LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer (LOO) is sent to you as equity shareholder(s) of **Aadi Industries Limited.** If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Keynote Corporate Services Ltd. (Manager to the Offer) or Sharex Dynamics (India) Private Limited (Registrar to the Offer). In case you have sold your shares in the Company, please hand over this LOO and the accompanying Form of Acceptance cum Acknowledgment and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

CASH OFFER AT A PRICE OF RS. 10.00 (RUPEES TEN ONLY) PER EQUITY SHARE

[Pursuant to Regulation 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto]

TO ACQUIRE

from the existing equity shareholders 20,00,000 equity shares of Rs.10/- each forming 20% of the voting share capital of the Company

OF

AADI INDUSTRIES LIMITED

having its registered office at 1273, Kanji Diwan's Khancho, Raja Mehta's Pole, Tankshal Road,
Kalupur Ahmedabad- 380 001
Telefax: 02764-286667; Email: aadiindustries@hotmail.com
Corporate office at 320, Siddhivinayak Society, New Mhada Complex,
Hingwala Lane Extn, Ghatkopar (East), Mumbai – 400 075 Tel: 022- 2511 9706 Fax : 022 2511 9768

By

MR. RUSHABH JITENDRA SHAH

Residing at 7/8, Lalkripa, 251, Hingwala Lane, Ghatkopar (East) Mumbai - 400 077
Tel: 022-25010177 Fax: 022-25119768 ; Email: srushabh@vsnl.com

Note:

a) As on date no approvals, statutory or otherwise, are required under the Companies Act 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act. 1999 and /or any other applicable laws and from any bank and/ or financial institutions for the said acquisition.
b) If there is any upward revision of the Offer Price by the Acquirer till the last permitted date for revision viz. March 20, 2009, the same would be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement had appeared. Such revised Offer Price would be payable for all the equity Shares tendered anytime during the Offer and accepted under the Offer.
c) Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/Letter of Offer, can withdraw the same up to 3 working days prior to the closure of the Offer i.e. up to March 26, 2009.
d) If there is a competitive bid: (i) the public offers under all the subsisting bids shall close on the same date; (ii) as the Offer Price cannot be revised during seven working days prior to the closing date of the offers /bids, it would therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.
e) A copy of the Public Announcement and the Letter of Offer (including the Form of Acceptance-cum-Acknowledgement and the Form of Withdrawal) would be available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER

KEYNOTE
CORPORATE SERVICES LTD

KEYNOTE CORPORATE SERVICES LTD.
4th Floor, Balmer Lawrie Building,
5, J.N.Heredia Marg,
Ballard Estate, Mumbai – 400001.
Tel: +91–22– 30266000-3; **Fax**: +91–22– 22694323
E-mail: mbd@keynoteindia.net
SEBI Regn: INM000003606
AMBI Regn no: AMBI/040
Contact Person: Mr. Bhavin Shah

REGISTRAR TO THE OFFER

Sharex

SHAREX DYNAMICS (INDIA) PRIVATE LIMITED
17-B, Dena Bank Building, 2nd Floor Horniman Circle,
Fort, Mumbai 400 001
Tel No. : +91- 22-22702485; **Fax No.:** +91-22- 2264 1376
E-mail: sharexindia@vsnl.com
Website: sharexindia.com
SEBI Regn: INR00002102
Contact Person: Mr. Shashi Kumar

	Original		Revised	
Activity	**Date**	**Day**	**Date**	**Day**
Public Announcement	January 09, 2009	Friday	January 09, 2009	Friday
Last date for a competitive bid	January 30, 2009	Friday	January 30, 2009	Friday
Specified Date	February 06, 2009	Friday	February 06, 2009	Friday
Date by which the Letter of Offer will be dispatched to shareholders	February 21, 2009	Saturday	March 07, 2009	Saturday
Date of opening of the Offer	March 05, 2009	Thursday	March 12, 2009	Thursday
Last date for revising the offer price/ number of shares	March 13, 2009	Friday	March 20, 2009	Friday
Last date for withdrawal of acceptance	March 19, 2009	Thursday	March 26, 2009	Thursday
Date of closing of the Offer	March 24, 2009	Tuesday	March 31, 2009	Tuesday
Date by which acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate(s)/demat delivery instruction for the rejected Shares will be dispatched/issued.	April 08, 2009	Wednesday	April 15,2009	Wednesday

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DEFINITIONS

Acquirer	:	Mr. Rushabh Jitendra Shah
BSE	:	Bombay Stock Exchange Ltd.
CDSL	:	Central Depository Services (India) Limited
Date of Public Announcement	:	January 09, 2009
Letter of Offer/LOO	:	This Letter of Offer dated March 03, 2009
Manager to the Offer/ Merchant Banker	:	Keynote Corporate Services Ltd.
NSDL	:	National Securities Depository Limited
Offer Period	:	The period between the date of Public announcement and the date of completion of offer formalities relating to the offer.
Persons Eligible to participate in the Offer	:	Equity shareholders of Aadi Industries Limited whose names appear on the Register of the Members of Aadi Industries Limited at the close of business hours on February 06, 2009 (the “Specified Date”) and also those persons who own the equity shares at any time prior to the closure of the offer, but are not the registered equity shareholders.
SEBI	:	Securities and Exchange Board of India
Specified Date	:	February 06, 2009
Target Company / AIL	:	Aadi Industries Limited
The Regulations / SEBI (SAST) Regulations 1997	:	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof.
VSE	:	Vadodara Stock Exchange Limited

RISK FACTORS

Relating to the transaction and the proposed offer

- Transfer of equity shares received from NRI shareholders if any under the offer is subject to receipt of RBI approval for the same.
- The Acquirer makes no assurance with respect to the market price of the Equity Shares both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
- If the aggregate of the valid responses to the offer exceeds offer size, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations. In such an event all the equity shares tendered by the applicant may not be accepted.
- The tendered shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period there may be fluctuation in the market price of the shares of AIL.

Probable risk involved in association with the Acquirer

- Association of AIL with the Acquirer does not warrant any assurance with respect to the future financial performance of AIL.

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURE CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE EQUITY SHAREHOLDERS OF AADI INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURES OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER KEYNOTE CORPORATE SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 19, 2009 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1 Background of the offer

a) The offer is being made by the Mr. Rushabh Jitendra Shah (**“Acquirer”**) pursuant to Regulation 11(1) and other applicable provisions of the Regulations.

b) **Aadi Industries Limited** (hereinafter referred to as “**AIL**” or “**Target Company**”) was incorporated as JRC Finvest Limited as Public Limited Company in the State of Gujarat on May 03, 1994 under the Companies Act, 1956. and has its Registered Office at 1273, Kanji Diwan’s Khancho, Raja Mehta’s Pole, Tankshal Road, Kalupur Ahmedabad -380 001. The Board of Directors of AIL in their meeting held on August 26, 2008 had proposed to issue 49,93,400 equity shares of Rs.10/- each for cash at par on a preferential basis to Mr. Rushabh J. Shah the existing promoter of AIL (hereinafter referred to as **“Acquirer”**) residing at 7/8, Lalkripa, 251, Hingwala Lane, Ghatkopar (East) Mumbai - 400 077 subject to obtaining the approval of members/ shareholders of AIL. Accordingly at the Annual General Meeting of the members/shareholders of AIL held on September 27, 2008 the shareholders approved the said issue of equity shares on a preferential basis to the Promoter/Acquirer.

c) Pursuant to the said resolution AIL approached Bombay Stock Exchange Ltd. (**BSE**) for obtaining their in-principle approval for allotment of the aforesaid shares on preferential basis to the promoters. The in-principle approval from BSE was received vide their letter no. DCS/PREF/SR/PRE/1756/08-09 dated December 24, 2008. In terms of the said approval and special resolution, the Board of Directors at its meeting held on January 05, 2009 allotted 49,93,400 equity shares of Rs. 10/- each at par on preferential basis to Mr. Rushabh J. Shah.

d) Pursuant to the preferential allotment the aggregate shareholding of the promoter/acquirer increased to 71,80,012 shares which is 71.80% of post preferential paid up equity share capital of AIL.As a result of the preferential allotment the provisions of Regulation 11(1) have been attracted, Hence promoter /acquirer is making an offer to acquire 20,00,000 equity shares being 20 % of the post preferential paid up equity share capital of AIL from outside public shareholder.

e) Mr. Rushabh J. Shah is on the Board of AIL. No change in the Board of Directors of AIL is proposed.

f) It is confirmed that neither the Acquirer nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of direction under section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

2.2 Details of the Proposed Offer

- The Acquirer has made a Public Announcement for the Offer to the existing equity shareholders of AIL which was published on January 09, 2009 in compliance with Regulation 15 of the Regulations in all editions of "Financial Express" being English National Daily, "Jansatta" being Hindi Daily and "Financial Express - Gujarati" (Gujarati) being regional language daily at the place where the registered office of AIL is located and "Navshakti" (Marathi) being regional language daily of the place of the stock exchange where equity shares of the company are most frequently traded. A copy of the Public Announcement is also available on the SEBI website at www.sebi.gov.in.

- Pursuant to this Offer, the Acquirer proposes to acquire by tender offer 20,00,000 fully paid-up equity shares of Rs.10/- each of AIL representing 20% of the present equity share capital of AIL from the remaining shareholders of AIL (except other persons in the promoter group") on the terms and subject to the conditions set out in this Letter of Offer, at a price of Rs. 10.00 (Rupees Ten Only) per fully paid-up equity share payable in cash in accordance with the regulations.

- The equity shares of AIL to be acquired, pursuant to the Offer, shall be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid.

- As on date of the Public Announcement Acquirer i.e. Mr. Rushabh J. Shah holds 71,80,012 equity shares of AIL which forms 71.80% of the total paid up equity capital of AIL. There will be no change in control of management of AIL, pursuant to the acquisition and this offer.

- There are no partly paid-up shares in AIL.

- The offer is not subject to any minimum level of acceptance.

- There has been no competitive bid till date.

- The Acquirer has not acquired / been allotted any Shares of the Target Company from the date of the Public Announcement to the date of the Letter of Offer.

2.3 Rationale for the Offer

a) Prior to the Preferential Allotment Mr. Rushabh J. Shah held 21,86,612 equity shares of Rs. 10/- each of AIL representing 43.67% of total paid up equity share capital of the Company. The Board of Directors of AIL in its meeting held on August 26, 2008 had proposed to issue 49,93,400 equity shares of Rs.10/- each at par on a preferential basis to the existing promoter of AIL i.e. Mr. Rushabh J. Shah. Accordingly at the Annual General Meeting of the members/shareholders of AIL held on September 27, 2008 the shareholders approved the said issue of equity shares on a preferential basis. In terms of the special resolution , the board of directors at its meeting held on January 05, 2009 allotted 49,93,400 equity shares on a preferential basis to Mr. Rushabh J. Shah .Pursuant to the preferential allotment the aggregate shareholding of the Acquirer increased to 71,80,012 shares which is 71.80% of post preferential paid up equity share capital of AIL. As a result of the preferential allotment the provisions of Regulation 11(1) has been attracted, Hence Acquirer is making an offer to acquire 20,00,000 equity shares being 20 % of the post preferential paid up equity share capital of AIL.

b) The Acquirer does not have any plans to dispose off or otherwise encumber any of the assets of AIL in the succeeding two years from the date of closure of the offer except in the ordinary course of business of AIL. The Acquirer will not dispose off, sell or otherwise encumber any substantial assets of AIL except with the prior approval of the shareholders.

3. BACKGROUND OF THE ACQUIRER

3.1 Mr. Rushabh Jitendra Shah

a) Mr. Rushabh J. Shah aged 30 years is residing at 7/8 Lalkripa, 251, Hingwala Lane, Ghatkopar (East) Mumbai- 400 077, Tel. no. 022- 25010177. He is a commerce graduate from Mumbai University. He is the present promoter & Director of the target company. He has over 9 years of experience in trading of plastic granules, chemicals and Tarpaulins.

b) Mr. Rushabh J. Shah is also a director in Aadi Polyflex Private Limited and Deluxe Petrochem Private Limited.

c) As per the certificate dated January 07, 2009 issued by M/s C.T. Gandhi & Co., Chartered Accountants, having their office at 318/2, Siddhivinayak Society, New Mhada Complex, Hingwala Lane Extn, Ghatokpar (East), Mumbai – 400 075 (Membership No. of proprietor Mr. C. T. Gandhi is 38185 : Tel – 022 5094029), the net worth of Mr. Rushabh J. Shah as on December 31, 2008 is Rs.80.00 lacs and he has immediate access to liquid assets amounting to Rs. 200.00 Lacs. The immediate access to the liquid funds to the Acquirer is through availability of funds from his father Mr. Jitendra D. Shah who has undertaken to make the funds available to the Acquirer to enable the Acquirer to fulfill the financial obligations. The understanding for financial arrangement dated January, 06, 2009 has been entered into between Acquirer and Mr. Jitendra D. Shah. The said loan is interest free, unsecured and shall exclusively be used for payment of consideration to the shareholders of AIL who tender their shares in the open offer.

d) Mr. Rushabh J. Shah holds 71,80,012 equity shares of AIL of Re. 10/- each being 71.80% of the paid-up capital of the company.

e) Mr. Rushabh J. Shah has been regular in complying with the relevant provisions of Chapter II of SEBI (SAST) Regulations, 1997.

f) Mr. Rushabh J. Shah had vide Share Purchase Agreement (SPA) dated November 27, 2006 entered with the then Promoters of the Target Company acquired 19,99,038 fully paid-up Equity Shares of Rs 10/- each representing 39.93% of the issued, subscribed & paid up capital (“the acquisition”) for cash at a price of Rs. 1.75 per share (Rupees One Rupee Seventy five paise) ('the negotiated price'). The necessary formalities relating to SEBI (Substantial Acquisition of Shares and Takeover) Code 1997 were completed and an open offer was made to the equity shareholders of the target company in terms of Regulations 10 & 12 vide letter of offer dated October 10, 2007. 92,911 equity shares were acquired through the open offer. Since then there has been no change in the control of AIL.

3.2 Disclosure under section 16(ix)

The Acquirer does not have any plan to dispose off or otherwise encumber any of the assets of AIL in the succeeding two years from the date of closure of the offer except in the ordinary course of business of AIL. The Acquirer will not dispose off, sell or otherwise encumber any substantial assets of AIL except with the prior approval of the shareholders.

3.3 Future plans/strategies of Acquirers with regard to AIL

AIL is engaged in the trading of plastic products and has set up facilities for manufacturing of tarpaulins & plastic bags. The acquirer/promoter has infused funds into the company for the purpose of working capital requirements and wish to strengthen the manufacturing activities. Promoters wish to develop the company on the most rational lines to establish the manufacturing base and enhance the business.

4. Delisting Option

1. Presuming full response to the offer, the promoter shareholding in AIL may increase to 91.80%. If the acquisition made in pursuance of a public offer results in the public shareholding in the target company being reduced below the minimum level (i.e. 25%) required as per the listing Agreement, the acquirer shall take necessary steps to facilitate compliance of the target company with the relevant provisions thereof, within the time period mentioned therein. Further the acquirer has undertaken that no offer for the purposes of delisting of equity shares from BSE for a period of 3 years from the date of completion of the captioned offer under SEBI (Delisting of Securities) Guidelines 2003 will be made by him.

5. BACKGROUND OF TARGET COMPANY/AIL

Aadi Industries Limited / AIL

a. AIL was originally incorporated as JRC Finvest Limited as Public Limited Company in the State of Gujarat on May 03, 1994 under the Companies Act, 1956. Subsequently, the name of the Company was changed to JRC Industries Limited and fresh certificate of incorporation consequent to change of name was obtained on November 25, 1997. The main promoters of the Company were Mr. Gautam R. Shah and Mr. Hiren R. Shah. The Company commenced its commercial operations in the year 1994 in the field of leasing hire purchasing, bills discounting, short term lending and also to act as an investment Banking and advisory and consultancy services. The members of the Company had approved the adoption of activities related to Manufacturing and Marketing of Various kinds of Electric instruments, Components, ferrite rods, hard and soft ferrites capacitors, rectifiers, integrated circuits, printed circuit boards and Computer, Mini computers and compounds vide special resolution passed on September 26, 1997 The Company had further amended its Object Clause and inserted clauses relating to manufacture of Plastics and Plastic products as its activities. The name of the company was further changed to Aadi Industries Limited and a fresh certificate of incorporation was obtained on April 01, 2008. AIL is presently engaged in the trading of plastic products and has set up facilities for manufacturing of tarpaulins and plastic bags.

b. The company was acquired by present promoter Mr. Rushabh J. Shah during 2007. Mr. Rushabh J. Shah had vide Share Purchase Agreement (SPA) dated November 27, 2006 entered into agreement with the then Promoters of the Target Company acquired 19,99,038 fully paid-up Equity Shares of Rs 10/- each representing 39.93% of the issued, subscribed & paid up capital (“the acquisition”) for cash at a price of Rs. 1.75 per share (Rupees One Rupee Seventy five paise) ('the negotiated price'). The necessary formalities relating to SEBI (Substantial Acquisition of Shares and Takeover) Code 1997 were completed and an open offer was made to the equity shareholders of the Target Company in terms of Regulations 10 & 12 vide letter of offer dated October 10, 2007. 92,911 equity shares were acquired through the open offer. Since then there as been no change in the control of AIL.

c. The registered office of AIL was changed from F/21, Vikram Chambers, Near Sales India, Ahmedabad - 380 009. to 1273, Kanji Diwan’s Khancho, Raja Mehta’s Pole, Tankshal Road, Kalupur Ahmedabad- 380 001, Telefax: 02764-286667.

d. AIL is presently engaged in the manufacturing tarpaulins, Plastic Bags and other plastic products.

e. As on date of the Public Announcement the Authorized, issued & paid up share capital of AIL is Rs. 10,00,00,000/- (Rupees Ten Crores Only) comprising of 1,00,00,000 equity shares of Rs. 10/- each. There are no partly paid up equity shares in the Company.

f. The details of the share capital structure of the company is as follows:

Paid-up Equity Shares	No. of shares/voting rights	% of paid up capital
Fully paid up equity shares	1,00,00,000	100
Partly paid up equity shares	0	0
Total paid up equity shares	1,00,00,000	100
Total voting rights in the company	1,00,00,000	100

g. The share capital history of the Company are as follows:

Date of Allotment	No. of shares issued	% of shares issued	Cumulative Equity Shares	Mode of Allotment	Identity of the Allottees	Status of Compliance with Chapter II of the Regulations
Subscribers to Memorandum & Articles of Association	700	0.01	700	Cash	Promoter	Please refer point 5 (k) below
31/10/1994	29,99,300	29.99	30,00,000	Cash	Promoters	
22/04/1995	20,06,600	20.07	50,06,600	Cash	Public Issue	
05/01/2009	49,93,400	49.93	1,00,00,000	Cash	Preferential Allotment to the Promoter	
Total	**1,00,00,000**	**100.00**				

h. AIL came out with a public issue of Rs. 200.00 lacs comprising of 20,00,000 equity shares Rs. 10/- each at Par through prospectus dated February 20, 1995. The equity shares of AIL are listed on the Vadodara Stock Exchange Limited (VSE) and Bombay Stock Exchange Ltd. (BSE) and presently traded in 'T' (i.e. Trade to Trade) category.

i. As on date there are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date. There has been no merger / de-merger or spin off in the Company during the past three years.

j. Entire pre-preferential allotment holding of acquirer/promoter will be under "lock-in" for a period of six months in terms of 13.3.1 (g) of SEBI DIP (Guidelines) 2000. In addition to this equity shares allotted on preferential basis to acquirer/promoter will be under "lock-in" in terms of clause 13.3.1 (a) (b) of SEBI DIP (Guidelines) 2000. Accordingly 29,93,400 equity shares are under lock-in up to January 06, 2010 and 20,00,000 equity shares are under lock in up to January 06, 2012. AIL has received the listing and trading approval from Bombay Stock Exchange Ltd. (BSE) vide their letter no. DCS/PREF/SP/FIP/2023/08-09 dated February 18, 2009 and Notice No. 2090303-18 dated March 03, 2009 respectively.

k. AIL has not been regular in complying with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997. There has been an average delay of 1639 days in complying with various provisions of the Regulations 6(3) and 8(3). SEBI may initiate suitable action against AIL for non compliance with the provisions of Chapter II of the Regulations. The Company is in the process of the filing of the consent terms for the delay in Chapter II compliance. The Promoter / Acquirer has been regular in complying with the relevant provisions of Chapter II of SEBI (SAST) Regulations, 1997.

l. There are no punitive actions taken by any of the stock exchanges against AIL.

m. The Board of Directors of AIL, as on date of Public Announcement, are as under:

Name, Age, Address and Designation	Experience (Years)	Area of Experience	Qualification	Date of Appointment /re-appointment	Other Directorship
Mr. Rushabh Shah 7/8 Lalkripa, 251, Hingwala Lane, Ghatkopar (East) Mumbai- 400 075 **Age:** 30 Years **Managing Director**	10 yrs	In the field of Plastic Industry	B. Com	November 07,2007	Aadi Polyflex Pvt. Ltd. Deluxe Petrochem Pvt. Ltd.
Ms. Manasi Shah 7/8 Lalkripa, 251, Hingwala Lane, Ghatkopar (East) Mumbai- 400 075 **Age**: 26 Years **Director**	5 yrs	Administration	Post Graduation of Food & Dietics	November 07, 2007	Nil
Mr. Shardul Shah 202 Jolly Maker Apartment no 3 Cuffe Parade, Mumbai 400 005 **Age :**30 years **Director**	10 yrs	Accounts and Taxation	A. C. A.	March 05, 2008	Nil
Mr. Pravin Doshi 64, C. P. Tank Road Dinesh Bhawan 3rd Floor Mumbai 400 004 **Age**: 60 years **Director**	30 yrs	Marketing	S. S. C.	February 15, 2003	Nil
Mr. Deepak Bhagat Ramayan Nagar Building – C Flat no. 107, Near CHM College Ulhasnagar Thane 421 003 **Age:** 48 years **Director**	20 yrs	Marketing	B. Com	December 03,2005	Nil
Mr. T. S. Ramchandran 104, Amrutdham 10 Murbad Road Kalyan Maharashtra 421 301 **Age :** 59 years **Director**	20 yrs	Import and Export	S.S.L.C & Dip. In Export-Import	December 03, 2005	Nil

Besides Mr. Rushabh Shah, Promoter/ Acquirer, Ms. Manasi Shah wife of Mr. Rushabh Shah is the representative of Acquirer on the board of Target Company.

n) There has been no merger / de-merger or spin off in the Company during the past three years.

o) Brief certified financial details of AIL for the 6 months period ended September 30, 2008 and audited financial details of AIL for last 3 financial years are as follows:

(Rs. in lacs)

Profit and Loss Statement	For the 6 months period ended 30/09/2008	For the Year ended		
		31/03/2008	31/03/2007	31/03/2006
	(Certified)	(Audited)	(Audited)	(Audited)
Income from Operations	302.06	0.00	0.00	0.00
Other Income	0.00	0.00	0.00	1.38
Increase/ (decrease) in finished goods	27.20	0.00	0.00	0.00
Total Income	329.26	0.00	0.00	1.38
Total Expenditure	320.43	7.31	4.00	2.93
Profit / (Loss) Before Depreciation Interest and Tax	8.83	(7.31)	(4.00)	(1.55)
Depreciation	0.34	0.00	0.00	0.00
Interest	0.20	0.00	0.00	0.00
Profit/ (Loss) Before Tax	8.27	(7.31)	(4.00)	(1.55)
Provision for Tax	0.00	0.00	0.00	0.00
Profit/ (Loss) After Tax	8.27	(7.31)	(4.00)	(1.55)

(Rs. in lacs)

Balance Sheet Statement	For the 6 months period ended 30/09/2008	As on		
		31/03/2008	31/03/2007	31/03/2006
	(Certified)	(Audited)	(Audited)	(Audited)
Sources of funds				
Paid-up Share Capital	500.66	500.66	500.66	500.66
Reserves and Surplus (excluding revaluation reserve)	0.00	0.00	0.00	0.00
Profit & Loss A/c Debit Balance	(3.28)	(11.55)	(5.66)	(2.40)
Net worth	497.38	489.11	495.00	498.26
Secured Loan	79.42	0.00	0.00	0.00
Unsecured Loan	28.65	0.00	0.00	0.00
Total	**605.45**	**489.11**	**495.00**	**498.26**
Uses of Funds				
Net Fixed Assets	6.90	0.00	0.00	0.00
Capital Work in progress	25.53	0.00	0.00	0.00
Net Current Assets	568.63	484.72	492.03	496.04
Deferred Tax Assets	4.39	4.39	2.97	2.22
Total	**605.45**	**489.11**	**495.00**	**498.26**

Other Financial Data	For the 6 months period ended 30/09/2008	As on		
		31/03/2008	31/03/2007	31/03/2006
	(Certified)	(Audited)	(Audited)	(Audited)
Dividend (%)	0.00	0.00	0.00	0.00
Earning per Share	0.17	(0.12)	(0.07)	(0.02)
Return on Net worth (%)	1.66	(1.49)	(0.81)	(0.31)
Book Value per Share (in Rs.)	9.93	9.77	9.89	9.95

Note : Figures in the bracket indicate negative numbers

The Company is not a sick industrial unit within the meaning of clause (O) of subsection (1) of the section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

p) **Reasons for fall /Rise in PAT of the Company:**

The Company had not carried out any activities for the financial years 2005-06 and 2006-07. Hence there was no income during the aforesaid financial years except other income of Rs. 1.38 lacs earned during 2005-06. AIL incurred loss of Rs. 1.55 lacs and Rs. 4.00 lacs during the financial years 2005-06 and 2006-07 respectively. The company had not carried out any activities during the financial year 2007-08. As per the audited financial results for the year ended 31/03/2008 it has reported a loss of Rs. 7.31 lacs, book value per share of Rs. 9.77 and negative EPS of Rs. 0.12. Since Return on Net worth is negative the same is insignificant. During the current financial year i.e. 2008-09 the company has set up manufacturing facilities of Tarapaulins and plastic bags in the union territory of Silvassa. As per unaudited certified results for the 6 months period ended 30/09/2008 AIL has reported Profit after Tax of Rs. 8.27 lacs on total income of Rs. 329.26 lacs. Return on Networth of 1.66%, Book Value per share of Rs. 9.93 and EPS of Rs. 0.17.

q) Pre and Post- Offer equity shareholding pattern of the Target Company assuming full acceptance will be as follows:

Shareholder's category	Shareholding & voting rights prior to the offer. (A)		Shares / voting rights acquired which triggered off the Regulations. (B)		Cumulative Shares/ voting rights post preferential allotment (C)		Shares/voting rights to be acquired in open offer (Assuming full acceptances) (D)		Cumulative Shares / voting rights post preferential allotment and offer (E)	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
1.Promoter- Mr. Rushabh J. Shah	21,86,612	43.67	49,93,400	49.93	71,80,012	71.80	20,00,000	20.00	91,80,012	91.80
a. Acquirer and PAC's	-	-	-	-	-	-	-	-	-	-
b. Promoters other than (a) above	-	-	-	-	-	-	-	-	-	-
Sub Total 1 (a+b)	**21,86,612**	**43.67**	**49,93,400**	**49.93**	**71,80,012**	**71.80**	**20,00,000**	**20.00**	**91,80,012**	**91.80**
Acquirer	-	-	-	-	-	-	-	-	-	-
Sub Total 2	-	-	-	-	-	-	-	-	-	-
2. Parties to agreement other than (1) (a) & (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3. Public (other than Acquirers, Parties to the Agreement and persons in promoter group)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a. FIs / MFs / FIIs / Banks, SFIs (Bodies Corporate)	2,09,399	4.18	-	-	2,09,399	2.09	(20,00,000)	(20.00)	8,19,988	8.20
b. Others	26,10,589	52.15	-	-	26,10,589	26.11				
Sub-total 4 (a + b)	**28,19,988**	**56.33**	**-**	**-**	**28,19,988**	**28.20**	(20,00,000)	(20.00)	8,19,988	8.20
Total (1+2+3+4)	**50,06,600**	**100.00**	**49,93,400**	**49.93**	**1,00,00,000**	**100.00**	**-**	**-**	**1,00,00,000**	**100.00**

Note: The Acquirer is promoter of AIL and has not acquired any equity shares after the date of Public Announcement till the date of letter of offer.

r) **Built up of share capital of present promoter of AIL**

Mr. Rushabh J. Shah is the present promoter of AIL. The built of his share capital in AIL is as follows:

Year	No. of shares held by Promoters and PAC's	Paid up Equity Capital of the Company	% of total Capital	Type of Transactions
November 2006	19,99,038	50,06,600	20.00	Through Share Purchase Agreement dated November 27,2006
November 2007	92,411	50,06,600	0.92	Received in the Open Offer made to the shareholders of the Company
February 2008	14,738	50,06,600	0.15	Purchase from Open Market
March 2008	12,252	50,06,600	0.12	Purchase from Open Market
April 2008	39,929	50,06,600	0.40	Purchase from Open Market
July 2008	(5)	50,06,600	0.00	Open Market
August 2008	(5)	50,06,600	0.00	Open Market
December 2008	28,254	50,06,600	0.28	Purchase from Open Market
January 2009	49,93,400	1,00,00,000	49.93	Preferential Allotment
Total	**71,80,012**		**71.80**	

Note: Figures in the bracket represent sale of Equity shares

Mr. Rushabh J. Shah has been regular in complying with the relevant provisions of Chapter II of SEBI (SAST) Regulations, 1997.

s) AIL has presently complied with all the requirements to the extent applicable with BSE and VSE. There are no litigations pending against the Company. It has complied with provisions of the Corporate Governance as per clause 49 of the Listing agreement.

t) Mr. Rushabh J. Shah is the Compliance Officer. The details are as given below:

Mr. Rushabh J. Shah
Compliance Officer
Aadi Industries Limited
320, Siddhivinayak Society,
Hingwala Lane,
Ghatkopar (East),
Mumbai – 400 075
Tel/ Fax : 022- 25010177 / 9768
Email: srushabh@vsnl.com

6. OFFER PRICE

Justification of Offer Price:

a) The equity shares of the company are listed on Bombay Stock Exchange Limited (BSE) and Vadodara Stock Exchange Limited (VSE). There has been no trading of AIL on VSE for past several years.

b) Trading data of equity shares of AIL on BSE is as follows:

Total number of equity shares traded during the six calendar months prior to month in which the Public Announcement (P.A) was made	:	3,93,497
Total number of equity shares listed	:	1,00,00,000
Annualized Trading Turnover (% of Total Listed Shares)	:	7.87

Source: BSE website (www.bseindia.com)

Since the annualized trading turnover for AIL for the 6 calendar months prior to the month of the Public Announcement is more than 5% of total listed shares at the stock exchange, the Shares are deemed to be frequently traded as per explanation (i) to regulation 20(5) of the Regulations.

26 Weeks Weekly High/low Data: The average of weekly high and low of the closing prices of the equity shares of AIL during the 26 weeks prior to the board resolution which authorized the preferential allotment to the Acquirer i.e. 26/08/2008

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	26th feb to 3rd mar 2008	4.62	4.62	4.62	1200
2	4th mar to 10th mar 2008	4.70	4.45	4.58	7901
3	11 mar to 17th mar 2008	4.71	4.44	4.58	3110
4	18th mar to 24th mar 2008	4.22	3.99	4.06	1457
5	25th mar to 31st mar 2008	4.09	3.77	3.93	4013
6	1st Apr to 7th apr 2008	4.44	3.95	4.18	5327
7	8th apr to 14th apr 2008	5.34	4.62	4.98	7771
8	15th apr to 21st apr 2008	6.47	5.60	6.04	3540
9	22nd apr to 28th apr 2008	8.23	6.79	7.51	17568
10	29th apr to 5th may 2008	9.99	8.64	9.32	41941
11	6th may to 12th may 2008	9.50	7.76	8.63	11450
12	13th may to 19th may 2008	7.38	6.63	7.01	12451
13	20th may to 26th may 2008	6.98	6.50	6.74	12059
14	27th may to 2nd jun 2008	6.82	6.30	6.56	6390
15	3rd jun to 9th jun 2008	6.05	5.80	5.93	4490
16	10th jun to 16th jun 2008	6.62	6.01	6.32	1694
17	17th jun to 23rd jun 2008	6.41	6.10	6.26	14366
18	24th jun to 30th jun 2008	7.64	6.30	6.97	9093
19	1st july to 07th july 2008	9.19	8.02	8.61	15799
20	08th july to 14th july 2008	10.45	9.18	9.82	49262
21	15th july to 21st july 2008	10.27	9.50	9.89	25200
22	22nd july to 28th july 2008	9.95	9.00	9.48	13246
23	29th july to 4th aug 2008	9.03	8.57	8.80	7148
24	5th aug to 11th aug 2008	9.5	9.03	9.27	10427
25	12th aug to 18th aug 2008	9.48	8.61	9.05	3471
26	19th aug to 25th aug 2008	9.14	9.00	9.07	4677
	Average			**7.01**	

Source: www.bseindia.com

2 Weeks Daily High/Low : The average of the daily high and low prices of the equity shares of AIL during the 2 weeks prior to the board resolution which authorized the preferential allotment to the Acquirer i.e. 26/08/2008

Day No.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
			1st Week		
1	12th August 2008	9.66	8.75	9.21	856
2	13th August 2008	9.45	8.59	9.02	1020
3	14th August 2008	9.04	9.04	9.04	1095
4	15th August 2008	-	-	-	-
5	16th August 2008	-	-	-	-
6	17th August 2008	-	-	-	-
7	18th August 2008	-	-	-	-
			2nd Week		
8	19th August 2008	9.93	9.11	9.52	210
9	20th August 2008	9.55	9.09	9.32	1685
10	21st August 2008	-	-	-	-
11	22nd August 2008	9.54	9.02	9.28	2580
12	23rd August 2008	-	-	-	-
13	24th August 2008	-	-	-	-
14	25th August 2008	9.25	9.00	9.13	202
	Average			**9.22**	

Source: www.bseindia.com

c) The equity shares of AIL are frequently traded on BSE in terms of Explanation (i) to Regulation 20(5) of the Regulations. The offer price of Rs. 10.00 per equity share, has been determined as per Regulation 20(4) of the Regulations taking into account the following factors:

The negotiated price under the agreement	:	Not Applicable
Highest price paid by the Acquirers for acquisitions including by way of allotment in a public or rights issue or preferential issue, if any, during the twenty-six weeks period prior to the date of Public Announcement (P.A).	:	Rs. 10.00 (Preferential Allotment of Equity Shares)
Average of the weekly high and low of the closing prices of the equity shares of AIL as quoted on the BSE (being the exchange where the equity shares of AIL are most frequently traded) during the 26 weeks preceding the date of Board Resolution	:	Rs. 7.01
Average of the weekly high and low of prices of the equity shares of AIL as quoted on the BSE (being the exchange where the equity shares of AIL are most frequently traded) during the 2 weeks preceding the date of Board Resolution	:	Rs. 9.22

d) The offer price of Rs.10/- (Rupees Ten Only) per equity share being highest of all the above parameters is justified in terms of Regulation 20(4) applicable in respect of frequently traded shares.

e) As per the audited financial results for the year ended 31/03/2008 AIL has reported a loss of Rs. 7.31 lacs. AIL has an EPS of Rs. (0.12), net worth of Rs. 489.11 lacs and a Book Value per share of Rs. 9.77 as on 31/03/2008. Taking these parameters into consideration, the offer price of Rs. 10/- per share is also justified in terms of Regulation 20(5) in respect of infrequently traded shares.

f) As on the date of the public announcement the Acquirer holds 71,80,012 equity shares of Rs. 10/- each forming 71.80% of the paid-up capital of AIL.

g) There is no non- compete agreement.

h) The offer price will not be less than the highest price paid by the Acquirer, if any further acquisition of shares of Target Company from the date of PA upto seven working days prior to the closure of offer.

7. FINANCIAL ARRANGEMENT

a) Assuming full acceptance, the total monetary value of the offer would be Rs. 200.00 lacs. The Acquirer has opened an Escrow Account with Dena Bank Limited, Ghatkopar, Mumbai, in favour of the Manager to the Offer and deposited an amount of Rs. 50.00 lacs, which is 25% of the total monetary value of the offer. Acquirer has empowered the Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(5).

b) The Acquirer has adequate and firm financial resources to fulfill the obligations under the open offer. The financial obligation under the offer is being fulfilled through internal resources of the Acquirer and not through any bank / financial institution / or from any foreign / NRI Funds. M / s C.T. Gandhi & Co., Chartered Accountants, having their office a 318 / 2, Siddhivinayak Society, New Mhada Complex, Hingwala Lane Extn, Ghatkopar (East), Mumbai – 400 075. (Membership No. of Proprietor C. T. Gandhi is 38185 has certified vide certificate dated January 07, 2009 that the Acquirer has an immediate access to liquid assets which can be used for the acquisition of shares of M / s. Aadi Industries Limited. The immediate access to the liquid funds to the Acquirer is through availability of funds from his father Mr. Jitendra D. Shah who has undertaken to make the funds available to the Acquirer to enable the Acquirer to fulfill the financial obligations. The understanding for financial arrangement dated January, 06, 2009 has been entered into between Acquirer and Mr. Jitendra D. Shah. The said loan is interest free, unsecured and shall exclusively be used for payment of consideration to the shareholders of AIL who tender their shares in the open offer.

c) The Manager to the Offer is empowered to realise the value of the securities by sale or otherwise, provided if there is any deficit on realisation of the value of the securities, such deficit, if any, shall be made good by the Manager to the Offer in terms of Regulation 28(7). In terms of Regulation 28(8), the Manager to the Offer will not return the securities to the Acquirers till the completion of all obligations under the Regulations. The Manager to the Offer is authorized to realise the value of the escrow in terms of the Regulations.

d) In view of this, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer as firm financial arrangement through verifiable means are in place to fulfill the offer obligation.

8. TERMS AND CONDITIONS OF THE OFFER

a) The Acquirer will acquire the Shares which are free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

b) **Eligibility for accepting the Offer:** The Letter of Offer specifying the detailed terms and conditions of this offer together with Form of Acceptance cum Acknowledgement and Form of Withdrawal will be mailed to the equity shareholders of AIL(other than promoter and promoter group) whose names appear on the Register of Members of AIL, at the close of business hours on February 06, 2009 (referred to as “the Specified Date”).

c) **Statutory Approvals and Conditions of the Acquisition and the Offer**

1. As on the date of this LOO, there are no statutory approvals required to acquire the shares validly accepted under this Offer. If any statutory approvals are required or become applicable, the Offer would be subject to the receipt of such statutory approvals.

2. It may be noted that in case of non-receipt of statutory approvals within time, SEBI has a power to grant an extension of time to the Acquirer for payment of consideration to shareholders subject to the Acquirer agreeing to pay interest for the delay, as directed by SEBI under regulation 22(12) of the Regulations.
3. No approvals are required from FIs / Banks for the Offer.

d) Subject to the conditions governing this Offer as mentioned herein, the acceptance of this offer by the equity shareholders of AIL must be absolute and unqualified. Any acceptance to this offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever.

e) Shareholders who hold Shares in physical form and who wish to tender their Shares will be required to send the form of Acceptance-cum- Acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in the section of this Letter of Offer entitled "Procedure for Acceptance and Settlement", to the Registrar to the Offer at address mentioned under para 9.1 of this Letter of Offer, either by hand delivery during business hours or by registered post so that the same are received on or before the closing date i.e. March 31, 2009.

f) In respect of dematerialised Shares, the credit for the Shares tendered must be received in the escrow account (as specified in para 9.1 (a) on or before 5.00 p.m. Indian Standard Time on March 31, 2009.

g) The Acquirer will not be responsible in any manner for any loss of Share certificate(s) and / or Offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae and / or defect or modifications in the documents / forms submitted, the acceptance is liable to be rejected.

h) The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of this Letter of Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Procedure for accepting the offer by eligible persons

The equity shareholders of AIL who qualify and who wish to avail of this Offer (hereinafter referred to as “Acceptor”) will have to deliver the relevant documents as mentioned at point (a), (b) and (c) below as applicable to the Registrar to the Offer i.e; **Sharex Dynamics (India) Private Limited** at addresses mentioned below, by hand delivery or Registered Post between 10.30 am. to 5.00 pm on all working days i.e. other than Sundays and public holidays.

SHAREX DYNAMICS (INDIA) PRIVATE LIMITED
17-B, Dena Bank Building, 2nd Floor Horniman Circle,
Fort Mumbai 400 001
Tel No. : +91- 22-22702485 / 22641376; **Fax No.:** +91-22- 2264 1376
E-mail: sharexindia@vsnl.com
Website: sharexindia.com
SEBI Regn: INR00002102
Contact Person : Mr. Shashi Kumar

a) For equity shares held in dematerialized form:

For the purpose of the offer a Special Depository Account has been opened by Registrar to the Offer i.e.; “Sharex Dyanmics (India) Private Limited.”-, in the name and style of **“ESCROW ACCOUNT – AIL – OPEN OFFER.** ”with Keynote Capitals Limited as the depository participant in Central Depository Services (India) Limited (“CDSL”). Equity Shareholders holding the shares in dematerialized form will have to deliver the following documents:

i. Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository.
ii. Photocopy of the delivery instruction slip in “off-market” mode or counterfoil of the delivery instruction slip in “off-market” mode, duly acknowledged by the relevant Depository Participant (DP).
iii. For each delivery instruction the beneficial owner should submit separate Form of Acceptance.
iv. The details of the special depository account opened for this purpose are as under:

DP Name	Keynote Capitals Limited
DP ID Number	12024300
Beneficiary Account Number	1202430000010011
ISIN	INE563D01013
Market	Off-market

Shareholders of AIL are requested to please note that the Company has signed an agreement only with Central Depository Services (India) Limited (CDSL) and not with National Securities Depository Limited (NSDL). Shareholders having their beneficiary account in National Securities Depository Limited (NSDL) have to use inter depository delivery instruction for the purpose of crediting their equity shares in favour of Escrow Depository Account with CDSL.

v. The ISIN number allotted to equity shares of AIL is INE563D01013.
vi. Shareholders who have sent their physical equity shares for dematerialisation need to ensure that the process of getting equity shares dematerialised is completed well in time so that the credit in the Special Depository Account is received on or before closure of offer.

b) For equity shares held in physical form

Registered equity shareholders should enclose:

i. Form of Acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, by all equity shareholders whose name appears on the share certificates.
ii. Original share certificate(s)
iii. Valid share transfer form(s) duly signed as transferors by all registered equity shareholders (in case of joint holdings), in the same order and as per the specimen signatures registered with and duly witnessed at the appropriate place.

c) Unregistered owners of equity shares should enclose:

i. Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein.
ii. Original share certificate(s)
iii. Original broker contract note of a registered broker of a recognized stock exchange.
iv. Valid share transfer form(s) as received from the market. The details of the buyer should be left blank. If the details of the buyer are filled in, the tender will not be valid under the offer. Acquirer’s name will be subsequently filled in upon verifying the validity of the share transfer form.
v. No indemnity is needed from unregistered equity shareholders.

Payment of Consideration

The payment to the shareholders would be done through various modes in the following order of preference.

Electronic Clearing System ('ECS') - Payment would be done through ECS for Shareholders having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment through ECS is mandatory for Shareholders having a bank account at any of the above mentioned 68 centers, except where the Shareholder, being eligible, opts to receive payment through direct credit or RTGS.

Direct Credit - Shareholders having bank accounts with the Escrow Banker, as mentioned in the Acceptance cum Acknowledgement Form, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer.

Real Time Gross Settlement ('RTGS') - Shareholders having a bank account at any of the abovementioned 68 centres and whose amount exceeds Rs. 5 million, have the option to receive the payment through RTGS. Such eligible Shareholders who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Acceptance-cum-acknowledgement form. In the event the same is not provided, payment shall be made through ECS. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholder.

National Electronic Fund Transfer ('NEFT') - Payment shall be undertaken through NEFT wherever the Shareholder's bank has been assigned the Indian Financial System Code ('IFSC'), which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to the Shareholder through this method. The process flow in respect of payments by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.

For all other Shareholders, including physical Shareholders and those who have not updated their bank particulars with the MICR code, the payments will be despatched under certificate of posting for value upto Rs. 1,500/- and through Speed Post/ Registered Post for payments above Rs. 1,500/-. Such payments will be made by pay orders or demand drafts drawn on the Escrow Bank and payable at par. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Shareholders.

NO DOCUMENT SHOULD BE SENT TO THE MANAGER TO THE OFFER, ACQUIRER OR TO THE TARGET COMPANY

9.2 OFFER PERIOD

a) Offer period is the period between the date of Public announcement and the date of completion of offer formalities relating to the offer.

b) This Offer will remain open on all working days (i.e. excluding Sunday and Public Holidays) between March 12, 2009 to March 31, 2009 (both days inclusive). The equity shareholders of AIL who wish to avail of this offer shall be required to send their acceptance in the manner stated above so as to reach the Registrar to the Offer on or before March 31, 2009.

9.3 WITHDRAWAL OPTION

a) The equity shareholders, who are desirous of withdrawing their acceptances tendered in the offer, can do so upto three working days prior to the date of the closure of the offer i.e. on or before March 26, 2009. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, i.e. **Sharex Dynamics (India) Private Limited** so as to reach them on or before March 26, 2009 along with the following:

In case of physical shares: Name, Address, distinctive numbers, folio nos., number of shares tendered / withdrawn, and In case of dematerialised shares: Name, Address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary account number and a photocopy of the delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Special Depository Account.

b) The form of Withdrawal can also be downloaded from SEBI's website www.sebi.gov.in or obtained from the Manager / Registrar to the Offer.

c) In case of non-receipt of the form of withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

- In case of physical Shares: Name, address, distinctive numbers, folio nos. number of shares tendered / withdrawn, date of tender
- In case of dematerialized Shares: Name, address, number of Shares tendered / withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Depository Escrow Account.

9.4 Procedure for acceptance of the offer by the equity shareholders who do not receive the Letter of Offer and procedure for settlement

In case of non-receipt of the offer document / unregistered equity shareholders who wish to accept the offer should communicate their acceptance in writing on a plain paper stating the name, address, no. of shares held, distinctive numbers, folio number, no. of shares offered to the Registrar to the Offer together with relevant share certificate(s), the transfer deed(s) in case of physical mode / delivery instruction slip in case of dematerialized mode and the original contract note issued by share broker of a recognized stock exchange through whom they acquired the equity shares before the close of the Offer, i.e. March 31, 2009. Such equity shareholders may also download a copy of the form of acceptance cum acknowledgement from SEBI's website at www.sebi.gov.in and use the same.

9.5 GENERAL

a) Acquirer can revise the price upwards upto seven working days prior to closure of the offer and revision if any in the offer price would appear in the same newspapers where the Public Announcement has appeared. The same price would be paid to all shareholders who tender their shares in the offer.

b) **Shareholders may note that if there is a competitive bid, the public offers under all the subsisting bids shall close on the same date. As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**

c) The form of acceptance along with the Share Certificate(s) and other documents delivered shall become acceptance on the part of the shareholder, but will become a fully valid and binding contract between shareholder and Acquirer only upon the fulfillment of all conditions mentioned herein.

d) On fulfillment of the conditions herein mentioned, the Acquirer will pay the Offer price by crossed Account Payee Cheques/ Pay Orders/ Demand Drafts which will be sent by Registered Post to the equity shareholders of AIL, whose acceptance to the offer are accepted by the Acquirer, at the address registered with the Company. The Cheques/ Pay Orders/ Demand Drafts will be drawn in the name of first named shareholder in case of joint shareholding. In case of unregistered owners of the shares, payment will be made as per mandate given by such owner. The unregistered owner may give a mandate for drawing the pay order / demand draft in the name of the person whose bank details may be furnished by him in the Form of Acceptance for incorporating in the Pay Order / Demand Draft.

e) In case the aggregate of the valid responses to the offer exceeds offer size, then the Acquirer shall accept the valid applications received, in accordance with Regulation 21 (6) of the Regulations, on a proportionate basis in such a way that the acquisition from any Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The minimum marketable lot for the Shares is one equity share.

f) The share certificates will be held in trust by the Registrar to the Offer till the Acquirer complete the offer obligations in terms of the Regulations.

g) Acquirer shall acquire the equity shares from the shareholders of the Company who have validly tendered the equity shares under the Offer (i.e. equity shares and other documents are in order in accordance with the terms of the Offer) and remit the consideration in respect thereof on or before April 08, 2009 in cash by Account Payee Pay Order / Demand Draft. Any delay will attract interest in terms of Regulation 22(12) of SEBI (SAST) Regulations 1997. The information as to whether the equity shares tendered by them have been accepted (in full or in part) or rejected and consideration payable would be sent by Registered Post.

h) The unaccepted shares/documents will be returned to the shareholders by Registered Post.

i) For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer at the address mentioned in this Letter of Offer.

j) Pursuant to the Regulation 13, the Acquirer has appointed Keynote Corporate Services Ltd. as the Manager to the Offer.

k) Keynote Corporate Services Limited, the Manager to the Offer, does not hold any equity shares of AIL. Further, they have undertaken not to deal in the equity shares of AIL up to a period of fifteen days after closure of the offer.

l) The Board of Directors of AIL and Acquirer accepts full responsibility for the information contained in this Letter of Offer and also for the obligations of Acquirer as laid down in the Regulations.

10. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the Registered office of AIL from 11.00 a.m. to 3.00 p.m. on any working day until the Offer closes.

1. Copy of Memorandum of Understanding dated January 06, 2009 between Keynote Corporate Services Ltd., Manager to the Offer and Acquirer.
2. Copy of Memorandum of Understanding dated January 06, 2009 between Sharex Dynamics (India) Private Limited, the Registrar to the Offer and Acquirer.
3. A copy of the confirmation from Keynote Capitals Ltd., Depository Participant for opening a Escrow depository account for the Open Offer.
4. Copy of Escrow Agreement dated January 07, 2009 between Keynote Corporate Services Ltd., Manager to the Offer, Mr. Rushabh J Shah, the Acquirer and Dena Bank, Escrow Bank along with the copy of Statement received from the Escrow Bank confirming amount kept in Escrow Account.
5. Copy of Special Resolution passed at the Board Meeting held on January 05, 2009 regarding Allotment of Equity shares to Acquirer
6. Memorandum and Articles of Association of AIL.
7. Copies of audited Balance Sheets of AIL for the financial years 2005-06, 2006-07 and 2007-08 and certified accounts for 6 months period ended September 30, 2008.
8. Copy of certificate dated January 07, 2009 received from M/s C. T. Gandhi & Co., Chartered Accountant regarding networth and the ability of the acquirer i.e. Mr. Rushabh J. Shah to complete the formalities under the regulations.
9. Copy of in-principle approval received from BSE vide their letter dated December 24, 2008 for allotment of equity shares to Mr. Rushabh J. Shah on preferential basis.
10. Copy of listing and trading approval received from BSE vide their letter no. DCS/PREF/SP/FIP/2023/08-09 dated February 18, 2009 and Notice No. 20090303-18 dated March 03, 2009 for allotment of equity shares to Mr. Rushabh J. Shah on preferential basis.
11. Copy of Letter of Offer dated October 10, 2007 in respect of the Open Offer made to the Shareholders of AIL.
12. Copies of undertaking from Acquirer & Target Company.
13. Copy of Understanding for financial arrangement dated January 06, 2009 between Mr. Rushabh J. Shah and Mr. Jitendra D. Shah
14. Copy of Public Announcement as published in the newspaper on January 09, 2009.
15. Copy of letter No. CFD/DCR/TO/HB/155605/2009 dated February 26, 2009 received from Securities and Exchange Board of India in terms of provisions of Regulation 18(2) of the Regulations.

11. DECLARATION BY THE ACQUIRER

The Promoter /Acquirer of AIL accept full responsibility for the information contained in the Public Announcement and Letter of Offer and will be responsible for ensuring compliance with the obligations of Acquirer as laid down in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

Sd/-
Rushabh Jitendra Shah

Place: Mumbai

Date: March 03, 2009

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

OFFER
OPENS ON: THURSDAY, MARCH 12, 2009
CLOSES ON : TUESDAY MARCH 31, 2009

(Please send this form with enclosures to the Registrars to the Offer at their address given overleaf)

FORM OF ACCEPTANCE - CUM – ACKNOWLEDGEMENT

From:

Tel No. Fax No.: E-mail:

To,
SHAREX DYNAMICS (INDIA) PRIVATE LIMITED
17-B, Dena Bank Building, 2nd Floor Horniman Circle,
Fort Mumbai 400 001

Sub : Open offer to acquire 20,00,000 equity shares of Rs.10/- each representing 20% of the voting share capital of Aadi Industries Limited by Mr. Rushabh Jitendra Shah ('Acquirer') in terms of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Dear Sir,
I / We refer to the Letter of Offer dated March 03, 2009_for acquiring the equity shares held by me / us in Aadi Industries Limited.
I / We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

For Shares held in Physical Form:

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

Sr. No.	**Certificate No.**	**Distinctive No(s)**		No. of Shares
		From	**To**	
(In case the space provided is inadequate, please attach a separate sheet with the details)			**Total number of equity shares**	

I / We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me / us by the Registrar to the offer until the time the Acquirer pays the purchase consideration as mentioned in the Letter of Offer. I / We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

For shares held in Demat Form:

I / We hold shares in demat form and accept the Offer and enclose photocopy of the Delivery Instruction Slip duly acknowledgement by DP in respect of my / our equity shares as detailed below:

DP Name	**DP ID**	**Client ID**	**No. of Shares**	**Name of Beneficiary**

I / We have done an off market transaction for crediting the shares to the Escrow Account named **"ESCROW ACCOUNT – AIL – OPEN OFFER"** with the following particulars:

Depository Participant Name: Keynote Capitals Limited**, Beneficiary ID No.:** 1202430000010011, **DP ID No.:** 12024300

Shareholders whose shares are held in a beneficiary account with "NSDL" should use an "Inter Depository Delivery Instruction" to transfer their shares to the Special Depository Account with CSDL

I / We note and understand that the shares would lie in the Special Depository Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.

I / We authorise the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and

I / We authorise the Acquirer or the Manager to the Offer to send by registered post the draft / cheque, in settlement of the amount to the sole / first holder at the address mentioned below:

Address of First/Sole Shareholder

____

____

Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal. So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of bank account of the first / sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank _____________________________________ Branch____

Account Number ______________________ Savings / Current / Others (please specify) ____

IFSC Code (For RTGS / NEFT Transfers)* _____________________________ 9 Digit MICR Code (For ECS Credit)*

*Please read payment of consideration on page no. 15 of the letter of offer

Yours faithfully,

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

Signed and Delivered

Place:

--TEAR HERE--

Folio No.: Sr. No.:

SHAREX DYNAMICS (INDIA) PRIVATE LIMITED **(Acknowledgement Slip)**

Unit: Aadi Industries Limited

17-B, Dena Bank Building, 2nd Floor Horniman Circle, Fort Mumbai 400 001

Received from Mr. / Ms. ____

Address ____

Form of acceptance cum acknowledgement, # ________________ Number of Share Certificates for __________ _____ shares / # Copy of Delivery Instruction Slip to (DP) for _________shares.

Delete whichever is not applicable.

Signature of Official and Date of Receipt	Stamp of collection centre

PLEASE USE THIS FORM ONLY IF YOU HAVE TENDERED THE SHARES AND WISH TO WITHDRAW YOUR APPLICATION

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to the offer any time upto three working days prior to the date of closure of offer i.e. on or before March 19, 2009. In case you wish to withdraw your acceptance please use this form.

OFFER OPENS ON	**THURSDAY MARCH 12, 2009**
OFFER CLOSES ON	**TUESDAY MARCH 31, 2009**
LAST DATE OF WITHDRAWAL	**THURSDAY, MARCH 26, 2009**

From:

Tel No. Fax No.: E-mail:

To,

SHAREX DYNAMICS (INDIA) PRIVATE LIMITED
17-B, Dena Bank Building, 2nd Floor Horniman Circle,
Fort Mumbai 400 001

Sub : Open offer to acquire 20,00,000 equity shares of Rs.10/- each representing 20% of the voting share capital of Aadi Industries Limited by Mr. Rushabh Jitendra Shah ('Acquirer') in terms of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Dear Sir,

I / We refer to the Letter of Offer dated March 03, 2009 for acquiring the equity shares held by me / us in Aadi Industries Limited

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

I / We wish to withdraw our acceptance tendered in response to the said offer. We had deposited / sent our 'Form of Acceptance' to you on _________ along with original share certificate(s) and duly signed transfer deed(s) in respect of my / our shares as detailed below: **(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')**

Sr. No.	Certificate No.	Distinctive No(s)		No. of Shares
		From	To	
(In case the space provided is inadequate, please attach a separate sheet with the details)			**Total number of equity shares**	

I / We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed and **authorize you not to remit** the consideration as mentioned in the Letter of Offer.

I / We authorise the Acquirer to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer and,

I / We authorise the Acquirer or the Registrar to the Offer to send by registered post the original share certificate(s), transfer deed(s) and other documents tendered by me / us to the sole / first holder at the address mentioned below or credit the shares in demat form to my / our DP Account as mentioned below :

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

Address of First/Sole Shareholder

____

____

For Shares In Demat Form

DP Name	DP ID	Client ID	No. of Shares	Name of Beneficiary

Yours faithfully,

Signed and delivered

Place: Date:

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

--TEAR HERE--

Folio No.: Sr. No.: **SHAREX DYNAMICS (INDIA) PRIVATE LIMITED** **(Acknowledgement Slip)**

Unit: Aadi Industries Limited

17-B, Dena Bank Building, 2nd Floor Horniman Circle, Fort Mumbai 400 001

Received from Mr. / Ms. ______________________________

Address ______________________________

Form of withdrawal in respect of _________ Number of Share Certificates representing ________ number of shares.

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer