Company Limited		Interse Transfer	100,000	9,190,600	80.89%	7,434,610	-1.09%	N.A.
March 31, 2008	7,434,610	9,190,600	**80.89%**	Shivani Jain	330,000	Interse Transfer		9,190,600	84.48%	7,764,610	3.59%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(2) but no open offer given.
				Vijay Jain	430,000	Interse Transfer		9,190,600	89.16%	8,194,610	4.68%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(2) but no open offer given.

				Gaylord Commercial Company Limited		Interse Transfer	760,000	9,190,600	80.89%	7,434,610	-8.27%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997
November 17, 2009	7,434,610	9,190,600	**80.89%**	Urvashi Jain	933,000	Interse Transfer		9,190,600	91.05%	8,367,610	10.15%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(2) but no open offer given.
				Richvik Enterprises (P) Ltd.		Interse Transfer	933,000	9,190,600	80.89%	7,434,610	-10.15%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997
March 30, 2010	7,434,610	9,190,600	**80.89%**	Richvik Enterprises (P) Ltd.	1,522,300	Interse Transfer		9,190,600	97.46%	8,956,910	16.56%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997, Open Offer got triggered under Regulation 11(2) but no open offer given.
				Sunita Jain		Interse Transfer	1,060,000	9,190,600	85.92%	7,896,910	-11.53%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997
				Vijay Jain HUF		Interse Transfer	462,300	9,190,600	80.89%	7,434,610	-5.03%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997
December 22, 2010	7,434,610	9,190,600	**80.89%**	Gaylord Commercial Company Limited		Off Market Sale	450,000	9,190,600	76.00%	6,984,610	-4.90%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997
December 22, 2010	6,984,610	9,190,600	**76.00%**	Gaylord Commercial Company Limited		Off Market Sale	450,000	9,190,600	71.10%	6,534,610	-4.90%	7(1A) Complied Under SEBI(SAST) Regulatons, 1997
December 22, 2010	6,534,610	9,190,600	**71.10%**	Gaylord Commercial Company Limited		Off Market Sale	100,750	9,190,600	70.00%	6,433,860	-1.10%	N.A.

The Target Company undertakes that there has been no change in Shareholding of the mentioned above Major Promoters/Relatives/Group Companies except as mentioned above.

6.12 The composition of the Board of Directors of HFL as on the date of Public Announcement is as follows:-

SR. No	Name & Residential Address	Designation	Qualification	Experience	Date of Appointment	DIN
1.	Vijay Jain 43 Kusum Apartment 4th Floor, 11 Gurusaday Road, Kolkata - 700019, West Bengal.	Managing Director	B.COM	32 Years	15.05.1999	00530615
2.	Shri Ram Chaudhary 291, Saltlake, Block-Cd, Bidhannagar,North 24 Parganas, Kolkata, 700064, West Bengal	Director	B.COM, C.A.	30 Years	24.01.2000	00495458
3.	Rahul Basu 35a Goabagan Lane, Kolkata, 700006, West Bengal,	Director	B.SC	20 Years	10.02.2001	00761926
4.	Shivani Jain 43 Kusum Apartment 4th Floor, 11 Gurusaday Road, Kolkata - 700019, West Bengal.	Director	B.COM	7 Years	30.07.2004	00530834
5	Mr. Rakesh Agarwal 406, Green Gates Apts, P. G. Road, Secunderabad - 500004	Additional Director	B.SC	19	31.01.2011	00342743
6.	Mr. Praveen Kumar* Roar No:12, H.No 8-2-676/B/14/Abc, Sri R Hyderabad, Andhra Pradesh India 500034	Additional Director	B.COM	20	31.01.2011	03425109

*Mr. Praveen Kumar is also an Additional Director in Narbada Gems and Jewellery Limited

6.13 Mr. Rakesh Agarwal and Mr. Praveen Kumar have been appointed as an additional director on the board of directors of the Target Company and they on behalf of the Acquirers represents them on the Board of Directors of the Target Company.

6.14 There has been no merger / de-merger, spin-off during the past three years in HFL.

6.15 The Brief Financials of HFL are as under:-

(Figures in Lacs)

Profit & Loss Statement	**Period ended**	**Period ended**	**Period ended**	**Period ended**
	31.03.2008	**31.03.2009**	**31.03.2010**	**31.03.2011**
	(Audited)	**(Audited)**	**(Audited)**	**(Provisional)**
Income from operations	28.20	0.98	9.83	-
Other Income	7.25	59.37	0.15	0.11
Profit on sale of Fixed Assets	3.74	-	-	-
Total Income	**39.19**	**60.35**	**9.98**	**0.11**
Total Expenditure	47.44	4.98	13.66	6.03
Profit/ Loss before Depreciation, Interest and Tax	**(8.25)**	**55.37**	**(3.68)**	**(5.92)**
Interest	-	-	-	-

Depreciation	16.30	0.72	0.37	-
Profit (Loss) before Tax	**(24.55)**	**54.65**	**(4.05)**	**(5.92)**
Provision for tax/Prior Period Adjustments	0.11	0.03	0.17	1.47
Profit (Loss) after Tax (PAT)	**(24.66)**	**54.62**	**(4.22)**	**(7.38)**

(Figures in Lacs)

Balance Sheet Statement	**Period ended 31.03.2008 (Audited)**	**Period ended 31.03.2009 (Audited)**	**Period ended 31.03.2010 (Audited)**	**Period ended 31.03.2011 (Provisional)**
Sources of Funds				
Paid up Share Capital	919.06	919.06	919.06	919.06
Securities Premium Account	147.19	147.19	147.19	147.19
Reserves and Surplus(excluding Revaluation Reserve, if any)	200.00	200.00	200.00	200.00
Total Shareholders Fund	**1,266.25**	**1,266.25**	**1,266.25**	**1,266.25**
Loan Funds				
Secured Loans	-	1.26	1.36	-
Unsecured Loans	50.69	-	1.00	1.76
Total Loans	**50.69**	**1.26**	**2.36**	**1.76**
Total Source of funds	**1,316.94**	**1,267.51**	**1,268.61**	**1268.01**
Application of Funds				
Net Fixed Assets	3.76	3.05	-	-
Net Current Assets	1.83	7.73	7.65	(0.33)
Profit & Loss Account	1,311.35	1,256.73	1,260.96	1268.34
Total	**1,316.94**	**1,267.51**	**1,268.61**	**1268.01**

(Figures in Lacs)

Particulars	**For the Year ended March 31, 2008 (Audited)**	**For the Year ended March 31, 2009 (Audited)**	**For the Year ended March 31, 2010 (Audited)**	**For the Year ended March 31, 2011 (Provisional)**
Total Income	39.19	60.35	9.98	0.11
Profit/ (Loss) After Tax	(24.66)	54.62	(4.22)	(7.38)
Equity Share Capital	919.06	919.06	919.06	919.06
Earning Per Share (EPS) (Rs.)	(0.27)	0.59	(0.05)	(0.08)
Book Value Per Share (Rs.)	(0.49)	0.10	0.06	(0.02)
Net worth	(45.10)	9.52	5.29	(2.10)
Return on Net worth (%)	-	5.74	-	-

(Source: As certified by Pramila Sharma (Membership No. 66199), Partner of M/s. Sultania Sanjay & Co., Chartered Accountants, having office at “TRINITY”, Suite No 3E, 3rd Floor, 226/1. A.J.C. Bose Road, Kolkata-700020, West

Bengal, India, Tel No 2283-3233/34, 2289-0790, Fax No. +91-33-22890575 the financial data & key ratios of the Company for the Year ended March 31, 2011 vide certificate dated June 10, 2011)

Reason for the fall/rise in the total income and profit after tax:

Financial Year 2009-10 to 2010-2011

With no operation in the company, the Total sales has come down from Rs. 9.98 Lakhs to 0.11 Lakhs and also Profit after Tax has come down from (4.22) Lakhs to (7.39) Lakhs.

Financial Year 2008-09 to 2009-10

Inspite of Total Sales increasing, the Profit after Tax decreased because Total Expenditure as a percentage of Total Sales has increased in the FY 09-10. Also there has been decrease in Other Income.

Financial Year 2007-08 to 2008-09

There has been increase in Other Income as major revenue came from Commision and Service Charges received. It is one time income. Hence because of this the Total Sales has increased, whereas there is no Shipping Operating expense in the FY 2008-09. Hence there has been an increase in Profit after Tax.

6.16 Accounting Policies & Notes forming part of Accounts followed by the Company as per Annual Report 2010-2011:

1) **Significant Accounting Policies:**

i) Basis of preparation of Financial Statements:

The Financial Statements are prepared under the historical cost convention, on the basis of going concern and as per applicable accounting standards. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

ii) Revenue Recognition:

Accounts unless otherwise specifically mentioned have been prepared on accrual basis.

iii) Impairment of assets are assessed at Balance Sheet date and if any indicators of impairment exists, the same is assessed and provided for.

iv) Accounting Standard- 15 regarding Employees Benefits is not applicable on the Company as there is no employee in the Company.

v) Taxes on Income:

Deferred tax recognized, subject to the consideration of prudence, on timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s).

vi) Contingent liabilities:

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or there is a present obligation, reliable estimate of the amount of which cannot be made. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

6.17 Pre and Post-Offer shareholding pattern of the Target Company as on the date of PA is as per the following table:

Shareholders' Category	**Shareholding & voting rights prior to the agreement / acquisition & offer (A)**		**Shares / voting rights agreed to be acquired which triggered off the Regulations (B)**		**Shares/ voting rights to be acquired in open offer (assuming full acceptances) (C)**		**Shareholding / voting rights after the acquisition and offer i.e. (A) + (B) + (C) = (D)**	
	No	**%**	**No**	**%**	**No**	**%**	**No**	**%**
(1) Promoter Group								
a) Parties to Agreement (Sellers and outgoing Promoters)	6,433,860	70.00	(6,433,860)	(70.00)	-	-	-	-
b) Promoters other than (a) above	3,87,499	4.22	-	-	-	-	-	-
Total 1 (a+b)	**6,821,359**	**74.22**	**(6,433,860)**	**(70.00)**	**-**	**-**	**-**	**-**
(2) Acquirers								
Sanjay Kumar Sanghi			3,318,300	36.10				
Ritesh Kumar Sanghi			3,115,560	33.90				
					1,838,120	20.00	8,271,980	90.00
Total 2			**6,433,860**	**70.00**	**1,838,120**	**20.00**	**8,271,980**	**90.00**
(3) Parties to agreement other than (1) (a) & (2)	-	-	-		-	-	-	-
Total 3	-	-	-	-	-	-	-	-

(4) Public (other than parties to agreement, Acquirers) **	2,369,241	25.78	2,756,740	30.00			918,620	10.00
a) FIs/MFs/FIIs/Banks								
b) Others					**(1,838,120)**	(20.00)		
Total (4) (a+b)	**2,369,241**	**25.78**	**2,756,740**	**30.00**	**(1,838,120)**	**(20.00)**	**918,620**	**10.00**
Grand Total (1+2+3+4)	**9,190,600**	**100.00**	**9,190,600**	**100.00**	**-**	**-**	**9,190,600**	**100.00**

Note: The data within bracket or shown negative indicates sale of equity shares.

6.18 As per the Share Holding Pattern filed with CSE as on September 30, 2010 & available information, the number of shareholders in HFL in public category as on date is 360 (Three Hundred and Sixty only).

6.19 Status of Corporate Governance compliances by HFL: - Provisions of Clause 49 of the Listing agreement are applicable to the Company as its Present paid up share capital is Rs. 919.06 Lacs only. **As per Circular No SEBI/CFD/DIL/CG/1/2004/12/10** dated October 29, 2004, issued by SEBI, the provisions under Clause 49 of the Listing Agreement is applicable to the Target Company since the Paid up Capital is more than Rs. 300 Lacs. As per the declaration from the Target Company, they have complied with the conditions of Corporate Governance stipulated in Clause 49 of the said Listing Agreement.

6.20 There are no litigation matters pending by and against the Company as on date of the PA

6.21 Details of Compliance Officer

Mr. Vijay Jain
Address : 224 A. J. C. Bose Road,
Suite 618 Krishna, 6th Floor,
Kolkata, West Bengal - 700017,
Tel. No 91-33-2289 2980 / 22477110 / 22404726 and
Fax No. +91-33-2280 8200.
(**Source:** All the data about Target Company is provided/certified by Hifunda Limited.)

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The shares of the Target Company are listed at Calcutta Stock Exchange, Kolkata (CSE) having Scrip Code 018358. Further; the shares of the Target Company are not traded on any Stock Exchange (s) in India under Permitted Category. The company was previously listed in Hyderabad Stock Exchange Limited which has been derecognized by SEBI.

7.1.2 The annualized trading turnover of the equity shares of the Target Company during six calendar months preceding the month of PA (June – November 2010) on the Stock exchange on which the equity shares of the Target Company are listed is detailed below:

Name of the Stock Exchange	Total Number of shares traded during the preceding 6 calendar months prior to the November 2010	Total No. of Equity shares listed	Annualized trading turnover (as % of total number of listed shares
Calcutta Stock Exchange	Nil	91,90,600	-

The equity shares are thus infrequently traded on the Stock Exchanges within the meaning of Regulation 20 (5) of the SEBI (SAST) Regulations, 1997.

7.1.2 Therefore, the Offer Price of Rs. 0.45/- (Rupees Forty Five Paisa only) per share is justified in terms of Regulation 20(5) and the same has been determined after considering the following facts:

a)	Negotiated Price payable under the Agreement	Rs. 0.40/-
b)	Highest price paid by the Acquirers for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty-six week period prior to the date of this PA	Not Applicable
c)	**Other Parameters**	**For the year ended 31.03.2011**
	Profit after Tax (Fig in lacs)	(7.38)
	Net worth (Fig in Lacs)	(2.10)
	Return on Net worth (%)	-
	Book Value Per Share (Rupees)	(0.02)
	Earnings per Share (EPS)	(0.08)

As certified by Asha Nopany (Membership No. 55136), Partner of M/s. Nopany & Associates, Chartered Accountants, having office at 18, Giri Babu Lane, Kolkata 700012, West Bengal, India, Tel No 2237-7000 the financial data & key ratios of the Company for the Year ended March 31, 2011 vide certificate dated June 22, 2011.)

7.1.3 The Manager to the Offer confirm that the offer price is justified in terms of Regulation 20 (5) of SEBI (SAST) Regulations and is based on the last Audited financial data. Further, they confirm that the Offer price of Rs.

0.45/- per Fully paid up equity shares of Rs. 10.00 each is justified in terms of Regulation 20(11) of SEBI (SAST) Regulations.

7.1.4 There is no non-compete agreement between the Acquirers and the Target Company and any other entity as envisaged under Regulation 20(8) of the SEBI (SAST) Regulations. No additional payments are being made by the Acquirers as non-compete fees to the Sellers.

7.1.5 The Acquirers shall not acquire any Shares in HFL during the Offer Period except in compliance with the Regulations and the details of such acquisitions shall be disclosed to the Stock Exchange and to the Manager within 24 hours thereof in terms of Regulation 22(17) of the Regulations.

7.1.6 If the Acquirers acquires shares of the Target Company after the date of this Public Announcement and up to 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 valid applications received under the Offer.

7.2 Financial Arrangements

7.2.1 Assuming full acceptance, the total requirement of funds for the open Offer would be Rs 8,27,154/- (Rupees Eight Lacs Twenty Seven Thousand One Hundred and Fifty Four only). The Acquirers have already made firm arrangements for the financial resources required to implement the Open Offer in full. As per Regulation 28 of SEBI (SAST) Regulations, 1997, the Acquirers have established an Escrow Account under the name and title of HIFUNDA LIMITED ESCROW ACCOUNT – 00600350091017 with HDFC Bank Limited – Fort Branch ("Escrow Bank") and deposited Rs. 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) in the account being more than 90% of the total consideration payable in accordance with the SEBI (SAST) Regulations and the Manager to the Offer have been solely authorized to operate and to realize the value lying in the Escrow Account in terms of the SEBI (SAST) Regulations. As per Regulation 16(xiv) of SEBI (SAST) Regulation, firm arrangement for financial resources required to implement the offer is already in place. The amount presently lying in the Escrow Account is more than 90% of the revised total consideration payable to the shareholders and which is in line with the Regulation 28 and more than 25 % of the total consideration payable after the post revision of Offer Price. Intensive Fiscal Services Private Limited, Manager to the Offer, has been authorized to realize the value of Escrow Account (s) in terms of SEBI (SAST) Regulations, 1997.

7.2.2 The Acquirers have adequate resources to meet the financial requirements of the Open Offer in terms of Regulation 16(xiv) of the SEBI (SAST) Regulations, 1997. The Acquirers have made firm arrangement for the resources required to complete the Open Offer in accordance with the SEBI (SAST) Regulations, 1997. No borrowing from any Bank/ Financial Institution is being made for this purpose.

7.2.3 The Manager to the Offer, Intensive Fiscal Services Private Limited, hereby confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligation under the SEBI (SAST) Regulations, 1997. The Acquirers have adequate net worth for fulfilling the obligation for the Offer and the consideration for shares purchased through Share Purchase Agreement.

7.2.4 Mr. KBMM Krishna (Membership No. 23142), Proprietor of Krishna and Suresh, Chartered Accountants, having his office at 3-6- 542/2, Himayath Nagar, Hyderabad-500029. Phone no: 040-27638964, has certified vide certificate dated June 18, 2011, that the Net worth of Mr. Sanjay Kumar Sanghi and Mr. Ritesh Kumar Sanghi as on March 31, 2011 is Rs 3,04,93,065 (Rupees Three crores Four Lakhs Ninty Three thousand and Sixty Five Only) and Rs. 2,72,16,380 (Rupees Two Crores Seventy Two Lakhs Sixteen Thousand Three hundred and Eighty Only) respectively.

7.2.5 In case of revision in the offer price, the Acquirers will further make Demand Deposit with the bank of difference amount between previous open offer fund requirements and revised open offer fund requirements to ensure compliance with Regulation 28 of the SEBI (SAST) Regulations, 1997.

7.2.6 The Acquirers have duly empowered Intensive Fiscal Services Private Limited, Manager to the Offer, to operate and realize the Escrow Account kept separately with bank account in terms of the SEBI (SAST) Regulations, 1997. The Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 Persons eligible to participate in the Offer:-

8.1.1 Registered shareholders of HFL and unregistered shareholders who own the equity shares of HFL any time prior to the date of Closure of the Offer, other than the parties to the SPA i.e. Acquirers and Sellers.

8.1.2 None of the existing shares of HFL are under any lock-in requirements as per SEBI guidelines.

8.2 Statutory Approvals

8.2.1 As of the date of this Letter of Offer, there are no statutory approvals required to acquire the equity shares tendered pursuant to this Offer. If any statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. 8.2.2 No approvals are required from Financial Institutions/Banks for the Offer**.** No other Statutory Approvals are required for the Acquisition of shares under this Open Offer.

8.2.3 The open offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of the open offer.

8.2.4 In case of delay in receipt of the above statutory approvals, SEBI has the power to grant extension of time to the Acquirers for the payment of consideration to the shareholders of the Target Company, 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. Further, if the delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations, 1997 will also become applicable.

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

8.2.6 If the Acquirers fails to obtain the requisite approvals in time due to willful default or neglect or inaction or non action on his part, the amount lying as the demand deposit kept separately for the open offer shall be forfeited in the manner provided in Regulation 28(12)(e) of SEBI(SAST) Regulations.

8.3. Others

8.3.1 Accidental omission to dispatch the LOF to any member entitled to the Open Offer or non receipt of the LOF by any member entitled to the Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein and in the LOF that would be sent to the shareholders of HFL as on the Specified date.

8.3.2 A letter of offer (the "Letter of Offer" or "LOF") specifying the detailed terms and conditions of this Offer along with the Form of Acceptance cum Acknowledgement (the "Form of Acceptance", or the "FOA"), the Form of Withdrawal (FOW) and Transfer Deed (TD)/ Delivery Instruction Slip will be dispatched to all the shareholders, (other than the parties of the SPA) whose names appear on the register of members of the Target Company at the close of business hours on **Friday, January 21, 2011** (the "Specified Date"). A copy of the Letter of Offer (including Form of Acceptance cum acknowledgement/withdrawal) will be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and shareholders can also apply by downloading such forms from the website.

8.3.3 Unaccepted Share/ Shares Certificates, Share Transfer Forms and other documents, if any, will be returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

8.3.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders/electronic Clearing System (ECS) and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

8.3.5 Equity shares that are subject to any charge, lien or encumbrance are liable to be rejected.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1. Shareholders who are holding the equity shares of the Target Company and wish to avail of and accept the Offer shall send / deliver the Form of Acceptance along with all the relevant documents, to **Niche Technologies Pvt. Ltd.**, the Registrar to the Offer so that the same are received on or before the closure of the Offer, to/at the collection center of the Registrar to the Offer given below, in accordance with the procedures as specified in this Letter of Offer and the Form of Acceptance cum Acknowledgement. The relevant documents should not be sent to the Sellers, the Acquirers, the Target Company or the Manager to the Offer.

All eligible owners of the equity shares of the Target Company, registered or unregistered who wish to avail and accept the Offer can hand deliver the Form of Acceptance along with all the relevant documents between 11.00 am to 5.00 pm from Monday to Saturday. The centre will be closed on Sundays and Public holidays.

Contact Person	Address	Tel. No.	Fax No.	E-mail ID
Mr. S. Abbas	**Niche Technologies Pvt. Ltd.** D-511, Bagree market 71, B.R.B. Basu Road Kolkata -700 001 West Bengal- India	(033) 2235-7271/7270; 2234-3576	(033) 2215-6823	nichetechpl@nichetechpl.com

Neither the Share Certificate(s) nor Transfer Deed(s)/Delivery Instruction Slip nor the Form of Acceptance should be sent to the Sellers or the Acquirers or the Target Company or the Manager to the Offer. Delivery made by Registered Post would be received on all days except Sundays and Public Holidays.

9.2. Shareholders should send all the relevant documents mentioned below

Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed:

a) For Equity Shares held in Physical Form:

(i) Registered shareholders should enclose:

- ✓ Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s).
- ✓ Original share Certificates
- ✓ Valid share transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place.

In case of non receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

(ii) Unregistered owners should enclose:

- ✓ Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein.
- ✓ Original share Certificate(s)
- ✓ Broker contract note.
- ✓ Valid share transfer form(s) as received from the market. The details of the buyer should be left blank failing which; the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed.

All other requirements for valid transfer will be preconditioned for acceptance. No indemnity is required from unregistered shareholders. All other requirements for valid transfer will be precondition for acceptance.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested, if the signature(s) of the transferor(s) differs from the Specimen signature(s) recorded with the Target Company or are not in the same order, such shares are liable to be rejected under the Offer even if the Offer has been accepted by bonafide owner of such shares.

b) For Equity Shares held in Demat Form:

The Registrar to the Offer has opened a Special Depository Account, with Trans Scan Securities Private Limited, registered with National Securities Depository Limited (NSDL) styled "NICHE TECHNOLOGIES PVT LTD - HFL OPEN OFFER ESCROW A/C". whose details are as under:

Depository Name	NSDL
DP Name	Trans Scan Securities Private Limited
DP ID Number	IN302496
Beneficiary Account Number	10055790
Account Name	NICHE TECHNOLOGIES PVT. LTD.

	- HFL OPEN OFFER ESCROW A/C

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 shares in favour of the Special Depository Account with NSDL.

Beneficial Owners should enclose:

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository
- **Photocopy of the delivery instruction** in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by DP in favour of the special depository account.

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. All beneficial owners maintaining accounts with CDSL are required to fill in an additional inter depository slip, maintained with the DP while giving instructions to their respective DPs.
In case of non receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted. The Form of Acceptance-cum-Acknowledgement for which corresponding shares have not been credited to the special depository account as on the date of closure of the Offer will be rejected.

9.3. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to)

- Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- No objection certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

9.4. The share certificate(s), share transfer form, Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer. They should not be sent to the Manager to the Offer or the Acquirers or the Target Company. The above-mentioned documents can be sent by hand delivery on all days except Sundays and public holidays.

9.5. In case of unregistered owners or shareholders who have not received the Letter of Offer, they may send their consent to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the Original Share Certificate(s), valid Share Transfer Deeds and the original Contract Note(s) issued by the Broker through whom they acquired their shares, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, or in the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in the "Off-Market" mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer on or before the closure of the Offer. No indemnity is required from the unregistered owners.

9.6. Shareholders of Target Company who have sent their equity shares for transfer should submit the Form of Acceptance duly completed and signed, copy of the letter to Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders of the Target Company who have sent their shares for dematerialisation need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Escrow Account should be received on or before the closure of the Offer, else the application would be rejected.

9.7. The application should be signed by all the shareholders as per the registration details available with the Target Company and should be sent to the Registrar to the Offer in an envelope clearly marked **'Niche Technologies Pvt Ltd - HFL Open Offer Escrow A/C'**

9.8. Non-Resident shareholders and Overseas Corporate Bodies, while tendering their equity shares under the Offer, should submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the equity shares of the Target Company. In case the previous RBI Approvals are not submitted, the Acquirers reserves the right to reject such equity shares tendered. While tendering the shares under the Offer, Non resident shareholders will also be required to submit a Tax Clearance Certificate from Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirers will deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

As per the provisions of Section 196(D1)2 of the Income Tax Act, 1961, no deduction of tax at source shall be made from any income by way of capital gains arising from transfer of securities referred to in Section 115AD of the Income Tax Act payable to Foreign Institutional Investor ('FII') as defined in Section 115AD of the Income Tax Act, 1961.

9.9. In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to 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.

9.10. In case the number of shares validly tendered in the Offer by the shareholders of Target Company are more than the shares to be acquired under the Offer (i.e. 18,38,120 equity shares) then the Acquirers shall accept the Offers received from the shareholders on a proportionate basis as per Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. The marketable lot of the Target Company is 100 (Hundred only) equity shares, in case of physical mode and 1 (One) equity share in case of dematerialized mode. The rejected applications/ documents will be sent by Registered Post.

9.11. In case of acceptance on a proportionate basis, the 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.

9.12. In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, the shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed in the Letter of Offer. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. July 20, 2011.

9.13. The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum- Acknowledgement. In case of non receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper so as to reach the Registrar to the Offer either by hand delivery or by registered post on or before July 20, 2011 along with the following details:

In case of Physical Shares: Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn.

In case of Dematerialized Shares: Name, Address, number of shares tendered/withdrawn, DP name, DP ID, Beneficiary account number and a photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the DP in favour of the Special Depository Account.

The shares withdrawn by the shareholders would be returned by the Registered post.

9.14. Shareholders wish to partially withdraw their tenders, should also enclose valid share transfer form(s) for the remaining equity shares (i.e. shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place.

9.15. The withdrawal of shares will be available only for the share certificates/ shares that have been received by the Registrar to the Offer.

9.16. The intimation of returned shares to the shareholders will be at the address as per the records of the Target Company.

9.17. In case of partial withdrawal of shares tendered, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company.

9.18. Partial withdrawal of tendered shares can be done only by the registered shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance-cum- Acknowledgement will stand revised to that effect.

9.19. In case of shareholders holding Shares in dematerialised form, the bank details of the Shareholder as per the records of the Depository participant will be incorporated in the cheque/demand draft. In case of shareholders holding shares in physical form, it is desirable that shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that same can be incorporated in the Cheque / Demand Draft/Pay Order.

9.20. The consideration to those shareholders whose shares or share certificates and/or other documents are found complete, valid and in order will be paid by crossed account payee Cheques/Demand Drafts/Pay Order, through Electronic Clearing Services ('ECS'), Direct Credit ('DC'), National Electronic Funds Transfer ('NEFT'), Real Time Gross Settlement ('RTGS') at specified centres where clearing houses are managed by the Reserve Bank of India.

9.21. For those shareholders, who have opted for physical mode of payment and shareholders whose payment consideration is not credited by electronic mode due to technical error or incomplete/ incorrect bank account details, payment consideration will be made by crossed account payee Cheques/Demand Drafts. Such considerations in excess of Rs. 1500/- or unaccepted Share Certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post/speed post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder/unregistered owner. The Acquirers is required to deduct tax at source, as may be applicable. All dispatches involving payment of a value upto Rs.1,500/- will be made under certificate of posting at the shareholders sole risk.

9.22. The consideration to those shareholders whose shares or share certificates and/or other documents are found complete, valid and in order will be paid by crossed account payee Cheques/Demand Drafts/Pay Order, through Electronic Clearing Services ('ECS'), Direct Credit ('DC'), National Electronic Funds Transfer ('NEFT'), Real Time Gross Settlement ('RTGS') at specified centres where clearing houses are managed by the Reserve Bank of India.

9.23. Consideration for equity shraes accepted would be paid by crossed account payee Cheques/ demand drafts / pay orders / Electronic Clearing Services (ECS) wherever applicable and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

9.24. The payment consideration for shares accepted under the Offer may be made through Electronic Clearing Services (ECS), Direct Credit ('DC') or Real Time Gross Settlement ('RTGS') wherever applicable and send by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk and would made available at specified centres where clearing houses are managed by the Reserve Bank of India or through warrants/ Demand Drafts. Shareholders who opt for receiving consideration through ECS/RTGS/DC are requested to give the authorization for ECS/RTGS/DC in the Form of Acceptance cum Acknowledgment and provide the Indian Financial System Code (IFSC) and enclose a photocopy of cheque/ along with the Form of Acceptance cum Acknowledgment.

9.24.1. **Electronic Clearing System (ECS)** :- Payment of consideration would be done through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, odhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non- MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of considerations would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of consideration through ECS is mandatory for shareholders having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive payment through direct credit or RTGS.

9.24.2. **Direct Credit (DC):-** 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.

9.24.3. **Real Time Gross Settlement (RTGS):-** Applicants having a bank account at any of the RBI managed centres and whose payment consideration exceeds Rs. 1 Lakh, 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.

9.24.4. **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.

9.25. 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 or due to unavoidable reasons, 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.

9.26. In case of payment consideration is rejected through the ECS/Direct Credit facility, the Registrar to Offer would endeavour to dispatch the payment consideration within 3 working days of such rejection.

9.27. The bank account details for ECS/ Direct Credit/RTGS will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the FOA.

9.28. The Registrar to the Offer will hold in trust the Shares / Share Certificates, Transfer Deed(s), Shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

9.29. 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 as per the details furnished in the Form of Acceptance-cum-Acknowledgement. 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 Form of Acceptance.

10 GENERAL

10.1 The Form of Acceptance and instructions contained therein are integral part of the Letter of Offer.

10.2 Neither the Acquirers nor the Manager nor the Registrar nor the Company will be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, Share certificate(s), Share transfer deed(s) and copy of delivery instructions or other documents.

10.3 The Offer Price is denominated and payable in Indian Rupees only.

10.4 All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgment of the Form of Acceptance and other relevant particulars.

10.5 If there is any upward revision in the Offer Price (in terms of Regulation 26) by the Acquirers till the last day of revision i.e. July 14, 2011 viz., at any time upto seven working days prior to the date of Closure of the Offer i.e. July 23, 2011, the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised offer price would be payable to all the shareholders who tender their shares in the Offer.

10.6 If there is any competitive bid:-

10.6.1 The Public Offers under all the subsisting bids shall close on the same date.

10.6.2 As the Offer Price can not 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.

10.7 Wherever necessary, the financial figures are rounded off to nearest Lacs or Crores.

10.8 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer on or before 17:00 hours upto three working days prior to the date of Closure of the Offer, i.e. July 23, 2011.

10.9 Alternatively, a copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal cum Acknowledgement can be obtained from SEBI's official website: www.sebi.gov.in

10.10 The Manager to the Offer i.e. Intensive Fiscal Services Private Limited does not hold any shares in HFL as on the date of PA and provisions of Regulation 16(via), 24(1)(e) and 24(5A) are duly complied with.

11 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, **Intensive Fiscal Services Private Limited**, 131, 13th Floor, C-wing, Mittal Tower, Nariman Point, Mumbai-400021, from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays the date of opening of the Offer until the closure of the Offer:

11.1 Certificate of Incorporation, Memorandum & Articles of Association of Hifunda Limited.

11.2 Memorandum of Understanding between Lead managers i.e. Intensive Fiscal Services Private Limited & Acquirers.

11.3 Undertaking from the Acquirers, stating full responsibility for all information contained in the PA and the Letter of Offer.

11.4 IT Return of Mr. Sanjay Kumar Sanghi and Mr. Ritesh Kumar Sanghi for AY 2010-2011, 2009-2010 and 2008-09.

11.5 Audited Accounts of Sanghi Jewellers Pvt. Ltd., Narbada Gems and Jewellery Ltd., Narbada Techno soft Pvt. Ltd. and Narbada Properties Pvt. Ltd for the financial year ended March 31, 2008, March 31, 2009 and March 31, 2010 and certified accounts of year ended March 31, 2011.

11.6 Audited Accounts and Annual return of Hifunda Limited for the financial years ended March 31, 2008, March 31, 2009 and March 31, 2010 and certified financials for year ended March 31, 2011.

11.7 Certificate from the Statutory Auditors of HFL for Financial Ratios for years ended March 31, 2008, 2009 and 2010 and year ended March 31, 2011.

11.8 Certificate from the Auditors of Acquirers stating that the Networth of the Acquirers and also mentioned that the funds with the Acquirers are sufficient enough to meet the obligations of the Open Offer.

11.9 Mr. KBMM Krishna (Membership No. 23142), Proprietor of Krishna and Suresh, Chartered Accountants, having his office at 3-6- 542/2,Himayath Nagar, Hyderabad-500029. Phone no: 040-27638964, has certified vide certificate dated June 18, 2011, that the Net worth of Mr. Sanjay Kumar Sanghi and Mr. Ritesh Kumar Sanghi as on March 31, 2011 is Rs 3,04,93,065 (Rupees Three crores Four Lakhs Ninty Three thousand and Sixty Five Only) and Rs. 2,72,16,380 (Rupees Two Crores Seventy Two Lakhs Sixteen Thousand Three hundred and Eighty Only) respectively.

11.10 Letter from HDFC Bank Ltd., Fort, Mumbai confirming the amount of Rs. 7,50,000/- (Rupees Seven Lacs Fifty Thousand only) kept in the Escrow Account with a lien marked in favour of Manager to the Offer.

11.11 Copy of Share Purchase Agreement between the Acquirers and the Sellers dated December 21, 2010 for acquisition of 18,38,120 equity shares, which triggered the Offer.

11.12 Published copy of Public Announcement, which appeared in the newspapers on December 24, 2010 & Corrigendum to PA which appeared on January 7, 2011 and Corrigendum to the Public Announcement of the Offer and Second Corrigendum to Public Announcement which appeared on January 07, 2011(Friday) and June 22, 2011 (Wednesday) respectively

11.13 Undertaking from the Acquirers that if they acquire any Shares of the Target Company after the date of the Public Announcement till the closure of the offer, they shall inform Stock Exchange and the Manager within 24 hours.

11.14 Undertaking from the Acquirers for unconditional payment of the considerations within 15 days of closure to all the Shareholders of the target company whose applications are accepted in the Open Offer.

11.15 Copy of SEBI observation letter reference no CFD/DCR/SKS/SG/OW/19409/2011 dated June 16, 2011 received in terms of proviso to Regulation 18(2) of the Regulations.

DECLARATION

12.1. We have made all reasonable inquiries, accept responsibility for, and confirm that this Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

12.2. The Acquirers accept full responsibility severally and jointly for the information contained in this Letter of Offer and also for the fulfilment of the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations. All information contained in this document is as on date of the Public Announcement, unless stated otherwise.

12.3. We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (SAST) Regulations have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956 and SEBI (SAST) Regulations.

For and on behalf of Acquirers

Sanjay Kumar Sanghi

Ritesh Kumar Sanghi

Place: Hyderabad
Date: June 25, 2011

13. Enclosures:

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal cum Acknowledgement
3. Blank Share Transfer Deed(s)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer)

OFFER OPENS ON: Monday, July 04, 2011
OFFER CLOSES ON: Saturday, July 23, 2011
Please read the Instructions overleaf before filling-in this Form of Acceptance

From:

FOR OFFICE USE ONLY	
Acceptance Number	
Number of equity shares offered	
Number of equity shares accepted	
Purchase consideration (Rs.)	
Cheque/Demand Draft/Pay Order No.	

Tel No: Fax No: Email:

To,
Acquirers,
C/o **Niche Technologies Pvt. Ltd.**
D-511, Bagree market
71, B.R.B. Basu Road
Kolkata -700 001
West Bengal- India.

Sub.: Open Offer to acquire 18,38,120 equity shares of Rs. 10/- each, representing 20.00% of the voting capital of Hifunda Limited at a price of Rs. 0.45/- (Rupees Forty Five Paisa only) per share payable in cash including interest of Rs. 0.05 (Rupees Five Paisa only) per share by Sanjay Kumar Sanghi and Ritesh Kumar Sanghi ("Acquirers").

Dear Sir,

I/We refer to the Letter of Offer dated ______________________ 2011 for acquiring the equity shares held by me/us in Hifunda 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:

S. No.	Folio No.	Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
Total Number of Equity Shares					

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

FOR SHARES HELD IN DEMAT FORM:

I / We hold the shares in dematerialized form and had executed an 'off-market' transaction for crediting the shares to the **'Niche Technologies Pvt Ltd-HFL Open Offer Escrow A/C'** as per the following particulars:

Depository Name	NSDL
DP Name	Trans Scan Securities Private Limited
DP ID Number	IN302496
Beneficiary Account Number	10055790
Account Name	NICHE TECHNOLOGIES PVT. LTD. - HFL OPEN OFFER ESCROW A/C

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary Name	No. of shares

I/We confirm that the equity shares of the Target Company, which are being tendered herewith by me/us under the Offer, are free from lien, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original share certificate(s) and valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers pay the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

I / We authorize the Acquirers to accept the equity shares so offered or such lesser number of equity shares that the Acquirers may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorize the Acquirers to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirers to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.

I/We authorize the Acquirers or the Registrar to the Offer to send by Registered Post (under UCP if less than Rs. 1,500/-) the draft / cheque in settlement of the amount to the sole / first holder at the address mentioned below:

So as to avoid fraudulent encashment in transit, Shareholder(s) may provide details of bank account of the first / sole Shareholder and the consideration cheque or demand draft will be drawn accordingly.

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For shares that are tendered in demat form, the Bank account as obtained from the beneficiary position (download to be provided by the depositories) will be considered and the draft/cheque will be issued with the said Bank particulars, and not any details provided herein.

Shareholders have an option to receive the consideration through ECS/RTGS/Direct credit. I/We [Put tick (✓) mark]

☐ Opt for ECS/RTGS/Direct credit

☐ Not Opt for ECS/RTGS/Direct credit

Shareholders those who opt to receive the consideration through ECS/RTGS/Direct Credit of Reserve Bank of India are requested to provide photo copy of Cheque alongwith following Bank Account Details:

Name of the Bank		Branch	
Account Number		Savings/Current/Others (please specify)	
9 Digit MICR Code	☐☐☐☐☐☐☐☐☐	IFSC Code (RTGS)	☐☐☐☐☐☐☐☐

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

	1st Shareholder	**2nd Shareholder**	**3rd Shareholder**
PAN / GIR No.			

Yours faithfully,

Signed and Delivered:

	FULL NAME (S)	**SIGNATURE (S)**
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Note: Incase of joint holdings, all holders must sign. A corporation must affix its Common Seal.

Address of First/Sole Shareholder:

____

Place:
Date:

All queries in this regard to be addressed to the Registrar to the Offer quoting your Folio No.

- Tear along this line -

Serial No.

Acknowledgement Slip

Niche Technologies Pvt. Ltd.
D-511, Bagree market
71, B.R.B. Basu Road
Kolkata -700 001
West Bengal- India.
Tel. No.- (033) 2235-7271/7270; 2234-3576
Fax - (033) 2215-6823
Email: nichetechpl@nichetechpl.com

Received from Mr. / Ms. ______________________________-______

Address: ____

____

Signature of Official and Date of Receipt	**Stamp of Registrar to the Offer**

Folio Number__________ DP ID________ Client ID________

Number of Certificate(s) enclosed ____________

Certificate Number(s) ______________________

Total number of Share(s) enclosed ____________

Demat Shares: Copy of delivery instruction for ______________ number of shares enclosed.

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

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FORM OF WITHDRAWAL
(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER OPENS ON: Monday, July 04, 2011
OFFER CLOSES ON: Saturday, July 23, 2011
Please read the Instructions overleaf before filling-in this Form of Acceptance

From:

Tel No.: Fax No.: E-mail:

To,
Acquirers,
C/o **Niche Technologies Pvt. Ltd.**
D-511, Bagree market
71, B.R.B. Basu Road
Kolkata -700 001
West Bengal- India.

Sub.: Open Offer to acquire 18,38,120 equity shares of Rs. 10/- each, representing 20.00% of the voting capital of Hifunda Limited at a price of Rs. 0.45/- (Rupees Forty Five Paisa only) per share payable in cash including interest of Rs. 0.05 (Rupees Five Paisa only) per share by Sanjay Kumar Sanghi and Ritesh Kumar Sanghi ("Acquirers").

Dear Sir,

I/We refer to the Letter of Offer dated ______________2011 for acquiring the equity shares held by me/us in Hifunda Limited.

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 equity shares from the Offer and I/We further authorise the Acquirers 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 equity shares from the Offer, no claim or liability shall lie against the Acquirers /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 July 20, 2011.

I / We note the Acquirers / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialized form in the DP account due to inaccurate / incomplete particulars/ instruction.

FOR SHARES HELD IN PHYSICAL FORM:
The particulars of tendered original Share certificate(s) and duly signed transfer deed(s) and the shares we wish to withdraw are detailed below.
(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

Folio No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
		From	To	
	Tendered:			
	Withdrawn:			
Total Number of Equity Shares				

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

I/We note and understand the terms of withdrawal of acceptance and request you to return the original Share certificate(s) and valid Share transfer deed(s) will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.

FOR SHARES HELD IN DEMAT FORM:

I / We hold the following shares in dematerialized form and had executed an 'off-market' transaction for crediting the shares to the **''HFL OPEN OFFER'**. Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary Name	No. of shares

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

I/We authorize the Acquirers to reject the shares so offered which it may decide in consultation with Registrar to the Offer and in terms of the Letter of Offer.

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

Yours faithfully,
Signed and Delivered

	FULL NAME (S)	SIGNATURE (S)
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Note: Incase of joint holdings, all holders must sign. A corporation must affix its Common Seal.

Address of First/Sole Shareholder:

____

Place:
Date:

- Tear along this line -

Serial No.

Acknowledgement Slip

Niche Technologies Pvt. Ltd.
D-511, Bagree market
71, B.R.B. Basu Road
Kolkata -700 001
West Bengal- India.
Tel. No.- (033) 2235-7271/7270; 2234-3576
Fax - (033) 2215-6823
Email: nichetechpl@nichetechpl.com

Received Form of withdrawal from Mr. / Ms. __________________________________

Address: _______________________________________

____

Folio Number_________ DP ID __________Client ID_________

Number of Shares Tendered __________

Number of Shares Withdrawn ____________

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer

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

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BOOK-POST
(PRINTED MATERIAL)

To,

If undelivrered, please return to :
M/S Niche Technologies Pvt. Ltd.
D-511, Bagree market
71, B.R.B. Basu Road
Kolkata -700 001
West Bengal- India.
Tel. No.- (033) 2235-7271/7270; 2234-3576
Fax - (033) 2215-6823
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