

TAKEOVER PANORAMA

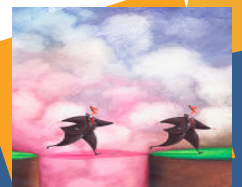


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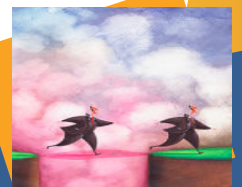
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LATEST OPEN OFFERS

Name of Target Company	Name of Acquirer	Details of Offer	Reason of Offer	Concerned Parties
<p>Jamirah Tea Company Limited</p> <p>Regd. Office Kolkata</p> <p>Paid up capital Rs. 20.00 Lacs</p> <p>Listed At CSE</p>	Joonktollee Tea & Industries Limited	Offer to acquire 40,000 (20.00 %) fully paid-up equity shares of Rs.10/- each, at a price of Rs. 575/- per share payable in cash.	<p>Regulation 10 & 12</p> <p>SPA to acquire 1,49,400 (74.70 %) fully paid-up equity shares of Rs. 10/- each at a price of Rs.575/- per fully paid up equity share payable in cash.</p>	<p>Merchant Banker</p> <p>VC Corporate Advisors Pvt. Ltd.</p> <p>Registrar to the Issue</p> <p>Maheshwari Datamatics Pvt. Ltd.</p>
<p>Choksh Infotech Limited</p> <p>Regd. Office Mumbai</p> <p>Paid up capital Rs. 10,15,00,000</p> <p>Listed At BSE & ASE</p>	Arikatla Srinivasa Reddy	Offer to acquire up to 20,30,000 equity shares constituting 20% of the Post Issue Capital (20.17% of the Post Issue Voting Rights) at a price of Rs. 10/- per Fully paid up Share and Rs. 5/- per Partly paid-up share payable in cash.	<p>Regulation 10 and 12</p> <p>Preferential Allotment of 71,50,000 Equity shares (70.44% of post – issue share capital and 71.06% of post-issue voting rights) of Rs. 10 each to the shareholders of Ajel Technologies India Pvt. Ltd. as a consideration of acquisition of 100% shares of private Company on a share swap basis.</p>	<p>Merchant Banker</p> <p>Saffron Capital Advisors Pvt Ltd</p> <p>Registrar to the Issue</p> <p>Bigshare Services Private Limited</p>



<p>Serengeti Holdings Private Limited</p> <p>Regd. Office Rajasthan</p> <p>Paid up capital Rs. 4.90 Crores</p> <p>Listed At BSE, JSE, Magadh & DSE</p>	<p>Ashiana Agro Industries Limited</p>	<p>Offer to acquire 9,20,000 (20%) Equity shares of Rs. 10/- each at a price of Rs. 7/- per fully paid up equity share and Rs.3.50/- per partly paid equity share payable in Cash.</p>	<p>Regulation 10 & 12</p> <p>SPA to acquire 3,79,420 (8.25 %) fully paid up equity shares of Rs.10/- each at a price of Rs.5/- per fully paid up equity share payable in cash, aggregating the shareholding of acquirer to 23.23%.</p>	<p>Merchant Banker R R Financial Consultants Ltd</p> <p>Registrar to the Issue Alankit Assignments Pvt. Ltd.</p>
<p>Dabur Pharma Limited</p> <p>Regd. Office</p> <p>Paid up capital Rs.</p> <p>Listed At</p>	<p>Fresenius Kabi (Singapore) Pte Limited, Fresenius Kabi Austria GmbH, Fresenius SE , Fresenius Finance B.V.</p>	<p>Offer to acquire 3,13,41,260 shares of the face value of Re.1 forming 20 % of the emerging voting capital of the company at a price of Rs.76.50 per share.</p>	<p>Regulation 10 & 12</p> <p>SPA to acquire 10,22,99,846 (65.29%) shares at a price of Rs.76.50 per share payable in cash.</p>	<p>Merchant Banker Morgan Stanley India Company Pvt Ltd</p> <p>Registrar to the Issue Karvy Computershare Private Limited</p>
<p>Asian Independent Network Limited</p> <p>Regd. Office Gujarat</p> <p>Paid up capital Rs. 418.34 lacs</p> <p>Listed At BSE</p>	<p>Rajiv Kiriti Bhatt, Sanjiv Kirit Bhatt, Kirit Surajram Bhatt</p>	<p>Offer to acquire 8,36,681 (20%) equity shares of Rs. 10/- each at a price of Rs.16/-per fully paid up equity share payable in cash .</p>	<p>Regulation 11</p> <p>SPA to acquire 5,80,700 (13.88%) equity shares of Rs 10/- each, at a price of Rs.13/- per share, paid in cash.</p>	<p>Merchant Banker Corporate Strategic Allianz Pvt Ltd</p>



<p>JPT Securities Limited</p> <p>Regd. Office Delhi</p> <p>Paid up capital Rs. Rs. 300.60 Lacs</p> <p>Listed At BSE</p>	<p>Awaita Properties Private Limited</p>	<p>Offer to acquire up to 6,01,200 fully paid-up equity shares of Rs. 10 each representing 20% of the paid up equity share capital of JPT, at a price of Rs. 32.50 per Share payable in cash.</p>	<p>Regulation 10 & 12</p> <p>SPA to acquire 18,05,450 equity shares of the Target Company representing 60.06% of total paid up equity share capital at a price of Rs. 32.10 per share payable in cash.</p>	<p>Merchant Banker</p> <p>Saffron Capital Advisors Pvt Ltd</p> <p>Registrar to the Issue</p> <p>Intime Spectrum Registry Limited</p>
<p>Camphor and Allied Products Limited</p> <p>Regd. Office Gujarat</p> <p>Paid up capital Rs. 51,336,740</p> <p>Listed At BSE</p>	<p>Oriental Aromatics Limited</p>	<p>Offer to acquire up to 10,26,735 (20%) fully paid up equity shares of Rs.10/-each at a price of Rs.167/- per fully paid up equity share payable in cash.</p>	<p>Regulation 10 & 12</p> <p>SPA to acquire 16,77,129 (32.67%) fully paid up equity shares of Rs.10/- each at a price of Rs.167/- per equity share aggregating to consideration of Rs.28,00,80,543/- payable in cash</p>	<p>Merchant Banker</p> <p>Imperial Corporate Finance & Services Pvt Ltd</p> <p>Registrar to the Issue</p> <p>Sharex Dynamic (India) Pvt. Ltd</p>

HINT OF THE MONTH

“Transfer of Promotes’ shares held under lock-in”

The shares held by promoters which are under lock-in can be transferred to other promoters, by way of inter-se transfer between promoters, subject to the following conditions:

1. The shares shall continue to be under lock-in for the remaining period in the hands of transferee.
2. The transfer shall be made in compliance with the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.



LATEST UPDATE

SAT Order in the matter of Lanxess ABS Limited

“A shareholder is not eligible to file a complaint that the offer price is unjustified, where he himself has acquired the shares after public announcement of such offer and subsequently offered his shares to the acquirers unconditionally.”

This case came in appeal before SAT against the SEBI order dated 07.02.2008 where it was held by SEBI that the payment of Rs. 50.03 per equity share by the acquirer to RA Group sellers as a non compete consideration is justified and is covered under the regulation 20(8) of the Regulations.

Background:

Vide SPA dated 28th June, 2007 the acquirers had agreed to acquire 69.8% Equity Shares of the Target Company from its promoters at the highest price of Rs. 201/- per share. As per the SPA, the acquirers had agreed to pay Rs. 50.03/- per share as non-compete consideration to RA Group in addition to the negotiated price of Rs. 201/ per equity share. Pursuant to this, the acquirer has given an offer under regulation 10 & 12 of SEBI Takeover Regulations, to acquire upto 20% shares of the Target Company at a price of Rs.201/- per equity share, being the highest of the negotiated price agreed to be paid to the selling promoters. Appellant purchased 100 shares of the Company for the first time after the date of public announcement and further consolidated his shareholding to 6910 shares. A complaint was filed by the appellant that the non-compete fee has been structured in a way so as to pass on a part of the sale consideration to RA Group sellers.

SEBI Decision:

SEBI held that RA Group is competent enough to give effective competition to the target Company, the payment of Rs. 50.03 per equity share to RA Group sellers is justified as a non compete consideration.

Matter of Appeal:

The appellant further filed an appeal before SAT on the same ground that the non-compete fees has been structured in a way so as to pass on a part of the sale consideration to RA Group sellers. Therefore, the shareholders should be offered an additional amount equal to the non-compete consideration. It is noteworthy to mention here that in the offer given by acquirers, the appellant has offered his entire shareholding unconditionally.



SAT decision:

SAT has held that the appellant has not come with clean hands since he has purchased the shares after the date of public announcement and even subsequently consolidated his shareholding. It was further noted that if the acquirer was not satisfied from the beginning as to the price offered by the acquirer then why did he purchased the shares after public announcement and why did he offer his shares unconditionally. Therefore, the appeal was dismissed.

SEBI Consent Order in Shriram Overseas Finance Ltd

On September 17, 2005, the acquirer namely, Shriram Financial Services Holdings Pvt. Ltd ('SFSHPL') alongwith the persons acting in concert 2186380(10.31%) shares of Shriram Overseas Finance Ltd. ('SOFL') by way of inter-se transfer. Pursuant to the said acquisition of 2186380(10.31%) shares of SOFL, the shareholding of the acquirers increased from 11.59% to 21.9%. Accordingly, a report dated April 21, 2006 was filed under Regulation 3(4) of the SEBI Takeover Regulations. Upon examination of the said report, non compliance with Regulations 3(3), 3(4) and 3(5) of the Takeover Regulations by the said acquirers were observed by SEBI. Therefore, SEBI initiated adjudication against the acquirers. The acquirers vide letter dated January 4, 2008 proposed to offer Rs.50,000/- towards consent terms in the matter of said adjudication proceeding initiated by SEBI. On consideration of the facts and circumstances of the case, SEBI disposed off the matter on consent terms.

SEBI Consent Order in Kausar India Limited

M/s Kausar India Limited, Target Company, was found to have not complied with Regulation 7 (3) of the SEBI Takeovers Regulations in the matter of its acquisition of shares by promoter group on May 24, 2002, September 24, 2003, and April 18, 2006. The Target Company vide letter dated January 16, 2008 proposed to offer Rs.50,000/- towards consent terms in the matter of said adjudication proceeding initiated by SEBI. On consideration of the facts and circumstances of the case, SEBI disposed off the matter on consent terms.

Further, in the matter of transaction dated September 24, 2003, the promoter-acquirer namely Kausar Leasing Limited was found to have not complied with Regulation 7 (IA) of the SEBI Takeovers Regulations. Similarly, the promoter-acquirer also vide letter dated January 16, 2008 proposed to offer Rs.50,000/- towards consent terms in the matter of said adjudication proceeding initiated by SEBI and on consideration of the facts and circumstances of the case, SEBI disposed off the matter on consent terms.



REGULAR SECTION

“A WALK THROUGH OPEN OFFER PROCESS”

TRIGGERING EVENT:

The process of open offer starts from the date of happening of triggering event itself. The triggering event may be signing of Share Purchase Agreement or actual acquisition of shares from the market or passing of resolution for allotment of shares on preferential basis or passing of resolution for acquisition of control or over a Company. Thus as soon as the intention of acquirer to acquire the shares of Target Company beyond the threshold limits mentioned above, is expressed unequivocally, the laborious process of Takeover Offer is initiated, provided the acquisition is not exempted under regulation 3 of these regulations.

It is noteworthy to mention here that the triggering event itself is very time-consuming process which requires lots of structuring and planning as regards the number of shares to be acquired considering the future plans of the Company, the terms of acquisition etc.

APPOINTMENT OF MERCHANT BANKER:

As soon as the triggering event happens, the acquirer appoints a merchant banker who is responsible for executing the entire open offer process. Appointment of Merchant Banker is not merely a commercial prerequisite rather regulation 13 of Takeover Regulations itself makes it mandatory to appoint a merchant banker before making any public announcement of offer.

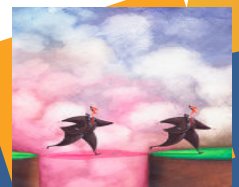
PREPARATION OF PUBLIC ANNOUNCEMENT:

Regulation 14 requires the merchant banker to make a public announcement of offer on behalf of acquirers within 4 working days of the triggering event. Therefore, the merchant banker prepares the public announcement in consultation with the acquirers and target Company.

It is noteworthy to mention here that practically, in most of the cases, the draft of public announcement is prepared before even happening of triggering event in order to avoid the delay in making public announcement. However, the agreement for appointment of Merchant Banker is always made only after the triggering event.

OPENING OF ESCROW ACCOUNT:

Before the publication of public announcement, the acquirer is required to open Escrow Account with a



bank in which atleast 25%/100% of the total consideration payable under the open offer is deposited by the acquirer.

PUBLICATION OF PUBLIC ANNOUNCEMENT:

Thereafter, the merchant banker procures the publication of public announcement in atleast four newspapers, two national daily and two regional daily. The public announcement shall be made not later than 4 working days of the date of triggering event.

It is to be noted here that since the time between the triggering event and date of public announcement is only 4 working days, therefore all the preparations like drafting of SPA, public announcement, arrangement of funds for escrow account, arrangement for publication of public announcement etc. are done before hand, however the execution thereof i.e. signing of documents, cheques etc. are done only after the date of triggering event.

Therefore, effective co-ordination with all involved parties, i.e. merchant bankers, publishers, bankers, depositories etc, is very crucial for success of a Takeover offer.

FILING OF COPY OF PUBLIC ANNOUNCEMENT:

Simultaneously, a copy of public announcement is filed with SEBI and all stock exchanges where the shares of Target Company are listed.

LETTER OF OFFER:

Within 14 days of making the public announcement, the merchant banker prepares a draft letter of offer and file it with SEBI alongwith the fees prescribed under regulation 18 (3). Now, SEBI has revised the fees for draft letter of offer. Thereafter, SEBI issues its comments with regard to the draft letter of offer, and the merchant banker, on behalf of acquirer is makes reply to the comments issued by SEBI. The minimum time therefore is 21 days. However, many a times, clearing of letter of offer from SEBI consumes lot of time and correspondence with SEBI.

DISPATCH OF LETTER OF OFFER:

After clearance of letter of offer by SEBI, final letter of offer is dispatched to all the shareholders whose names are finalized on specified date. It may be noted that a person who has acquired shares after the specified date is also eligible to participate in the offer, subject to fulfillment of certain conditions.

OPENING OF SPECIAL BANK ACCOUNT AND ESCROW DEPOSITORY ACCOUNT:

After the dispatch of letter of offer, the acquirer opens a special bank account in which the 90% of money



lying in the Escrow Account is transferred and balance money is deposited so as to make 100% of the total consideration payable under the open offer. Simultaneously, an Escrow depository account is opened to receive the shares in demat form which are offered by the shareholders.

OPENING AND CLOSING OF OFFER:

The offer remains open for a fix period of 20 days. The acquirer may revise the open offer upto 7 working days before the date of closure of offer. Similarly, the shareholders may withdraw their offer upto 3 working days prior to the date of offer.

PAYMENT OF CONSIDERATION:

After closure of offer, payment is made to the shareholders whose shares have acquired in the offer and balance, if any; lying in the special bank account is released to the acquirer.

TRANSFER OF SHARES:

On payment of consideration, the shares are transferred by the depository in the name of acquirer and in the register of members, as the case may be.

MARKET UPDATE

ORCHID SUCCEEDED TO THWART OUT TAKEOVER ATTEMPT OF SOLREX

Orchid Chemicals and Pharmaceuticals Ltd is Chennai based Company having good business growth prospects. Recently, the company has make applications for the large number of abbreviated new drug (ANDA). These approvals allow companies to launch generic clones of drugs once the patent expires.

In March, Orchid's promoters liquidated over 7% stake in the market due to margin calls that took the promoter stake down to just 17%. This made Orchid very vulnerable for a take-over. And that's when Solrex Pharmaceuticals, a Ranbaxy promoter group company, entered the scene. It has been quietly consolidating its stake in Orchid since the last week of March. It acquired 8.06% in Orchid Chemicals through open market transactions and further consolidated it to its present shareholding at 14.75%.

However, Orchid managed to garner the support of large institutional investors to thwart a takeover



attempt. These institutions, which collectively hold 38 per cent in Orchid, have agreed to support Rao (the promoter and the managing director of Orchid). However these are oral agreements and are usually not given in writing. Counted with the 16 per cent held by Rao, his family and close associates, this will keep Orchid safely under Rao's control.

Orchid Ranbaxy (solrex) fight is going to turn out very badly soon. However, whatever may be the situation, solrex is fully entitled to Board representation.

HP EYING ON RISKY \$13.2B ACQUISITION OF EDS

Hewlett-Packard Co. is rolling the dice on a risky \$13.2 billion acquisition of technology services provider Electronic Data Systems Corp. The proposed acquisition of Electronic Data Systems (EDS) by US technology giant Hewlett-Packard for over 13 billion dollars is the largest M&A deal to be announced in the global technology space so far this year.

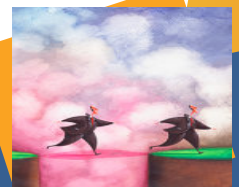
HP prizes EDS because it wants to become a much bigger player in technology services. The estimated \$550 billion market for technology services has long been dominated by IBM Corp., which has about a 10 percent share. HP ranks a distant fifth with a 3 percent market share, based on its \$16.6 billion in technology services revenue in its last fiscal year. By picking up EDS' \$22 billion in revenue, HP's technology services division will more than double in size and leapfrog into second place with a 7 percent market share. Fujitsu and Accenture will fall behind the combined HP-EDS. The EDS deal is expected to close during the second half of this year and begin boosting HP's earnings in its fiscal year ending in October 2010.

This acquisition will make it imperative for other players in IT world, to make acquisitions to fill the gap in their services portfolio and get a global footprint

MICROSOFT WITHDRAWS YAHOO TAKEOVER BID

Another major takeover fight in IT world, which has been in news, is that of Microsoft and Yahoo. The latest move in the story is that Microsoft has finally withdrawn its acquisition bid for Yahoo after the search engine snubbed its ultimatum despite the company's goal to offer bigger choice and innovation in the marketplace, since Yahoo has declined to come forward inspite of rising the bid by US \$5 billion by Microsoft. However, Microsoft CEO has stated that despite the failed bid Microsoft will continue to move forward with its goals.

Now, the challenge has shifted to Yahoo because now Yahoo must convince the market they are worth more than they were before the software giant's offer.



INTERMEDIARY SEARCH

Name of Merchant Banker	Contact Details
Tata Capital Markets Ltd	Ewart House, 3rd Floor, Homi Mody Street, Maharashtra – 400001
Saffron Capital Advisors Pvt Ltd	H-130, Bhoomi Green, Raheja Estate, Kulupwadi, Borivali East, Maharashtra – 400066

For any Clarifications:

Preeti Arora

Manager – Investment Banking

preeti@indiacp.com

Neha Pruthi

Analyst

neha@indiacp.com

