

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 **Tilak Finance Limited**. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-acknowledgement, Form of Withdrawal and Transfer Deed to the Member of the Stock Exchange through whom the said sale was affected.

OPEN OFFER

BY

HANDFUL INVESTRADE PRIVATE LIMITED (the 'Acquirer' or 'HIPL')

Regd. Off.: 305, Krishna-A, Vishal Nagar, Mith Chowky, Marve Road, Malad (West), Mumbai-400 064
Head Off.: Meera Co-op. Hsg. Soc. Ltd., Shop No. 26, New Link Raod, Near Oshiwara Police Station, Andheri (West), Mumbai-400053; Tel.: 022-26354910/11; Fax: 022-26354910

to acquire 49,000 fully paid-up equity shares of Rs. 10/- each, at a price of Rs. 15/- (Rupee Fifteen only) per share ("**Offer Price**") in cash, representing in aggregate upto 20% of the paid-up and voting capital of

TILAK FINANCE LIMITED (the 'Target Company' or 'TFL')



Regd. Off.: 304, Sangam Arcade, Vallabhbai Road, Opp. Railway Station, Vile Parle (West), Mumbai-400 056
Tel: 022-26185962-64; Fax: 022-26185967

Please Note:

1. The Offer is being made by the Acquirer pursuant to Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof ('SEBI (SAST) Regulations' or '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 the Target Company consequent to the acquisition of total holding of the existing Promoters by the Acquirer.
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 up to three working days prior to the date of closure of the Offer i.e. November 11, 2009 can withdraw on or before November 6, 2009.
5. Regulation 26 of the SEBI (SAST) Regulations provides for an upward revision of the Offer Price / Offer Size at anytime, up to seven working days prior to the date of the closure of the Offer i.e. October 30, 2009. 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 Acquirer for all the shares tendered anytime during the period the Offer is open and accepted under the Offer.
6. **If there is a Competitive Bid:**
 - **The Public Offers under all the subsisting bids shall close on the same date.**
 - **As the Offer Price can not be revised during 7 working days prior to the closing date of the Offer, 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.**
7. **A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be 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. 21 TO 25) 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
 <p>Intensive Fiscal Services Private Limited 131, 13th Floor, C-wing, Mittal Tower, Nariman Point, Mumbai-400021. Tel.: 022- 22870443/44/45; Fax: 022-22870446 E-mail: narendra@intensivefiscal.com Contact Person: Mr. Brijesh Parekh / Mr. Narendra Kumar Gamini SEBI Registration No.: INM000011112</p>	 <p>Sharex Dynamic (India) Private Limited Unit-1, Luthra Ind. Premises, M Vasanji Marg, Andheri-Kurla Road., Safed Pool, Andheri (East), Mumbai 400072; Tel.: 022-28515606/5644, Fax.: 022-28512885 E mail: sharexindia@vsnl.com Contact Person : Mr. B S Baliga SEBI Registration No.: INR000002102</p>

SCHEDULE OF ACTIVITIES

Activity	Date	Day
Date of Public Announcement	September 3, 2009	Thursday
Specified Date*	September 26, 2009	Saturday
Last date for a Competitive Bid, if any	September 24, 2009	Thursday
Date by which Letter of Offer will be dispatched to the Shareholders	October 13, 2009	Tuesday
Date of opening of the Offer	October 23, 2009	Friday
Last date for Revising the Offer Price / Number of Equity Shares	October 30, 2009	Friday
Last date for Withdrawing acceptances tendered by shareholders	November 6, 2009	Friday
Date of closing of the Offer	November 11, 2009	Wednesday
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	November 26, 2009	Thursday

* Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all the owners (registered or unregistered) of equity shares of the Target Company, (except the Acquirer and the Sellers) anytime before the closure of the Offer, are eligible to participate in the Offer.

RISK FACTORS

A. RELATING TO THE OFFER

- 1) In the event that (a) a statutory and regulatory approval is not received in a timely manner, (b) there is any litigation leading to a “stay” of the Offer, or (c) SEBI instructing the Acquirer not to proceed with the Offer, and then the Offer process may be delayed beyond the Schedule of Activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of the Target Company whose shares has been accepted in the Offer as well as the return of shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by SEBI.
- 2) In case the shares tendered in the Offer by the shareholders, are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per the provisions of Regulation 21 (6) of the SEBI (SAST) Regulations on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company’s share is 50 (Fifty) shares.
- 3) The tendered shares and the documents would be held in trust by the Registrar to the Offer until the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the equity shares of the Target Company.

B. IN ASSOCIATION WITH THE ACQUIRER

- 1) The Acquirer makes no assurance with respect to the financial performance of the Target Company and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
- 2) The Acquirer do not accept any responsibility for statements made otherwise than in the Letter of Offer / Public Announcement and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.

C. RISK IN THE TRANSACTION

The Sale and Purchase Agreement (SPA) dated September 1, 2009 contains a clause that it is subject to the provisions of SEBI (SAST) Regulations and in case of non-compliance with any of the provisions of the SEBI (SAST) Regulations, the Sellers or the Acquirer shall not act upon the Agreement for such sale.

The risk factors set forth above pertain to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer.

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1. DEFINITIONS

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

'Acquirer' or the 'Acquirer Company'	Handful Investrade Private Limited
BSE	Bombay Stock Exchange Limited
Book Value per share	Net worth / Number of equity shares issued
EPS/Earning Per Share	Profit After Tax / Number of equity shares issued
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance/FOA	The Form of Acceptance cum Acknowledgement
Form of Withdrawal/FOW	Form of Withdrawal cum Acknowledgement
LOO / Letter of Offer/LOF	Offer Document
Manager to the Offer or Merchant Banker	Intensive Fiscal Services Private Limited
Negotiated Price	Rs. 15/- (Rupee Fifteen only) per fully paid-up equity share of Rs.10/- each
Net worth	Equity Share Capital plus Reserve & Surplus excluding Revaluation Reserve minus Debit Balance of P&L or Misc. Exp. not written off
NRI	Non Resident Indian
'Offer' or the 'Offer'	Open Offer being made by the Acquirer for acquisition of 49,000 fully paid up equity shares of Rs. 10/- each representing 20% of the total voting capital of the Target Company at a price of Rs. 15/- (Rupees Fifteen only) per share, payable in cash
Offer Price	Rs. 15/- (Rupee Fifteen only) per share for each fully paid up equity shares payable in cash
PAT	Profit After Tax
Persons eligible to participate in the Offer	All the shareholders of Tilak Finance Limited (registered and unregistered) who own the shares at any time prior to the closure of the Offer, except the Parties to the SPA i.e. the Acquirer & the Sellers
Public Announcement / PA	Public Announcement of the Offer issued in newspapers on September 3, 2009 by the Manager to the Offer, on behalf of the Acquirer
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	Sharex Dynamic (India) Private Limited
Return on Net Worth	(Profit After Tax/Net Worth) * 100
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (SAST) Regulations / Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and subsequent amendments thereof
Sellers and outgoing Promoters	Basudeo Gangabux Saraf, Basudeo Saraf & Sons, Gitadevi Basudeo Saraf, Narendra Basudeo HUF, Nirmala Narendra Saraf, Nitin Narendra Saraf, Anuradha Aditya Saraf, Anjali Surendra Saraf, Aditya Surendra Saraf, Deep

	Surendra Saraf, Rajendra Basudeo Saraf, Roshan Rajendra Saraf, Rajendra Basudeo HUF, Ashok Basudeo Saraf, Ashok Basudeo HUF, Lalita Ashok Saraf, Pratik Ashok Saraf, Sunaina Deep Saraf, Surendra Basudeo HUF
Share (s)	Fully paid up equity shares of Tilak Finance Limited, having face value of Rs. 10/- each
Shareholders	Shareholders of Tilak Finance Limited
SPA / the Agreement	Share Purchase Agreement
Specified Date	September 26, 2009 (Saturday)
Target Company / TFL	Tilak Finance Limited

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 TILAK FINANCE LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER INTENSIVE FISCAL SERVICES PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 9, 2009 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS 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’ or the ‘Offer’) is being made by Handful Investrade Private Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 305, Krishna-A, Vishal Nagar, Mith Chowky, Marve Road, Malad (West), Mumbai-400 064 and Head Office at Meera Co-op. Hsg. Soc. Ltd., Shop No. 26, New Link Raod, Near Oshiwara Police Station, Andheri (West), Mumbai-400053 to the equity shareholders of Tilak Finance Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at 304, Sangam Arcade, Vallabhbai Road, Opp. Railway Station, Vile Parle (West), Mumbai-400 056 (‘TFL’ or the ‘Target Company’) pursuant to the Regulation 10 and Regulation 12 and in compliance with the SEBI (SAST) Regulations for substantial acquisition of shares and control over the Target Company. The Acquirer proposes to do a substantial acquisition of shares of the Target Company pursuant to the SPA and this Offer and take over the management control of the Target Company.
- 3.1.2. The Acquirer hereby makes this Offer to the shareholders of the Target Company (other than the parties to the SPA) to acquire up-to 49,000 fully paid up equity shares (‘Shares’) of Rs. 10/- each of the Target Company, representing in aggregate 20% of the paid up equity share capital and voting capital, at a price of Rs. 15/- (Rupees Fifteen only) per share (‘Offer Price’) payable in cash subject to the terms and conditions mentioned in the PA and in this Letter of Offer.
- 3.1.3. The Acquirer has entered into a Share Purchase Agreement (SPA) on September 1, 2009 (Tuesday) with the Promoter Group of the Target Company (collectively referred hereinafter to as the ‘Sellers’), represented by their constituted power of attorney holders Mr. Rajendra Kumar Saraf & Mr. Ashok Kumar Saraf, to acquire 1,49,250 fully paid up equity shares of Rs. 10/- each, representing 60.92% of the issued, subscribed, paid up and voting capital of the Target Company at a price of Rs. 15/- (Rupees Fifteen only) per share, payable in cash, amounting to an aggregate consideration of Rs. 22,38,750/- (Rupees Twenty Two Lakhs Thirty Eight Thousand Seven Hundred and Fifty only).

By the above acquisition, the Acquirer will hold in aggregate 1,49,250 (One Lakh Forty Nine Thousand Two Hundred and Fifty only) number of equity shares representing 60.92% of the issued, subscribed, paid up and voting capital of the Target Company, which resulted in triggering of SEBI (SAST) Regulations.

3.1.4. The details of the sellers are herein below:

S. No.	Name of the Shareholders	Address of the Sellers/Telephone No.	No. of Shares	% of paid up capital
a)	Basudeo Gangabux Saraf	c/o Shakti Oil Industries, Shiv Nagar, Wardha-442001. Tele Fax No.:07152 249752	100	0.04
b)	Basudeo Saraf & Sons	c/o Shakti Oil Industries, Shiv Nagar, Wardha-442001. Tele Fax No.:07152 249752	10,150	4.14
c)	Gitadevi Basudeo Saraf	c/o Shakti Oil Industries, Shiv Nagar, Wardha-442001. Tele Fax No.:07152 249752	15,000	6.12
d)	Narendra Basudeo HUF	Orient Flour Mills Ltd., M.I.D.C., Near Police Station, Wardha-442006. Telephone No: 07152 260039	5,700	2.33
e)	Nirmala Narendra Saraf	Orient Flour Mills Ltd., M.I.D.C., Near Police Station, Wardha-442006. Telephone No: 07152 260039	20,300	8.29
f)	Nitin Narendra Saraf	Orient Flour Mills Ltd., M.I.D.C., Near Police Station, Wardha-442006. Telephone No: 07152 260039	5,000	2.04
g)	Anuradha Aditya Saraf	BE-3, Gangasagar Apartment, Canal Road, Ramdashpeth, Nagpur-440001. Tele Fax No: 0712 – 2521349	6,375	2.60
h)	Anjali Surendra Saraf	BE-3, Gangasagar Apartment, Canal Road, Ramdashpeth, Nagpur-440001. Tele Fax No: 0712 – 2521349	6,400	2.61
i)	Aditya Surendra Saraf	BE-3, Gangasagar Apartment, Canal Road, Ramdashpeth, Nagpur-440001. Tele Fax No: 0712 – 2521349	3,000	1.22
j)	Deep Surendra Saraf	BE-3, Gangasagar Apartment, Canal Road, Ramdashpeth, Nagpur-440001. Tele Fax No: 0712 – 2521349	2,000	0.82
k)	Rajendra Basudeo Saraf	201, Silver Oak, Raj Nagar, Katol Road, Nagpur-440013. Tele Fax No: 0712 3240601	19,600	8.00
l)	Roshan Rajendra Saraf	201, Silver Oak, Raj Nagar, Katol Road, Nagpur-440013. Tele Fax No: 0712 – 3240601	4,000	1.63
m)	Rajendra Basudeo HUF	201, Silver Oak, Raj Nagar, Katol Road, Nagpur-440013. Tele Fax No:0712 3240601	7,400	3.02
n)	Ashok Basudeo Saraf	c/o Ajanta Extractions, Post Box No. 32, Shiv Nagar, Wardha-442001. Tele Fax No.:07152 249752	18,300	7.47
o)	Ashok Basudeo HUF	c/o Ajanta Extractions, Post Box No. 32, Shiv Nagar, Wardha-442001. Tele Fax No.:07152 249752	8,000	3.27

p)	Lalita Ashok Saraf	c/o Ajanta Extraction, Shiv Nagar, Borgaon Road, Wardha-442001. Tele Fax No.:07152 249752	2,000	0.82
q)	Pratik Ashok Saraf	c/o Shakti Oil Industries, Shiv Nagar, Wardha-442001. Tele Fax No.:07152 249752	2,700	1.10
r)	Sunaina Deep Saraf	BE-3, Gangasagar Apartment, Canal Road, Ramdashpeth, Nagpur-440001. Tele Fax No: 0712 – 2521349	6,375	2.60
s)	Surendra Basudeo HUF	BE-3, Gangasagar Apartment, Canal Road, Ramdashpeth, Nagpur-440001. Tele Fax No: 0712 – 2521349	6,850	2.80
Total	Total	Total	149,250	60.92

3.1.5. The salient features of the SPA are:

- The Acquirer Handful Investrade Private Limited will acquire 1,49,250 equity shares and voting rights from the Sellers.
- The Acquirer will not apply for the registration of any equity shares of the Target Company, including the shares to be acquired from the Sellers under the SPA, in its name, unless and until their Merchant Banker has certified the unconditional fulfillment of the provisions of the SEBI (SAST) Regulations by the Acquirer.
- The Sellers provide and shall cause the Company to provide to the Acquirer, authorized representatives and advisers, full access to the Company, its facilities, books, records and documents and provide all required materials, data and information necessary or as the Acquirer 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 Company.
- Subject to fulfillment of the requirements under the SEBI (SAST) Regulations including without limitations, the obligation set forth in sub-regulation 7 of Regulation 22 of the SEBI (SAST) Regulations, the Acquirer shall have right to appoint their nominees as Directors of the Company after a period of 21 days from the date of the PA and, upon exercise of such right by the Acquirer, the Sellers shall take prompt steps for appointment of the persons nominated by the Acquirer as Directors of the Target Company.
- The Acquirer undertakes that it will not exercise the voting rights, which have been vested by virtue of acquisition of shares under SPA till the completion of all the formalities under the SEBI (SAST) Regulations.
- There is no non compete fee agreement between the Acquirer and the Sellers.
- 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.
- 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 Acquirer.

3.1.6. As on the date, apart from 1,49,250 (One Lakh Forty Nine Thousand Two Hundred and Fifty only) fully paid up equity shares which the Acquirer agreed to acquire in terms of SPA, the Acquirer does not hold any equity shares/ voting rights of the Target Company.

3.1.7. The proposed change in control is not through any arrangement other than by virtue of the SPA.

3.1.8. The Target Company and the Sellers, they have not been prohibited by SEBI from dealing in securities in terms of the direction issued u/s 11B of SEBI Act or under any of the Regulation made under the SEBI Act.

3.1.9. The Acquirer shall also have a right to reconstitute the Board of Directors of the Target Company and appoint their own nominee Directors as mentioned in salient features of SPA at point no. 3.1.5 above.

3.1.10. As on date there are no representatives of the Acquirer on the Board of Directors of the Target Company.

3.2. DETAILS OF THE PROPOSED OFFER

- 3.2.1. The Acquirer has made a Public Announcement on September 3, 2009 in accordance with the Regulation 15 and pursuant to Regulation 10 and 12 of SEBI (SAST) Regulations, in the following newspapers:

Publications	Language	Editions
The Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Apla Mahanagar	Marathi	Mumbai Edition

The Public Announcement is also available on the SEBI's website: www.sebi.gov.in

- 3.2.2. The Offer to the equity shareholders of Tilak Finance Limited (other than the parties to the SPA) is to acquire 49,000 fully paid up equity shares representing 20% of the equity voting capital of Tilak Finance Limited at a price of Rs. 15/- (Rupee Fifteen only) per Share ("Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter.
- 3.2.3. All the equity shares of the Target Company are fully paid up and there are no partly paid up equity shares in the Target Company.
- 3.2.4. Neither the Acquirer nor its respective directors have acquired any shares of the Target Company after the date of PA till the date of this Letter of Offer.
- 3.2.5. The Acquirer has not been allotted any equity shares in the Target Company by way of allotment in a Public or Rights or Preferential Issue during the 26-week period prior to the date of PA.
- 3.2.6. This is not a competitive bid.
- 3.2.7. The Offer is not conditional Offer and not subject to any minimum level of acceptance. The Acquirer will acquire all the equity shares of the Target Company that are validly tendered and accepted as per terms of the Offer up to a maximum of 49,000 equity shares.
- 3.2.8. As on date, the Manager to the Offer, Intensive Fiscal Services Private Limited, does not hold any shares in the Target Company. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of the appointment as Manager to the Offer till the expiry of 15 days from the date of closure of the Offer.
- 3.2.9. The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 3.2.10. There is no differential price since the entire consideration is payable in cash.
- 3.2.11. This Offer is subject to the receipt of the statutory and other approvals mentioned in paragraph 8.9 of the Letter of Offer. In terms of Regulation 27 of the SEBI (SAST) Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- 3.2.12. All the shares tendered shall be as fully paid up, free from all liens, charges and encumbrances of any kind, whatsoever 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 the SPA between the Acquirer and the Sellers as described in Paragraph 3.1.3 above whereby the Acquirer intends to acquire 60.92% of the issued 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 and in compliance with regulation 10 and 12 read with other applicable provisions of the SEBI (SAST) Regulations.

- 3.3.2. The Offer to the public shareholders of the Target Company is for acquiring 20% of the voting capital in accordance with regulation 10 and 12 of the SEBI (SAST) Regulations. After completing the proposed Offer, the Acquirer will achieve substantial acquisition of equity shares and voting rights, accompanied with effective management control over the Target Company.
- 3.3.3. The Acquirer proposes to continue in the business of financing, trading and investment business of the Company. The Acquirer would like to take this proposed acquisition as strategic alignment in expanding its activities, business into financing and investment related business activities. The Acquirer believes that the acquisition of a majority stake in the Target Company will strength its business strategy and is a step towards becoming a broad based and integrated player in financial services business.
- 3.3.4. To the extent required and to optimize the value to all the shareholders, the Acquirer 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. The Acquirer intends to seek a reconstitution of the Board of Directors of the Target Company after the successful completion of the Offer.

4. BACKGROUND OF THE ACQUIRER

- 4.1. HIPL was incorporated in the state of Maharashtra under its current name on October 5, 1995 under the Companies Act, 1956. The Corporate Identification Number (CIN) of HIPL is U67120MH1995PTC093304. The Registered Office of the HIPL is situated at 305, Krishna-A, Vishal Nagar, Mith Chowky, Marve Road, Malad (West), Mumbai-400 064 and Head Office at Meera Co-op. Hsg. Soc. Ltd., Shop No. 26, New Link Raod, Near Oshiwara Police Station, Andheri (West), Mumbai-400053; Tel.: 022-26354910/11; Fax: 022-26354910.
- 4.2. The Main Objects clause of HIPL, as per Memorandum of Association, inter-alia includes to carry on the business as an Investment Company and to manage investment, syndicate in shares, stock and securities. HIPL is presently engaged in Trading & Investment Activities. The company is not registered with SEBI or Reserve Bank of India.
- 4.3. The Promoters/ Board of Directors of HIPL are Giriraj Kishor Agrawal and Tanu Giriraj Agrawal.
- 4.4. The Authorized Capital of HIPL is 101.00 Lakhs comprising of 10,10,000 equity shares of Rs 10/- each. The issued, subscribed and paid-up equity and voting capital of HIPL is Rs. 76.43 Lakhs, comprising of 7,64,300 equity shares of Rs 10/- each.
- 4.5. The Shareholding Pattern of HIPL as on the date of PA:

Sr. No.	Category	No. of Shares	% of Shareholding
1.	Promoters & Promoter Group	7,64,300	100.00
2.	Mutual Funds/FIIs/FIs/ Banks	-	-
3.	Public & Others	-	-
	TOTAL	7,64,300	100.00

Details of the Promoters & Promoters Group Shareholding of Handful Investrade Pvt. Ltd.:

Sr. No.	Name	No of Shares Held	% of Holding
1	Girraj Kishor Agrawal	2,15,920	28.25
2	Tanu Girraj Agrawal	22,180	2.90
3	G.K. Agrawal HUF	2,52,200	33.00
4	Saloni Agrawal	1,33,000	17.40
5	Keystone Stockfin Pvt. Ltd.	1,41,000	18.45
	TOTAL	7,64,300	100.00

4.6. The details of the Board of Directors of HIPL as on PA:

S. No.	Name & Residential Address of Directors	Qualification	Experience	Date of Appointment
1.	Giriraj Kishor Agrawal 3A/1601/1602, Green ACER, Lokhandwala Complex, Andheri (W), Mumbai-400053.	Chartered Accountant	15 years in Finance and Accounts	15.12.1995
2.	Tanu Giriraj Agrawal 3A/1601/1602, Green ACER, Lokhandwala Complex, Andheri (W), Mumbai-400053.	B. Sc.	15 years in Administration	15.12.1995

None of the above directors are on the board of the Target Company.

4.7. Brief audited financial details for the last three years of HIPL are as under:

(Amount Rs. in Lakhs)

Profit & Loss Statement as on	31.03.2007	31.03.2008	31.03.2009
Income			
Income from Operations	54.47	1854.52	1041.63
Other Income	1.30	2.39	-
Total Income	55.77	1856.91	1041.63
Total Expenditure	51.87	1841.68	1079.50
Profit/(Loss) Before Depreciation, Interest and Tax	3.90	15.23	(37.87)
Depreciation	2.66	3.98	3.98
Interest	0.26	6.46	-
Profit/ (Loss) Before Tax	0.98	4.79	(41.85)
Provision/(Credit) for Tax/ FBT/Other Tax	0.23	1.62	0.31
Deferred Tax	0.33	1.38	(1.23)
Profit / (Loss) After Tax	0.42	1.79	(40.93)

(Amount Rs. in Lakhs)

Balance Sheet Statement as at	31.03.2007	31.03.2008	31.03.2009
Sources of funds			
Paid up equity share capital	49.03	76.43	76.43
Reserves and Surplus (excluding revaluation reserves, if any)	432.27	680.04	678.87
Profit & Loss (Debit Balance)	(0.63)		(39.77)
Net worth	480.67	756.47	715.53
Share Application Money	-	-	90.00
Secured Loans	112.09	-	-
Unsecured Loans	51.00	-	-
Deferred Tax Liability	-	3.94	2.71
Total	643.76	760.41	808.24
Application of funds			
Net Fixed Assets	78.67	74.69	70.71
Investments	92.85	108.58	108.58
Net Current Assets	474.80	577.14	628.95
Deferred Tax Asset	(2.56)	-	-
Total	643.76	760.41	808.24

Other Financial Data *	31.03.2007	31.03.2008	31.03.2009
Dividend (%)	Nil	Nil	Nil
Earning Per Share (in Rs.)	0.09	0.23	(5.36)
Return on Net worth (%)	0.09	0.24	(5.72)
Book Value Per Share	98.04	98.97	93.62

** The Other Financial Data viz. Dividend, Earning Per Share, Return on Networth & Book Value Per Share are certified by Mr. Pranav Damania (Membership No. 101937), Partner of M/s. TMG & Associates, Chartered Accountants, having office at Ganesh Nivas, Pethe Wadi, Jambli Gali, Boriwali (West), Mumbai-400092; Telefax.: 022-28991437/28689714 vide certificate dated September 1, 2009, for the purpose of disclosing the information in the Draft Letter of Offer, based on the Audited Report for the Financial Year(s) ended March 31, 2007, March 31, 2008 & March 31, 2009.*

4.8. Reasons for Fall & Rise in Income/PAT in relevant years are given as under:

Financial Year 2008-09 to 2007-08

There was a decrease in total income for 2008-09 as compared to 2007-08 because of the decrease in operations during the year and thereby a Net Loss of Rs. 40.93.

Financial Year 2007-08 to 2006-07

There was an increase in total income and the Profit After Tax for 2007-08 as compared to 2006-07 because of the increased operations and Interest on Fixed Deposit during the year.

Reasons for fall/rise in Total Income:

The company is primarily engaged in the Trading & Investment activities. The Total Income generated by the company through sale of various investments is depends on the markets sentiment and hence the Total Income cannot be compared on year to year basis.

4.9. Significant Accounting Policies adopted by HIPL:

(i) General

- a. The accounts have been prepared on historical cost basis ignoring changes, if any, in the purchasing power of money and on accounting principles of going concern;
- b. All revenues and expenses are accounted on accrual basis, except to the extent stated otherwise;
- c. Accounting principles not specifically referred to otherwise are consistent and are in consonance with generally accepted accounting principles.

(ii) Expenses & Revenue Recognition:

Company follows accrual system of accounting and takes into account expenses and incomes as accrued.

(iii) Taxation

Provision for current tax and fringe benefit tax are made as per the provisions of the Income Tax Act, 1961.

Differed tax for the year is recognized on timing difference, being the difference between taxable incomes and accounting income that originates in one period and is capable of reversal in one or more subsequent periods.

The deferred tax charge or credit and corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future, however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is a vital certainty of realization of such assets.

(iv) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(v) Fixed Assets & Depreciation

Fixed assets have been valued at historical cost less accumulated depreciation. Further, depreciation has been provided on fixed assets as per straight line method as per the rate specified under schedule XIV of the Companies Act, 1956.

(vi) Stock In Trade

Stock in trade has been valued at cost or net realizable value whichever is lower.

(vii) Investment

Investments are stated at cost of acquisition.

- 4.10. There are no contingent liabilities as on March 31, 2009.
- 4.11. HIPL being a private limited company, the equity shares of HIPL are not listed on any of the Stock Exchanges. HIPL is not registered with SEBI or Reserve Bank of India.
- 4.12. HIPL has not promoted any Company(s) / Firm(s) since its inception.
- 4.13. As the Acquirer does not hold any shares of the Target Company the provisions of Chapter II of SEBI (SAST) Regulations are not applicable.
- 4.14. The Acquirer has 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. However, the Acquirer has received a letter from SEBI initiating an investigation and asking for certain information/details and the Acquirer has submitted the necessary details with SEBI and awaiting reply.
- 4.15. For the purpose of this Offer, there is no Person Acting in Concert ('PAC') with the Acquirer within the meaning of Regulation 2(1) (e) of the SEBI (SAST) Regulations.

4.16. DISCLOSURE IN TERMS OF REGULATION 16 (IX)

- 4.16.1. The Acquirer currently does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company for commercial reasons and operational efficiencies.
- 4.16.2. Further, the Acquirer undertakes not to sell / dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company.

4.17. FUTURE PLANS OF THE ACQUIRER WITH REGARD TO THE TARGET COMPANY

The Acquirer proposes to continue in the business of financing, trading and investment business of the Company. The Acquirer would like to take this proposed acquisition as strategic alignment in expanding its activities, business into financing and investment related business activities. The Acquirer believes that the acquisition of a majority stake in the Target Company will strength its business strategy and is a step towards becoming a broad based and integrated player in financial services business.

To the extent required and to optimize the value to all the shareholders, the Acquirer 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.

5. OPTION IN TERMS OF REGULATION 21(2)

Upon completion of the Offer, assuming full acceptances in the Offer and acquisition of shares under the SPA, the Acquirers will hold 1,98,250 shares constituting 80.92% of the equity share capital of the Target Company.

As per Clause 40A of the Listing Agreement with the BSE, 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 from the date of the Letter of Offer.

6. BACKGROUND OF THE TARGET COMPANY

- 6.1. TFL was incorporated in the State of Maharashtra on August 18, 1980, under companies Act, 1956, as a Public Limited Company in the name of 'Tilak Finance Limited'. It Obtained Certificate of Commencement of Business on August 25, 1980. The Corporate Identification Number (CIN) of the Target Company is L65910MH1980PLC023000. The Registered Office of the Target Company is situated at 304, Sangam Arcade, Vallabhghai Road, Opp. Railway Station, Vile Parle (West), Mumbai-400 056; Tel: 022-26185962-64; Fax: 022-26185967.
- 6.2. The Main Objects clause of TFL, as per Memorandum of Association, inter-alia includes to finance industrial enterprises and to carry on business as an investment company by investing, acquiring, holding and dealing in shares, securities, moveable, immovable properties, financiers, capitalists. It also deals in lending, advancing and depositing money in industrial and other businesses. TFL is presently engaged in the business of Investments and its related activities. The company is not registered with SEBI or Reserve Bank of India.
- 6.3. The authorized share capital of the company is 25.00 Lakhs comprising of 2,50,000 equity shares of Rs 10/- each and the issued, subscribed and paid-up equity and voting capital is Rs. 24.50 Lakhs, comprising of 2,45,000 equity shares of Rs 10/- each. There are no partly paid-up equity shares of the Target Company as on the date of this PA.
- 6.4. The shares of the Target Company are listed at Bombay Stock Exchange Limited (BSE) only and presently suspended from BSE due to non compliance of the provisions of the listing agreement. The scrip code of TFL shares at BSE is '503663'. The equity shares of the Target Company are traded in physical mode only, with the lot size of 50 shares.
- 6.5. There is no outstanding instrument in the nature of warrants / fully convertible debentures / partly convertible debentures, etc. convertible into equity shares on any later date. There are no shares under lock-in period.

6.6. Share Capital Structure of TFL is given under:

Paid-up Equity Shares	No. of Shares / Voting Rights	% of Shares / Voting Rights
Fully Paid-up Equity Shares	2,45,000	100.00
Partly Paid-up Equity Shares	-	-
Total Paid-up Equity Shares	2,45,000	100.00
Total Voting Rights	2,45,000	100.00

6.7. Details of Share Capital history of TFL are as follows:

Date of Allotment	No. and % of Shares Issued		Cumulative Paid-up Capital (Rs.)	Mode of Allotment	Identity of Allottees (Promoters / Others)	Status of Compliance
	No. of Shares	% of Shares				
25.07.1980	60	-	600	Cash	Subscriber to the Memorandum	Capital Issued prior to the IPO & complies with relevant Provisions
24.02.1982	94,940	39.00	9,50,000	Cash	Promoters/Directors/their Friends & Relatives	Capital Issued in the IPO & complied with relevant provisions
24.02.1982	1,50,000	61.00	24,50,000	Cash	General Public	Capital Issued in the IPO & complied with relevant provisions
Total	2,45,000	100.00				

- 6.8. The Target Company has complied with the provisions of Regulation 6(2), 6(4) for the year 1997 & Regulation 8 (3) of the SEBI (SAST) Regulations for the years 1998 to 2004 on 16.02.2005 and Regulation 8 (3) of the SEBI (SAST) Regulations for the years 2005, 2008 and 2009 with a delay of 2 days, 15 days and 29 days respectively. The Target Company has complied with Regulation 7(3) of the SEBI (SAST) Regulations for the year 2007 and 2009 with a delay of 887 days and 2 days respectively. There was no delay in compliance with Regulation 8(3) of the SEBI (SAST) Regulations by the Target Company for the years 2006 and 2007. The Promoters / major shareholders of TFL have complied with the applicable provisions of Chapter II of the SEBI (SAST) Regulations. SEBI may initiate an action

against the Target Company for the delay in the compliances with the provisions of the Chapter II of the SEBI (SAST) Regulations.

6.9. The shares of the Target Company was suspend from BSE w.e.f May 2, 2000 due to non compliance with the relevant listing requirements of BSE. Later on the Target Company has submitted the necessary information with the BSE and awaiting the revocation of the suspension. There is no penal / punitive action taken by BSE against the Target Company. The Company has submitted the following documents as per the provisions of the Listing Agreement:

Sr. No.	Date of the Letter	Documents enclosed
1.	30 th April 2004	Letter submitted to BSE that the Company has initiated process to comply with the provisions of Listing Agreement
2.	15 th February 2005	Submission of: 1. Certificate issued by the Practicing Company Secretary for Secretarial Audit for the period from 31 st December 2002 till 31 st December 2004. 2. Certificates under clause 47 (c)
3.	16 th February 2005	Submission of: 1. Book Closure Notice for the F.Y. 2000 to 2004 2. Annual Report of 2001 & 2004 3. Directors' Profile 4. Fact Sheet 5. Disclosure under Regulation SEBI (SAST), 1997 for financial year ended 1998 to 2004.
4.	16 th February 2005	Submission of : 1. Shareholding Pattern for the Quarter ended March 2001 to March 2004. 2. Un-audited Quarterly Results from quarter ended 31 st March 2001 till 31 st March 2004. 3. Undertaking from the Company 4. Details of Compliance Officer
7.	16 th April 2005	Payment of arrears of Annual Listing Fees of Rs. 121500/- for the F.Y. 1997-98 to 2005 -06.
8.	16 th May 2006	Request for revocation of suspension in view that the Company has already paid all the arrears of annual listing fees.
9.	16 th May 2006	Payment of Annual Listing Fees for the F.Y. 2004-05 & 2005 -06.
10	13 th February 2007	Application for revocation of suspension in prescribed format with an undertaking as per the guidelines for revocation of suspension.
11.	19 th April 2007	Letter from BSE intimating to the Company for non compliance of Clauses of Listing Agreement viz.
		Clause 15 /16 Intimation of Book Closure for 2005 & 2006 not given
		Clause 31a Non submission of Annual report for the year 2003 & 2004
		Clause 38 Non payment of Annual Listing Fees of Rs. 10100/-
		Clause 41 Non submission of Quarterly results for March 2006 & June 2006 quarter
		Clause 49 Non submission of Corporate Governance Report for the period from March 2003 to March 2007.
12.	30 th April 2007	Requesting for details about the reinstatement of fees
13.	7 th May 2007	Reply to Letter to BSE dated 19 th April 2007 and submitted thereof:
		Clause 15 /16 Intimation of Book Closure for 2005 & 2006
		Clause 31a Annual report for the year 2003 & 2004
		Clause 38 Payment of Annual Listing Fees of Rs. 10100/- for 2007-08

	Clause 41	Quarterly results for March 2006 & June 2006 quarter
	Clause 49	Representation to the non submission of Corporate Governance Report since the Company's Paid up capital is below Rs. 5 Crore.

Apart from the documents mentioned above, the Company is regularly filing the necessary intimations from time to time, details of which are as under:

Sr. No	Date	Documents Enclosed
1.	29 th April 2005	1. Secretarial Audit Report for the quarter ended 31 st March 2005 2. Certificate Under Clause 47 (c) for the half year ended 31 st March 2005 3. Shareholding Pattern for the quarter ended 31 st March 2005
2.	29 th April 2005	Disclosure of information under SEBI (SAST) for the Financial year ended 31 st March 2005
3.	30 th January 2006	Six sets of Annual Report for the F.Y. 2005
	28 th April 2006	1. Shareholding Pattern for the quarter ended 31 st March 2006 2. Disclosure of information under SEBI (SAST) for the Financial year ended 31 st March 2006
4.	9 th May 2006	1. Secretarial Audit Report for the quarter ended 31 st March 2006 2. Certificate Under Clause 47 (c) for the half year ended 31 st March 2006
5.	31 st July 2006	Secretarial Audit Report for the Quarter 30 th June 2006
6.	15 th February 2007	Six sets of Annual Report for the F.Y. 2006
7.	15 th February 2007	1. Secretarial Audit Report for the quarter ended 30 th June 2006, 30 th September 2006 & 31 st December 2006 2. Certificate Under Clause 47 (c) for the half year ended 30 th September 2006 3. Shareholding Pattern for the quarter ended 30 th June 2006, 30 th September 2006 & 31 st December 2006
8.	12 th March 2007	Un-audited Financial Results for the quarter ended 30 th June 2005 to 31 st December 2006
9.	18 th April 2007	Disclosure of information under SEBI (SAST) for the Financial year ended 31 st March 2007
10.	18 th April 2007	1. Secretarial Audit Report for the quarter ended 31 st March 2007 2. Certificate Under Clause 47 (c) for the half year ended 31 st March 2007 3. Shareholding Pattern for the quarter ended 31 st March 2007
11.	7 th May 2007	Payment of Annual Listing Fees of Rs. 10100/- for the year 2007-08.
12.	8 th October 2007	Shareholding Pattern for the quarter ended 30 th September 2007
13.	21 st April 2008	Certificate Under Clause 47 (c) for the half year ended 31 st March 2008
14.	15 th May 2008	Shareholding Pattern for Quarter ended 31 st December 2007
15.	15 th May 2008	Shareholding Pattern for Quarter ended 31 st March 2008
16.	15 th May 2008	Shareholding Pattern for the Quarter 31 st March 2008
17.	15 th May 2008	Disclosure of information under SEBI (SAST) for the Financial year ended 31 st March 2008
18.	29 th May 2009	Shareholding Pattern for the Quarter 30 th June 2008
19.	29 th May 2009	Shareholding Pattern for the Quarter 30 th September 2008
20.	29 th May 2009	Compliance Certificate under Clause 47 (c) for the half year ended 30 th September 2008
21.	29 th May 2009	Secretarial Audit Report for the quarter ended 30 th June 2008
22.	29 th May 2009	Secretarial Audit Report for the quarter ended 30 th September 2008
23.	29 th May 2009	Secretarial Audit Report for the quarter ended 31 st December 2008

24.	13 th July 2009	Shareholding Pattern for the Quarter 31 st December 2008
25.	13 th July 2009	Shareholding Pattern for the Quarter 31 st March 2009
26.	25 th June 2009	Intimation of Board Meeting for approval of accounts for the year ended 31 st March 2009
27.	29 th May 2009	Disclosure of information under SEBI (SAST) for the Financial year ended 31 st March 2008
28.	31 st July 2009	Secretarial Audit Report for the quarter ended 31 st March 2005
29.	9 th September 2009	Annual Report for the year ended 31 st March 2009
30.	10 th September 2009	Book Closure for the year ended 31 st March 2009
31.	23 rd September 2009	Disclosure of information under SEBI (SAST) for the Financial year ended 31 st March 2009
32.	23 rd September 2009	Shareholding Pattern for the Quarter 30 th June 2009
33.	20 th July 2009	Payment of Annual Listing Fees for the year 2009-10

Further, please note that the Target Company have been informed by the BSE Officials that there were no significant operations of the Company and the revocation of suspension of the script can be allowed only after the starting of sufficient operations and income being generated in the Company. From the Financial Year 2006-07 the Company has recommenced its activities and generating income which was is reflected in the Audited Accounts for the Financial Year 2007-08 & 2008-09. As an effort to increase the operations further and income generation the company is exploring the possibilities of entering into various activities in line with its present business activities.

6.10. As on the date of the PA, the details of Board of Directors of TFL is given below:

S. No	Name & Residential Address of Directors	Qualification	Experience	Date of Appointment
1.	Nirmala Narendra Saraf Shiv Nagar, Wardha-442001.	Higher Secondary Education	7 years in the areas of Administration	24.08.2001
2.	Lalita Ashok Saraf Shiv Nagar, Wardha-442001.	Bachelor of Commerce	12 years in the areas of Accounts and Finance	24.08.2001
3.	Rajendra Kumar Basudeo Saraf Anupam Extraction Ltd., Shiv Nagar, Wardha-442001.	Bachelor of Science	30 years in Production	05.03.2009
4.	Satish Singasane Maharashtra Housing Board, Building No.6,Room No.215, V. N. Purav Marg, Chunabhatti, Sion, Mumbai-400022.	Bachelor of Commerce	10 years in the areas of Finance & Accounts	05.12.2007

None of the above Director(s) is/are neither representative of the Acquirer nor associated / related with the Acquirer in any manner.

6.11. There has not been any merger / demerger or spin-off in the Target Company during the past 3 years.

6.12. Brief audited financial details for the last three years of TFL are as under:

(Amount Rs. in Lakhs)

Profit & Loss Account as on	31.03.2007	31.03.2008	31.03.2009
Income			
Sales of Shares and Securities	-	13.70	61.56
Sales- Cattle Feed	1.42	-	-
Other Income	-	8.05	6.48
Increase / (Decrease) in stocks	-	6.63	-
Total Income	1.42	28.38	67.74
Total Expenditure	1.57	22.70	69.39
Profit/(Loss) Before Depreciation, Interest	(0.15)	5.68	(1.65)

and Tax			
Depreciation	-	-	-
Interest	-	-	-
Profit/ (Loss) Before Tax	(0.15)	5.68	(1.65)
Provision/(Credit) for Tax/ FBT/Other Tax	-	1.80	-
Profit / (Loss) After Tax	(0.15)	3.88	(1.65)

(Amount Rs. in Lakhs)

Balance Sheet Statement as on	31.03.2007	31.03.2008	31.03.2009
Sources of funds			
Paid up equity share capital	24.50	24.50	24.50
Reserves and Surplus	-	-	-
Profit & Loss Account (Debit Balance)	(5.73)	(1.85)	(3.50)
Net worth	18.77	22.65	21.00
Secured Loans	-	-	-
Unsecured loans	1.54	2.26	3.76
Deferred Tax Liability			
Total	20.31	24.91	24.76
Application of funds			
Net Fixed Assets	-	-	-
Investments	20.30	20.30	24.51
Net Current Assets	0.01	4.61	0.25
Total Misc. Exp. Not Written Off	-	-	-
Deferred Tax Asset	-	-	-
Total	20.31	24.91	24.76

Other Financial Data*	31.03.2007	31.03.2008	31.03.2009
Dividend (%)	-	-	-
Earning Per Share (Rs.)	(0.06)	1.59	(0.67)
Return on Net worth (%) #	-	17.13	-
Book Value Per Share (Rs.)	7.66	9.25	8.57

* As certified by Mr. Deven Bafna (Membership No. 043314), Partner of Phirodia Bafna & Associates, Chartered Accountants, having office at 304, Sangam Arcade, Vallabhbai Road, Opp. Railway Station, Vile Parle (West), Mumbai-400 056; Tel: 022-26185962-64; Fax: 022-26185967 vide certificate dated August 31, 2009.

In view of the net loss the Return on Net worth is not calculated.

6.13. Reasons for Fall / Rise in Income/PAT in relevant years are given as under:

Financial Year 2008-09 to 2007-08

There was an increase in total income for 2007-08 as compared to 2006-07 because of the increase in operations of the company during the year. However due to increase in total expenditure the Profit After Tax has been reduced.

Financial Year 2007-08 to 2006-07

There was an increase in total income and the Profit After Tax for 2007-08 as compared to 2006-07 because of the increase in operations of the company during the year.

Reasons for fall/rise in Total Income:

The company is primarily engaged in the Trading & Investment activities. The Total Income generated by the company by selling of various investments is depends on the markets sentiment and hence the Total Income cannot be compared on year to year basis.

6.14. Pre and Post Offer Shareholding Pattern of the TFL is and shall be as follows:

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)	1,49,250	60.92	1,49,250	60.92	-	-	-	-
b) Promoters other than (a) above	-	-	-	-	-	-	-	-
Total 1 (a+b)	1,49,250	60.92	1,49,250	60.92	-	-	-	-
(2) Acquirer								
Handful Investrade Pvt. Ltd.			1,49,250	60.92	49,000	20.00	1,98,250	80.92
Total 2			1,49,250	60.92	49,000	20.00	198250	80.92
(3) Parties to agreement other than (1) (a) & (2)								
	-	-	-	-	-	-	-	-
Total 3	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, Acquirer) **								
a) FIs/MFs/FIIs/Banks	} 95,750	} 39.08	-	-	} (49,000)	} (20.00)	} 46,750	} 19.08
b) Others								
Total 4 (a+b)	95,750	39.08	-	-	(49,000)	(20.00)	46,750	19.08
Grand Total (1+2+3+4)	2,45,000	100.00	-	-	-	-	2,45,000	100.00

** Number of Shareholders in Public category as on October 5, 2009 is 435 (Four Hundred and Thirty Five only).

6.15. Details of Changes in the Shareholding of the Promoters:

S. No.	Name of Seller/Promoter	Pre Shareholding		No. of Shares	% of voting capital	Post Shareholding		Date of Transaction/ Actual Date of Compliance & No. of Days delay	Mode of Transaction	Name of Purchaser/Promoter	Pre Shareholding		No. of Shares	% of voting capital	Post Shareholding		Total Cumulative Shareholding of Promoter Group
		No. of Shares	% of voting capital			No. of Shares	% of voting capital				No. of Shares	% of voting capital					
1.	Shareholding of the Promoter Group as on 02.04.1997																1,49,250 (60.92%)
# 2.	Surendra Basudeo Saraf	12,750	5.20	12,750	5.20	-	-	21.03.2007 31.08.2009 887 Days	Transmission on succession/ inheritance	Anuradha Aditya Saraf Sunaina Deep Saraf	-	-	6,375	2.60	6,375	2.60	1,49,250 (60.92%)
@ 3.	Narendra Basudeo Saraf	8,400	3.43	8,400	3.43	-	-	22.08.2009 31.08.2009 2 Days	Transmission on succession/ inheritance	Nirmala Narendra Saraf	11,900	4.86	8,400	3.43	20,300	8.29	1,49,250 (60.92%)

Regulation 7(1A) of SEBI (SAST) Regulations, 1997 is duly complied & Regulation 7(3) of SEBI (SAST) Regulations, 1997 is duly complied with a delay of 887 days.

@ Regulation 7(1A) of SEBI (SAST) Regulations, 1997 is duly complied & Regulation 7(3) of SEBI (SAST) Regulations, 1997 is duly complied with a delay of 2 days.

"The Promoters have not purchased or sold any shares and no inter-se transfers have been taken place between the Promoters other than the details mentioned above."

6.16. Status of Corporate Governance

Provisions of Clause 49 of the Listing agreement are not applicable to the Target Company as its Present paid up share capital is Rs. 24.50 Lakhs 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 not applicable to the Target Company since the Paid up Capital is less than Rs. 300 Lakhs and Net Worth has been less than Rs. 2500 Lakhs at any time in the history of the Target Company.

6.17. As on date, there are no pending litigation matters pending by and against the Target Company.

6.18. Details of Compliance Officer:

Mr. Rajendra Saraf

Tilak Finance Limited,

304, Sangam Arcade, Vallabhbhai Road, Opp. Railway Station, Vile Parle (West), Mumbai-400 056;

Tel: 022-26185962-64; Fax: 022-26185967

(Source: All the data about the Target Company is provided by Tilak Finance Limited.)

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1. Justification of Offer Price

7.1.1. The equity shares of the Target Company are currently listed in India on the Bombay Stock Exchange Limited ('BSE'). The equity shares are held in physical mode and placed in 'Z' Group on BSE. The shares of the Target Company was suspended from BSE w.e.f. May 2, 2000 due to non compliance with the relevant listing requirements.

7.1.2. The annualized trading turnover during March 2009 to August 2009 (six calendar months preceding the month in which the PA is made) on BSE is as given below:

Name of the Stock Exchange	Total number of shares traded during the 6 calendar months prior to the month in which PA was made	Total Number of Listed Shares	Annualized Trading Turnover (in terms of % to Total Listed Shares)
BSE	Nil	2,45,000	-

(Source: Website of BSE: www.bseindia.com)

Based on the above information, the shares of the Target Company are infrequently traded on BSE within the meaning of Regulation 20(5) of the SEBI (SAST) Regulations.

7.1.3. The Offer Price of Rs. 15/- (Rupee Fifteen only) per share has been determined in terms of Regulation 20(5) of the SEBI (SAST) Regulations, applicable to infrequently traded shares, taking into account the following factors:

a)	Negotiated Price payable under the Agreement	Rs. 15/-
b)	Highest price paid by the Acquirer for acquisition including by way of allotment in public or rights issue, if any, for equity share of the Target Company during the 6 months period preceding the date of the PA	Not Applicable
c)	Other Parameters	As on March 31, 2009
	Return on Net worth (%)	(7.82)
	Book Value per Share (Rs.)	8.57
	Earnings Per Share (Rs.)	(0.67)

In view of the parameters considered and presented in table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs. 15/- (Rupee Fifteen only) per Share being the highest of the prices mentioned above is justified in terms of Regulation 20(5) & 20(11) of the SEBI (SAST) Regulations.

7.1.4. The Acquirer has not entered into any agreement for payment of non-compete fee and have not made payment of any non-compete fees.

7.1.5. Based on the above and in the opinion of the Manager to the Offer and the Acquirer, the Offer Price is justified as per the Regulation 20 (11) of the SEBI (SAST) Regulations.

- 7.1.6. The Acquirer shall not acquire any shares in TFL during the Offer Period except in compliance with the SEBI (SAST) 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 SEBI (SAST) Regulations.
- 7.1.7. If the Acquirer acquires shares after the original PA and upto seven working days prior to closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisitions shall be payable for all the acceptances received under the Offer. Any such revision in the Offer Price shall be notified by advertisement in the same newspapers in which the PA has appeared.

7.2. Financial Arrangements

- 7.2.1. The maximum purchase consideration payable by the Acquirer in the case of full acceptance of the Offer is Rs. 7,35,000/- (Rupees Seven Lakhs Fifty Thousand only). In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirer has opened a Fixed Deposit Account with Axis Bank, Turner Road, Bandra (West), Mumbai for an amount of Rs. 7,50,000/- (Rupees Seven Lakhs and Fifty Thousand only) being more than 105% of the total consideration under the Open Offer and lien marked in favour of the Manager to the Offer, Intensive Fiscal Services Private Limited, Mumbai.
- 7.2.2. The Acquirer has empowered the Manager to the Offer to realise the value of the Escrow Account in terms of Regulation 28 of the SEBI (SAST) Regulations. Axis Bank, Turner Road, Bandra (West), Mumbai has confirmed that a lien has been marked on the said Fixed Deposits of Rs. 7,50,000/- (Rupees Seven Lakhs and Fifty Thousand only) in favour of the Manager to the Offer.
- 7.2.3. In terms of Regulation 16 (xiv) of the SEBI (SAST) Regulations, we ensure that the Acquirer has adequate resources and have made firm financial arrangements to meet the Offer obligations in full. The financial obligations of the Acquirer under the Offer will be fulfilled through internal resources of the Acquirer and no borrowings from Banks or Financial Institutions or otherwise is envisaged.
- 7.2.4. M/s. TMG & Associates, Chartered Accountants, having their office at 2, Ganesh Nivas, Pethe Wadi, Jambli Gali, Borivali (West), Mumbai-400092, Telefax.: 022-28991437/28689714 certified that the Acquirer has made firm arrangements to meet the financial obligations under the Offer to be made to the shareholders of the Target Company.
- 7.2.5. The Acquirer in compliance with Regulation 22(11) of the SEBI (SAST) Regulations has made firm financial arrangements to fulfill the obligations under the Offer.
- 7.2.6. The Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations and confirms that firm arrangements for funds and money for payment through verifiable means are already in place to fulfill the Offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

- 8.1. The Letter of Offer (the 'Letter of Offer' or 'LOO'), specifying the detailed terms and conditions of this Offer, along with the Form of Acceptance cum Acknowledgement (the 'Form of Acceptance') and the Form of Withdrawal will be dispatched to all the shareholders of the Target Company (other than the parties to the SPA), whose names appear on the Register of Members of the Target Company, at the close of business hours on September 26, 2009 (Saturday) (the 'Specified Date').
- 8.2. Accidental omission to despatch this Letter of Offer or the non-receipt of this Letter of Offer by any person shall not invalidate the Offer in any way.
- 8.3. All shares tendered under this Offer should be free from any charge, lien or encumbrances of any kind whatsoever.
- 8.4. The Acquirer will not be responsible in any manner for any loss of equity Share certificate(s) and Offer acceptance documents during transit. The equity shareholders of Target Company are advised to adequately safeguard their interest in this regard.

8.5. 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. upto November 6, 2009 (Friday).

8.6. The Acquirer reserves the right to withdraw the Offer pursuant to Regulation 27 of the SEBI (SAST) Regulations. Any such withdrawal will be notified in the form of an Announcement in the same newspapers in which the Public Announcement had appeared.

8.7. Persons eligible to participate in the Offer:

The Offer is made to all the equity shareholders (except the Acquirer and the Sellers) of the Target Company whether registered or not who own the equity shares anytime prior to the closure of the Offer. However, the Letter of Offer is being mailed to those Shareholders whose names appear on the Register of Members of the Target Company at the close of business hours on the Specified Date i.e. September 26, 2009 (Friday). Shareholders (except the Acquirer and the Sellers) holding shares of the Target Company any time prior to the closure of the Offer are eligible to tender their shares in terms of this Offer.

8.8. Locked in Shares:

There are no locked-in shares in the Target Company.

8.9. Statutory Approvals:

8.9.1. The Offer is subject to the receipt of approval, if required, from Reserve Bank of India (RBI) under the Foreign Exchange Management Act, 1999 (FEMA) for the acquisition of equity shares by the Acquirer from non-resident persons, who validly tender their equity shares under the Offer. In case of acceptances from non residents, than Acquirer shall make requisite applications to RBI after closure of the Offer. No other approval is required to be obtained from Banks/Financial Institutions for the Offer.

8.9.2. As on the date of this PA, there are no statutory approvals required for the acquisition of equity shares tendered pursuant to this Offer except as stated above. If any statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of regulation 27 of the SEBI (SAST) Regulations. The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of the Offer.

8.9.3. In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 22(12) of the SEBI (SAST) Regulations. Further, if any delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1. Shareholders who are holding the equity shares of the Target Company and wish to tender their equity shares will be required to send their Form of Acceptance-cum-Acknowledgement, original Share Certificate(s) and blank transfer deed(s) duly signed to Sharex Dynamic (India) Pvt. Ltd., the Registrar to the Offer so that the same are received on or before the closure of the Offer, at the address 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 Seller, the Acquirer, 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-cum-Acknowledgement along with all the relevant documents on all working days i.e. from Monday to Friday between 11.00 a.m. and 4.00 p.m. and on Saturdays between 11.00 a.m. to 2.00 p.m.

Shareholders of the Target Company who wish to avail of and accept the Offer shall send / deliver the Form of Acceptance along with all the relevant documents to the collection center of the Registrar to the Offer mentioned below in accordance with the procedure as set out in the Letter of Offer.

Name & Address of Collection Center	Contact Person & Contact Numbers	Mode of Delivery
Sharex Dynamic (India) Pvt. Ltd. Unit No.1, Luthara Ind. Premises, Andheri Kurla Road., Safed Pool, Andheri (E), Mumbai - 400 072.	Shri B. S. Baliga Tel. No. 022-28515606/28515644; Fax No. 022-28512885 E-mail: sharexindia@vsnl.com	Hand Delivery / Registered Post

Neither the share certificate(s) nor transfer deed(s) nor the Form of Acceptance should be sent to the Sellers or the Acquirer 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:

(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.

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 Acquirer 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, may send their consent, to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer. 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, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares 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. 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 '**Tilak Finance Limited- Open Offer**'.
- 9.7. Shareholders of the Target Company who have sent their equity shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to the Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form.
- 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 Acquirer 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 Acquirer under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer 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 Acquirer for payment of consideration to shareholders, subject to the Acquirer 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 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. November 6, 2009 (Friday).
- 9.11. The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum- Acknowledgement / Plain paper application submitted and the Acknowledgement slip. 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, November 6, 2009 (Friday) along with the details including Name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares
- 9.12. 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.
- 9.13. The withdrawal of shares will be available only for the share certificates/ shares that have been received by the Registrar to the Offer.
- 9.14. The intimation of returned shares to the shareholders will be at the address as per the records of the Target Company.
- 9.15. 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.
- 9.16. 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.

- 9.17. In case the number of shares tendered for sale by the shareholders are more than the shares agreed to be acquired under the Offer, the Acquirer 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 50 (Fifty only) equity shares.
- 9.18. 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.
- 9.19. 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'), Real Time Gross Settlement ('RTGS') at specified centers where clearing houses are managed by the Reserve Bank of India.
- 9.20. It is advised 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.
- 9.21. 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 Acquirer 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 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') at specified centers 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.
- 9.22.1. **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, Bhubaneswar, 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.
- 9.22.2. **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.

- 9.22.3. **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.
- 9.23. 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.
- 9.24. In case of payment consideration is rejected through the ECS/Direct Credit facility, the Registrar to Offer would endeavor to dispatch the payment consideration within 3 working days of such rejection.
- 9.25. 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.
- 9.26. The Registrar to the Offer will hold in trust the equity shares and share certificate(s), Form of Acceptance, and the transfer deed(s) on behalf of the shareholders of the Target Company who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted equity shares / share certificates are dispatched/ returned

10. 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.

- a. Certificate of Incorporation, Certificate of Commencement of Business and Memorandum & Articles of Association of Tilak Finance Limited.
- b. Certificate of Incorporation and Memorandum & Articles of Association of Handful Investrade Private Limited.
- c. Audited Accounts of Tilak Finance Limited for the financial years ended March 31, 2007, March 31, 2008 and March 31, 2009.
- d. Audited Accounts of Handful Investrade Private Limited for the financial years ended March 31, 2007, March 31, 2008 and March 31, 2009.
- e. Certificate from the Statutory Auditors of the Tilak Finance Limited and Handful Investrade Private Limited for the financial data for the purpose of Offer.
- f. Certificate from M/s. TMG & Associates, Chartered Accountants, having their office at 2, Ganesh Nivas, Pethe Wadi, Jambli Gali, Boriwali (West), Mumbai-400092, Telefax.: 022-28991437/28689714 certifying that the Acquirer has made firm arrangements to meet the financial obligations under the Offer.
- g. Fixed Deposit Receipt of Axis Bank, Turner Road, BAndra (West), Mumbai for an amount of Rs. 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) being over 25% of the total consideration, kept in the Escrow Account with a lien marked in favour of Manager to the Offer.
- h. Copy of Share Purchase Agreement between the Acquirer and the Sellers dated September 1, 2009 for acquisition of 1,49,250 equity shares, which trigger the Offer.
- i. Published copy of Public Announcement, which appeared in the newspapers on September 3, 2009.
- j. A Copy of Letter no. **CFD/DCR/TO/SA/178349/09 dated September 30, 2009** received from SEBI in terms of proviso to regulation 18(2) of the SEBI (SAST) Regulations.
- k. Memorandum of Understanding between the Acquirer and Intensive Fiscal Services Private Limited.

11. DECLARATION

- 11.1. 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.

- 11.2. The Acquirer and its respective Directors 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 Acquirer 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.
- 11.3. 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 Board of Directors
of Handful Investrade Private Limited**

Director

**Place: Mumbai
Date: October 6, 2009**

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: October 23, 2009 (Friday)
OFFER CLOSES ON: November 11, 2009 (Wednesday)
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:

E-Mail:

To**Sharex Dynamic (India) Private Limited,**

Unit-1, Luthra Ind. Premises,

M VasANJI Marg, Andheri-Kurla Road.,

Safed Pool, Andheri (East), Mumbai 400072

Sub.: Open Offer to acquire 49,000 equity shares of Rs. 10/- each, representing 20% of the voting capital, of Tilak Finance Limited at a price of Rs. 15/- (Rupee Fifteen only) per share by Handful Investrade Private Limited

Dear Sir,

I/We refer to the Letter of Offer dated October 05, 2009 for acquiring the equity shares held by me/us in Tilak Finance Limited.

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

FOR SHARES HELD IN PHYSICAL FORM:

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

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)

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

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

I/We authorize the Acquirer 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:

Yours faithfully,

Signed and Delivered:

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

Note: In case of joint holdings, all holders must sign. A corporation must affix its common seal.

Address of First/Sole Shareholder

Place:

Date:

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.

Name of the Bank _____ Branch _____
Account Number _____ Savings/Current/Others (Please Specify) _____
I/We want to receive the payment through ECS <input type="checkbox"/> RTGS <input type="checkbox"/> NEFT <input type="checkbox"/>
In case of ECS, 9- digit code number of the Bank & Branch (Appearing on the MICR Cheque issued by the Bank <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
In the case of RTGS/NEFT, 8 digit code number issued by the Bank <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

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

Sharex Dynamic (India) Private Limited

Unit-1, Luthra Ind. Premises, M Vasanji Marg, Andheri-Kurla Road., Safed Pool, Andheri (East), Mumbai 400072

Tel.: 022-28515606/5644, Fax.: 022-28512885; E-mail: sharexindia@vsnl.com

Received from Mr. / Ms. _____

Address: _____

Number of Certificate(s) enclosed _____

Certificate Number(s) _____

Total number of Share(s) enclosed _____

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.

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: October 23, 2009 (Friday)
OFFER CLOSES ON: November 11, 2009 (Wednesday)

From:

Tel No.:

Fax No.:

E-mail:

To

Sharex Dynamic (India) Private Limited,
Unit-1, Luthra Ind. Premises, M VasANJI Marg,
Andheri-Kurla Road., Safed Pool, Andheri (East), Mumbai 400072

Sub.: Open Offer to acquire 49,000 equity shares of Rs. 10/- each, representing 20% of the voting capital, of Tilak Finance Limited at a price of Rs. 15/- (Rupee Fifteen only) per share by Handful Investrade Private Limited

Dear Sir,

I/We refer to the Letter of Offer dated October 05, 2009 for acquiring the equity shares held by me/us in Tilak Finance 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 Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

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

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at the collection center mentioned in the Letter of Offer on or before the last date of withdrawal November 6, 2009.

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

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.

I/We authorize the Acquirer 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

Sharex Dynamic (India) Private Limited

Unit-1, Luthra Ind. Premises, M VasANJI Marg, Andheri-Kurla Road., Safed Pool, Andheri (East), Mumbai 400072

Tel.: 022-28515606/5644, Fax.: 022-28512885; E-mail: sharexindia@vsnl.com

Received Form of withdrawal from Mr. / Ms. _____

Address: _____

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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