

TAKEOVER PANORAMA

A monthly newsletter by Corporate Professionals

Year V-Vol XII-December 2011



INSIGHT

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LEGAL UPDATES

SAT order in the matter of OCL India Limited

Facts:

1. Appellants belong to the promoter group of OCL India Limited (hereinafter referred to as Company). On February 24, 2003 the company announced a scheme to buy back its equity shares up to a maximum of 11,83,708 fully paid up shares representing 16.59 % of its issued and paid up capital at a price of Rs. 80 per share. The Letter of Offer specifically provides that Promoters will not participate in the buy back. Pursuant to buy back the promoter's shareholding increased from 62.56% to 75% of the total paid up capital but there was no change in the control of the company.
2. On October 9, 2006, Jindal Securities Private Limited filed a writ petition in the Delhi High Court against the Company stating that due to the increase in the percentage shareholding of the promoters from 62.56% to 75%, the promoters were required to make a public announcement under Regulation 11(1) and 11(2) of SEBI (SAST) Regulations, 1997. The writ petition was disposed of by the High Court with a direction to SEBI to deal with the same in accordance with law.
3. Accordingly a show cause notice was issued to the Appellants and opportunity of being heard was provided to the Appellants. The Appellants contended that as no additional shares/voting rights have been acquired by them therefore Regulation 11(1) of SEBI (SAST) Regulations, 1997 was not attracted. The whole time member by his order held that appellants had to make a public announcement to acquire shares and due to not having being made, the provision of regulation 11(1) had been violated. However, as the market price of the scrip of the Company was much more than the Offer Price, the shareholders of the Company would not benefit from the Public Announcement. Thus, instead of directing the appellants to make a public announcement, Adjudicating Officer initiated proceedings against them for violating the aforesaid provisions of the SEBI (SAST) Regulations, 1997. Feeling aggrieved by the aforesaid order, the Appellants filed appeal before SAT.

Hon'ble SAT held that passive increase in percentage of voting rights on account of buy back by the Target Company will not attract the provision of Regulation 11(1) of SEBI (SAST) Regulations, 1997.

On suggestion made by SAT, the Appellants agreed to make application to the Board seeking exemption from the provisions of the SEBI (SAST) Regulations, 1997 under regulation 3(1)(I). However the application has been rejected by the whole time member on the ground that he has no power to grant exemption from the provisions of the SEBI (SAST) Regulations, 1997 post acquisition. It is against this order that the present appeal has been filed.

Issue:

Whether the Appellants have violated the provisions of Regulation 11(1) of SEBI (SAST) Regulations, 1997 in respect of increase in their shareholding where there was no direct acquisition of shares or voting rights by them?

Decision:

Hon'ble SAT held that word 'acquire' implies acquisition of voting rights through a positive act of the acquirer with a view to gain control over the voting rights. However in the present case, the appellants did not participate in the buy back and that there was no change in their shareholding. The percentage increase in their voting rights was not by reason of any act of theirs but was incidental to the buyback of shares of other shareholders by the Company. Such a passive increase in the proportion of the voting rights of the promoters of the Company will not attract regulation 11(1) of SEBI (SAST) Regulations, 1997. Thus the argument of the Board that merely because there is increase in the voting rights of the appellants, regulation 11(1) gets triggered cannot be accepted.

It is well settled principle of law that a provision ought not to be interpreted in a manner which may impose upon a person an obligation which may be highly onerous or require him to do something which is impossible for no action of his. In this view of the matter, the Hon'ble SAT is of the firm opinion that passive acquisition does not attract the provisions of regulations 11(1) of the SEBI (SAST) Regulations, 1997.

Since regulation 11(1) was not attracted to the facts of the present case, thus it is not necessary to go into the question whether the Board has the power to grant exemption to an acquirer from the provisions of SEBI (SAST) Regulations, 1997 post acquisition.

Facts:

Alka Pandey (Appellant) is a promoter and managing director of Alka Securities Ltd. (Company). It was alleged that despite steep reduction in the promoter shareholding, the Company and its promoters including the appellant misled the shareholders and investors by making inflated and palpably incorrect disclosures to BSE regarding promoters' shareholding, thereby violating the provisions of Regulations 3 and 4 of SEBI (PFUTP) Regulations, 2003.

Hon'ble SAT held that the penalty imposed by the Adjudicating Officer for violating certain provisions of SEBI (PFUTP) Regulations, 2003, SEBI (SAST) Regulations, 1997 and SEBI (PIT) Regulations, 1992 is justified.

Further the Appellant failed to make necessary disclosures as required under Regulation 7(1)(A) read with 7(2) of the SEBI (SAST) Regulations, 1997 and Regulation 13 of SEBI (PIT) Regulations, 1992. Accordingly, the Adjudicating Officer imposed the monetary penalty of Rs. 10 Lacs for the misleading disclosures made to BSE and another sum of Rs. 15 lacs for non disclosures under SEBI (SAST) Regulations, 1997 and SEBI (PIT) Regulations, 1992. It is against this order the present appeal is filed.

Issues:

Whether the penalty imposed by the Adjudicating Officer is acceptable?

Decision:

Hon'ble SAT held that as on March 31, 2009, the actual shareholding of the promoters in the Company was 13.93% and what was disclosed to BSE was 54.12%. The Appellants contended that the Company had pledged some shares with Dena Bank in 1999 and the Board failed to take in account these pledged shares. This contention of the Appellant cannot be accepted. Hon'ble SAT observed that the 27% of the share capital of the promoters were pledged with Dena Bank by way of security for the trading facility which it had provided to one of its sister concern and the share certificates was delivered to the Bank. However in the year 2006-07 Dena Bank transferred the shares in its own name by invoking the pledge. It was observed that some of the persons to whom the shares were

transferred by Dena Bank stated that the applicants wish to purchase the shares of Alka Securities. This was done in the year 2008 and thereafter. Thus it is clear that the disclosures made by the appellant regarding promoter shareholding were subsequent to the transfer of shares by Dena Bank to the aforesaid 225 persons. The disclosures made by the appellant are on the face of it inaccurate and the promoter's shareholding has been highly inflated, thus the appellant had violated Regulations 3 and 4 of SEBI (PFUTP) Regulations, 2003. In this view of the matter, the imposition of penalty of Rs.10 lacs is justified.

Since the shares were not under pledge with Dena Bank, thus the provisions of Regulation 13 of SEBI (PIT) Regulations, 1992 stood violated. With respect to violation of Regulation 7(1A) of SEBI (SAST) Regulations, 1997, the appellant contended that the adjudicating officer in the impugned order has nowhere discussed the limits of acquisitions made by the appellant and in the absence of such a finding he could not hold that Regulation 7(1A) of SEBI (SAST) Regulations, 1997 had been violated. In the absence of any denial from the appellant, the adjudicating officer has relied upon the details in the impugned order to hold that the provisions of Regulation 7(1A) stood violated. It is further clear that the appellant failed to make the necessary disclosures which she was required to make both under SEBI (PIT) Regulations, 1992 and SEBI (SAST) Regulations, 1997. This being so, the adjudicating officer was justified in levying with the penalty of Rs.15 lacs on this count.

SAT order in the matter of Drillco Metal Carbide Limited

Facts:

1. Drillco Metal Carbide Limited (hereinafter referred as Company) allotted 6,30,800 equity shares representing 28.75% of its paid up capital to Jogeshwar Rijumal Karachiwala, Prabhudas Rijumal Karachiwala, Avinash Purushottam Karachiwala, Tarun Purushottam Karachiwala, Monish Jogeshwar Karachiwala, Vikram Parameshwar Karachiwala, Nikhil Prabhudas Karachiwalato (Appellants) on September 29, 2000 on preferential basis. Since the acquisition by Appellants had crossed the threshold limit prescribed in Regulation 10, 11 & 12 of SEBI (SAST) Regulation 1997, therefore they were required to make public announcement to acquire further shares. However preferential allotment was exempt from the provisions of SEBI (SAST) Regulations, 1997 as it then stood under Regulation 3(1)(c) thereof subject to the fulfillment of two conditions i.e. submission of copy of board resolution to all the Stock Exchanges where the shares of the Company are listed and filing of report to SEBI within 21 days from the date of acquisition. Further, the appellants were also required to submit the disclosure under regulation 7 of SEBI (SAST) Regulations, 1997.

2. However, the Appellants failed to submit the report to SEBI within 21 days of the acquisition, thereby violating the provision 3(4) of SEBI (SAST) Regulations, 1997 and also did not made the requisite disclosures under Regulation 7 of SEBI (SAST) Regulation 1997. The Adjudicating Officer after holding an enquiry found the appellants guilty of the two non disclosures and imposed monetary penalty of Rs. 5 lacs on all the Appellants.

It is against this order that the present appeal has been filed.

Hon'ble SAT held that since the trading in the scrip of the Company had been suspended and is still continuing, therefore non-filing of disclosures by the Company will not have any adverse effect on the market. Accordingly the penalty is reduced from Rs. 5 lacs to Rs. 50,000.

Issue:

Whether the penalty imposed by Adjudicating Officer on the Appellants for violating the provisions of Regulation 3(4) and 7 of SEBI (SAST) Regulations, 1997 is justifiable?

Decision:

Hon'ble SAT held that the shares that were allotted to the appellants had never been listed on any stock exchange and that the trading in the scrip of the company had been suspended since January 7, 2002 which is still continuing, therefore the default committed by the Appellants did not made any adverse effect in the market. Further the appellants admits their default of not making disclosure as required in Regulation 7 and submitting the report as required under regulation 3(4) of SEBI (SAST) Regulations, 1997. Thus the imposition of penalty of Rs. 5 Lacs is very excessive and the maximum penalty that could be levied as per Section 15A (a) of the SEBI Act, 1992 as then stood was Rs. 1.5 lacs for each default. Accordingly Hon'ble SAT reduced the penalty from Rs. 5 Lac to Rs. 50,000. The appellants were directed to deposit the penalty within 60 days from the date of decision.

Facts:

1. Morepen Laboratories Limited (Appellant/Target Company) filed an appeal to SAT against the denial of NSE and BSE for listing the share issued in terms of conversion of warrants for the reason that shares allotted to the Acquirers under the scheme of CDR are not exempted under Regulation 3(1)(j)(ii) of the SEBI (SAST) Regulations, 1997.
Hon'ble SAT directed the Appellant to file an application before SEBI for seeking exemption from the provisions of SEBI (SAST) Regulations, 1997, hence the present application was filed.

Exemption not granted to the Acquirers as the application was filed post facto of acquisition which is not maintainable.
2. The aforesaid application sought exemption from complying with the provisions of the SEBI (SAST) Regulations, 1997 in respect of the following acquisitions:
 - a) Acquisition of 5,10,00,000 equity shares, on October 27, 2005, pursuant to the conversion of 510 warrants allotted on May 19, 2004 to Square Investment & Financial Services Private Limited (Acquirer) along with PACs. The Acquirer and PACs belong to the promoters group of Target Company. Pursuant to the said acquisition, the shareholding of Promoters increased from 12.88% to 33.94% thereby triggering Regulation 10 of the SEBI (SAST) Regulations, 1997.
 - b) Acquisition of 10,00,00,000 equity shares on December 28, 2007 on account of conversion of 1000 warrants were allotted to the Acquirer and PACs, that increased the shareholding of Promoters from 24.88% to 43.23%, resulting into triggering of Regulation 11(1) of the SEBI (SAST) Regulations, 1997.
3. The present application has been filed seeking post-facto exemption from the applicability of Regulation 10 and 11(1) of SEBI (SAST) Regulations, 1997 in respect of the aforesaid acquisitions.

Grounds for exemption:

1. As on September 30, 2003, the Target Company had debts of Rs. 928 crores and accumulated losses of Rs. 173 crores and no financial institutions and/or banks were ready to make any further loans into the target company for lack of security and already existing loans. Thus the acquirers had no alternate but to infuse money themselves in the best of the interest of the Target Company.

2. It was only in furtherance to the financial restructuring scheme and formulation of CDR scheme that the acquirers had contributed funds as they enabled and without conditions, to the tune of Rs. 166 crores as against allotment of 16 crore equity shares.
3. The allotment of 5,10,00,000 equity shares against conversion of 510 warrants and further allotment of 10,00,00,000 equity shares against conversion of 1,000 warrants had been pursuant to the ongoing financial restructuring and under the approved CDR Scheme.
4. The acquirers were, at the time of allotment, under a bonafide opinion that the scheme of CDR as being undertaken by the Target Company was within the exempted category of Regulation 3(1)(j)(ii) and thoroughly believed that the provisions of Regulations 10, 11 and 12 of the SEBI (SAST) Regulations, 1997 were not attracted in the said allotments.
5. Target Company at the general meetings held and resolutions and ratification resolutions passed by the majority shareholders as present in the meeting so held on February 20, 2004, September 27, 2006 and December 16, 2008.
6. The Target Company managed to raise funds from the foreign investor, GL Mauritius India Limited, to the tune of Rs 77.06 crores only subsequent to the contributions made by the Acquirers.
7. Without the contributions made by the acquirers and subsequent allotments made to the acquirers, the Target Company would have surely landed itself in the basket of sick companies registered with the BIFR and the large number of public shareholders would have lost their investments in entirety. The allotments resulted in safeguarding the interests of public investors.
8. The Target Company is a widely held company with a strong shareholder base of more than 1,40,000 shareholders holding 65% of the issued equity share capital.
9. The purpose of allotment of shares to steer the Target Company out of troubled waters and to protect the interest of all the stakeholders.
10. There had not been any change in control or management of the Target Company.
11. Minimum public shareholding as prescribed under Clause 40A of the Listing Agreement was maintained.

Decision:

The Panel decided that currently the provisions of regulation 4(2) permit exemption application only in respect of the proposed acquisition and hence it could not consider exemption application in respect of acquisitions already made by the Acquirers. Takeover Panel further observed that first acquisition on October 27, 2005 was prior to the CDR scheme which was approved on July 27, 2006.

Hence prima facie the said acquisition was not covered under the scheme. And the second acquisition in December, 2007 also appeared to be in excess of the CDR Package. Further, the allotment of shares in furtherance of a CDR Package does not fall under the exempted categories mentioned under Regulation 3(1) of the SEBI (SAST) Regulations, 1997. Thus, any acquisition of shares through preferential allotments made for the purposes of satisfying the conditions laid down in the CDR Package do not get exemption automatically and therefore such acquirers are required to seek specific exemption from SEBI, in terms of Regulation 3(1)(l) read with Regulation 4 of SEBI (SAST) Regulations, 1997.

Considering the report of the Takeover Panel and facts and circumstances of the case, the Whole Time Member held that the application itself is not maintainable as the acquisitions have already been completed. Moreover warrants were allotted to the acquirers on May 19, 2004 and the same were converted into equity shares during October 2005. Similar was the case with the second allotment, where the warrants were allotted during October 2006 and the same were converted only in December 2007. The acquirers had ample time at their disposal to file an application to SEBI seeking exemptions before conversion but they did not do so.

Therefore the Whole Time Member agrees with the recommendations of the Takeover Panel and rejects the application on the ground of non-maintainability of the application under Regulation 4(2) of SEBI (SAST) Regulations, 1997.

Adjudicating Officer/WTM Orders

Target Company	Noticee	Regulations	Penalty Imposed/ Decision Taken
Platinum Corporation Limited	Anand Ramanlal Trivedi	Regulation 7(1) of SEBI (SAST) Regulations 1997	Rs. 1,00,000
Platinum Corporation Limited	Lakshya Securities and Credit Holdings Limited	Regulation 7(1) of SEBI (SAST) Regulations 1997 and Regulation 13(1) and 13(3) of the Insider Trading (PIT) Regulations, 1992	Rs. 3,00,000

LATEST OPEN OFFERS

Dates	Name of the Target Company	Name of the Acquirers/PACs	Details of the offer	Reason of the offer	Concerned Parties
<p>Pubic Announcement 15-Nov-2011</p> <p>Detailed Public Statement 22-Nov-11</p>	<p>Andhra Cements Limited</p> <p>Regd. Office Andhra Padesh</p> <p>Networth Rs.12486.33 Lacs</p> <p>Listed At BSE and NSE</p>	<p>Jaypee Development Corporation Limited</p>	<p>Offer to acquire 76,315,328 (26%) Equity Shares at a price of Rs. 12 per share payable in cash.</p>	<p>Regulation 3 & 4</p> <p>SSSPA to acquire 48,119,550 Equity Shares from the promoters of the Target Company and to subscribe to 147,500,000 Equity Shares by way of preferential allotment at a price of Rs. 12/- per equity share.</p>	<p>Merchant Banker Corporate Professionals Capital Private Limited</p> <p>Registrar to the Offer Alankit Assignments Limited</p>
<p>Pubic Announcement 22-Nov-2011</p> <p>Detailed Public Statement 28-Nov-2011</p>	<p>Overseas Synthetics Limited</p> <p>Regd. Office Surat</p> <p>Networth Rs. 949.41 Lacs</p> <p>Listed At BSE</p>	<p>Naresh Vijay Kumar Goyal, Shubharangana Naresh Goyal, Navedeep Naresh Goyal, Kamal Rajendrakumar Aggarwal and Minal Kamal Aggarwal</p>	<p>Offer to acquire 18,47,224 (26%) Equity Shares at a price of Rs. 3 per share payable in cash.</p>	<p>Regulation 3 & 4</p> <p>SPA to acquire 41,79,976 (58.83%) Equity Shares at a price of Rs. 3 per share</p>	<p>Merchant Banker Asit C. Mehta Investment Intermediates Ltd.</p> <p>Registrar to the Offer Big Share Services Pvt. Ltd.</p>

Dates	Name of the Target Company	Name of the Acquirers/PACs	Details of the offer	Reason of the offer	Concerned Parties
Pubic Announcement 14-Nov-2011	Swaraj Automotives Limited Regd. Office Punjab Networth Rs. 21.47 crore Listed At DSE	Mahindra and Mahindra Limited	Offer to acquire upto 6,47,382 (27%) Equity Shares at a price of Rs. 90 per share payable in cash.	Regulation 6 Voluntary Open offer for the purpose of consolidation of holdings	Merchant Banker Religare Capital Markets Limited Registrar to the Offer Sharepro Services (India) Pvt. Ltd.
Pubic Announcement 09-Nov-2011	Swadeshi Industries And Leasing Limited Regd. Office Mumbai Networth Rs. 377.38 Lacs Listed At BSE and DSE	Chin Info Tech Private Limited	Offer to acquire 14,06,067 (26%) Equity Shares at a price of Rs. 15 per share payable in cash.	Regulation 3 & 4 SPA to acquire 6,31,300 (16.15%) Equity Shares and preferential allotment of 15,00,000 Equity Shares (27.74%) thereby increasing the shareholding of the Acquirer to 39.41% of post preferential allotment capital of the Target Company.	Merchant Banker Comfort Securities Limited Registrar to the Offer System Support Services

HINT OF THE MONTH

Any amount paid as non-compete fees or control premium or otherwise to the sellers by the Acquirer shall be added in the Offer Price to be paid to the shareholders of the Target Company. There is no prohibition in the payment of non-compete fees or control premium to the sellers.

{As substantiated from Regulation 8(7) of SEBI (SAST) Regulations, 2011}

REGULAR SECTION

Timing of Public Announcement under SEBI (SAST) Regulations, 2011

SEBI (SAST) Regulation, 2011 provides that whenever Acquirer acquires the shares or voting rights of the Target Company in excess of the limits prescribed under Regulation 3 and 4, than Acquirer is required to give a Public Announcement of an Open Offer to the shareholder of the Target Company. During the process of making the Public Announcement of an Open Offer, the Acquirer is required to give Public Announcement and publish Detailed Public Statement. The regulations have prescribed the separate timeline for Public Announcement as well as for Detailed Public Statement.

- i. Public Announcement
- ii. Detailed Public Statement

Timing of Public Announcement

The Public Announcement shall be sent to all the stock exchanges on which the shares of the target company are listed. Further, a copy of the same shall also be sent to the Board and to the target company at its registered office within one working day of the date of the public announcement. The time within which the Public Announcement is required to be made to the Stock Exchanges under different circumstances is tabulated below:

Applicable Regulation	Particulars	Time of making Public Announcement to Stock Exchange
13(1)	Agreement to Acquirer Shares or Voting Rights or Control Over The Target Company	On the same day of entering into agreement to acquire share, voting rights or control over the Target Company.
13(2)(a)	Market Purchase of shares	Prior to the placement of purchase order with the stock broker.
13(2)(b)	Acquisition pursuant to conversion of Convertible Securities without a fixed date of conversion or upon conversion of depository receipts for the underlying shares	On the same day when the option to convert such securities into shares is exercised.
13(2)(c)	Acquiring shares or voting rights or control pursuant to conversion of Convertible Securities with a fixed date of conversion	On the second working day preceding the scheduled date of conversion of such securities into shares.
13(2)(d)	In case of disinvestment	On the date of execution of agreement for acquisition of shares or voting rights or control over the Target Company.
13(2)(e)	In case of Indirect Acquisition where the parameters mentioned in Regulation 5(2) are not met	Within four working days of the following dates, whichever is earlier: <ol style="list-style-type: none"> a. When the primary acquisition is contracted; And b. Date on which the intention or decision to make the primary

		acquisition is announced in the public domain.
13(2)(f)	In case of Indirect Acquisition where the parameters mentioned in Regulation 5(2) are met	On the same day of the following dates, whichever is earlier: a. When the primary acquisition is contracted; And b. Date on which the intention or decision to make the primary acquisition is announced in the public domain.
13(2)(g)	Acquisition of shares, voting rights or control over the Target Company pursuant to Preferential Issue	On the date when the Special Resolution is passed for allotment of shares under Section 81(1A) of Companies Act 1956.
13(2)(h)	Increase in voting rights pursuant to a buy-back not qualifying for exemption under Regulation 10	Not later than 90 th day from the date of increase in voting rights.
13(2)(i)	Acquisition of shares, voting rights or control over the Target Company where the such acquisition is beyond the control of acquirer	Not later than two working days from the date of receipt of such intimation.
13(3)	Voluntary Offer	On the same day when the Acquirer decides to make Voluntary Offer

Timing of Detailed Public Statement

In terms of Regulation 13(4) of SEBI (SAST) Regulations, 2011, a Detailed Public Statement shall be published by the acquirer through the Manager to the Open Offer within maximum **5 working days from the date of Public Announcement.**

However in case of Indirect Acquisition where none of condition specified in Regulation 5(2) are satisfied, the Detailed Public Statement shall be published not later than five working days of the completion of the primary acquisition of shares or voting rights in or control over the company or entity holding shares or voting rights in, or control over the target company.

Publication of Public Announcement and Detailed Public Statement

Regulation 14 of SEBI (SAST) Regulation, 2011 provides the requirements relating to publication of Public Announcement and Detailed Public Statement which are tabulated below:

Regulation	Particulars	Time	To whom
14(1)	Public Announcement	On the same day	All the stock exchanges on which the shares of the target company are listed. The stock exchanges shall forthwith disseminate such information to the public.
14(2)	Public Announcement	One working day of the date of the public announcement	Board and to the target company at its registered office
14(3)	Detailed Public Statement	5 working days from the date of Public Announcement.	Publication in the following newspaper: (a) One Hindi national language daily with wide circulation (b) One English national language daily with wide circulation (c) One regional national language daily with wide circulation language at a place where registered office of the company is situated. (d) One regional language daily with wide circulation at the place of the stock exchange where the maximum volume of trading in the shares of the target company is recorded during the sixty

			trading days preceding the date of the public announcement.
14(4)	Detailed Public Statement		A copy of 'Detailed Public Statement shall be sent to followings: (a) Board (b) All the stock exchanges in which the shares of the target company are listed (c) The target company at its registered office

After the publication of Detailed Public Statement, the acquirer is further required to file with the Board a Draft of Letter of Offer within five working days from the date of Detailed Public Statement containing such information as may be specified along with non-refundable fees as prescribed by way of banker's cheque or demand draft payable in Mumbai in favor of the Board.

CASE STUDY

Highlights of Open Offers made under SEBI (SAST) Regulations, 2011

On September 23, 2011, the market watchdog SEBI has notified the New Takeover Regulations i.e. "Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011" (hereinafter called as SEBI (SAST) Regulations, 2011) applicable w.e.f. October 22, 2011.

Highlights of Open Offer made under New Takeover Regulations are given below:

Open Offer for Andhra Cements Limited

About Andhra Cements Limited (Target Company)

Andhra Cements Limited was incorporated on December 9, 1936 under the Indian Companies Act,

1913 with the Registrar of Companies, Vizagapatam. The shares of the Target Company are presently listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

About the Jaypee Development Corporation Limited

The Acquirer, Jaypee Development Corporation Limited was incorporated on December 5, 2007 and is engaged in the business of providing Industrial Security and Medical Services to various companies engaged in the infrastructure development. The Acquirer is a part of the Jaypee Group and is a wholly owned subsidiary of Jaypee Ventures Private Limited. The shares of the Acquirer are not listed on any Stock Exchange.

Background of the Offer:

The Acquirer has entered into a Share Subscription and Share Purchase Agreement dated November 15, 2011 (“SSSPA”) with the promoter and promoter group of the Target Company and the Target Company, to acquire by way of transfer and subscription 195,619,550 equity shares representing 66.646% of the Expanded Paid up Share Capital of the Target Company post preferential allotment approved by the meeting of Board of Directors dated November 15, 2011 comprising of:

- i. 48,119,550 Equity Shares being purchased from the Sellers; and
- ii. to subscribe to 147,500,000 Equity Shares pursuant to a Preferential Allotment to be made by the Target Company at a price of Rs. 12/- per equity share.

Details of the offer:

Pursuant to the above acquisition, the Acquirer has made a Public Announcement of an Open Offer to the shareholders of the Target Company to acquire upto 76,315,328 equity shares representing 26% of the expanded paid up Share Capital of the Target Company at a price of Rs. 12 per fully equity share payable in cash.

Open Offer for Swadeshi Industries and Leasing Limited

About Swadeshi Industries and Leasing Limited (Target Company)

Established in October 31, 1983, the Target Company was originally incorporated in the name of Swadeshi Leasing Company Limited. The name of the Target Company then changed to Swadeshi

Industries and Leasing Limited. The Equity Shares of the Target Company are listed on Bombay Stock Exchange Limited ("BSE") and Delhi Stock Exchange Association Limited ("DSE").

About Chin Info Tech Private Limited (Acquirer)

Located in Mumbai, the Acquirer was incorporated with the main object to carry on the business to manufacture, alter or deal in electrical and electronic appliances and in the business of computers. There are no other PACs with the Acquirer.

Background of the Offer

On November 09, 2011, the Acquirer has entered into a Share Purchase Agreement (SPA) with the Promoters of Target Company for acquisition of 6,31,300 fully paid up equity shares representing 16.15% of the total paid-up equity share capital of Target Company at a price of Rs.15 per fully paid up equity share payable in cash. Further, on the same day the Target Company has made preferential allotment of 15,00,000 Equity Shares to the Acquirer which amount to 27.74% of the total paid up equity shares (post allotment of shares) of the Target Company. Consequent upon acquiring the shares pursuant to the execution of SPA & proposed allotment of equity shares on preferential basis the post shareholding & voting rights of the Acquirer will increase to 39.41% of the total paid up equity shares of the Target Company post preferential allotment. The Acquirer also intends to acquire control over the Target Company and make changes in the Board of Directors of the Target Company subsequent to the completion of this Open Offer in accordance hereof. Thus this mandatory offer is being made by the acquirer in accordance with Regulations 3 and 4 of SEBI (SAST) Regulations, 2011.

Details of the Offer:

The Acquirer has made an offer for acquisition of upto 14,06,067 equity shares representing 26% of the total paid up equity share capital of the Target Company at a price of Rs 15 per fully equity share payable in cash to the shareholders of the Target Company.

If the Target Company doesn't receive the approvals as required in order to allot 15,00,000 Equity Shares to the Acquirer on Preferential Basis for which it has passed Special Resolution under Section 81 (1A) of Companies Act, 1956 then the acquirer will withdraw the offer under regulation 23 of SEBI (SAST) Regulations, 2011.

Open Offer for Swaraj Automotives Limited

About the Swaraj Automotives Limited (Target Company)

Incorporated in the year 1974, Swaraj Automotives Limited (Target Company) is engaged in the business of manufacturing seats & seating systems for tractors, commercial vehicles, cars and passenger vehicles. The shares of the Target Company are listed at Delhi Stock Exchange Ltd. (DSE).

About the Mahindra & Mahindra Ltd. (Acquirer)

The Acquirer is a part of the Mahindra Group and is engaged in the business of manufacturing and marketing of tractors utility vehicles and light commercial vehicles. The Acquirer belongs to the promoter group of the Target Company and holds 10, 59,543 equity shares constituting 44.19% of the Voting Share Capital of the Target Company. The Acquirer is listed on the Bombay Stock Exchange Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”). The Global Depositary Receipts (“GDRs”) of the Acquirer are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange.

Details of the Offer

The Acquirer is already in control of Target Company and the proposed acquisition under the offer is for the purpose of consolidation of shareholding in the Target Company. Thus this voluntary offer is made by the Acquirer under Regulation 6 of SEBI (SAST) Regulations, 2011 to acquire upto 6,47,382 fully paid up equity shares representing 27% of the voting share capital of Target Company at a price of Rs.90 per share.

Open Offer for Overseas Synthetics Limited

About the Overseas Synthetics Limited

Overseas Synthetics Limited (Target Company) was incorporated on 17th March, 1992 in the State of Gujarat. At present, the Target Company has no major business operation. As on the date of PA, the promoters/promoter group hold 41, 79,976 Equity Shares, constituting 58.83% of the paid up and voting capital of the Target Company. The shares of the Target Company are listed on BSE.

About the Acquirers:

Mr. Naresh Vijay Kumar Goyal, Mrs. Shubharangana Naresh Goyal, Mr. Navedeep Naresh Goyal, Mr. Kamal Rajendrakumar Agawam and Mrs. Minal Kamal Aggarwal. The Acquirers do not hold any equity shares in the Target Company.

Background of the Offer:

The Acquirers have entered into a Share Purchase Agreement with the Promoter and promoter group of Target Company for the acquisition of 41,79,976 equity shares constituting 58.83% of the present voting capital of the Target Company at a price of Rs. 3 per share with the objective of substantial acquisition of shares or voting rights accompanied with the change of control and management of the Target Company.

Details of the Offer:

Pursuant to the above acquisition, the Acquirers have made a Public Announcement of an Open Offer to the shareholders of the Target Company to acquire upto 18,47,224 equity shares representing 26% of present paid up of the Target Company at a price of Rs 3 per fully equity share payable in cash.

MARKET UPDATE

Lintas Media gets hold on Aaren Advertising's 50% Stake in Aaren Initiative

Lintas Media Group has acquired Aaren Advertising's 50% stake in Bangalore based Aaren Initiative Outdoor Private Limited. Lintas Media is a Mumbai based group engaged in planning, buying, and evaluating strategic media solutions having its presence in India through its agencies McCann-Erickson, Lowe group and Draftfcb Ulka.

M Suresh acquires Australia based The Jewellery Group

Mumbai based manufacturer, importer and exporter of cut and polished diamonds M Suresh Company has acquired major stake in The Jewellery Group Pty Ltd., an Australia based retailer from private equity firm Quadrant. The Jewellery Group is an Adelaide based group that owns retail stores under the brand names Zamels and Mazzuchellis.

Acquisition of Promart Retail by VEMB Lifestyle from Provogue

VEMB Lifestyle Pvt. Ltd. and Apple Group of Companies have jointly acquired Promart Retail India Limited from Provogue. Established by Provogue Apparel Group in 2006, Promart is a multi-brand household retail chain and value format brand. VEMB is engaged in the manufacturing and export of hand-embroidered fabrics as well as merchandising of the garments for brands like Killer, Provogue, Pepe, Remanika etc.

US based Briggs & Stratton acquires Premier Power Equipments

Briggs & Stratton Corporation has acquired Premier Power Equipments & Products Pvt. Ltd for \$3Mn. Briggs & Stratton Corporation is an US based company which manufactures gasoline engine maker whereas Premier Power Equipments & Products Pvt. Ltd manufactures farm equipments. The acquisition is a part of Briggs & Stratton's strategy to expand its production geographic portfolio of business.

OUR TEAM

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OUR GAMUT OF SERVICES:-

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