TAKEOVER PANORAMA

A monthly newsletter by Corporate Professionals

Year VI-Vol III-March 2012

INSIGHT

Legal Updates

Informal Guidance in the matter of Strides Arcolab Limited

Facts:

1. Strides Arcolab Limited (Target Company) is a Company listed on BSE and NSE having paid up capital of Rs. 58,801,710 and out of which 28.42% (consisting of 16,594,285 equity shares of Rs.10 each) share capital are held by promoters and promoter group. On November 10, 2011, the Board of Directors of the Target Company has approved the issue of convertible warrants to the Promoter group subject to the applicable regulations and the company is in the process of convening an EGM to seek shareholders' approval for the same.

> Inter se transfer of shares amongst the promoters shall be considered as Sale of shares for the purpose of Regulation 72(2) of SEBI (ICDR) Regulations, 2009 thereby making the Promoter(s) and promoter group ineligible for allotment of specified securities on preferential basis.

2. During October 20 and October 21, 2011, the Promoter Group has executed some inter se transfer of shares in terms of Regulation 3(1)(e) of the SEBI (SAST) Regulations, 1997. Pursuant to inter se transfer, there has been no change in the shareholding of the promoter and necessary reporting under SEBI (SAST) Regulations, 1997 and SEBI (PIT) Regulations, 1992 have been made.

Issues:

Whether the inter-se transfer will be considered as "sale" as envisaged in Regulation 72 (2) of SEBI (ICDR) Regulations, 2009 read with the explanation given thereunder, thereby making the promoters ineligible to subscribe to preferential allotment of specified Securities?

Decision:

Regulation 72 (2) of the SEBI (ICDR) Regulations, 2009 states that:

"The issuer shall not make preferential issue of specified securities to any person who has sold any equity shares of the issuer during the six months preceding the relevant date:

Provided that in respect of the preferential issue of equity shares and compulsorily convertible debt instruments, whether fully or partly, the Board may grant relaxation from the *requirements of this sub-regulation, if the Board has granted relaxation in terms of regulation 29A of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 to such preferential allotment.*

Explanation: Where any person belonging to promoter(s) or the promoter group has sold his equity shares in the issuer during the six months preceding the relevant date, the promoter(s) and promoter group shall be ineligible for allotment of specified securities on preferential basis."

Regulation 72(2) of SEBI (ICDR) Regulations, 2009 specifies that the issuer should not make preferential issue of specified securities to any person who has sold any equity shares of the issuer, during the six months preceding the relevant date. The explanation further states that if any person belonging to promoter or the promoter group has sold his equity shares in the issuer during the six months preceding the relevant date, then all the promoter(s) and promoter group shall become ineligible for allotment of specified securities on preferential basis. The said regulation does not differentiate between inter-se transfers made to entities within promoter group and sales made to others. Hence, the term "any person who has sold any equity shares of the issuer" shall also include any person who has made inter-se transfers within the Promoter group.

Thus, if there is any inter-se transfer amongst the promoter group entities in the preceding six months, then all the promoter(s) and promoter group shall become ineligible for allotment of specified securities on preferential basis.

Consent Order in the matter of Vinaditya Trading Company Ltd.

Vinaya Trading Company Pvt. Ltd, Harinagar Holdings & Trading Company Private Limited, Dawn Threads Private Limited, Evergreen Stud & Agricultural Farms Pvt. Ltd, Vinaditya Trading Company Limited, N.R. Ruia (HUF) and V.N. Ruia (Applicants) filled an application dated 27 January, 2011 to voluntarily settle the following defaults in respect of their shareholding in Vinaditya Trading Company Limited (Target Company) under SEBI (SAST) Regulations, 1997:

1. Delay in compliance of the provision of Regulation 6(2), 6(4) and 8(3);
2. Delay in compliance of the provision of Regulation 7(1) by Harinagar Holdings & Trading Company Private Limited and Vinaya Trading Company Pvt. Ltd;
3. Delay in compliance of the provision of Regulation 7(1A) by Dawn Threads Private Limited, Evergreen Stud & Agricultural Farms Pvt. Ltd, N.R. Ruia (HUF) and V.N. Ruia;

4. Failure to make open offer in terms of Regulation 11(2) by Harinagar Holdings & Trading Company Private Limited in respect of the acquisition of shares by it on February 28, 2003;
5. Failure to make open offer in terms of Regulation 11(1) by N.R. Ruia (HUF) in respect of acquisition of 20,155 shares (13.44%) on February 06, 2006;
6. Failure to make open offer in terms of Regulation 10 by Vinaya Trading Company Pvt. Ltd. in respect of acquisition of 32,350 shares (21.57%) on June 13, 2006; and
7. Failure to make open offer in terms of Regulation 11(1) by Dawn Threads Private Limited and Evergreen Stud & Agricultural Farms Pvt. Ltd. in respect of the acquisition of 7601 shares (5.07%) on September 01, 2006.

Harinagar Holdings & Trading Company Private Limited, Vinaya Trading Company Pvt. Ltd., Dawn Threads Private Limited, Evergreen Stud & Agricultural Farms Pvt. Ltd. and N.R. Ruia (HUF) further submitted that at the time of acquisition the promoters shareholding in the Target Company was more than 55% and the said acquisitions triggered the open offer under Regulation 10, 11(1) and 11(2) of SEBI (SAST) Regulations, 1997. Subsequently, Clarus Advisors (India) Pvt. Ltd. and Manas Strategic Consultants Pvt. Ltd. (Acquirers) entered into SPA with the promoters (including the applicants) of the Target Company and made open offer in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations, 1997 at the offer price of Rs. 604 per share and the applicants have now completely exited from the Target Company pursuant to said SPA. If the Applicants make open offer for the alleged violations, the offer price (including 10% interest for delayed period) would be less than the present offer price of Rs. 604 per share and making another open offer with respect to the aforementioned earlier acquisitions of the years 2003 and 2006 will not serve the interests of the investors.

Therefore, vide letter dated July 04, 2011 the applicants had proposed the revised consent terms to settle the non-compliance on the payment of Rs. 25,00,000 towards settlement charges. The terms as proposed by the applicant were placed before High Power Advisory Committee (HPAC) and on the recommendation of HPAC, SEBI settle the above non-compliances of the Applicants.

Consent Order in the matter of Vinaditya Trading Company Ltd. (RNR Trading Private Limited and Ruia Industries Private Limited)

RNR Trading Private Limited and Ruia Industries Private Limited (Applicants) who were earlier part of the promoter group of Vinaditya Trading Company Ltd. (Target Company) have voluntarily proposed to settle the following defaults of SEBI (SAST) Regulations, 1997:

1. Delay in compliance of Regulation 7(1) by RNR Trading Private Limited;

2. Delay in compliance of Regulation 7(1A) by RNR Trading Private Limited and Ruia Industries Private Limited; and
3. Failure by the Applicants to make open offer in terms of Regulation 11(2) of SEBI (SAST) Regulations, 1997 with respect to off-market purchase of 14,255 shares (9.5%) of the Target Company by RNR Trading Private Limited on February 28, 2003.

RNR Trading Private Limited further stated that on February 28, 2003, it had acquired 14,255 shares (9.5%) shares of the Target Company. At the time of acquisition, the Promoters shareholding in the Target Company was more than 55% and consequently the said acquisition triggered the open offer under Regulation 11(2). Subsequently, Clarus Advisors (India) Pvt. Ltd. and Manas Strategic Consultants Pvt. Ltd. (Acquirers) entered into SPA with the promoters (including the applicants) of the Target Company and made open offer in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations, 1997 at the offer price of Rs. 604 per share. RNR Trading Private Limited sold the entire 9.5% shares of the Target Company on February 6, 2006 and earned Rs. 99,785/- and the applicants have now completely exited from the Target Company. If the Applicants make open offer for the alleged violation, the offer price (including 10% interest for delayed period) would be less than the present offer price of Rs. 604 per share and making another open offer with respect to the earlier acquisition of the years 2003 will not serve the interests of the investors.

Therefore, the applicants had voluntary filed the consent application on January 27,2011 and vide letter dated July 04, 2011, proposed the revised consent terms to settle the non-compliances on the payment of Rs. 5,00,000 towards settlement charges. The terms as proposed by the applicant were placed before High Power Advisory Committee (HPAC) and on the recommendation of HPAC, SEBI settle the above delay in compliance of the Applicants.

Adjudicating Officer/WTM Orders

Target Company	Noticee	Violations	Penalty Imposed/ Decision Taken
Syschem India Limited	Anil Nibber	Regulation 3(3) and 3(4) of SEBI (SAST) Regulations, 1997	Rs. 1,00,000
Bhansali Engineering Polymers Limited	MKJ Developers Ltd	Regulation 10 of SEBI (SAST) Regulations,	No violation established. Thus,

		1997	matter disposed off.
Bhansali Engineering Polymers Limited	Sarvesh Housing Projects Pvt. Ltd.	Regulation 10 of SEBI (SAST) Regulations, 1997	No violation established. Thus, matter disposed off.
Bhansali Engineering Polymers Limited	Shipra Enclave Pvt. Ltd.	Regulation 10 of SEBI (SAST) Regulations, 1997	No violation established. Thus, matter disposed off.
Bhansali Engineering Polymers Limited	Sweta Trading Investment Pvt. Ltd.	Regulation 10 of SEBI (SAST) Regulations, 1997	No violation established. Thus, matter disposed off.
OCL India Limited	Raghu Hari Dalmia, Padma Dalmia, Mridu Hari Dalmia, Abha Dalmia, Sharmila Dalmia Parivar Trust, Gaurav Dalmia, Kanupriya Trust, Devanashi Trust, Aryamanhari Trust, Aanyapriya Trust, Raghu Hari Dalmia Parivar Trust, Vrinda Dalmia, Gautam Dalmia HUF, Vasumana Trust, Kanu Priya Somany, Raghu Hari Dalmia HUF, Mridu Hari Dalmia HUF, Mridu Hari Dalmia Parivar Trust, Saudamini Dalmia, Rasalika Dalmia and Ushadevi Jhunjhunwala	Regulation 11 (1) of SEBI (SAST) Regulations, 1997	Matter disposed off since Hon'ble SAT had set aside the order passed by the Whole Time Member.

Latest Open Offers

Dates	Name of the Target Company	Name of the Acquirers/PACs	Details of the offer	Reason of the offer	Concerned Parties
Public Announcement 03-Feb-2012 **Detailed Public Statement** 10-Feb-2012	Parekh Distributors Limited **Regd. Office** Mumbai **Net Worth** Rs. (54.73) lacs **Listed At** BSE	Gopal Shekhawat, Pratibha Shekhawat and Gopal M Shekhawat (HUF)	Offer to acquire 25,500 (25.50%) Equity Shares at a price of Rs. 10 per share payable in cash.	**Regulation 3(1) & 4** SPA for acquisition of 74,500 (74.50%) equity shares at a price of Rs. 10 per share payable in cash.	**Merchant Banker** Ashika Capital Limited **Registrar to the Offer** Adroit Corporate Services Private Limited
Public Announcement 21-Feb-2012 **Detailed Public Statement** 28-Feb-2012	Sanjay Leasing Limited **Regd. Office** Mumbai **Networth** Rs. 129.51 Lacs **Listed At** BSE	Ketan Bhavarlal Kothari, Mohinidevi Bhavarlal Kothari, and Kalawati Prithviraj Kothari	Offer to acquire 3,58,800 (26%) Equity Shares at a price of Rs.110.25 per share payable in cash.	**Regulation 3(1)** Proposed Preferential allotment of 9,00,000 (65.22%) Equity Shares at a price of Rs. 105 per share payable in cash	**Merchant Banker** Aryaman Financial Services Limited **Registrar to the Offer** Sharex Dynamic (I) Pvt. Limited

Hint of the Month

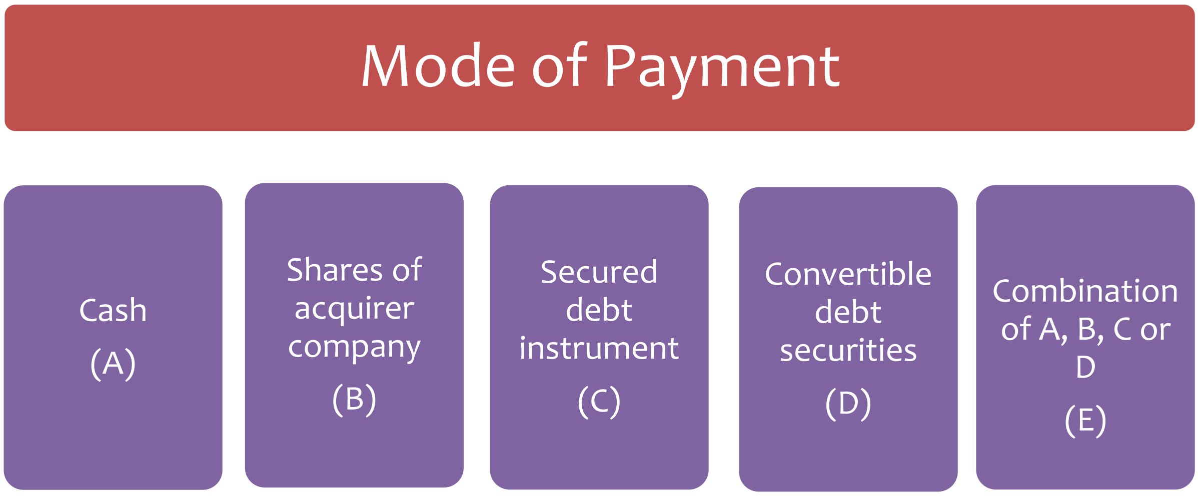
Maximum permissible non-public shareholding is derived based on the minimum public shareholding requirement under the Securities Contracts (Regulations) Rules 1957 ("SCRR"). Rule 19A of SCRR requires all listed companies (other than public sector companies) to maintain public shareholding of at least 25% of share capital of the company. Thus by deduction, the maximum number of shares which can be held by promoters i.e. Maximum permissible non-public shareholding) in a listed companies (other than public sector companies) is 75% of the share capital.

{As substantiated from FAQ of SEBI on SEBI (SAST) Regulations, 2011}

Regular Section

Mode of Payment under SEBI (SAST) Regulations, 2011

When an acquirer has made an open offer under SEBI (SAST) Regulations, 2011, the acquirer is required to pay consideration for the shares tendered in the open offer. For payment of consideration to the shareholders for the shares tendered by them, the acquirer is given an option under the regulations with regard to the mode of payment of offer consideration. A brief analysis of provisions relating to the mode of payment of offer consideration to the shareholders is detailed below:



Regulation 9 of the SEBI (SAST) Regulations, 2011 dealt with the mode of payment of offer consideration and provides that offer price may be payable in any of the following manner–

a) In cash;
b) by issue, exchange or transfer of listed shares in the equity share capital of the acquirer or of any person acting in concert;
c) by issue, exchange or transfer of listed secured debt instruments issued by the acquirer or any person acting in concert with a rating not inferior to investment grade as rated by a credit rating agency registered with the Board;
d) by issue, exchange or transfer of convertible debt securities entitling the holder thereof to acquire listed shares in the equity share capital of the acquirer or of any person acting in concert; or
e) a combination of the mode of payment of consideration stated in clause (a), clause (b), clause (c) and clause (d):

Thus, in terms of regulation 9, the acquirer is free to make the payment to the shareholders of Target Company in any mode as he desires. However the following points are required to be considered while selecting the mode of payment of consideration to the shareholders:

<u>Points to be taken care of:</u>

- Where the acquirer along with PAC have acquired or agreed to be acquired shares of the Target Company during immediately preceding 52 weeks from the date of public announcement which constitutes more than 10% of the voting rights in the Target Company and has made the payment in cash, then the Acquirer is required to give an option to the shareholders of Target Company to accept payment either in cash or by exchange of shares or other secured instruments. If a shareholder has not exercised an option in his acceptance then it shall be deemed to have opted for receiving the offer price in cash.

- The mode of payment of offer consideration may also be altered by the acquirer in case of revision in the offer price provided that the amount of offer price to be paid in cash prior to such revision is not reduced.
- Where the shareholders have been provided with options to accept the payment either by way of cash or securities, or a combination thereof, then the pricing for the open offer may be different for each option subject to compliance with minimum offer price requirements under regulation 8. It is to be noted that the Detailed Public Statement and the Letter of offer shall contain justification of such differential pricing.
- Where the offer price is to be paid by issuance of securities which requires compliance with any applicable law, the acquirer shall ensure that such compliance is completed upto commencement of the tendering period.

  If the requisite compliances are not completed by such date, then the acquirer shall pay the entire consideration in cash.

Requirements to be fulfilled in case of payment of offer price under mode B, D and E

The shares sought to be issued or exchanged or transferred or the shares to be issued upon conversion of other securities, towards payment of the offer price, shall confirm the following requirements:

- Such class of shares shall be listed on a stock exchange for a period of atleast two years preceding the date of public announcement and frequently traded at the time of the public announcement;
- Issuer of such shares has redressed at least 95% of the complaints received from investors by the end of the calendar quarter immediately preceding the calendar month in which the public announcement is made;
- Issuer of shares has been in material compliance with the listing agreement for a period of at least two years immediately preceding the date of the public announcement otherwise the offer price shall be paid in cash only;
- Impact of auditors' qualifications, if any, on the audited accounts of the issuer of such shares for three immediately preceding financial years does not exceed 5% of the net profit or loss after tax of such issuer for the respective years; and
- SEBI has not issued any direction against the issuer of such shares not to access the capital market or to issue fresh shares.

Issuance of Listed securities as consideration

If the issuer has offered listed securities as consideration, then the value of such securities shall be highest of the following:

a. The average of the weekly high and low of the closing prices of such securities quoted on the stock exchange during the six months preceding the relevant date.

$$\frac{[(WH1+WL1)/2 + (WH2+WL2)/2\ldots (WH26+WL26)/2]}{26}$$

WH = Weekly High Closing Price

WL = Weekly Low Closing Price

1, 2, 3…. 26 denote the Weeks

b. The average of the weekly high and low of the closing prices of such securities quoted on the stock exchange during the two weeks preceding the relevant date.

$$\frac{[(WH1+WL1)/2 + (WH2+WL2)/2}{2}$$

WH = Weekly High Closing Price

WL = Weekly Low Closing Price

1, 2 denote the Weeks

c. The volume-weighted average market price for a period of sixty trading days preceding the date of the public announcement, as traded on the stock exchange where the maximum volume of trading in the shares of the company whose securities are being offered as consideration, are recorded during the six-month period prior to relevant date. Further the ratio of exchange of shares shall be duly certified by an independent merchant banker (other than the manager to the open offer) or an independent chartered accountant having a minimum experience of ten years.

$$\frac{VWAP_1+VWAP_2\ldots..VWAP_{60}}{60}$$

VWAP= Volume Weighted Average Market Price

RELEVANT DATE shall be the 30th day prior to the date on which the meeting of shareholders is held to consider the proposed issue of shares under subsection (1A) of Section 81 of the Companies Act, 1956 (1 of 1956)

CASE STUDY

Analysis of Takeover Open Offer of ESAB India Limited

About ESAB INDIA LIMITED ("Target Company")

ESAB India Limited started its operations by acquiring the welding business of Peico Electronics & Electricals Limited (now Philips India Limited) and continued its expansion in the Indian market with the purchase of Indian Oxygen Limited's welding business in 1991 and Flotech Welding & Cutting Systems Limited in 1992, followed by the merger of Maharashtra Weldaids Limited in 1994. The company has established itself as one of the leading suppliers of welding and cutting products for the industries like Shipbuilding, Petrochemical, Construction, Transport, Offshore, Energy and Repair and Maintenance. The shares of the Target Company are listed on BSE and NSE.

About Colfax Corporation ("Acquirer/Colfax")

Incorporated in 1998 under the laws of Delaware, United States of America, the Acquirer is a holding company of a global group of diversified global industrial manufacturing and engineering companies that provide gas and fluid handling and fabrication technology products and services to commercial and governmental customers around the world ("Colfax Group"). Colfax has been listed on the New York Stock Exchange ("NYSE") since May 8, 2008.

About Colfax UK Holdings Limited ("PAC1/Colfax UK")

Colfax UK was incorporated on September 7, 2011 under the laws of England and Wales to affect the Primary Acquisition. The Company was not engaged in any business activity prior to the date of the Primary Acquisition, except for entering into transactions relating to the Primary Acquisition. Colfax UK is an indirect wholly owned subsidiary of the Acquirer and belongs to Colfax Group. The company is not listed on any stock exchange. The Acquirer acquired the entire issued and paid up share capital of Charter through Colfax UK.

About ESAB Holdings Limited ("PAC 2/ESAB Holdings")

Incorporated on December 17, 1982, ESAB Holdings is engaged in the manufacture and supply of welding consumables and equipment, and cutting and automation solutions and also provides management, administrative and technical services. The company is not listed on any stock exchange.

About Exelvia Group India B.V. ("PAC 3/Exelvia")

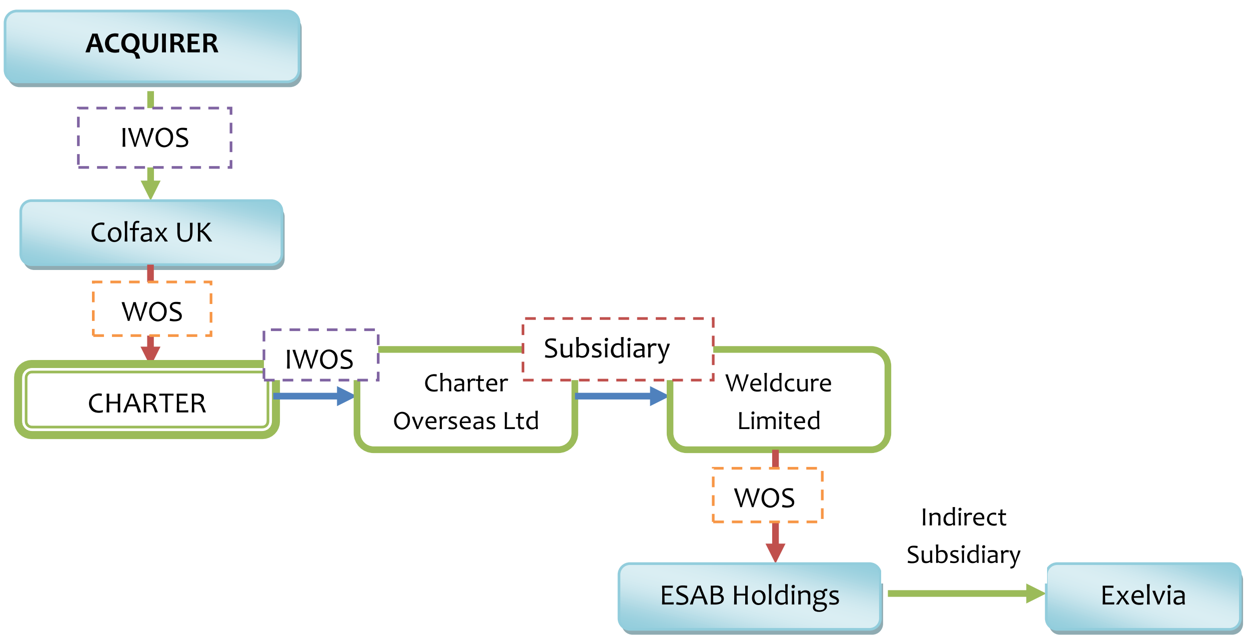
Exelvia was incorporated on August 31, 2006 under the laws of The Netherlands, for the purpose of holding shares of the Target Company. The company has not carried on any business activity since its incorporation. The company is not listed on any stock exchange. Exelvia is a wholly owned subsidiary of Exelvia Netherlands B.V., which in turn is a wholly owned subsidiary of ESAB Holdings. Exelvia directly holds 18.34% of the Shares and voting rights of the Target Company.

About Charter International Plc. ("Charter")

Charter is a company incorporated under the laws of Jersey and has entered into an Implementation Agreement with Colfax and Colfax UK.

Relationship between Acquirer and PACs

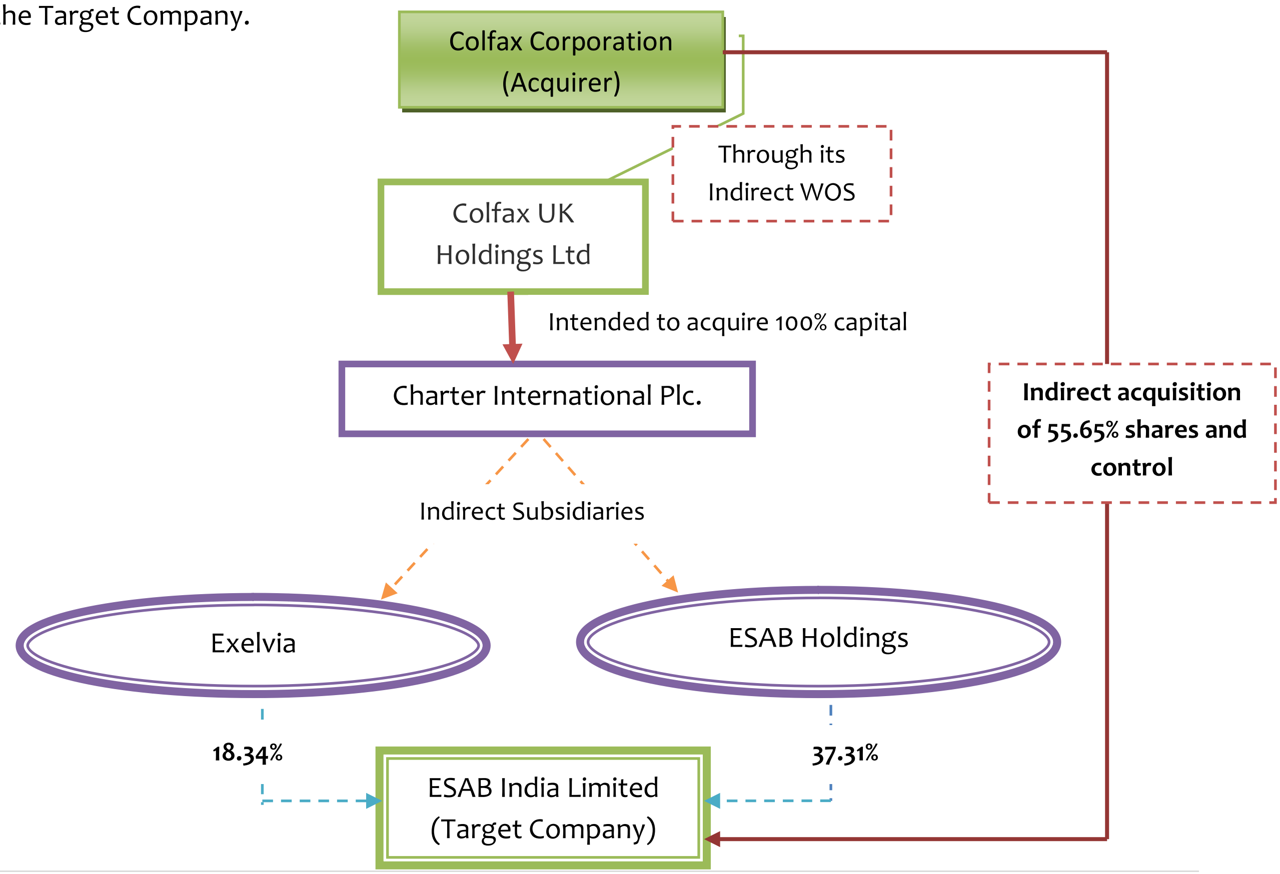
Colfax UK (PAC 1), ESAB Holdings (PAC 2) and Exelvia (PAC 3) are persons acting in concert with the Colfax Corporation (Acquirer). Colfax UK is an indirect wholly owned subsidiary (IWOS) of the Acquirer and holds entire share capital of Charter. ESAB Holdings is a wholly-owned subsidiary of Weldcure Limited, which is a subsidiary of Charter Overseas Holdings Limited, which in turn is an indirect wholly-owned subsidiary of Charter. ESAB Holdings directly holds 37.31% of the Shares and voting rights of the Target Company, and also indirectly owns an additional 18.34% of the Shares and voting rights in the Target Company through its indirect subsidiary Exelvia.



Background of the Offer

On September 12, 2011, the Acquirer, acting through its indirect wholly owned subsidiary Colfax UK, announced its firm intention to make an offer to acquire the entire issued and paid up share capital of Charter, which was also recommended by the board of directors of Charter (**Primary Acquisition**). Further on same day the Acquirer, Charter and Colfax UK entered into an Implementation Agreement to implement the Primary Acquisition and to record their respective obligations (**Implementation Agreement**). The Primary Acquisition was implemented pursuant to a scheme which was approved by shareholders of Charter on November 14, 2011 and subsequently sanctioned by Royal Court of Jersey on January 12, 2012 (**Court Sanction**). Following the Court sanction, Charter became an indirect subsidiary of the Acquirer, through Colfax UK on January 13, 2012. The Primary Acquisition was completed on January 27, 2012.

Charter indirectly holds 55.65% of the Shares and voting rights of the Target Company and indirectly controls the Target Company, through Exelvia (holding 18.34% of the Shares of the Target Company) and ESAB Holdings (holding 37.31% of the Shares of the Target Company). On January 13, 2012, following the receipt of the Court Sanction, Charter became an indirect subsidiary of the Acquirer through Colfax UK, and Exelvia and ESAB Holdings became indirect subsidiaries of the Acquirer, through Colfax UK. Consequently, the Acquirer indirectly acquired 55.65% of the Shares and voting rights of the Target Company and indirectly acquired control of the Target Company.



No Action Request Letter

i. The Acquirer vide its letter dated October 21, 2011 ("**No Action Request Letter**") sought no action relief from SEBI in relation to the Open Offer, including for the Acquirer to make the Open Offer in accordance with the provisions of SEBI (SAST) Regulations, 2011. SEBI vide its letter dated January 16, 2012 ("**SEBI No Action Letter**") issued no action relief to the Acquirer on this issue provided it followed all the provisions of SEBI (SAST) Regulations, 2011 for the Open Offer including publication of DPS within the specified time limit, offer size, offer price and other related parameters in relation to the Open Offer. Consequently, this Open Offer is being made under the SEBI (SAST) Regulations, 2011.

ii. Further since the Primary Acquisition was announced in the public domain on September 12, 2011, therefore in terms of Regulation 13(2)(e) of SEBI (SAST) Regulations, 2011, the Acquirer was required to have made the PA within four working days from September 12, 2011. However, the SEBI (SAST) Regulations, 2011 were not in effect on September 12, 2011, thus the Acquirer could not have made the PA within four working days of September 12, 2011. Therefore, the Acquirer in its No Action Request Letter also sought no action relief from SEBI relating to the date on which the PA was required to be made. SEBI in its SEBI No Action Letter issued no action relief on this issue provided that the Acquirer made the PA in accordance with Regulation 15(1) of SEBI (SAST) Regulations, 2011 within one working day from receipt of the SEBI No Action Letter, which would be considered deemed compliance of Regulation 13(2)(e) of SEBI (SAST) Regulations, 2011.

iii. In addition, the Acquirer in its No Action Request Letter sought no action relief from SEBI on the reference date for computation of the Base Open Offer Price under Regulation 8(3) of SEBI (SAST) Regulations, 2011 and the reference date for computation of the enhancement to the Base Open Offer Price in accordance with Regulation 8(12) of SEBI (SAST) Regulations, 2011. SEBI in the SEBI No Action Letter issued no action relief on this issue provided the Acquirer took the earlier of, the date on which the Primary Acquisition was contracted and the date on which the intention or decision to make the Primary Acquisition was announced in the public domain, as reference date for computation of the Base Open Offer Price and enhancement to the Base Open Offer Price under Regulations 8(3) and 8(1) of SEBI (SAST) Regulations, 2011.

The Offer

Pursuant to the acquisition of entire issued and paid up share capital of Charter through its indirect wholly owned subsidiary Colfax UK, the acquirer indirectly acquired 55.65% of the Shares and voting rights of the Target Company and indirectly acquired control of the Target Company.

Accordingly, the Acquirer along with PACs has made the Public Announcement in terms of Regulation 3(1) and 4 read with 5(1) of the SEBI (SAST) Regulations, 2011 to the shareholders of the Target Company to acquire 40,02,185 Shares representing 26 % of the total shares of the Target Company, at a price of Rs. 550.10/- per share comprising of an amount of Rs. 529.23 per Share of the Target Company ("Base Open Offer Price") and an additional amount of Rs. 20.87 per Share of the Target Company being equal to a sum determined at the rate of 10% p.a. on the Base Open Offer Price for the period between the September 12, 2011 and the date of the DPS.

Statutory and other approvals

Shareholders who had required any approval from the RBI or the FIPB in respect of the Shares held by them in the Target Company, they will be required to submit the previous RBI/FIPB approvals that they would have obtained for holding the Shares of the Target Company to tender Shares held by them pursuant to the Open Offer, along with the documents required to be submitted for tendering the shares in the Open Offer.

Market Update

Fortis healthcare's subsidiary acquired 85% stake in RadLink Asia

Fortis Healthcare, through its offshore subsidiary - *Fortis Healthcare Singapore Pte* has acquired 85% stake in RadLink-Asia Pte Limited Ltd. for a consideration of US$ 62.9 Million from the Pacific Healthcare, Kuwait Finance House and other shareholders. RadLink is a Singapore based company and provides diagnostic imaging and radiography services.

Kotak Mahindra gets hold on Barclays Bank's credit card portfolio

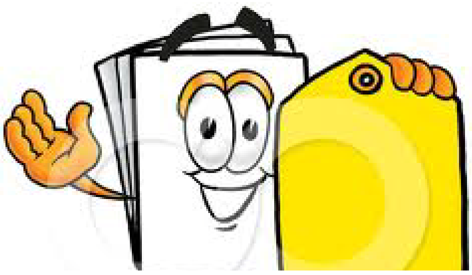
Barclays Bank's non performing credit card portfolio comprising nearly 2, 00,000 credit cards have been acquired by Kotak Mahindra for approx R250-300Cr. Kotak Mahindra's in-house asset reconstruction team will be responsible for recovering the dues from these accounts. Barclays wants to exit from retail assets business in India and is also searching for prospective buyers for its Rs 3,000Cr retail loan portfolio.

Tata Global Beverages forms 50:50 Joint Venture with Starbucks Group

Tata Global Beverages Limited has formed a 50:50 Joint Venture with Starburks Group through its subsidiary Tata coffee Limited with the initial investment of Rs. 400 crores. The JV has been named "*Tata Starbucks Limited*". It is expected that first cafe will open by August-September and will be named as "Starbucks Coffee - A Tata Alliance".

Dell to plan acquisition of Indian Tech firm to compete in the Indian market

To compete and strengthen its information technology services business in India, Dell is looking to buy a mid-sized Indian tech firm with several thousands of staff and revenues of $500Mn to $1bn or even more. As per the reports in the market, Hexaware Technologies and NIIT Technologies are the potential targets with revenues of around $300 million.



PREPARE PUBLIC ANNOUNCEMENT ONLINE

On September 23, 2011, SEBI has notified the new SEBI (SAST) Regulations, 2011 effective from October 22, 2011 wherein the acquirer is required to issue **Public Announcement on the same day** of the event which has triggered the Open Offer or on the day as specified under regulation 13 of SEBI (SAST) Regulations, 2011. The Public Announcement gives in brief the details of the event which has triggered the Open Offer, shareholding of the Acquirer and PACs in the Company, details of Offer i.e. Offer Size, Offer price etc.

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