

TAKEOVER PANORAMA

A Monthly Newsletter by Corporate Professionals

Year VII—Vol III
March Edition

Latest Open Offers



Legal Updates

ENTER THE WORLD OF TAKEOVER

INSIGHT



Hint of the Month



Regular Section



Case Study

Market Update



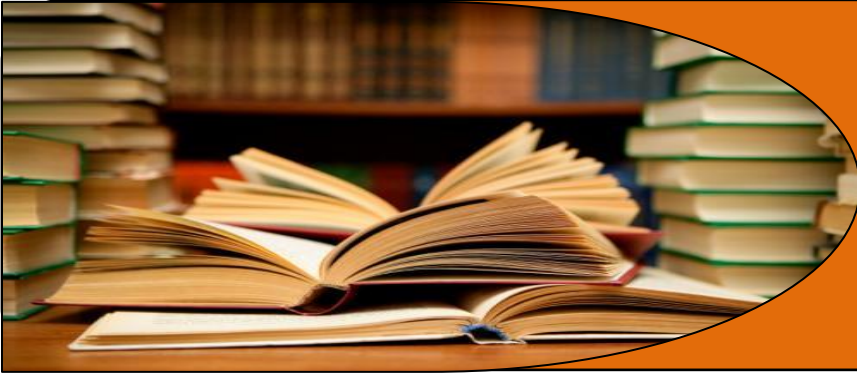
Queries



Quiz

Team





LEGAL UPDATES

Informal Guidance in the matter of Aksh Optifibre Limited

Facts:

1. Aksh Optifibre Limited (AOL/Company) is a public limited company having its shares listed on NSE and BSE. As on March 31, 2012, the paid up capital of the Target Company comprises of 14,29,24,871 Equity Shares with promoter shareholding of 4,29,49,225 (30.05%) Equity Shares.
2. During the Financial Year 2012-13, the paid up share capital of the Target Company increased from 14,29,24,871 Equity shares to 14,68,82,238 Equity shares pursuant to the conversion of FCCBs and allotment of Equity Shares. Further, the promoters shareholding increased from 4,29,49,225 equity shares (30.05%) to 4,94,95,449 equity shares (33.70%) pursuant to open market purchase.
3. Chronology of changes in promoter shareholding during April 1, 2012 to July 31, 2012 is as follows-

SEBI clarified that the quantum of acquisition of voting rights under Regulation 3(2) of the SEBI (SAST) Regulations, 2011 shall be computed separately for every acquisition of voting rights at the time of each acquisition.

S.No.	Date	Particulars	No. of Shares Issued/acquired
1.	16.04.2012	Shares acquired by the Promoter group (Mr. P.F.Sundeshan & Family members)	2,96,224
2.	01.06.2012	Equity shares issued pursuant to the conversion of FCCBs	11,60,518
3.	22.06.2012	GDRs acquired by Promoter Group (Through Dr. K.S. Choudhari)	87,500 GDRs underlying 43,75,000 Shares
4.	05.07.2012	Equity shares issued pursuant to the conversion of FCCBs	27,96,849
5.	16.07.2012	GDRs acquired by Promoter Group (Through Dr. K.S. Choudhari)	37,500 GDRs underlying 18,75,000 Shares



Issues:

1. Whether the limit of 5% shall be calculated on the present share capital of the target Company i.e. 14,68,82,238 Equity Shares of Rs. 5/- each and the promoters are allowed to acquire 73,44,112 equity shares during the Financial Year 2012 -13 as per Regulation 3(2) of the SEBI (SAST) Regulations, 2011 (based on the present share capital) or;
2. As the promoters holding as on 31st March, 2012 was 30.05% and the creeping acquisition allowed to them is to acquire 5% in the Financial Year 2012.13, and they can acquire 85,32,999 Equity Shares during Financial Year 2012-13, to make their shareholding equal to 5,14,82,224 shares equivalent to 3.05% of the present share capital.

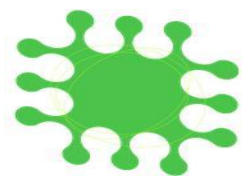
Decision:

SEBI clarified that the quantum of acquisition of voting rights under Regulation 3(2) of the SEBI (SAST) Regulations, 2011 shall be computed separately for every acquisition of voting rights based on the paid up share capital of the Target Company at the time of each acquisition.

Changes in the paid up share capital and promoter shareholding of the Target Company during the Financial Year 2012-13:

Date	Paid up Equity Share Capital	Promoter's Shareholding		% increase or decrease in Promoter Shareholding
		Shares	%	
31.03.2012	14,29,24,871	4,29,49,225	30.05	-
16.04.2012	14,29,24,871	4,32,45,449	30.26	0.21
01.06.2012	14,40,85,389	4,32,45,449	30.01	(0.24)
22.06.2012	14,40,85,389	4,76,20,449	33.05	3.03
05.07.2012	14,68,82,238	4,76,20,449	32.42	(0.63)
16.07.2012	14,68,82,238	4,94,95,449	33.70	1.28
Gross Acquisition				4.52

SEBI observed that the promoters have acquired 4.52% of the paid up capital of the Company upto 16.07.2012, therefore, the promoters may acquire upto 0.48% of the paid up capital of the Company during the remaining financial year 2012-13, which may vary depending upon the changes in the paid up share capital of the Target Company.



SEBI Order in the matter of Southern Petrochemical Industries Corporation Limited

Facts:

1. M/s. Southern Petrochemical Industries Corporation Limited (Target Company), incorporated in year 1969 in the joint sector, by the private promoters namely Dr. M. A. Chidambaram Group and the Tamilnadu Industrial Development Corporation Limited, an enterprise wholly owned by the Tamil Nadu Government is engaged in the manufacturing and marketing of fertilizer.
2. Target Company proposes to issue 37,276,700 warrants to M/s. AMI Holdings Private Limited (Acquirer/promoter) which are convertible into equity shares into two tranches as mentioned below:
 - Tranche I - issue of 14,910,700 warrants, convertible into equity shares equivalent to 10% of the current voting capital; and
 - Tranche II - issue of 22,366,000 warrants, convertible into equity shares equivalent to 15% of the current voting capital of the Target Company.
3. Pursuant to the conversion of warrants into equity shares under Tranche – I, the shareholding of promoter group would increase from 41.13% to 45.98%. Further upon the conversion of warrants under Tranche –II, the shareholding of promoters group would increase to 51.91% which would be in excess of 5% acquisition in a Financial Year thereby would trigger the Regulation 3(2) of SEBI (SAST) Regulations, 2011(SAST Regulations) and require to make a public announcement under SAST Regulations.
4. Therefore the Target Company on behalf of the acquirer has filed an application under Regulation 11 of SAST Regulations with the SEBI (Board) seeking exemption from the open offer requirement under Regulation 3(2) of SAST Regulations on the following grounds:

Exemption granted where funds are required to revive and restart the business operation of the Target Company and to pay off the unsecured creditors.

Ground for Exemptions:

1. Target Company is engaged in the manufacturing and marketing of fertilisers and due to variety of factors including the adverse impact of the fertiliser pricing policies announced by the

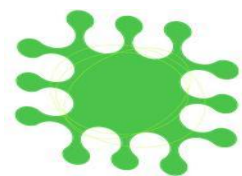


Government of India in the year 2002, delay in disbursement of fertiliser subsidy by the Government and due to nil/low yield on some of its investments, the financial performance of the Target Company was adversely affected. The Target Company went through financial distress resulting in defaults in payments to its secured lenders and to the trade creditors for supplies made by them.

2. In order to restructure its long term debts, the Target Company, in the year 2003 availed of the Corporate Debt Restructuring (CDR) Mechanism. Through the CDR Mechanism, the entire secured debt portfolio was restructured. However continues deterioration in the financial health of the Target Company and due to shortage of funds, the original CDR proposal could not be implemented. Subsequently several revised proposals were submitted to the CDR cell and finally approved the proposal to pay a total of Rs.1425 crores to its secured creditors as against the original debt of Rs.2042 crores subject to the condition of timely payment of the agreed dues. Accordingly the Target Company had repaid an amount of Rs. 1284 crores to its secured creditors under the CDR settlement.
3. Since the Target Company was obligated to settle the dues of the secured lenders first, it could not meet its obligations towards the unsecured creditors including those who supplied raw material. Therefore some of the unsecured creditors approached the Hon'ble High Court of Judicature at Madras for winding up of the Target Company.
4. In order to quickly resolve the financial crisis and to protect the interest of all stakeholders, a scheme of compromise and arrangement between the Target Company and its creditors under section 391 of the Companies Act, 1956 was proposed. The purpose of the scheme was to restructure the past dues of the Target Company in order to ensure continued survival and revival in the interest of its stakeholders.
5. Under the scheme, the Target Company has offered three settlement options. The creditors are required, upon the scheme becoming effective, to opt for either option 1 or 2 or 3 towards full and final settlement and discharge of liabilities:

Option 1: One time settlement amount equivalent to 60% of the liability owed to the creditor by the Target Company shall be paid over a period of 11 years commencing within 45 days from the option expiry date of the scheme. The settlement amount is to be paid in 46 quarterly installments.

Option 2: One time settlement amount equivalent to 22% of the liability shall be paid over a period of 3 years commencing within 45 days from the option expiry date. The settlement amount is to be paid in 12 equal quarterly installments



Option 3: One time settlement amount equivalent to 18.15% of the liability to be paid within 45 days after the option expiry date of the scheme

6. Due to its poor financial health, continuing default in repayment obligations to its secured lenders and also due to negative net worth of the Target Company, it is not in a position to either borrow funds from banks/financial institutions or go for a public or right Issue.
7. Further, there is a probability that in order to realize their long over dues from the Target Company, most of the Creditors may opt for option 3. In such case, the amount required by the Target Company for immediate payments would be higher. Therefore, the issue and allotment of convertible warrants in tranche II at the earliest becomes critical for the Target Company.
8. Infusion of funds equivalent to about Rs. 66 crore (*against allotment of warrants and conversion into equity*) by the promoter and promoter group of the Target Company, at this juncture when other options of raising capital are not available, would be timely and demonstrative of the faith of the promoters and promoter group in the long term viability of the Target Company's business operations and shows their commitment for the early revival of the Target Company.
9. The Target Company has also submitted that, besides the amount of Rs.66 crores to be raised through the proposed issue of convertible warrants, it would divest some of its portfolio investments valued at Rs.20 crores towards additional funding. Further, the Target Company expects to generate about Rs.40 crores with its plants resuming operations. The Target Company also contemplates availing long term trade credit facilities from overseas suppliers for bulk import of fuel oil, which would provide additional cash reserves to meet the immediate obligations. Thus, the Target Company would have access to about Rs.126 crores through issue of convertible warrants (Rs.66 crores), sale of investments (Rs.20 crores) and cash from operations (Rs.40 crores) in all, apart from additional resource through long term trade credit for fuel oil.
10. The specified assets on which charge is to be created pursuant to exercise option 1 or 2 includes all movable assets of the Target Company including its plant and machinery. Non availability of funds to meet the obligations of the Target Company under the Scheme would lead to its default. Upon any default, the creditors could invoke such charge leading to stoppage of operation and the winding up of the Target Company eventually.
11. Since the proposed issue of convertible warrants are to the *acquirer*, which is a company owned and controlled by Mr. Ashwin C Muthiah, one of the present promoters of the Target Company, there will be no change in control in the Target Company.



Decision:

After considering the facts and circumstances of the case and on the basis of documents submitted in the proceeding including the Report of the Panel of Experts, SEBI is of the view that the Target Company would benefit from the funds raised through the issue and allotment of warrants for the implementation of scheme of Compromise and Arrangement between the Target Company and its Creditors which has been approved by the Hon'ble High Court. The funds raised through the issue and allotment of warrants would be utilised to partly meet the obligations of the Scheme and the proposed conversion would be in the interest of Company. Therefore, the exemption is granted subject to the compliance of SEBI (ICDR) Regulation, 2009 and SAST Regulations etc.

Adjudicating/WTM orders

TARGET COMPANY	NOTICEE	REGULATIONS	PENALTY IMPOSED/ DECISION TAKEN
M/s Axon InfoTech Ltd.	Mr. Giriraj Kishore Agrawal, M/s Software Ltd., M/s Kushagra Software Ltd., M/s Shreeji Herbal Ltd., M/s Handful Investrade Pvt. Ltd., M/s Handful Investrade Pvt. Ltd., M/s VRP Financial Services Pvt. Ltd., M/s Keystone Stock Finance Pvt. Ltd.	Regulations 10 of the SEBI (SAST) Regulations, 1997	Rs. 1,00,60,000/-
GMR Industries Ltd.	GMR Investments Pvt Ltd & Varalakshmi Investment Private Ltd. (Regulations 3(1)(c)(i), 3(3), 3(4) read with 3(5) of SEBI (SAST) Regulations,	Rs. 1,50,000/-



	now known as GMR Holdings Pvt. Ltd.)	1997	
Gothi Plascon (India) Ltd.	Ms. Priyadarshana Gothi	Regulation 7(1) read with 7(2) of the SEBI (SAST) Regulations, 1997 and Regulation 13(1) and Regulation 13(4A) read with Regulation 13(5) of SEBI (PIT) Regulations, 1992	Rs. 2,00,000
Bank of Rajasthan Ltd.	M/s 21st Century Entertainment Pvt. Ltd, M/s Ahmednagar Investments Pvt. Ltd, M/s Cumballa Hill Property Developers Pvt. Ltd, M/s Cyber Infosystem and Technologies Ltd, M/s Cyber Info Zeeboomba Com Ltd, M/s EDC Securities Pvt. Ltd., M/s Giriganga Investments Pvt. Ltd., M/s Global Softech Pvt. Ltd, M/s Sumandar Property Developers Pvt. Ltd, M/s Sovotex Textile Pvt. Ltd, M/s Ginger Clothing Pvt. Ltd.	Regulation 8 (2) SEBI (SAST) Regulations, 1997	Rs. 55,00,000
Bank of Rajasthan Ltd	M/s Anoop Multitrade Pvt. Ltd., M/s Inorbit Trading Company Pvt Ltd, M/s Madan Multitrade Pvt Ltd., M/s Punit Mercantile Pvt Ltd.	Regulation 11(1) SEBI (SAST) Regulations, 1997	The allegation of violation of Regulation 11 (1) of SEBI (SAST) Regulations, 1997 does not stand established.

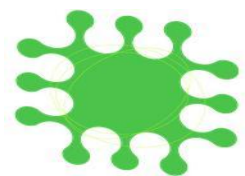


Bank of Rajasthan Ltd	M/s Anoop Multitrade Pvt. Ltd., M/s Anshul Mercantile Pvt. Ltd., M/s Beta Trading Pvt. Ltd., M/s Inorbit Trading Company Pvt Ltd., M/s Madan Multitrade Pvt. Ltd., M/s Palaash Construction Pvt Ltd., M/s Sarveshwara Trading Company Pvt Ltd., M/s Starview Mercantile Company Pvt. Ltd., M/s Punit Mercantile Pvt Ltd., M/s Dulron Procon Pvt Ltd.	Regulation 11(2) SEBI (SAST) Regulations, 1997	Rs. 10,00,000
-----------------------	--	--	---------------

4TH OF THE MONTH

Shareholders need not convert their physical shares into demat form before tendering shares in the open offer. Physical shares can be tendered in an open offer along with the form of acceptance and such documents as mentioned in the section 'Procedure for acceptance and settlement of the Offer' in the letter of offer.

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





Latest Open Offers

Target Company

M/s Hind Syntex Limited

Registered Office

Madhya Pradesh

Net worth of TC

Rs. (2,943.52) Lacs
(30.09.2012)

Listed At

BSE and NSE

Industry of TC

Textiles

Acquirers

Mr. Manish Kumar, Ms. Ritika Kumar, M/s. RDM Family Trust and M/s. Devmanu Family Trust

Triggering Event SPA for the acquisition of 38,61,994 (30.36%) total paid up equity shares of the Target Company.

Details of the offer: Offer to acquire 33,06,836 (26.00%) Equity Shares at a price of Rs. 8/- per share payable in cash.

Target Company

M/s. Shree Surgovind Tradelink Limited

Registered Office

Ahmedabad

Net worth of TC

Rs. 605.71 Lacs
(31.03.2012)

Listed At

BSE and ASE

Industry of TC

Commercial Trading & Distribution

Acquirers

Mr. Virat Sevantilal Shah, Mr. Alok Virat Shah and Mr. Rajan Sevantilal Shah

Triggering Event: SPA for the acquisition of 13,22,300 (26.39%) total paid up equity shares and control over the Target Company

Details of the offer: Offer to acquire 13,02,600 (26.00%) Equity Shares at a price of Rs. 7/- per share payable in cash.



Target Company

M/s Sayaji Hotels Limited

Registered Office

Gujarat

Net worth of TC

Rs. 8184.58 Lacs
(30.09.2012)

Listed At

NSE, BSE, MPSE, ASE and
VSE

Industry of TC

Hotel

Acquirers

Mr. Raof Razak Dhamani,
("Acquirer") along with Mrs.
Anisha Raof Dhamani
("PAC")

Triggering Event: Acquisition of upto 46,68,000 shares through Bulk Deal and 89,891 equity shares through Block Deal constituting 27.16% shares of the Target Company.

Details of the offer: Offer to acquire 45,54,680 (26%) Equity Shares at a price of Rs. 130 per share payable in cash.

Triggering Event: Acquisition of 1,285,470 (21.19%) equity shares and control over the Target Company through off market transaction.

Details of the offer: Offer to acquire 15,77,342 (26.00%) Equity Shares at a price of Rs. 2/- per share payable in cash.

Target Company

M/s. Archana Software
Limited

Registered Office

Chennai

Net worth of TC

Rs. 259.51 Lacs
(31.03.2012)

Listed At

BSE and MSE

Industry of TC

Software

Acquirer

Mr. Vasanth Kumar
Sundaravadivelu



Target Company

M/s Vyapar Industries Limited

Registered Office

Mumbai

Net worth of TC

Rs. 10,660.2 Lacs
(30.09.2012)

Listed At

BSE and SGX

Industry of TC

Finance

Acquirers

Mr. Hussain A. Rassai, Mr. Akil
A. Rassai (Acquirers) and
Abbas A. Rassai (PAC)

Triggering Event: Acquisition of more than 5% of the paid up equity share capital of the Target Company during the Financial Year.

Details of the offer: Offer to acquire 28,34,000 (26.01%) Equity Shares at a price of Rs 27.37 per share payable in cash.

Triggering Event: SPA for the acquisition of 10,67,700 (21.35%) total equity shares and control over the Target Company

Details of the offer: Offer to acquire 13,00,000 (26.00%) Equity Shares at a price of Rs. 8.50/- per share payable in cash.

Target Company

M/s. Surnidhi Investment
Limited

Registered Office

New Delhi

Net worth of TC

Rs. 753.21 Lacs
(31.03.2012)

Listed At

DSE

Industry of TC

Finance

Acquirer

Mr. Mohit Gupta



Target Company

M/s. Aster Silicates Limited

Registered Office

Ahmedabad

Net worth of TC

Rs. 7,544.39 Lacs
(30.09.2012)

Listed At

BSE and NSE

Industry of TC

Chemical

Acquirer

M/s. Sicom Investments &
Finance Limited

Triggering Event: Preferential Allotment of 86,65,511 (36.83%) equity shares of the Target Company at a price of Rs. 11.54 per shares

Details of the offer: Offer to acquire 61,16,922 (26.00%) Equity Shares at a price of Rs. 12.64/- per share payable in cash.

Triggering Event: SPA for the acquisition of 57,64,181 (57.64%) total equity shares and control over the Target Company.

Details of the offer: Offer to acquire 26,00,000 (26.00%) Equity Shares at a price of Rs. 8.50/- per share payable in cash.

Target Company

M/s. Roselabs Finance
Limited

Registered Office

Ahmedabad

Net worth of TC

Rs. 1,005.27 Lacs
(31.03.2011)

Listed At

BSE and ASE

Industry of TC

Finance

Acquirer

M/s. Arihant Premises
Private Limited



Target Company

M/s. Zodiac Ventures Limited

Registered Office

Mumbai

Net worth of TC

Rs. 212.80 Lacs
(31.12.2012)

Listed At

BSE

Industry of TC

Realty

Acquirer

Mr. Ramesh V. Shah, Mr. Jimit R Shah (Acquirers), Ms. Pushpa R. Shah, Ms. Yesha R. Shah and Ms. Sunita J. Shah (PACs)

Triggering Event: Preferential Allotment of 19,82,000 (52.50%) equity shares of the Target Company.

Details of the offer: Offer to acquire 6,32,500 (16.75%) Equity Shares at a price of Rs. 30/- per share payable in cash.

Triggering Event: SPA for the acquisition of 1,432,450 (74.61%) total paid up equity shares and control over the Target Company.

Details of the offer: Offer to acquire 4,87,550 (25.39%) Equity Shares at a price of Rs. 54/- per share payable in cash.

Target Company

M/s. Zenith Capitals Limited

Registered Office

Mumbai

Net worth of TC

Rs. 183.98 Lacs
(30.09.2012)

Listed At

BSE

Industry of TC

Finance

Acquirer

M/s. Mansa Developers
Private Limited



Target Company

M/s GEE EL Woollens Limited

Registered Office

New Delhi

Net worth of TC

Rs. 181.95 Lacs
(30.09.2012)

Listed At

BSE, ASE, JSE and DSE

Industry of TC

Textiles

Acquirer

M/s. Atlas Jewellery Pvt. Ltd.

Triggering Event: SPA for the acquisition of 5,92,500 (14.09%) total paid up equity shares and control over the Target Company

Details of the offer: Offer to acquire 10,93,352 (26.00%) Equity Shares at a price of Rs. 9.50/- per share payable in cash.

Triggering Event: Preferential Allotment of 100,000,000 (17.60%) equity shares capital and Indirect acquisition of 262,063,624 (43.60%) total voting capital of the Target Company.

Details of the offer: Offer to acquire 14,77,00,345 (26.00%) Equity Shares at a price of Rs. 15/- per share payable in cash.

Target Company

M/s. Orient Green Power Company Limited

Registered Office

New Delhi

Net worth of TC

Rs. 1184.42 Cr.
(30.09.2012)

Listed At

BSE and NSE

Industry of TC

Power

Acquirers

M/s Shriram Industrial Holdings Private Limited (Acquirer), M/s Orient Green Power PTE. Ltd. and M/s Shriram Venture Limited.



Target Company

M/s GMM Pfaudler Limited

Registered Office

Gujarat

Net worth of TC

Rs. 10,660.2 Lacs
(30.09.2012)

Listed At

BSE

Industry of TC

Engineering

Acquirers

M/s. National Oilwell Varco,
Inc. (Acquirer) and M/s
Pfaudler Inc (PAC)

Triggering Event: Indirect acquisition of 7,454,400 (51.00%) voting share capital and control over the Target Company.

Details of the offer: Offer to acquire 3,800,550 (26.00%) Equity Shares at a price of Rs. 83.88/- per share payable in cash.





Regular Section

Proposed Amendments

SEBI in its Board Meeting held on January 18, 2013 has proposed the following changes in SEBI (SAST) Regulations, 2011 considering the observation raised during the implementation of Regulations since their notification:

➤ **Relevant date for making public announcement and determination of offer price in cases of combined modes of acquisition:**

SEBI (SAST) Regulations, 2011 are not clear as to the relevant date for making public announcement and determination of offer price in cases of combined modes of acquisition. For instance, in case of Acquirer entering into Share Subscription and Share Purchase Agreement that provides for acquisition of stake from the promoters as well as preferential allotment of shares by the Target Company wherein preferential allotment would take place after one month, what would be the relevant date because if both the event have executed separately, then each of them would result into triggering of Open Offer obligations.

Accordingly, SEBI has proposed that where the open offer obligations are triggered pursuant to an agreement or otherwise in combination of any modes of acquisition, the 'relevant date' for making the Public Announcement and determination of offer price shall be the earliest date on which obligations are triggered. This will, however, not be applicable if the subsequent trigger is on account of willful and deliberate act on the part of the acquirer.

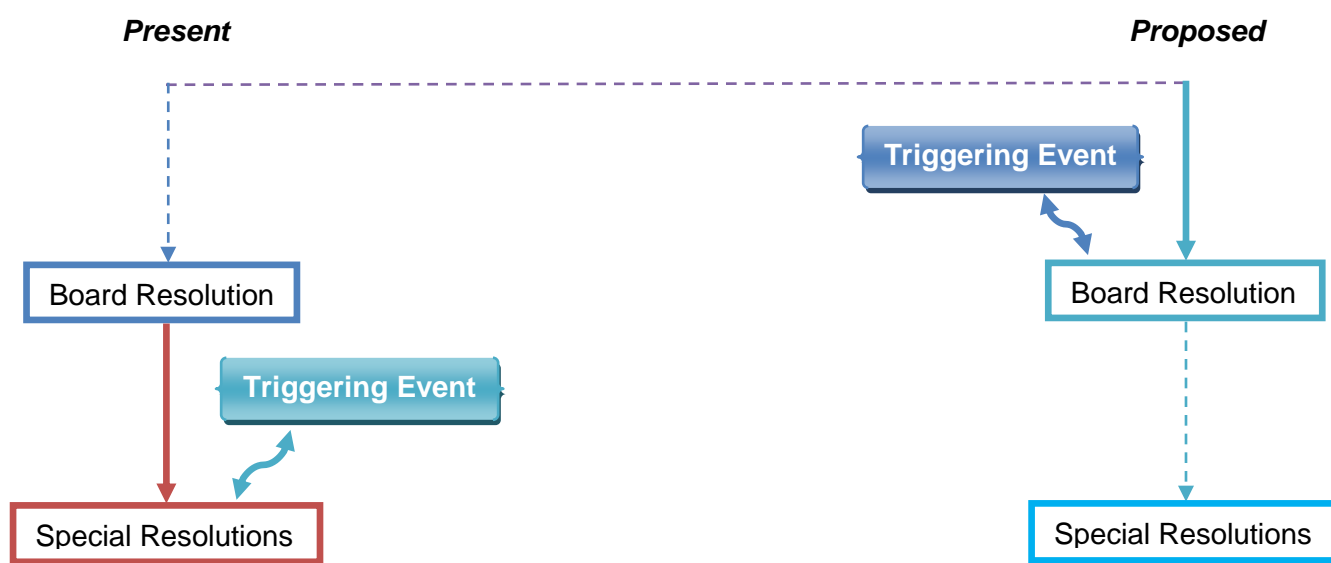
➤ **Relevant date for making Public Announcement and determination of offer price in cases of preferential allotment:**

Presently, Regulation 13(2) (g) of SEBI (SAST) Regulations, 2011 provides that if the open offer obligation is triggered pursuant to the allotment of shares on preferential basis, then Public Announcement shall be made on the date on which special resolution is passed for allotment of shares under sub-section (1A) of section 81 of the Companies Act, 1956.



However as the information about the impending preferential allotment comes into the public domain on the date of the Board Resolution which authorizes the preferential allotment and the market price gets adjusted or may even rise which exposes the transaction to market risks. Therefore, it has been decided that the date of board resolution authorizing the preferential allotment shall be the relevant date for the purpose of triggering open offer obligations and determination of offer price, instead of the date on which special resolution is passed under Section 81(1A) of the Companies Act, 1956.

Acquisition of shares or voting rights through Preferential Allotment u/s 81(1A) of Companies Act, 1956 triggering Open Offer under SEBI (SAST) Regulations, 2011



➤ **Aligning disclosure requirements under SEBI (SAST) Regulation, 2011 with SEBI (PIT) Regulations, 1992:**

In order to bring parity in disclosure requirements among various SEBI regulations, the disclosure requirement with regard to buy or sell two percent by persons holding more than five percent as specified in SAST Regulations, shall be modified in line with SEBI (Prohibition of Insider Trading) Regulations, 1992.



➤ **Clarification on reckoning the period of ninety days in case of increase of voting rights due to buyback by Target Company:**

Presently, if the voting rights of a shareholder, who is not a party to the buyback arrangement, go beyond the prescribed threshold limit on account of buyback by the target company, the open offer requirement will not be triggered if voting rights are brought below the threshold limit within ninety days **from the date on which the voting rights so increase.**

It has now been clarified that the period of ninety days will be reckoned **from the date of closure of the buyback offer.**

<i>Present Regulation</i>	<i>Proposed Regulation</i>
Acquirer need to reduce its shareholding below the triggering limit within 90 days from the date on which the voting rights so increase	Acquirer need to reduce its shareholding below the triggering limit within 90 days from the date closure of the buyback offer.

➤ **Norms for completion of market purchase of shares made during the offer period:**

Presently, Regulation 23 of the SEBI (SAST) Regulations, 2011 do not allow completion of acquisition of shares or voting rights which triggers the open offer obligations until the expiry of the offer period. But such acquisition can be completed after the expiry of 21 working days from the date of the detailed public statement, provided the acquirer deposits 100 percent of the consideration payable in cash in the escrow account. The regulations also allowed purchase of shares from stock exchange which required to be completed within two days as per settlement process, thus creating an anomalous situation.

It has, therefore, now been decided that market purchases made during the open offer period can be completed during the open offer period subject to such shares being kept in an escrow account. Further, these shares can be transferred from the escrow account to the name of the acquirer after the expiry of 21 working days from the date of the detailed public statement, provided the acquirer deposits 100 percent of the consideration payable in cash in the escrow account.



Analysis of Takeover Open Offer of Orient Green Power Company Limited

About Orient Green Power Company Limited (“OGPCL”/Target Company)

Orient Green Power Company Limited was incorporated on December 6, 2006 as a public limited company under the law of India and got its shares listed on BSE Limited (BSE) and National Stock Exchange Limited on October 8, 2010. The Target Company is the largest independent operator and developer of renewable energy power plants in India based on aggregate installed capacity and its portfolio includes biomass, biogas, wind energy and small hydroelectric projects at various stages of development.

About Shriram Industrial Holdings Private Limited (“SIHPL”/ “Acquirer”)

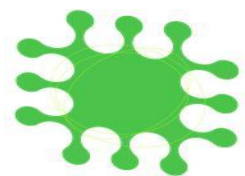
Incorporated on September 27, 1986, the company is engaged in the business of long term investment in various entities engaged in industrial activities, acting as consultants to various entities engaged in industrial activities and printing.

About Orient Green Power PTE. Ltd. (“OGPTE”/ “PAC1”)

Orient Green Power PTE was Incorporated under the laws of the Republic of Singapore as a private limited company on November 30, 2007 and engaged in the business of long term investment in entities across various jurisdictions which undertake the business of production of renewable energy using non-conventional sources.

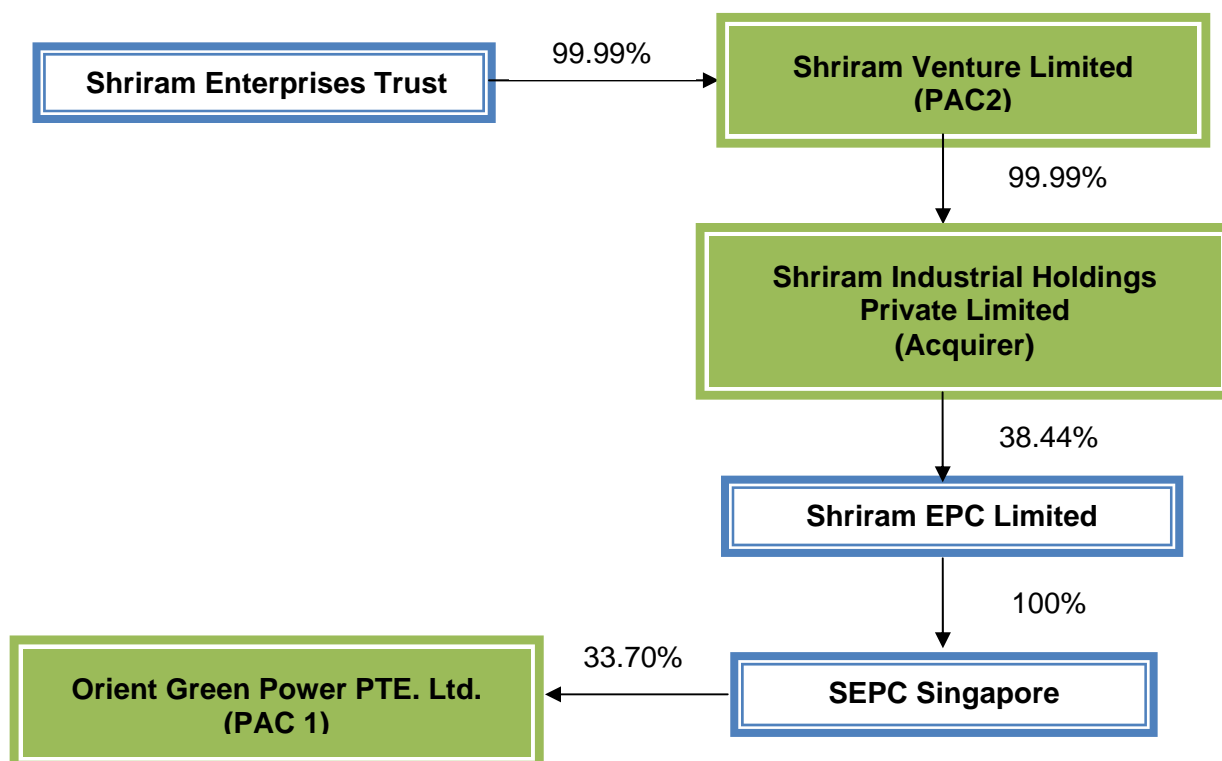
About Shriram Venture Limited (“SVL”/ “PAC2”)

Incorporated on August 4, 1995, the company is engaged in the business of long term investment in various entities engaged in industrial activities, property development & services,



acting as consultants to various entities engaged in industrial activities property development & services and printing.

Inter-relation between Acquirer, PAC 1 and PAC 2



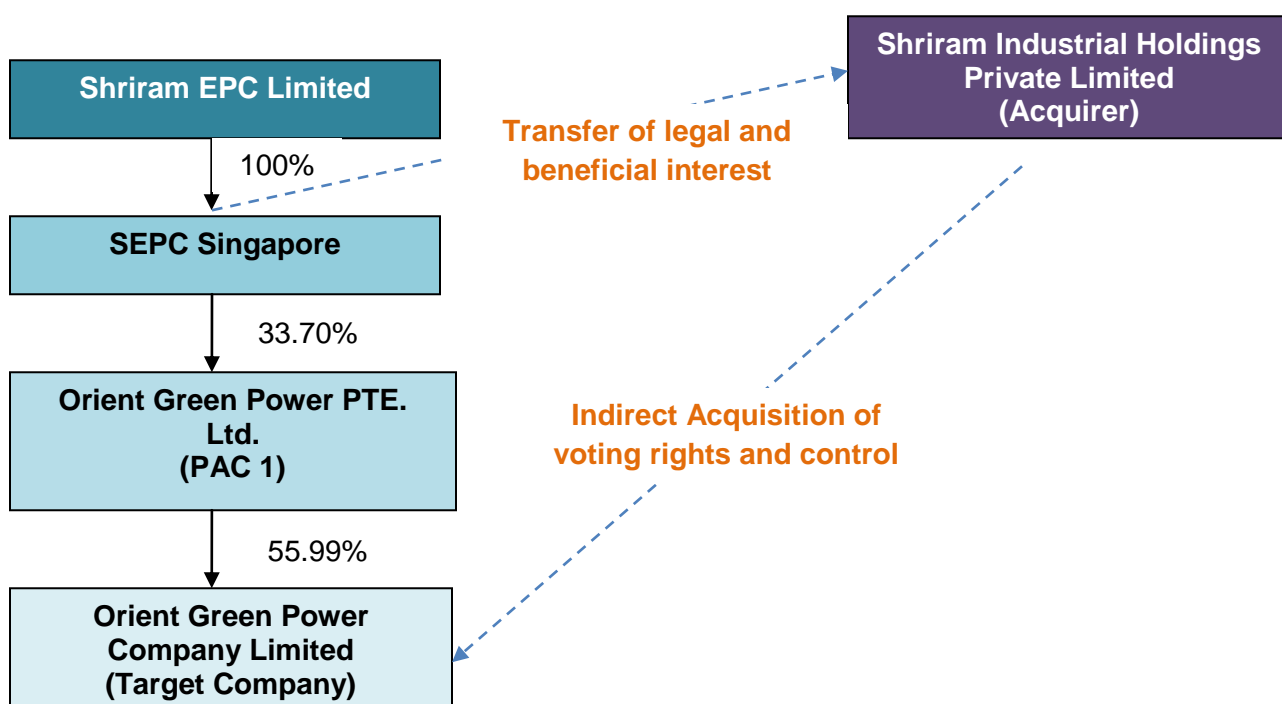
Background of the Case and the Offer

On February 22, 2013, the Acquirer has entered into a Master Framework Agreement with Shriram EPC Limited and the Target Company for subscription to 10,00,00,00 (Ten Crores) equity Shares representing 17.60% of the Voting Share Capital of the Target Company at a negotiated price of Rs. 15.00 on a preferential basis. Further, Shriram EPC Limited has agreed to transfer its legal and beneficial interest in 2,02,10,020 (Two Crores, Two Lakhs, Ten Thousand and Twenty) ordinary shares, representing 100% of the issued and paid-up share capital of SEPC Singapore to the Acquirer at a negotiated price of Rs. 73.33 per ordinary share, which in turn holds 1,20,46,449 (One Crore, Twenty Lakhs, Forty Six Thousand, Four Hundred,



and Forty Nine) ordinary shares, representing 37.70% of the issued and paid-up share capital of PAC1 and PAC1 in turn holds 26,20,63,624 (Twenty Six Crores, Twenty Lakhs, Sixty Three Thousand, Six Hundred and Twenty Four) Equity Shares, representing 55.99% of the issued and paid-up equity share capital of the Target Company. Therefore results in indirectly acquisition of voting rights and control in the Target Company.

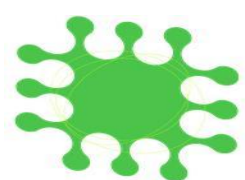
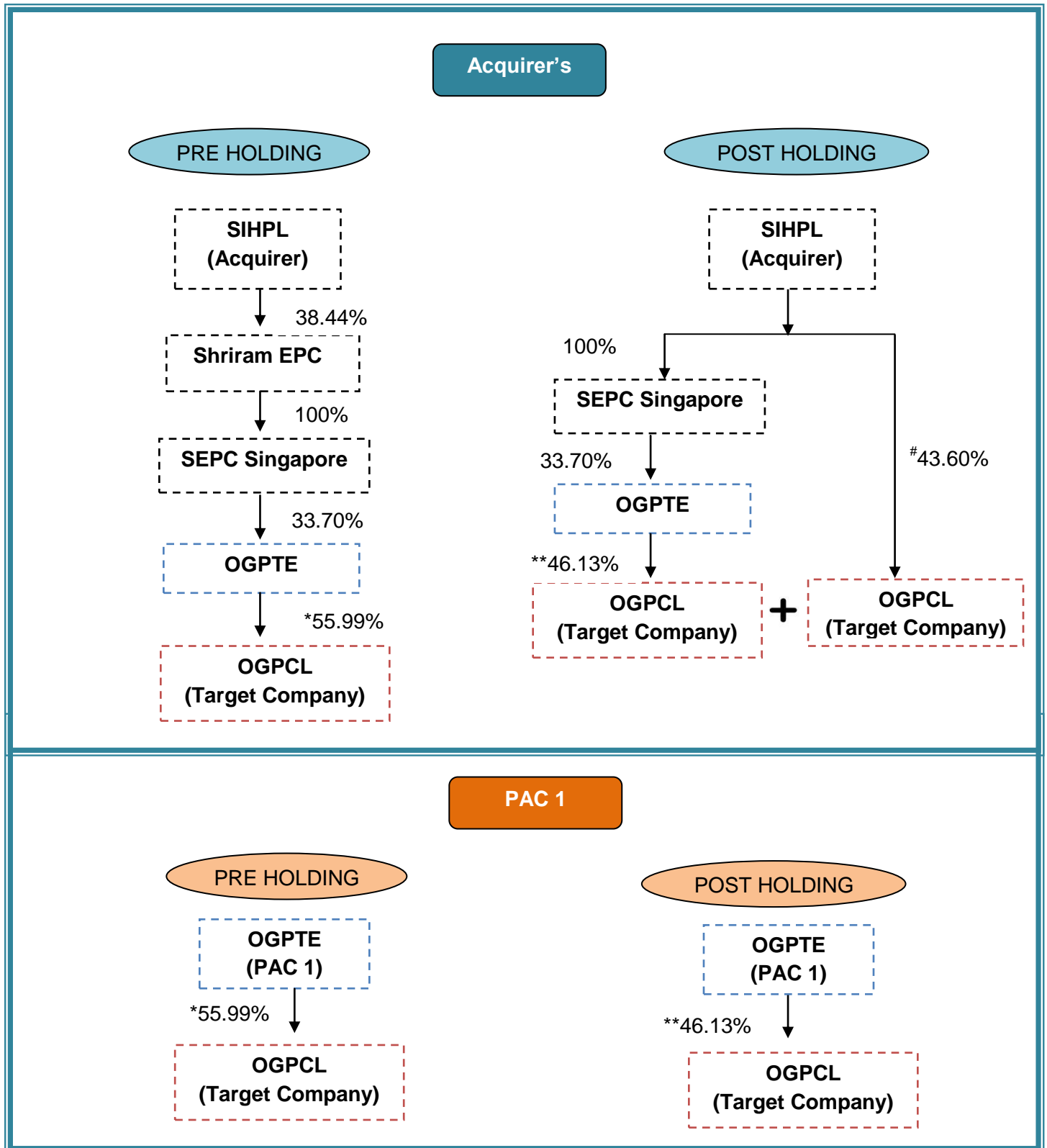
Out of the per share price of Rs. 73.33 being paid by the Acquirer for the ordinary shares of SEPC Singapore, an amount of Rs. 15.00 per share is being ascribed as the negotiated value for each Equity Share being indirectly acquired.



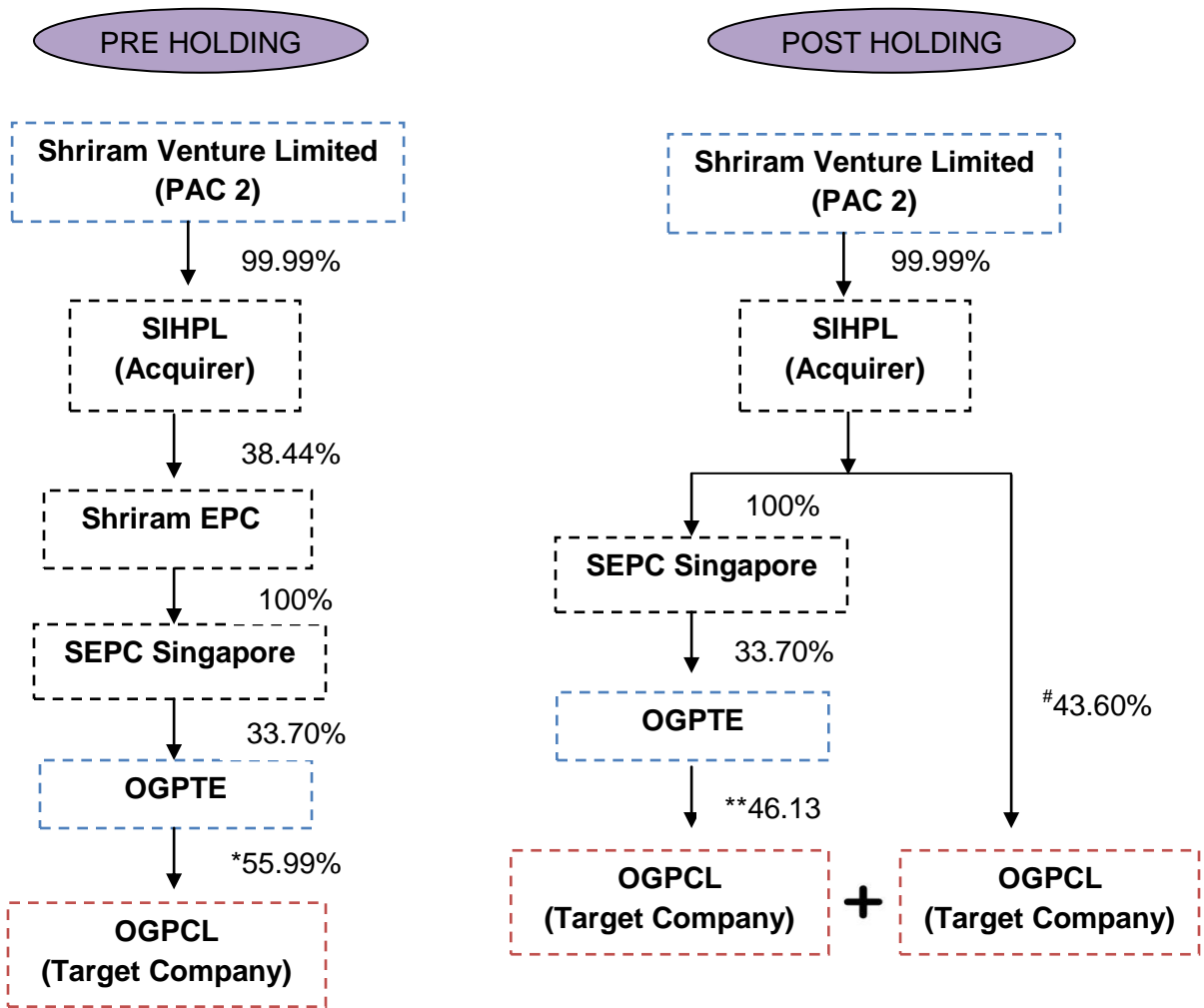
Pursuant to the above Master Framework Agreement, the acquirer along with PAC1 and PAC2 is making this Public Announcement to the shareholders of the Target Company to acquire 147,700,345 equity shares constituting 26.00% of the fully diluted voting equity share capital of the Target Company at a price of Rs.15/- per equity share payable in cash.



Pre and Post Shareholding of Acquirer, PAC1 and PAC 2



PAC 2



*% w.r.t. capital before the preferential allotment.

**% w.r.t. capital after the preferential allotment.

#Shareholding includes shares proposed to be allotted on preferential basis and assuming full acceptance of the offer.





Market Updates

Amansa sold its stake holding in Lakshmi Machine Works

Amansa Investments Limited has sold off 2 Lakhs shares of Lakshmi Machine Works (LMW) through NSE and BSE at a price of Rs. 2,125 per share for a total consideration of Rs. 42.50 crores. LMW is engaged in the textile machines manufacturing business and has 60% market share in the domestic Textile Spinning Machinery Industry.

Acquisition of Visteon's Stake In Chinese JV by Varroc Group

Varroc Group has acquired 50% stake of Visteon Corporation's Chinese JV - Visteon TYC Auto Lamps Co., Ltd for around \$20 Mn. Visteon Tyc Auto Lamps Co. Ltd. was a 50:50 JV between TYC Brother Industrial Co. and Visteon Corp. Post deal, the new company will be called - Varroc TYC Auto Lamps (VTYC) and Taiwan-based TYC Brothers Ltd will remain 50% partner in the new entity

Kima Ventures acquired minority stake in Codelearn

Kima Ventures, an investment firm, has invested around \$1,50,000 in Codelearn, an e-learning company which teaches programming by building applications. The website of the company allows programmers and non-programmers to learn various programming languages by offering a variety of interactive web-based courses. Kima Ventures is planning to invest in 100s of startups in the coming days.



Quiz

PLAY The QUIZ
TEST YOURSELF

The name of winners of the quiz will be posted on our website Takeovercode.com and will also be mentioned in our next edition of **Takeover Panorama**. So here are the questions of this edition:

Question: 1

What is the time limit prescribed for making the disclosure of acquisition and disposal of shares to the Stock Exchange and Target Company?

- A. Within 4 working days
- B. Within 2 days
- C. Within 2 working days
- D. Within 7 days

Mail your answer at info@takeovercode.com

Question: 2

What is the applicability of SEBI (SAST) Regulations, 2011 in respect of acquisition of shares constituting 25% of the issued and paid up capital of the Target Company by way of transmission of shares?

- A. Open Offer Requirement
- B. Disclosure Requirement
- C. Open Offer as well as Disclosure Requirement
- D. Not Applicable

Mail your answer at info@takeovercode.com

Winners of Quiz - January 2013-edition

Akriti Sharma

Rohit Seth

Amar singhi



Our TEAM



Ruchi Hans

E: ruchi@indiacp.com

D: [+91.11.40622251](tel:+911140622251)

Divya Vijay

E: divya@indiacp.com

D: [+91.11.40622248](tel:+911140622248)

Vivarth Dosar

E: vivarth@indiacp.com

D: [+91.11.40622218](tel:+911140622218)

Visit us at



A venture of



D- 28, South Extn. Part I New Delhi – 110049

T: 40622200 F: 91.40622201

E: info@takeovercode.com

OUR GAMUT OF SERVICES:-

- ⊕ Investment Banking;
- ⊕ Valuation & Business Modelling;
- ⊕ Merger & Acquisition;
- ⊕ Tax & Transaction Advisory;
- ⊕ ESOP/ESPS;
- ⊕ Domestic & Cross Border Investment Structuring;
- ⊕ Group Reorganisation;
- ⊕ Corporate Funding;
- ⊕ Issue Management.

Disclaimer:

This paper is a copyright of Corporate Professionals (India) Pvt. Ltd. The entire contents of this paper have been developed on the basis of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and latest prevailing SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 in India. The author and the company expressly disclaim all and any liability to any person who has read this paper, or otherwise, in respect of anything, and of consequences of anything done, or omitted to be done by any such person in reliance upon the contents of this paper.

