LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as a shareholder of **Ambuja Cements Limited**. If you require any clarifications about the action to be taken, you should consult your stock-broker or investment consultant or the Manager/ Registrar to the Offer. In case you have sold your shares, please hand over this Letter of Offer, the accompanying Form of Acceptance, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

CASH OFFER AT Rs. 154 /- (Rupees One Hundred Fifty Four only) PER FULLY PAID-UP EQUITY SHARE OF Rs. 2 (Rupees Two Only)

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

Up to **306,553,600** fully Paid-up Equity Shares of face value Rs. 2/- each,
(representing 20.14% of the Fully Paid Up Equity Voting Capital, 20.00% of the Fully Diluted Equity Voting Capital) **("Offer")**

OF

Ambuja Cements Limited ("ACL")
having its registered office at: **P.O. Ambujanagar, Taluka Kodinar, District Junagadh, Gujarat 362 715, India**

Tel: +91 2795 221137, Fax +91 2795 232028

BY

Holderind Investments Ltd ("Holcim Mauritius")
having its registered office at Manor House, 1st Floor, Cnr St. George/Chazal Streets, Port Louis, Mauritius Tel: +230 203 6600, Fax +230 203 6650

ALONG WITH

Ambuja Cement India Private Limited ("ACIL")
having its registered office at 106, Maker Chamber III, Nariman Point, Mumbai, 400 021
Tel : +91 22 6659 7300, Fax +91 22 2285 3048

PERSON DEEMED TO BE ACTING IN CONCERT

Holcim Ltd ("Holcim")
having its registered offices at Zürcherstrasse 156, CH-8645 Jona, Switzerland,
Tel : +41 58 858 8600, Fax +41 58 858 8609

MANAGER TO THE OFFER

DSP Merrill Lynch

DSP Merrill Lynch Limited

10th Floor, Mafatlal Center,
Nariman Point, Mumbai 400 021
Tel: +91 22 6632 8000 Fax: +91 22 2204 8518, Email: acl_openoffer@ml.com
Contact Person: Harsh Parikh

REGISTRAR TO THE OFFER

KARVY
Karvy Computershare Private Limited

Karvy Computershare Private Limited
Plot No. 17 to 24, Vithalrao Nagar, Hi Tech City Road, Madhapur, Hyderabad 500 086,
Phone: +91 40 2342 0818 - 828, Fax: +91 40 2343 1551, Email: murali@karvy.com
Contact Person: Mr. Murali Krishna

OFFER OPENS ON: WEDNESDAY, NOVEMBER 14, 2007	**OFFER CLOSES ON: MONDAY, DECEMBER 3, 2007**

ATTENTION:

a) The Offer, along with any obligation to purchase the Shares tendered and accepted and to pay for the same, as well as the acquisition of the Sale Shares pursuant to the Letter Agreement, as well as other acquisitions of shares in accordance with sub regulation 7 of Regulation 20 of the SEBI (SAST) Regulations and payment for the same, are subject to the receipt by Holcim Mauritius of RBI Approval under FEMA. RBI approval has been received vide RBI letter no. FE.CO.FID/5902/10.21.079/2007-08 dated September 12, 2007.

b) Besides this, as on the date of this Letter of Offer, no other statutory approval is required to acquire the shares tendered pursuant to this Offer. In terms of Regulation 27 of SEBI (SAST) Regulations, Holcim Mauritius will not proceed with the Offer in the event that statutory approval indicated above is refused and you will be informed by way of another Public Announcement in the newspapers where the first Public Announcement for this Offer appeared.

c) In case of delay in receipt of statutory approval(s), SEBI has power to grant extension of time to Holcim Mauritius for payment of consideration to shareholders, subject to Holcim Mauritius agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by Holcim Mauritius in obtaining the requisite approval, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.

d) Holcim Mauritius does not require any approvals from financial institutions or banks for the Offer.

e) If there is any upward revision in the Offer Price by Holcim Mauritius prior to or on the last date for revising the Offer Price viz. Thursday, November 22, 2007, you would be informed by way of another public announcement in the same newspapers where the first Public Announcement for this Offer had appeared. Holcim Mauritius would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.

f) ***Shareholders who have accepted the Offer by tendering the requisite documents in terms of this Letter of Offer shall have the option to withdraw their acceptance up to Wednesday, November 28, 2007 i.e. 3 (three) working days prior to the date of closure of the Offer viz. Monday, December 3, 2007.***

g) If there is a competitive bid,

- public offers under all the subsisting bids shall close on the same date;
- As the Offer Price can not be revised during the 7 working days prior to the closing date/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.

h) Form of Acceptance and Form of Withdrawal are enclosed with this Letter of Offer.

THE PUBLIC ANNOUNCEMENT AND THIS LETTER OF OFFER, FORM OF ACCEPTANCE AND FORM OF WITHDRAWAL WOULD ALSO BE AVAILABLE ON SEBI'S WEBSITE (www.sebi.gov.in) FROM THE OFFER OPENING DATE VIZ. WEDNESDAY, NOVEMBER 14, 2007

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER:

Activity	Original Schedule	Revised Schedule
Public Announcement Date	Friday, August 24, 2007	Friday, August 24, 2007
Last date for a competitive bid	Friday, September 14, 2007	Friday, September 14, 2007
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be posted)	Friday, September 21, 2007	Friday, September 21, 2007
Date by which Letter of Offer will be dispatched to shareholders	Monday, October 8, 2007	Saturday, November 10, 2007
Date of opening of the Offer	Thursday, October 18, 2007	Wednesday, November 14, 2007
Last date for revising the Offer Price/number of shares	Friday, October 26, 2007	Thursday, November 22, 2007
Last date for withdrawing acceptance from the Offer	Thursday, November 1, 2007	Wednesday, November 28, 2007
Date of closure of the Offer	Tuesday, November 6, 2007	Monday, December 3, 2007
Date of communicating rejection/ acceptance and payment of consideration for accepted Shares /dispatch of the share certificate in case of rejection	Wednesday, November 21, 2007	Tuesday, December 18, 2007

Important Notice

The Offer pursuant to this Letter of Offer is not being made in any jurisdiction (the Non-eligible Jurisdiction) in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction. In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, and the Manager or Registrar or any affiliate of such persons is a licensed broker or dealer in that jurisdiction, it is being made in that jurisdiction by such person or that affiliate on behalf of Holcim Mauritius.

The offer for the shares in the Ambuja Cements Ltd is being made in compliance with the Indian Takeover Code. Investors outside of India are advised to consult their legal and financial advisers as to whether, and under what circumstances, they are allowed to tender their shares and accept payment of the purchase price in the offer. The offer is not being made, directly or indirectly, in or into, or by use of the mails or any means or instrumentality (including, without limitation, facsimile transmission, telephone and internet) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of, European Economic Area, United States of America, Canada, Japan, Australia or any jurisdiction where it would be unlawful to be made and the offer will not be capable of acceptance by any investors residing in, or from, the European Economic Area, United States of America, Canada, Japan, Australia or any jurisdiction where it would be unlawful to be made, unless an exemption applies under applicable law. Accordingly, copies of this announcement are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into the European Economic Area, United States of America, Canada, Japan, Australia or any jurisdiction where it would be unlawful to be made and persons receiving this announcement (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from European Economic Area, United States of America, Canada, Japan, Australia or any jurisdiction where it would be unlawful to be made, unless an exemption applies under applicable law.

This Letter of Offer and the information contained herein does not constitute investment, financial, tax, legal or any other advice (the Advice) in any country and/or under any applicable jurisdiction. If readers are in any doubt as to the action they should take, they are recommended to seek their own Advice immediately from their broker, dealer, bank manager, accountant, counsel or other appropriate independent adviser authorised under applicable laws and regulations. Readers of this notice should inform themselves of, and observe, any applicable legal requirements.

RISK FACTORS

Given below are the risks related to the transaction, the Offer and getting associated with Holcim Mauritius.

a) The Offer, along with any obligation to purchase the Shares tendered and accepted and to pay for the same, is subject to the receipt of the approval to be obtained by Holcim Mauritius from RBI under FEMA to acquire further shares in ACL in terms of the Offer, as well as the acquisition of the Sale Shares pursuant to the Letter Agreement, as well as other acquisitions of shares in accordance with sub-regulation 7 of Regulation 20 of the SEBI (SAST) Regulations. RBI approval has been received vide RBI letter no. FE.CO.FID/5902/10.21.079/2007-08 dated September 12, 2007.

b) In the event of regulatory approvals not being received in a timely manner or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not be proceeded with, the Offer process may be delayed beyond the Schedule of the Major Activities of the Offer indicated in this Letter of Offer.

c) Holcim Mauritius makes no assurance with respect to the market price of the shares during/ after the Offer.

d) Holcim Mauritius is desirous of increasing its shareholding in ACL. Consequently Regulations 11(1) of the SEBI (SAST) Regulations is attracted and the Offer is made pursuant thereto. Holcim Mauritius makes no assurance with respect to the continuation of the past trend in the financial performance of ACL.

e) 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 ACL.

f) In the event of oversubscription in the Offer, the acceptance will be on a proportionate basis and will be contingent on the level of oversubscription.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of ACL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of ACL are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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DEFINITIONS

Holcim Mauritius	Holderind Investments Ltd
Holcim India	Holcim (India) Private Limited
ACL	Ambuja Cements Limited
ACEL	Ambuja Cement Eastern Limited
ACIL	Ambuja Cement India Private Limited
ACRL	Ambuja Cement Rajasthan Limited
ACC	ACC Limited
BSE	The Bombay Stock Exchange Limited
CDSL	Central Depository Services Limited
CHF	Swiss Francs
DP	Depository Participant
DSPML	DSP Merrill Lynch Limited
Eligible Person(s)	All owners (registered or unregistered) of Shares of ACL (other than Holcim Mauritius, ACIL, RMIL, RKBK and Mr. Narotam S. Sekhsaria) at anytime before the Closure of the Offer.
FEMA	Foreign Exchange Management Act, 1999 and subsequent amendments thereto.
Form of Acceptance	Form of Acceptance cum Acknowledgement
Fully Diluted Equity Voting Capital	The equity voting capital of ACL assuming that all the stock options issued by ACL (includes rights and warrants kept in abeyance) as of the date of the Public Announcement to employees under various ESOP plans are exercised.
INR or Rs.	Indian Rupees
Letter of Offer	Offer Document
Manager/ Manager to the Offer	DSP Merrill Lynch Limited
mm	Million
mtpa	Million tonnes per annum
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer	Open offer for acquisition of up to 306,553,600 fully Paid-up Equity Shares of face value of Rs. 2/- each, representing 20.14% of the fully paid up equity voting capital (representing 20.00% of the fully diluted equity voting capital) of ACL at the Offer Price
Offer Price	Rs. 154 (Rupees One Hundred Fifty Four only) per fully paid-up equity share of Rs. 2/-
OPC	Ordinary Portland Cement
PPC	Portland Pozzolona Cement
Public Announcement/ PA	Announcement of the Offer made by Holcim Mauritius on August 24, 2007
Public Shareholders of ACL	All owners (registered or unregistered) of shares of ACL except Holcim Mauritius, ACIL, RMIL, RKBK and Mr. Narotam S. Sekhsaria
REELS	Rating enhanced equity linked securities

RBI	Reserve Bank of India
Registrar/ Registrar to Offer	Karvy Computershare Private Limited
RMIL	Radha Madhav Investments Ltd.
RKBK	RKBK Fiscal Services Private Limited
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Share(s)	Fully paid-up equity shares of face value of Rs. 2 each of ACL
Specified Date	Friday, September 21, 2007
Takeover Code	SEBI (SAST) Regulations
USD	United States Dollars

Rupee Translation

Certain financial details contained in this Letter of Offer are denominated in USD and / or CHF. The Rupee equivalent quoted in case of USD is calculated in accordance with the RBI Reference rates as on August 22, 2007, namely 1USD = Rs. 41.01 (Source: www.rbi.org.in), while the Rupee equivalent of CHF numbers is calculated by first converting CHF into USD using the NY Fed Noon Buying Rate on August 21, 2007, namely 1USD = 1.2033 CHF, (*Source: www.ny.frb.org*) and then using the RBI Reference Rate to convert USD to Rupees leading to an effective rate of 1 CHF = Rs. 34.0813

1 DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT 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 DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ACL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF ACQUIRER OR PAC OR OF ACL, THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER AND PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT ACQUIRER AND PAC DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER - DSP MERRILL LYNCH LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED AUGUST 31, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE ACQUIRER AND/OR PAC 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) Holderind Investments Ltd, a company organized under the laws of Mauritius and having its registered office at Manor House, 1st Floor, Cnr St. George/ Chazal Streets, Port Louis, Mauritius, ("Holcim Mauritius"/"Acquirer") along with Ambuja Cement India Private Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 106, Maker Chamber III, Nariman Point, Mumbai, 400 021("ACIL"/"PAC") as Person Acting in Concert ("PAC"), are making this offer ("Offer") pursuant to Regulation 11(1) of the SEBI (SAST) Regulations as aforesaid, to the public shareholders of Ambuja Cements Limited ("ACL") to acquire up to 306,553,600 fully paid up equity shares of Rs. 2/- each ("Shares") representing 20.14% of the fully paid up equity voting capital (representing 20% of the fully diluted equity voting capital) at a price of Rs. 154 (Rupees One Hundred Fifty Four only) per Share ("Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter including the receipt of Reserve Bank of India (RBI) approval under the Foreign Exchange Management Act (FEMA) as described in Para 10.1 . Holcim Ltd, a company incorporated under the laws of Switzerland and having its registered offices at Zürcherstrasse 156, CH-8645 Jona, Switzerland, is a person deemed to be acting in concert by virtue of its parent support undertaking given on August 22, 2007 in favor of the obligations of Holcim Mauritius and its being the indirect holding company of Holcim Mauritius. Shares tendered pursuant to the Offer will be acquired by Holcim Mauritius.

b) Holcim Mauritius is a Group Company (an indirectly held wholly owned subsidiary) of Holcim Ltd, which is the ultimate parent of the Holcim Group (which comprises Holcim Ltd, its subsidiaries and affiliates), one of the world's leading suppliers of cement, cementitious material, clinker, concrete, concrete products, aggregates, mortar and asphalt as well as related activities and services, with a consolidated cement capacity of about 198.1 mtpa (Source: First Quarter Interim Report 2007 Holcim Ltd).

c) On January 30, 2006, Holcim Mauritius had entered into a shareholders' agreement with Radha Madhav Investment Limited ("RMIL"), a company incorporated under the laws of India having its offices at 11A, Mittal Chambers, Nariman Point, Mumbai 400 021, India, Tel: +91 22 2202 2930, Fax: +91 22 2202 2853 and RKBK Fiscal Services Private Limited ("RKBK"), a private limited company incorporated under the Companies Act and having its registered office at 216, A.J.C. Bose Road, Kolkatta 700 017, India, Tel: +91 33 2287 0818, Fax: +91 33 3022 8450 and Mr. Narotam S. Sekhsaria, the promoters of ACL, to regulate their respective rights as shareholders of ACL (then Gujarat Ambuja Cements Limited), and their respective responsibilities regarding the management of the business of ACL ("Shareholders' Agreement").

d) By virtue of a letter agreement dated August 22, 2007 (the “Letter Agreement”), the Shareholders’ Agreement was amended providing inter alia, that:

- Holcim Mauritius would acquire 60,000,000 fully paid equity shares of ACL (the “Sale Shares”) constituting 3.94% of the fully paid up equity voting capital (3.91% of the fully diluted equity voting capital) of ACL from RMIL and RKBK (the “Sellers”) at the Offer Price.
- The sale of the Sale Shares shall be carried out in the manner and through such mechanism (including through the stock exchange) as specified by the Sellers in a settlement notice to Holcim Mauritius, subject to regulatory approvals. Holcim Mauritius would pay the consideration to the Sellers and the Sellers would deliver the Sale Shares in such manner as may be specified by the Sellers in compliance with the SEBI (SAST) Regulations.
- In case Holcim Mauritius is unable to purchase the Sale Shares on or prior to September 30, 2007 (or such other date as may be mutually agreed between Holcim Mauritius and the Sellers), Holcim Mauritius will have the right to designate an alternative purchaser to purchase the Sale Shares from the Sellers, failing which the Sellers will have a right to sell the shares to a third party or in the open market through orderly structured sales after October 11, 2007 (or such other date as may be mutually agreed between Holcim Mauritius and the Sellers). In the event of a sale to either an alternative purchaser or to a third party or in the open market, as the case may be, at a price below the Offer Price, Holcim Mauritius would compensate the Sellers for any shortfall in the sale consideration so received.
- So long as RMIL and RKBK hold more than 1 Crore shares in ACL, they continue to be entitled to nominate two non-retiring, non-executive directors on the Board of Directors of ACL. The current representatives of RMIL and RKBK on the ACL board of directors are Mr. Suresh K. Neotia and Mr. Narotam S. Sekhsaria.
- In addition, RMIL and RKBK will have a Put option to sell, all or part of the remaining 12,041,909 ACL shares constituting, as of the date of the Public Announcement, 0.79% of the fully paid up equity voting capital (0.79% of the fully diluted equity voting capital) held by them to the Acquirer at any time after January 29, 2009, in one or more tranches.
- The clause relating to right of first refusal available to RMIL, RKBK and Mr. Narotam S. Sekhsaria has been deleted.

e) The Shareholders’ Agreement dated January 30, 2006, among Holcim Mauritius, RMIL, RKBK and Mr. Narotam S. Sekhsaria (“Shareholders’ Agreement”) conferred on RMIL, RKBK and Mr. Narotam S. Sekhsaria certain special rights relating to the corporate governance of ACL, namely the following:

- The right to nominate two members of the ACL board of directors who shall be non-retiring directors;
- Certain consultation rights of NSS relating to the appointment of the ACL managing director and relating to the members of ACL executive management;
- Reserved matters related to the shareholding of RMIL, RKBK and Mr. Narotam S. Sekhsaria in ACL: Holcim Mauritius has undertaken to ensure that no corporate action or decision of ACL is taken that (a) has the effect of diluting the percentage ownership of RMIL, RKBK and Mr. Narotam S. Sekhsaria in ACL, or that (b) results in the delisting of the ACL shares without the prior written consent of RMIL acting reasonably.

In addition, the Shareholders’ Agreement confers on RMIL, RKBK and Mr. Narotam S. Sekhsaria certain veto rights if Holcim Mauritius is in breach of contract

f) By virtue of the letter agreement dated August 22, 2007 (“Letter Agreement”), Holcim Mauritius has undertaken to acquire an additional 60 mm shares in ACL from RMIL and RKBK. The Letter Agreement contains provisions designed to ensure that the special rights described above will not be abrogated or modified in any manner as a result of this share sale. There will be no change in control of ACL by virtue of the Letter Agreement and/or this Offer and Holcim Mauritius will continue to retain control over ACL, which will be exercised jointly with RMIL, RKBK and Mr. Narotam S. Sekhsaria who retain certain special rights through the Shareholders’ Agreement as amended by the Letter Agreement.

g) Holcim Mauritius has acquired 60 mm shares of ACL from RMIL and RKBK on September 21, 2007 under the terms of the Letter Agreement. The sale of the Sale Shares has been carried out through the block deal mechanism on the Bombay Stock Exchange. Holcim Mauritius has opened a separate escrow account with Karvy Stockbroking (Client ID - 40216686; DP ID - IN 302470), with Karvy

Computershare Private Limited acting as an escrow agent. Under the terms of the escrow agreement and in compliance with Regulation 23(6), these shares will be released to the Acquirer only once DSPML, certifies that the Acquirer has fulfilled all its obligations under the SEBI (SAST) Regulations.

h) The acquisition of the Sale Shares pursuant to the Letter Agreement would cause the total number of shares acquired by Holcim Mauritius in the financial year ending March 31, 2008 to exceed the limit of 5% specified in Regulation 11(1) of the SEBI (SAST) Regulations. Consequently, Holcim Mauritius is making this Offer to the Public Shareholders of ACL under Regulation 11(1) to acquire up-to 306,553,600 fully paid equity shares ("Share(s)") of Rs. 2/- each, representing in the aggregate 20.14% of the fully paid up equity voting capital (20% of the fully diluted equity voting capital) of ACL at the Offer Price, payable in cash and subject to the terms and conditions mentioned hereinafter and in the letter of offer to be sent to the shareholders ("Letter of Offer'').

i) Holcim Mauritius, ACIL, RMIL, RKBK, Narotam S. Sekhsaria and ACL have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.

j) SEBI has levied a penalty of Rs. 25 Crores on Holcim (India) Private Limited ("Holcim India") for not making a public announcement for acquiring the shares of Everest Industries Limited allegedly being an indirect acquisition of its shares upon acquisition of shares of ACC Limited vide a share purchase agreement dated 20th January 2005 and an open offer made subsequent thereto. Securities Appellate Tribunal has stayed the above demand vide its order dated 5th October 2006 upon an appeal filed by Holcim India and the final order in the matter is pending in the tribunal.

k) No change in the Board of Directors of ACL is proposed after the offer.

2.2 THE DETAILS OF THE OFFER

a) The Public Announcement dated August 24, 2007 was made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	Editions
Business Standard	All
Pratahkal	All
Sakal	Mumbai
Saurashtra Bhoomi	Junagarh

(The Public Announcement is also available at the SEBI website: www.sebi.gov.in)

b) Holcim Mauritius along with ACIL as a PAC are making this offer pursuant to Regulation 11(1) of the SEBI (SAST) Regulations as aforesaid, to the Public Shareholders of ACL to acquire up to 306,553,600 fully paid up equity shares of Rs. 2/ - each ("Shares") representing 20.14 % of the fully paid up equity voting capital (representing 20% of the fully diluted equity voting capital) at a price of Rs. 154 (Rupees One Hundred Fifty Four) only per Share ("Offer Price") payable in cash.

c) Holcim Mauritius held 341,328,720 equity shares in ACL constituting 22.43% of the fully paid up equity voting capital (22.27% of the fully diluted equity voting capital) of ACL as on the date of the Public Announcement. ACIL held 150,670,120 equity shares in ACL representing 9.90% of the fully paid up equity voting capital, (9.83% of the fully diluted equity voting capital) of ACL as on the date of the Public Announcement. Collectively, these two entities held 491,998,840 equity shares of ACL representing 32.33% of the fully paid up equity voting capital (32.10% of the fully diluted equity voting capital) of ACL as on the date of the Public Announcement. Holcim Ltd does not hold any shares in ACL.

d) Holcim Mauritius will acquire the shares tendered by the Public Shareholders of ACL pursuant to the Offer, subject to the terms and conditions mentioned in the PA and this Letter of Offer including the receipt of Reserve Bank of India (RBI) approval under the Foreign Exchange Management Act (FEMA) as described in Para 10.1 ("Offer"). Upon closing of the Offer (assuming full acceptance) and consummation of the transaction under the Letter Agreement as detailed in Para 2.1 (d), Holcim Mauritius will hold 50.52% of the fully diluted equity voting capital in ACL. Collectively with ACIL, Holcim Mauritius will hold 60.42% of the fully diluted equity voting capital in ACL.

e) The Offer is not conditional on any minimum level of acceptances by the shareholders. During the Offer period, Holcim Mauritius may purchase additional equity shares of ACL in accordance with the SEBI (SAST) Regulations.

f) ACIL is acting in concert with the Acquirer, and Holcim Ltd, by virtue of its parent support undertaking given on August 22, 2007 in favor of the obligations of Holcim Mauritius and its being the indirect holding company of Holcim Mauritius, is a person deemed to be acting in concert with the Acquirer in terms of Regulation 2(1) (e) of the SEBI (SAST) Regulations in relation to this Offer. Save as stated herein, there are no other persons acting in concert in relation to this Offer.

g) The Acquirer and PAC have not purchased any shares of ACL from the date of PA and up to the date of the Draft Letter of Offer. Post receipt of RBI approval, the Acquirer has acquired shares of ACL as follows:

Date of Acquisition	No. of Shares acquired	Average Price per share (Rs.)	Shareholding of Holcim Mauritius post acquisition (%)	Remark
September 21, 2007	39,000,000	154.00	24.99	Acquired from RMIL in terms of the Letter Agreement and held in escrow
September 21, 2007	21,000,000	154.00	26.37	Acquired from RKBK in terms of the Letter Agreement and held in escrow
September 21, 2007	10,911,804	149.47	27.09	Open market purchase held in escrow
October 22, 2007	50,000,000	148.73	30.38	Open market purchase held in escrow

2.3 OBJECT OF THE OFFER

Holcim Mauritius is desirous of consolidating its shareholding in ACL, including through the acquisition of 60,000,000 shares from RMIL and RKBK in terms of the Letter Agreement and acquisition of additional shares in the open market in accordance with the SEBI (SAST) Regulations. Consequently Regulations 11(1) of the SEBI (SAST) Regulations is attracted and the Offer is made pursuant thereto.

3 BACKGROUND OF HOLDERIND INVESTMENTS LTD ("HOLCIM MAURITIUS")

a) Holcim Mauritius is a company incorporated on April 20, 1993, under the laws of Mauritius having its registered office at Manor House, 1st Floor, Cnr St. George/Chazal Streets, Port Louis, Mauritius, Tel : +230 203 6600, Fax +230 203 6650.

b) Holcim Mauritius is a wholly owned subsidiary of Holderfin BV, a private limited liability company registered in Amsterdam, The Netherlands, which is a 100% owned subsidiary of Holcim Ltd which is, one of the world's leading suppliers of cement, cementitious material, clinker, concrete, concrete products, aggregates, mortar and asphalt as well as related activities and services. Holcim Ltd, together with its subsidiaries and affiliates, has a consolidated cement capacity of 198.1 mtpa.

c) Holcim Mauritius has been established to undertake offshore business activities as a corporate investment vehicle. Adequate funds are available to Holcim Mauritius as and when investments are decided upon or formalized.

d) The key shareholders of Holcim Mauritius and their shareholding and voting rights on a non-diluted basis as on December 31, 2006 are given below

Particulars	No. of shares		Voting Rights	
	No. of shares	%	Voting Rights	%
Holderfin BV	220,000,000	100%	220,000,000	100%
Total	220,000,000	100%	220,000,000	100%

e) Holcim Mauritius is the holding company of Holcim India. Holcim Mauritius and Holcim India together hold 89% stake in ACIL, which in turn holds 9.90% of the fully paid up equity capital of ACL.

f) Holcim Mauritius directly held 22.43% of the fully paid up equity voting capital of ACL as on the date of the Public Announcement.

g) Brief history of Holcim Mauritius is as follows:

April 20, 1993	Incorporated as a private limited company in Mauritius with the principal objective of holding investments. Is the holder of a Category 1 Global Business license and is required to carry out business in currencies other than the Mauritian Rupee.
December 20, 2002	Holcim Mauritius received FIPB approval to invest up to Rs. 600 Crores. through Holcim India in downstream cement manufacturing activities.
January - April 2005	Holcim Mauritius together with Holcim India entered into a number of agreements with ACL and certain other parties that led to Holcim Mauritius acquiring a 67% stake in ACIL, which in turn made open offers for ACC and ACEL. ACIL, along with Holcim Mauritius, became the promoter of ACC following this open offer. Holcim Mauritius also subscribes to preference shares at a total price of Rs. 8,100.3 million issued by ACIL.
January - May 2006	Holcim Mauritius bought an equity stake in ACL (14.58% of the fully diluted equity voting capital), and entered into the Shareholder Agreement, and became a foreign promoter of ACL following the consequent open offer.
August 22 - 24, 2007	Enters into the Letter Agreement and made a public announcement under regulation 11(1) of the SEBI (SAST) Regulations of an open offer for 20% of the fully diluted equity voting capital of ACL.

h) In the last three years, Holcim Mauritius has been involved in the following acquisitions and mergers:

- Invested in equity shares of Holcim India in 2005, made downstream investments in equity and preference shares of ACIL in 2005
- Been a person acting in concert in the open offers for shares of ACC and ACEL made by Holcim India through ACIL in 2005,
- Acquired shares of ACL from the existing promoters and made an open offer to acquire shares up-to 20% of the fully diluted equity voting capital of ACL in 2006, and made additional purchases of shares in ACL through creeping acquisition in 2006 and 2007
- Increased its stake in ACIL from 67% to 89% through the acquisition of 11% in February 2007 and another 11% in April 2007 as a consequence of ACL exercising its put options in 2007.
- Pursuant to a Scheme of Amalgamation sanctioned by the Hon. High Court at Bilaspur on November 13, 2006 and Hon. High Court at Ahmedabad on November 21, 2006, the entire business and all the assets and liabilities of the erstwhile ACEL have with effect from January 01, 2006, stood transferred and vest in ACL. Shareholders in ACEL were allotted four equity shares of Rs. 2/- each fully paid up of ACL for every five equity shares of erstwhile ACEL. Accordingly ACIL was allotted 147,470,903 shares in ACL.

Apart from the above, there have been no acquisitions, spin-offs or mergers involving Holcim Mauritius in the last three years

i) Holcim Mauritius has complied with the provisions of Chapter II of SEBI (SAST) Regulations as applicable to its investments in ACL.

j) The Board of Directors of Holcim Mauritius as on the date of Public Announcement was as follows:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Mr. Beat Fellmann	Director	July 03,1998	Chartered Accountant	Internal Auditor, Head Financial Holdings, Holcim Deputy Group CFO, Holcim	Weidstrasse 7, 8472, Seuzach, Switzerland
Mr. Sharmil Shah	Director	July 11, 2006	BSc (Hons), MBA	Finance Manager, Credit Officer, Senior Officer	13, Mouette Avenue, Sodnac, Quatres Bornes, Mauritius
Mr. Jayechund Jingree	Director	September 22, 2003	Chartered Accountant, Trust and Estate Practitioner	Senior Partner at KPMG, Managing Director of Kross Border Trust Services Limited	Résidence 190, Allée Brillant, Route Floreal, Vacoas, Mauritius
Mr. Andreas Kranz	Director	August 22, 2005	Chartered Accountant	External Auditor Controller Head Financial Holdings, Holcim	Weidstrasse 11, 8706 Meilen, Switzerland
Mr. Theophil Schlatter	Director	March 06, 2007	Chartered Accountant	Head of Finance, Group CFO, Holcim	Baumgartenrain 6, 8820 Wädenswil, Switzerland

k) None of the Directors of Holcim Mauritius are on the board of ACL.

l) None of the Directors of Holcim Mauritius have acquired any shares of ACL during the 26-week period prior to the date of the Public Announcement.

m) The brief financials of Holcim Mauritius (audited for the years ended December 31, 2004, December 31, 2005 and December 31, 2006 and reviewed financials for the 3 months ended March 31, 2007) are as follows:

Profit & Loss Statement for the last 3 years and for the 3 months period ended March 31, 2007

	2004	2005	2006	3 months ended March 31, 2007	2004	2005	2006	3 months ended March 31, 2007
	USD				Rs. in Lakhs (Rupee Translation of USD)			
Income from Operations	-	2,674,998	11,117,113	5,214,821	-	1,097	4,559	2,139
Other Income	47,981	2,940,064	14,251,484	6,042,803	19	1,206	5,845	2,478
Total Income	**47,981**	**5,615,062**	**25,368,597**	**11,257,624**	**19**	**2,303**	**10,404**	**4,617**
Total Expenditure	11,808	9,348	586,996	2,100	5	4	241	1
Profit before Interest, Depreciation and Tax	**36,173**	**5,605,714**	**24,781,601**	**11,255,524**	**14**	**2,299**	**10,163**	**4,616**
Depreciation	-	-	-	-	-	-	-	-
Interest	30	40,062,521	73,913,879	22,621,412	-	16,430	30,312	9,277
PBT	36,143	(34,456,807)	(49,132,278)	(11,365,888)	14	(14,131)	(20,149)	(4,661)
Provision for Tax	8,635	-	-	-	4	-	-	-
Net Income	**27,508**	**(34,456,807)**	**(49,132,278)**	**(11,365,888)**	**10**	**(14,131)**	**(20,149)**	**(4,661)**

Balance Sheet as on December 31,

	2004	2005	2006	As on March 31, 2007	2004	2005	2006	As on March 31, 2007
	USD				Rs. in Lakhs (Rupee Translation of USD)			
Sources of Funds:								
Paid-up Share Capital	5,098,563	15,000,000	220,000,000	220,000,000	2,091	6,152	90,222	90,222
Reserves & Surplus	(2,394,468)	(21,752,712)	(55,884,990)	(67,250,878)	(982)	(8,921)	(22,919)	(27,580)
Net Worth	2,704,095	(6,752,712)	164,115,010	152,749,122	1,109	(2,769)	67,303	62,642
Secured Loans	-	-	-	-	-	-	-	-
Unsecured Loans	-	841,887,857	1,328,695,831	1,517,477,571	-	345,258	544,898	622,318
Total	**2,704,095**	**835,135,145**	**1,492,810,841**	**1,670,226,693**	**1,109**	**342,489**	**612,201**	**684,960**
Uses of funds:								
Net Fixed Assets	-	-	-	-	-	-	-	-
Investments	2,709,894	832,753,826	1,483,578,824	1,677,247,855	1,111	341,512	608,415	687,840
Net Current Assets	(5,799)	2,381,319	9,232,017	(7,021,162)	(2)	977	3,786	(2,880)
Total Assets	**2,704,095**	**835,135,145**	**1,492,810,841**	**1,670,226,693**	**1,109**	**342,489**	**612,201**	**684,960**
Other Financial Data								
Dividend	NA	NA	NA	NA	NA	NA	NA	NA
Earnings Per Share	(0.01)	(2.30)	(0.22)	(0.05)	0.41	(94.32)	(9.02)	(2.05)
Return on Networth	1.0%	NA	NA	NA	1.0%	NA	NA	NA
Book Value Per Share(1)	0.53	(0.45)	0.75	0.69	(21.74)	(18.45)	30.76	28.30

(1) Based on net worth including share application money

Notes

i. M/s. KPMG, the statutory auditors of Holcim Mauritius, have undertaken a Limited Review of financials for the three months ended March 31, 2007 and have certified the same.

n) Holcim Mauritius is currently an unlisted company and hence P/E ratio is not applicable

o) **Major contingency:**

a. There are no contingent liabilities for Holcim Mauritius.

p) **Reasons for the fall/rise in the total income and Net Income:**

2006 vs 2005

Total Income

Revenues increased from USD 2.67 mm to USD 11.1 mm from 2005 to 2006 largely due to increased dividends earned.

Net Income

Net Loss, however, showed deterioration from USD 34.5 mm to USD 49.1 mm due to rise in financial expenses.

2005 vs 2004

Revenues increased from USD 0.04 mm to USD 2.7 mm from 2004 to 2005 largely due to a rise in dividends earned.

Net Income

Net income, however, showed deterioration from a profit of USD 0.03 mm to a loss of USD 34.5mm due to rise in financial expenses.

q) Significant Accounting Policies of Holcim Mauritius

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the Company's financial statements.

- ***Basis of preparation***

The financial statements have been prepared on historical cost basis and in accordance with the International Financial Reporting Standards (IFRS). The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates.

- ***Standards, interpretations and amendments to published standards that are not yet effective***

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting period beginning on or after January 01, 2006 or later periods but which the Company has not early adopted, as follows:

-IAS 1 (Amendment), Capital Disclosures (effective from January 01, 2007)

IAS 19, Cash Flow Hedge Accounting of Forecast Intragroup Transaction, and IFRS 4 (Amendment), Financial Guarantees Contracts, IFRS 1 and 6 and IFRIC 4, 5, 6, 7 and 9 are not relevant to the Company's operations.

The standards and interpretations included hereafter may have an impact on the Company's operations. An assessment which has been included in the analysis of each respective standard and interpretation below:

IAS 1 (Amendment), Capital Disclosures introduces requirements for disclosures of the entity's objectives, policies and processes for managing capital, quantitative data about what the entity regards as capital, whether the entity has complied with any capital requirements; and if it has not complied, the consequences of such non-compliance. The Company will apply this amendment from annual periods beginning January 01, 2007.

IFRS 7, Financial Instruments: Disclosures and a complementary amendment to IAS 1, Presentation of Financial Statements - Capital Disclosures (effective from January 01, 2007). IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about exposure to risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures and Presentation. It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. Management is currently assessing the impact of IFRS 7 on the Company's operations. The Company will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning January 01, 2007.

- ***Revenue recognition***

Revenue is recognized on the following bases:

— Dividend income when the shareholders' right to receive payment is established.

— Interest income is on an accrual basis.

- ***Net financing costs***

Net financing costs comprise interest payable on borrowings, bank charges, interest receivable on fund invested and foreign exchange gains and losses.

All interests and other costs incurred in connection with borrowings are expensed as incurred as part of net financing costs.

- ***Investments in subsidiary***

  The Company does not prepare consolidated financial statements and in accordance with IAS 27, has elected to report investments in subsidiary at cost less impairment.

- ***Impairment of assets***

  Assets are reviewed for impairment whenever events or changes in circumstances indicate that the recoverable amount of assets is less than the carrying amount. In case that the carrying amount of an asset exceeds its recoverable amount, the Company recognizes the impairment in the income statement.

- ***Other receivables***

  Other receivables are stated at cost less impairment. Financial assets under other receivables that are classified as held to maturity are measured at amortised cost using the effective interest method less any impairment.

- ***Cash and cash equivalents***

  Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

- ***Other payables***

  Other payables are stated at cost.

- ***Foreign currency transactions***

  Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to United States Dollar (USD) at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Foreign exchange differences arising on translation are recognized in the income statement.

- ***Related parties***

  Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

- ***Taxation***

  Income tax on the profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

  Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.

  A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

- ***Financial instruments***

  Financial instruments carried on the balance sheet include investments in subsidiaries, receivables, cash and cash equivalents, other receivables, loans payable and other payables.

- ***Provisions***

  Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made.

r) Details of acquisition of shares in ACL by Holcim Mauritius

Date of Acquisition	No. of Shares	Cumulative shareholding	% Change in Share holding	Cumulative share holding (%)	Mode	Price / Share (Rs.)	Selling Share holder	SEBI (SAST) Disclosures
28-Jan-06	200,000,000	200,000,000	14.78%	14.78%	Off market	105	RMIL and RKBK	Regulation 7(1) filing on 30 Jan 2006
13-Apr-06	366,481	200,366,481	0.03%	14.81%	Open Offer	90.64	Public shareholders	Post offer public announcement made on May 21, 2006
16-Nov-06	50,000,000	250,366,481	3.67%	18.40%	Stock Exchange	137	RMIL and RKBK	Regulation 7(1A) filing on 16 Nov 2006
09-Jan-07	22,500,000	272,866,481	1.48%	17.98%	Stock Exchange	136.4	Meinl Bank	Regulation 7 filing on 9 Jan 2007
02-April-2007 to April 23, 2007	38,143,270	311,009,751	2.51%	20.45%	Stock Exchange	Various Prices with max of 115.00	Public share holders	Regulation 7(1A) filing on 23 April 2007 on crossing 2%
27-Apr-07 to 31-May-07	30,318,969	341,328,720	1.99%	22.44%	Stock Exchange	Various Prices with max of 123.75	Public shareholders	N/A

For shares acquired by Holcim Mauritius from the open market during the open offer period, please refer to Para 2.2(g)

4 BACKGROUND OF HOLCIM LTD

a) Holcim Ltd is a public limited company (Aktiengesellschaft) incorporated in 1912, under the laws of Switzerland having its registered office at Zürcherstrasse 156, CH-8645 Jona, Switzerland, Tel : +41 58 858 8600, Fax +41 58 858 8609.

b) Holcim Ltd is the ultimate parent of the Holcim Group (which comprises Holcim Ltd, its subsidiaries and affiliates), one of the world's leading suppliers of cement, cementitious material, clinker, concrete, concrete products, aggregates, mortar and asphalt as well as related activities and services. The Group holds majority and minority interests in more than 70 countries on all continents, and employs some 90,000 people. Holcim Ltd, together with its subsidiaries and affiliates, has a consolidated cement capacity of 198.1 mtpa.

c) Holcim Ltd. is a widely held listed company. The key shareholders of Holcim Ltd include Thomas Schmidheiny, who directly and indirectly held 53,698,257 (as at June 30, 2007) or 20.37 % of the registered shares of Holcim Ltd as on the date of PA and the Capital Group Companies Inc., which held 22,961,792 (as on April 04, 2006) or 8.71% of the registered shares of Holcim Ltd as at the date of PA.

d) Brief History of Holcim Ltd is as follows (Source : Website)

1912	Holcim was founded in 1912 in the village of Holderbank, Canton Aargau under the name "Holderbank" Financière Glaris Ltd.
1920 - 1945	By the early 1920's the company began investing in cement businesses in other European countries. This trend was quickly followed by investments in Egypt, Lebanon and South Africa.
1945 -1970	In the years following 1945, and particularly in the Fifties and Sixties, a network of holdings began to develop in North and Latin America.
1970s	In the 1970's, ventures in the emerging markets of the Asia-Pacific began.
1980s	In the 1980's, Holcim continued to expand into new markets, including Eastern Europe. A greater focus on aggregates and ready-mixed concrete production strengthened the company's position as a vertically integrated market leader.

1990s	A strong focus on core business activities in cement, concrete and aggregates characterized Holcim's activities during the 1990's. Continuing professional development programs for employees, coupled with a best practices policy, ensured challenges were met with creative solutions and company performance was enhanced. Entry into new markets, particularly within Asia, expanded opportunities for the Group.
2001	The name of the Group was changed from "Holderbank" Financière Glaris Ltd to Holcim Ltd in May 2001.
2005	Holcim entered the Indian cement market in 2005. Holcim Mauritius together with Holcim India entered into a number of agreements with ACL and certain other parties that led to Holcim Mauritius acquiring a 67% stake in ACIL, which in turn made open offers for ACC and ACEL. ACIL, along with Holcim Mauritius, became the promoter of ACC following this open offer. Holcim Mauritius also subscribes to preference shares at a total price of Rs. 8100.3 million issued by ACIL.
2006	Holcim Mauritius bought an equity stake in ACL (14.58% of the fully diluted equity voting capital), and entered into the Shareholder Agreement, and became a foreign promoter of ACL following the consequent open offer.
2006	Holcim Trading, a fully-owned subsidiary of Holcim Ltd, acquired a 25% stake in National Cement Factory (NCF) based in Abu Dhabi, United Arab Emirates (UAE) in February 2006.
2006	To reinforce its position in China, Holcim announced its intention to purchase new shares issued by Huaxin Cement Co (HCC) in March 2006. As a consequence, Holcim's participation in HCC would increase from 26.1 percent to 50.3 percent subject to the receipt of governmental approvals. Holcim would then pay about US$125 million for this share package.
2006	In June 2006, Holcim, through its subsidiary Aggregate Industries agreed to acquire 100% of Meyer Material Company (Meyer) for US$231 million from the US Equity Partners, and Park Avenue Equity Partners.
2006	In August 2006, Holcim signed a conditional agreement to sell 85% of its stake in Holcim South Africa to a Black Economic Empowerment (BEE) Consortium (goal of BEE is to bring about a significant increase in the ownership, management and control of the economy by South Africans from historically disadvantaged communities).
2007	Holcim successfully completed the offer to the shareholders for Jurong Cement Limited, Singapore, announced on April 30, 2007 and now holds a 55 percent majority stake in the company.
2007	Holcim successfully completes compulsory acquisition of minority shares of St. Lawrence Cement, Canada in August 2007 and now holds 100% of the company.

e) There have been no acquisitions in India involving Holcim Ltd other than those involving its indirect subsidiary, Holcim Mauritius as described in para 3(h)

f) The Holcim Ltd shares (security code No. 1221405) are listed on the SWX Swiss Exchange and traded on virt-x. Telekurs lists the registered share under HOLN. The corresponding code under Bloomberg is HOLN VX, while Reuters uses the abbreviation HOLN.VX. Every share carries one vote, subject to registration in the company's share register. The closing price of the shares of Holcim Ltd on virt-x as on August 22, 2007 was CHF 121.70 (Rs 4,147.69).

g) Based on the closing price of CHF 121.70 per shares of Holcim Ltd as on August 22, 2007, and the EPS of CHF 8.64 per share on dividend bearing shares outstanding for December 31, 2006, the P/ E ratio is 14.09 times.

h) The provisions of Chapter II of SEBI (SAST) Regulations are not applicable to Holcim Ltd.

i) The Board of Directors of Holcim Ltd as on the date of Public Announcement was as follows:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Mr. Rolf Soiron	Chairman	June 24, 1994	PhD in philosophy, University of Basle	Lonza Group Ltd, Basel, Chairman of the Board Nobel Biocare Holding AG, Zurich, Chairman of the Board	Rheinsprung 20 4051 Basel
Mr. Andreas von Planta	Deputy Chairman	June 4, 2003	LL.M., Columbia University Bar Exam, Basel PhD in law, University of Basle	Novartis AG, Member of the Board (Member of the Audit & Compliance Committee) Schweizerische National-Versicherungs-Gesellschaft, Basel, Vice Chairman of the Board (Member of the Audit Committee)	LENZ & STAEHELIN Route de Chêne 30 P.O. Box 5560 1211 Geneva 17 Switzerland
Mr. Markus Akermann	Director	May 24, 2002	Degree in Business Administration, University of St. Gallen	Various management positions within Holcim, Holcim Group CEO	Holcim Ltd Zürcherstrasse 156 8645 Jona Switzerland
Lord Norman Fowler	Director	May 12, 2006	Economics and Law, Trinity Hall, Cambridge	Electra QMC European Development Capital Fund plc, London (UK), Member of the Advisory Council	31 Napier Avenue GB-London SW6 3PS United Kingdom
Mr. Erich Hunziker	Director	June 5, 1998	PhD in industrial engineering, ETH Zurich	Genentech Inc., San Francisco (USA), Member of the Board Chugai Pharmaceutical Co Ltd., Tokyo (Japan), Member of the Board	Kurhausstrasse 46 8032 Zürich Switzerland
Mr. Willy R. Kissling	Director	June 6, 1997	PhD in business administration, University of Berne PMD, Harvard Business School	Kühne & Nagel International AG, Schindellegi, Member of the Board Schneider Electric S.A., Paris (France), Member of the Board	Poststrasse 4 8808 Pfäffikon Switzerland
Mr. Peter Küpfer	Director	May 24, 2002	Swiss Certified Accountant	Julius Bär Holding AG, Zurich, Deputy Chairman of the Board Metro AG, Düsseldorf (Germany), Member of the Supervisory Board Valora Holding AG, Berne, Member of the Board	Rotfluhstrasse 83 8702 Zollikon Switzerland
Mr. Adrian Loader	Director	May 12, 2006	Honours Degree in History, Cambridge University	Deutsche Shell, Hamburg (Germany), Chairman of the Supervisory Board Alliance Boots plc, London (UK), Member of the Board	Shell Canada Limited PO Box 100, Station M 400 - 4 Avenue SW Calgary, Alberta 2P 2H5, Canada

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Mr. Gilbert J.B. Probst	Director	June 10, 1999	PhD in business administration; University of St. Gallen	Professor for organizational behavior and management, University of Geneva President of the board of Swiss Top Executive Training Member of the board of Swiss Banking School Founder of Geneva Knowledge Forum	Ch. des Tuilières 7 1248 Hermance GE Switzerland
Mr. H. Onno Ruding	Director	May 14, 2004	Master and Doctorate in Economics	Alcan Ltd., Montreal (Canada), Member of the Board Corning Inc., Corning (USA), Member of the Board RTL Group SA, Luxembourg, Member of the Board	Avenue Louise 545, Square du Bois B-1050 Bruxelles Luxembourg
Mr. Thomas Schmidheiny	Director	June 23, 1978	Mechanical Engineering, ETH Zurich MBA, IMD Lausanne	Schweizerische Cement-Industrie-Gesellschaft, Jona, Chairman of the Board Spectrum Value Management Ltd, Jona, Chairman of the Board Swiss Reinsurance Company, Zurich (Switzerland), Member of the Swiss Re Advisory Panel	Spectrum Value Management Ltd Zürcherstrasse 156 8645 Jona Switzerland
Mr. Wolfgang Schürer	Director	June 6, 1997	Honorary Doctorate, University of St. Gallen	Chairman of the Board and CEO of MS Management Service AG, Distinguished Professor at Georgetown University, Special representative of the Hague Academy of International Law, Founder of the International Management Symposium at University of St. Gallen	MS Management Service AG Dufourstrasse 118 9001 St. Gallen Switzerland
Mr. Dieter Spälti	Director	June 4, 2003	PhD in Law, University of Zurich	Rieter Holding AG, Winterthur, Member of the Board Spectrum Value Management Ltd., Jona, Member of the Board Spectrum Value Management Ltd	Zürcherstrasse 156 8645 Jona Switzerland

j) Markus Akermann is a director of Holcim Ltd and ACL. Markus Akermann has recused himself from all decisions of the board of Holcim Ltd and ACL with regard to the Offer.

k) None of the Directors of Holcim Ltd have acquired any shares of ACL during the 26-week period prior to the date of this Public Announcement. Based on internal policies and regulations, Directors of Holcim Ltd are barred from acquiring shares of any subsidiary of Holcim Ltd, whether listed or not.

l) Brief consolidated financials of Holcim Ltd (audited for the years ended December 31, 2004, December 31, 2005 and December 31, 2006 and unaudited for the 3 months ended March 31, 2007 as filed with the Swiss Stock Exchange):

Consolidated Profit & Loss Statement for the year ended December 31,

	2004(1)	2005(2)	2006	3 months ended March 31, 2007	2004	2005	2006	3 months ended March 31, 2007
	CHF in mm				Rs. in lakhs (Rupee Translation of CHF)			
Income from Operations*	13,215	18,468	23,969	5,728	4,503,844	6,294,134	8,168,947	1,952,177
Other Income	24	97	208	34	8,180	33,059	70,889	11,548
Total Income	**13,239**	**18,565**	**24,177**	**5762**	**4,512,023**	**6,327,193**	**8,239,836**	**1,963,765**
Total Expenditure	9,627	13,841	17,883	4386	3,281,007	4,717,193	6,094,759	1,494,806
Profit before Interest, Depreciation and Tax	**3,612**	**4,724**	**6,294**	**1376**	**1,231,017**	**1,610,001**	**2,145,077**	**468,959**
Depreciation	1,444	1,339	1,723	439	492,134	456,349	587,221	149,617
Interest	530	731	774	193	180,631	249,134	263,789	65,777
PBT	**1,638**	**2,654**	**3,797**	**744**	**558,252**	**904,518**	**1,294,067**	**253,565**
Provision for Tax	510	865	1,078	214	173,815	294,803	367,396	72,934
Net Income	**1,128**	**1,789**	**2,719**	**530**	**384,437**	**609,714**	**926,671**	**180,631**

Consolidated Balance Sheet as on 31st December

	2004(1)	2005(2)	2006	March 31, 2007	2004	2005	2006	March 31, 2007
	CHF in mm				Rs. in Lakhs (Rupee Translation of CHF)			
Sources of Funds:								
Paid-up Share Capital	460	460	511	511	156,774	156,774	174,155	174,155
Reserves & Surplus	8,023	11,007	14,666	15,171	2,734,343	3,751,329	4,998,363	5,170,474
Net Worth	**8,483**	**11,467**	**15,177**	**15,682**	**2,891,117**	**3,908,103**	**5,172,519**	**5,344,629**
Minority Interest	2,178	2,783	3,548	3,627	742,291	948,483	1,209,205	1,236,129
Deferred Tax Liability	946	2,115	3,023	3,073	322,409	720,819	1,030,278	1,047,318
Long term liabilities	8893	14,964	14333	14910	3,030,850	5,099,926	7,823,022	5,081,522
Current liabilities	5350	6782	8621	7972	1,823,350	2,311,394	2,938,149	2,716,961
Total	**25,850**	**38,111**	**44,702**	**45,264**	**8,810,016**	**12,988,724**	**15,235,023**	**15,426,560**
Uses of funds:								
Financial assets	706	699	689	635	240,614	238,228	234,820	216,416
Net Fixed Assets	13,124	19,767	23,831	24,198	4,472,830	6,736,851	8,121,915	8,246,993
Intangible assets	4,012	7,221	9,419	9,560	1,367,342	2,461,011	3,210,118	3,258,172
Investments	456	1,391	727	729	155,411	474,071	247,771	248,453
Current Assets	7,396	8,849	9,747	9,787	2,520,653	3,015,854	3,321,904	3,335,537
Deferred Tax Assets	156	184	289	355	53,167	62,710	98,495	120,989
Total	**25,850**	**38,111**	**44,702**	**45,264**	**8,810,016**	**12,988,724**	**15,235,023**	**15,426,560**

Other Financial Data								
Gross Dividend per share (CHF/Rs)	1.25	1.65	2.00	--	43	56	68	--
Earnings per dividend-bearing share (CHF / Rs) (3)	4.21	6.61	8.64	1.40	142	225	294	48
Return on Equity (%) (4)	11.6	15.1	15.8	n/a	11.6	15.1	15.8	n/a
Consolidated shareholders equity per share (CHF /Rs)	38.02	50.05	59.60	n/a	1,296	1,706	2,031	n/a

(1) *Restated in line with new and revised IFRS, effective January 1, 2005*

(2) *Restated in line with IAS 21 amended*

(3) *EPS calculation based on net income attributable to equity holders of Holcim Ltd weighted average number of shares*

(4) *Excludes interest of minority shareholders*

m) **Major contingency:**

Contingent Liabilities

Contingent liabilities arise from conditions or situations where the outcome depends on future events. In the ordinary course of business, Holcim Group is involved in lawsuits, claims, investigations and proceedings, including product liability, commercial, environment and health and safety matters, etc. There are no such matters pending that the Holcim Group expects to be material in relation to the Holcim Group's business, financial position or results of operations. The Holcim Group operates in countries where political, economic, social and legal developments could have an impact on the Holcim Group's operations. The effects of such risks which arise in the normal course of business are not foreseeable and are therefore not included in the consolidated financial statements of the Holcim Group.

Guarantees at December 31, 2006, guarantees issued to third parties in the ordinary course of business amounted to CHF 300 million (INR 10,224) million.

Commitments

At December 31, 2006, the Holcim Group's commitments amounted to CHF 775 million (INR 26,413 million), of which CHF 338 Million (INR 11,519) relate to the purchase of property, plant and equipment

n) **Reasons for the fall/rise in the total income and Net Income:**

2006 vs 2005

Total Income

In 2006, cement sales rose by 27.2% to 140.7 million tonnes. Group region Asia Pacific recorded the largest volume increase of 26.1 million tonnes due largely to the first-time consolidation of Gujarat Ambuja Cements and ACC. In Latin America positive developments contributed significantly. Deliveries of aggregates increased by 10.8 percent to 187.6 million tonnes. The first-time inclusion of Foster Yeoman and Meyer Material led to an increase of 3.1% or 5.2 million tonnes. Europe saw the sharpest increase. Ready-mix concrete sales grew by 15.7% to 44.2 million cubic meters. All regions made gains, but the increase was most pronounced in Europe and Latin America due to good market conditions. Aggregate Industries contributed sales totaling 7.5 million cubic meters of ready-mix concrete and 14.4 million tonnes of asphalt.

The most marked improvement was achieved by Group region Asia Pacific, with an increase of 8.6 million tonnes, the bulk of which was attributable to the first-time consolidation of the Indian companies. The newly consolidated companies in India contributed CHF 2,237 million, or 12.1%, and the newly acquired companies in the UK and the US contributed CHF 340 million, or 1.8%. Another point worth noting was the continuing solid internal growth in net sales by 9% (2005: 10.1). Thanks to a robust construction sector, Europe grew by 23.2% to CHF 8,673 million, with particularly strong sales in the UK, France, the Benelux countries, Spain, southeastern Europe and Russia. Higher prices enabled North America to post a 17.3% growth to CHF 5,520 million. Africa Middle East improved by 11.4% and posted net sales of CHF 2,086 million. In Asia Pacific, overall demand was more muted than the previous year. Even so, growth came to 6.1%, without including the newly consolidated companies in India. Government budget constraints in the Philippines had a particularly negative impact on the result of this region.

Net income

Net income rose by CHF 930 million to CHF 2,719 million (2005: 1,789). After adjustment for acquisition and exchange rate effects, consolidated net income grew by 37.1%. 77.4% of total net income was attributable to equity holders of Holcim Ltd (2005: 84.5). The lower figure compared with the previous year was mainly due to the newly consolidated companies in India in which there are significant minority interests. The improvement in net income is mainly attributable to the increase in operating profit by CHF 1,069 million to CHF 4,385 million (2005: 3,316). Changes in the scope of consolidation contributed CHF 483 million to this marked improvement, while the positive impact of exchange rate fluctuations came to a modest CHF 22 million. Internal growth amounted to CHF 564 million. All Group regions increased their operating profit, with the trend in the European construction sector having a particularly positive impact.

In 2006, the effective tax rate stood at 28 percent (2005: 33). The reduction is attributable to Group companies which achieved higher earnings however at lower tax rates. In the longer term, the Group tax rate is expected to come to around 30 percent.

2005 vs 2004

Total Income

The volume of cement sold increased by 8.3% to 110.6 million tonnes in 2005. The largest contribution came from the emerging markets, but sales volumes were also predominantly higher in Europe and North America. Sales volume of mineral components increased by 25% to 5.5 million tonnes. Sales volume of aggregates advanced by an impressive 62.5% to 169.3 million tonnes. Group regions Europe and North America benefited from the first-time consolidation of Aggregate Industries' deliveries, which amounted to 65.3 million tonnes. In Latin America, sales volume decreased because of market conditions and, in Asia, smaller operations were discontinued. Sales volume of ready-mix concrete increased by 30.4% to 38.2 million cubic meters. All regions made gains, with Europe and North America seeing the greatest increases owing to acquisitions. Aggregate Industries contributed 5.8 million cubic meters of ready-mix concrete, plus a further 13.1 million tonnes of asphalt.

In 2005, the Group increased its net sales by 39.8%. The companies acquired in the UK and the US (Aggregate Industries) alone led to an increase of 26.2%. In addition, the internal growth rate of 10.1% (2004: +7.2%) was very strong, which is primarily attributable to the three regions Europe, Africa Middle East and North America. In North America, organic growth came to 11.7% (2004: +8.9%) due to booming construction activity and continuing high demand for building materials.

Net Income

Net income rose by CHF 661 million to CHF 1,789 million (2004: 1,128). After adjustment for the changes in the scope of consolidation, exchange rate fluctuations and the discontinuation of goodwill amortization, net income rose by CHF 314 million. 84.5% of total net income was attributable to equity holders of Holcim Ltd in 2005 (2004: 78.8 percent). The improvement in net income is primarily attributable to the increase in operating profit by CHF 1,065 million (2004: 326). Changes in the scope of consolidation contributed CHF 362 million to this improvement, while the impact of exchange rate fluctuations was CHF 42 million. The fact that goodwill could no longer be amortized because of changes in the International Financial Reporting Standards (IFRS) resulted in a CHF 260 million improvement in the 2005 operating profit. The remaining increase in operating profit of CHF 401 million represents organic growth and corresponds to a 17.8% improvement compared to 2004. All Group regions increased their operating profit, with strong developments in the construction sectors of North America, Asia Pacific and some regions of Europe having a particularly positive impact.

o) **Significant Accounting Policies of Holcim Ltd**

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Adoption of revised International Financial Reporting Standards and new interpretations

In 2006, Group Holcim adopted the following revised standards and new interpretations which became effective from January 1, 2006:

IAS 19 (revised 2005)	*Employee Benefits*
IAS 21 (revised 2005)	*The Effects of Changes in Foreign Exchange Rates*
IFRS 6	*Exploration for and Evaluation of Mineral Resources*
IFRIC 4	*Determining whether an Arrangement contains a Lease*
IFRIC 5	*Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*

Group Holcim has not early adopted any of the new standards or interpretations which have already been issued.

In 2007, Group Holcim will adopt the following revised and new standards and interpretations:

Amendment to IAS 1	*Presentation of Financial Statements*
IFRS 7	*Financial Instruments: Disclosures*
IFRIC 7	*Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies*
IFRIC 8	*Scope of IFRS 2*
IFRIC 10	*Interim Financial Reporting and Impairment*

These revised and new standards and interpretations are effective from January 1, 2007 and, except for IFRIC 7, IFRIC 8 and IFRIC 10, are disclosure-related only.

In 2008, Group Holcim will adopt the following new interpretation:

IFRIC 11	*IFRS 2 - Group and Treasury Share Transactions*

The effect of applying the above interpretation will have no impact on the Group.

In 2009, Group Holcim will adopt the following new standard:

IFRS 8	*Operating Segments*

This new standard is disclosure-related only.

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and related disclosures at the date of the financial statements. These estimates are based on management's best knowledge of current events and actions that the Group may undertake in the future. However, actual results could differ from those estimates.

Critical accounting estimates and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year relate primarily to goodwill, and to a lesser extent defined benefit obligations, deferred tax assets, long-term provisions, depreciation of property plant and equipment and disclosure of contingent liabilities at the balance sheet date. The Group tests annually whether goodwill has suffered any impairment in accordance with its accounting policy. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. All other estimates mentioned above are further detailed in the corresponding disclosures.

Scope of consolidation

The consolidated financial statements comprise those of Holcim Ltd and of its subsidiaries, including joint ventures and associated companies.

Principles of consolidation

Subsidiaries, which are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations, are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

All inter-company transactions and balances between Group companies are eliminated.

It is common practice for the Group to write put options and acquire call options in connection with the remaining shares held by the minority shareholders both as part of and outside a business combination. In such cases the present value of the redemption amount of the put option is recognized as a financial liability with any excess over the carrying amount of the minority interest recognized as goodwill. To the extent that the Group has a present ownership interest, no earnings are attributed to minority interests. The financial liability is subsequently measured at amortized cost. Effects of changes in expected cash flows are charged against goodwill.

The Group's interest in jointly controlled entities is consolidated using the proportionate method of consolidation. Under this method, the Group records its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows in the consolidated financial statements on a line-by-line basis. All transactions and balances between the Group and joint ventures are eliminated to the extent of the Group's interest in the joint ventures.

Investments in associated companies are accounted for using the equity method of accounting. These are companies over which the Group generally holds between 20 and 50 percent of the voting rights and has significant influence but does not exercise control. Goodwill arising on the acquisition is included in the carrying amount of the investment in associated companies. Equity accounting is discontinued when the carrying amount of the investment together with any long-term interest in an associated company reaches zero, unless the Group has in addition either incurred or guaranteed additional obligations in respect of the associated company.

Foreign currency translation

Income statements of foreign entities are translated into the Group's reporting currency at average exchange rates for the year and balance sheets are translated at exchange rates ruling on December 31.

Goodwill arising on the acquisition of a foreign entity is expressed in the functional currency of the foreign operation and is translated at the closing rate.

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions; gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges.

Exchange differences arising on monetary items that form part of an entity's net investment in a foreign operation are reclassified to equity (currency translation adjustment) in the consolidated financial statements and are only released to the income statement on the disposal of the foreign operation. The individual financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

As from January 01, 2005 a new functional currency was adopted for certain Group companies in order to reflect a change in the underlying economic conditions of the countries concerned (mainly Latin America). Consequently, the respective companies converted all balance sheet positions into the new functional currency on the basis of the exchange rate prevailing at the reference date of January 1, 2005. For non-monetary items, the resulting translated amounts represent their historical cost. The impact of changes in the functional currency has not been presented retrospectively.

Segment information

Segment information is presented in respect of the Group's geographical and business segments.

The primary segment reporting format, which reflects the management organization, is presented by geographical area, based on the location of assets.

Secondary information is reported by business segments and is defined as strategic activities focusing on the delivery of a range of products or services to create value for customers. The segmentation comprises cement, aggregates and other construction materials and services.

Cash and cash equivalents

Cash equivalents are readily convertible into a known amount of cash with original maturities of three months or less. Cash and cash equivalents comprise cash at banks and in hand, deposits held on call with banks, other short-term highly liquid investments and bank overdrafts.

Marketable securities

Marketable securities consist primarily of debt and equity securities which are traded in liquid markets and are classified as available for- sale. They are carried at fair value with all fair value changes recorded in equity until the financial asset is either impaired or disposed of at which time the cumulative gain or loss previously recognized in equity is transferred to net income for the period.

Accounts receivable

Trade accounts receivable are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by using the weighted average cost method. The cost of finished goods and work in progress comprises raw materials and additives, direct labor, other direct costs and related production overheads. Cost of inventories includes transfers from equity of gains or losses on qualifying cash flow hedges relating to inventory purchases.

Financial assets

Financial assets consist of (a) investments in third parties, (b) long-term receivables from associates, (c) long-term receivables from third parties, and (d) long-term derivative assets. Investments in third parties are classified as available-for-sale and long-term receivables from associates and third parties are classified as loans and receivables.

Long-term derivative assets are regarded as held for hedging unless they do not meet the strict hedging criteria under IAS 39 Financial Instruments: Recognition and Measurement, in which case they will be classified as held for trading.

All purchases and sales of investments are recognized on trade date, which is the date that the Group commits to purchase or sell the asset. Purchase cost includes transaction costs. Loans and receivables are measured at amortized cost. Available-for-sale investments are carried at fair value, while held-to-maturity investments are carried at amortized cost using the effective interest method. Gains and losses arising from changes in the fair value of available-for-sale investments are included in equity until the financial asset is either impaired or disposed of, at which time the cumulative gain or loss previously recognized in equity is transferred to net profit and loss for the period.

Property, plant and equipment

Property, plant and equipment is valued at acquisition or construction cost less depreciation and impairment loss. Cost includes transfers from equity of any gains or losses on qualifying cash flow hedges. Depreciation is charged so as to write off the cost of property, plant and equipment over their estimated useful lives, using the straight-line method, on the following bases:

Land	No depreciation except on land with raw material reserves
Buildings and installations	20 to 40 years
Machinery	10 to 30 years
Furniture, vehicles and tools	3 to 10 years

Costs are only included in the asset's carrying amount when it is probable that economic benefits associated with the item will flow to the Group in future periods and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the income statement during the period in which they are incurred.

Mineral reserves, which are included in the class “land” of property, plant and equipment, are valued at cost and are depreciated based on the physical unit-of-production method over their estimated commercial lives.

Costs incurred to gain access to mineral reserves are capitalized and depreciated over the life of the quarry, which is based on the estimated tonnes of raw material to be extracted from the reserves.

Interest cost on borrowings to finance construction projects which last longer than one year are capitalized during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed in the period in which they are incurred.

Government grants received are deducted from property, plant and equipment and reduce the depreciation charge accordingly.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Property, plant and equipment acquired through a finance lease is capitalized at the date of inception of the lease at the present value of the minimum future lease payments.

The corresponding lease obligations, excluding finance charges, are included in either current or long-term financial liabilities.

For sale and lease-back transactions, the book value of the related property, plant or equipment remains unchanged. Proceeds from a sale are included as a financing liability and the financing costs are allocated over the term of the lease in such a manner that the costs are reported over the relevant periods.

Non-current assets (or disposal groups) classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

Investment property

Investment property is property held to earn rental income and for capital appreciation and is valued at acquisition cost less depreciation and impairment loss.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate or joint venture at the date of acquisition. Goodwill on acquisitions of subsidiaries and interests in joint ventures is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill that is recognized as an intangible asset is tested annually for impairment and carried at cost less accumulated impairment losses.

On disposal of a subsidiary, associate or joint venture, the related goodwill is included in the determination of profit or loss on disposal.

Goodwill is allocated to cash generating units for the purpose of impairment testing.

In the event that Holcim acquires a minority interest in a subsidiary, goodwill is measured at cost, which represents the excess of the purchase consideration given over Holcim's additional interest in the book value of the net assets acquired. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the income statement.

Computer software

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and which will probably generate economic benefits exceeding costs beyond one year are recognized as intangible assets.

Expenditures which enhance or extend the performance of computer software programs beyond their original specifications are capitalized and added to the original cost of the software. Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives, but not exceeding a period of three years.

Other intangible assets

Expenditure on acquired patents, trademarks and licenses is capitalized and amortized using the straight-line method over their estimated useful lives, but not exceeding 20 years.

Impairment of assets

At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash generating unit to which the asset belongs.

If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognized immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount. However, this increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for that asset or cash generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the income statement.

Long-term financial liabilities

Bank loans acquired and non-convertible bonds issued are recognized initially at the proceeds received, net of transaction costs incurred. Subsequently, bank loans and non-convertible bonds are stated at amortized cost using the effective interest method with any difference between proceeds (net of transaction costs) and the redemption value being recognized in the income statement over the term of the borrowings.

Upon issuance of convertible bonds, the fair value of the liability portion is determined using a market interest rate for an equivalent non-convertible bond; this amount is carried as a long-term liability on the amortized cost basis using the effective interest method until extinguishment on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option which is recognized and included in shareholders' equity; the value of the conversion

option is not changed in subsequent periods.

Long-term derivative liabilities are regarded as held for hedging unless they do not meet the strict hedging criteria under IAS 39 Financial Instruments: Recognition and Measurement, in which case they will be classified as held for trading.

Financial liabilities that are due within twelve months after the balance sheet date are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability until more than 12 months after the balance sheet date.

Deferred taxes

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Tax rates enacted or substantially enacted by the balance sheet date are used to determine the deferred tax expense.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which temporary differences or unused tax losses can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences arising from investments in subsidiaries, associates and joint ventures except where the Group is able to control the distribution of earnings from these respective entities and where dividend payments are not expected to occur in the foreseeable future.

Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is treated accordingly.

Site restoration and other environmental provisions

The Group provides for the costs of restoring a site where a legal or constructive obligation exists. The cost of raising a provision before exploitation of the raw materials has commenced is included in property, plant and equipment and depreciated over the life of the site. The effect of any adjustments to the provision due to further environmental damage is recorded through operating costs over the life of the site to reflect the best estimate of the expenditure required to settle the obligation at balance sheet date. Changes in the measurement of a provision that result from changes in the estimated timing or amount of cash outflows, or a change in the discount rate, are added to, or deducted from, the cost of the related asset as appropriate in the current period. All provisions are discounted to their present value based on a long-term borrowing rate.

Emission rights

The initial allocation of emission rights granted is recognized at nominal amount (nil value). Where a Group company has emissions in excess of the emission rights granted, it will recognize a provision for the shortfall based on the market price at that date. The emission rights are held for compliance purposes only and therefore the Group does not intend to speculate with these in the open market.

Other provisions

A provision is recognized when there exists a legal or constructive obligation arising from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of this amount.

Employee benefits - Defined benefit plans

Some Group companies provide defined benefit pension plans for employees. Professionally qualified independent actuaries value the funds on a regular basis (1 to 3 years). The obligation and costs of pension benefits are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of pension benefits are recognized when the curtailment or settlement occurs.

Actuarial gains or losses are amortized based on the expected average remaining working lives of the participating employees, but only to the extent that the net cumulative unrecognized amount exceeds 10 percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets at the end of the previous year. The pension obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on high quality corporate bonds where the currency and terms of the corporate bonds are consistent with the currency and estimated terms of the defined benefit obligation.

A net pension asset is recorded only to the extent that it does not exceed the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan, and any unrecognized net actuarial losses and past service costs.

Employee benefits - Defined contribution plans

In addition to the defined benefit plans described above, some Group companies sponsor defined contribution plans based on local practices and regulations. The Group’s contributions to defined contribution plans are charged to the income statement in the period to which the contributions relate.

Employee benefits - Other long-term employment benefits

Other long-term employment benefits include long-service leave or sabbatical leave, medical aid, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the year end, profit sharing, bonuses and deferred compensation.

The measurement of these obligations differs from defined benefit plans in that all actuarial gains and losses are recognized immediately and no corridor approach is applied.

Employee benefits - Equity compensation plans

The Group operates various equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options or shares is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted. The amounts are charged to the income statement over the relevant vesting periods and adjusted to reflect actual and expected levels of vesting (note 31).

Minority interests

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the consolidated statement of income and within equity in the consolidated balance sheet.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received net of sales taxes and discounts. Revenue from the sale of goods is recognized when delivery has taken place and the transfer of risks and rewards of ownership has been completed.

Interest is recognized on a time proportion basis that reflects the effective yield on the asset. Dividends are recognized when the shareholder’s right to receive payment is established.

Certain activities of the Group are construction contract driven. Consequently contract revenue and contract costs are recognized in the income statement on the percentage of completion method, with the stage of completion being measured by reference to actual work performed to date.

Contingency

In the ordinary course of business, the Group is involved in lawsuits, claims, investigations and proceedings, including product liability, commercial, environmental, health and safety matters, etc. There are no such matters pending that the Group expects to be material in relation to the Group’s business, financial position or results of operations. The Group operates in countries where political, economic, social and legal developments could have an impact on the Group’s operations. The effects of such risks which arise in the normal course of business are not foreseeable and are therefore not included in the accompanying consolidated financial statements.

p) Status on Compliance with Corporate Governance

Holcim Ltd is listed on SWX Swiss Exchange. Holcim Ltd is in compliance with applicable provisions on Corporate Governance.

Holcim has implemented a decentralized compliance structure whereby every relevant Holcim unit/ function executes compliance tasks within its area of responsibility. The Legal Department of Holcim Group Support Ltd (Hagenholzstrasse 85 CH-8050 Zurich Switzerland Phone +41 58 858 58 58 Fax +41 58 858 56 44), reporting to a Member of the Executive Committee, Thomas Knöpfel, coordinates several compliance efforts within the Holcim Group. The ultimate responsibility for the supervision of the compliance efforts vests with the Board of Directors of Holcim Ltd which has delegated the task to assess compliance within the Holcim Group to its Audit Committee, consisting exclusively of independent Members of the Board of Directors.

q) Details of changes in name since incorporation

Year of Change	Changed from	Change to
1930	Aaurgauische Portlandcement-Fabrik Holderbank-Wildegg	Holderbank Financiere Glarus AG
2001	Holderbank Financiere Glarus AG	Holcim Ltd

5 BACKGROUND OF AMBUJA CEMENT INDIA PRIVATE LIMITED (“ACIL”)

a) ACIL is a Private limited company incorporated under the Companies Act, 1956 and has its registered office at 106, Maker Chamber III, Nariman Point, Mumbai, 400 021.

b) ACIL is engaged in the business of investing in companies in the field of cement manufacture and marketing.

c) The key shareholders of ACIL and their shareholding and voting rights on a non-diluted basis as on August 23, 2007 are given below

Particulars	No. of shares		Voting Rights	
	No. of shares	%	Voting Rights	%
ACL	953,70,000	11	953,70,000	11
Holcim Mauritius	381,496,666	44	381,496,666	44
Holcim India	390,163,637	45	390,163,637	45
Total	867,030,303	100	867,030,303	100

d) ACIL currently owns 150,670,120 shares of ACL representing 9.90% shares of the fully paid up equity voting capital of ACL.

e) Brief history of ACIL is as follows:

Date	Major Event
April 23, 1999	Date of Incorporation as Cement Holdings Private Limited.
October 11, 1999	Change of Name to Ambuja Cement Holdings Private Limited.
November 25, 1999	Change of Name to Ambuja Cement Holdings Limited.
December 21, 1999	Purchase of Equity Shares in The Associated Cement Companies Limited (7.2%), through a negotiated transaction.
January 19, 2000	Change of Name to Ambuja Cement India Limited.
February 20, 2000	Enter into agreement with Foreign Investors to invest in the Company.
March 18, 2000	Acquired approx. 93% of Equity Shares in ACEL from ACL for an aggregate cost of Rs. 415 Crores.
March 20, 2000	Enter into MOU with ACL for the transfer of rights and obligations relating to Andhra Pradesh Project to ACIL.
March 21, 2000	First Subscription by the Foreign Investors.
January - September 2000	Purchase of Equity Shares in The Associated Cement Companies Limited (balance 7.2%) through a negotiated transaction.
March - September 2000	Increase in Shares Issued in the form of Right Shares (3 Issues in All).
July 2003	Merger of Ambuja Orissa Cement Limited, with the Company, with effect from July 1, 2003.
September 2004	Investment in Kakinada Cement Limited making it a Wholly Owned Subsidiary of the Company.
January - April 2005	Holcim Mauritius together with Holcim India entered into a number of agreements with ACL and certain other parties that led to Holcim Mauritius acquiring a 67% stake in ACIL, which in turn made open offers for ACC and ACEL. ACIL, along with Holcim Mauritius, became the promoter of ACC following this open offer. Holcim Mauritius also subscribes to preference shares at a total price of Rs. 8,100.3 million issued by ACIL.
March 2006	Converted into a private limited company, and name changed from Ambuja Cements India Limited to Ambuja Cements India Private Limited.
June 2006	Acquires 3,199,217 shares of ACL from the secondary markets.
December 2006	Receives 147,470,903 shares of ACL in lieu of its shareholding in ACEL upon merger of ACEL with ACL.

f) Over the last three years, ACIL has:

- Made an investment in Kakinada Cement Ltd. in September 2004 making it a wholly owned subsidiary of the company.
- Acted as a person acting in concert with Holcim India, Holcim Mauritius & ACL in the open offers for ACC and ACEL, and acquired 37,291,901 shares of ACC representing 20.89% in 2005, and 5,498,412 shares of ACEL representing 2.86% in ACEL in 2005. Consequently, ACIL along with Holcim Mauritius became the promoter of ACC
- Acquired 18,129,166 shares of ACC representing 9.67% through creeping acquisition in 2006 and 2007
- During the year 2006, pursuant to a Scheme of Amalgamation sanctioned by the Hon. High Court at Bilaspur on November 13, 2006 and Hon. High Court at Ahmedabad on November 21, 2006, the entire business and all the assets and liabilities of the erstwhile ACEL has with effect from January 01, 2006, stood transferred and vest in ACL. Shareholders in ACEL were allotted four equity shares of Rs. 2/- each fully paid up of ACL for every five equity shares of erstwhile ACEL. Accordingly ACIL was allotted 147,470,903 shares in ACL.

Apart from the above, there have been no acquisitions, spin-offs or mergers involving ACIL in the last 3 years.

g) ACIL has complied with the provisions of Chapter II of SEBI (SAST) Regulations with respect to its investments in ACL.

h) The Board of Directors of ACIL as on the date of Public Announcement was as follows:

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Mr. Suresh Kumar Neotia	Chairman	February 18, 2000	Commerce and Law Graduate	Industrialist and on the Boards of several companies	7/2 Queen's Park, Kolkatta 700 019
Mr. Paul Hugentobler	Director	April 07, 2005	Degree in civil Engineering and Economic Science	Joined Holcim Group in 1980 and is presently a member of the Executive Committee of Holcim	Eschenweg 10, 8645 Jona, Switzerland
Mr. Onne Van Der Weijde	Director	April 07, 2005	Master in Business Administation	Over 15 years of experience at Holcim. Currently Chief Financial Officer of ACC Limited	Narian Terraces, 50 Pali Hill Union Park Bandra (West) Mumbai - 400 050
Mr. Theophil Schlatter	Director	April 07, 2005	Chartered Accountant	Group CFO of Holcim	Baumgartenrain 6, 8822 Wädenswil, Switzerland
Mr. Amrit Lal Kapur	Director	June 25, 2007	BA, FCA, FCWA	Managing Director of Ambuja Cements Limited	Southland Bldg, near Bapist Church, Shahid Bhagat Singh Road, Colaba, Mumbai - 400 005
Mr. M.L. Narula	Director	January 23, 2006	BSc Engineering (Electrical)	Over 44 Experience in various position. Ex Managing Director of ACC Limited	162, Venus Apartments, Cuffe Parade Colaba, Mumbai - 400 005.
Mr. Dinesh Chandra Kothari (Alternate Director for Mr. Theophil Schlatter)	Alternate Director	January 27, 2006	Chartered Accountant	Financial consultant in the Corporate Sector for over 22 years	M-227 Greater Kailash (Part II) New Delhi 110 048

i) Paul Hugentobler is a director of ACIL and ACL. Mr. Suresh Neotia is the non-executive Chairman of ACL and of ACIL. Mr. A.L. Kapur is a director of ACIL and the Managing Director of ACL. All the above common directors have recused themselves from all decisions of the board of ACIL and ACL with regard to the Offer.

j) None of the Directors of ACIL have acquired any shares of ACL during the 26-week period prior to the date of this Public Announcement except Mr. A. L. Kapur who has acquired 181,500 shares at an average price of Rs. 59.06 and a maximum price of Rs. 59.06 by way of exercise of Employee Stock Options of ACL.

k) Details of acquisition of shares in ACL by ACIL

Date of Acquisition	No. of Shares	Cumulative share holding	% Change in Share holding	Cumulative share holding (%)	Mode	Price / Share (Rs.)	Selling Share holder	SEBI(SAST) Disclosures
June 7, 2006 to June 8, 2006	3,199,217	3,199,217	0.24%	0.24%	Stock Exchange	Various Prices with max of 87.36	Public share holders	NA
December 21, 2006	147,470,903	150,670,120	9.72%	9.93%	Consequent to amalgamation of ACEL with ACL	NA	NA	Filing made on 22 Dec 2006

l) The brief financials of ACIL (audited for the year ended June 30, 2004, June 30, 2005, 6 month period ended December 31, 2005 and year ended December 31, 2006 and reviewed for the 3 months ended March 2007) are as under:

Profit & Loss	**12 months ended June 30, 2004**	**12 months ended June 30, 2005**	**6 months ended Dec 31 2005**	**12 months ended Dec 31, 2006**	**3 months ended March 31, 2007**
	Rs. in Lakhs				
Income from Operations*	829	2,906	5,312	14,167	13,461
Other Income	-	-	-	-	-
Total Income	**829**	**2,906**	**5,312**	**14,167**	**13,461**
Total Expenditure	21	189	49	5,029	4
Profit before Interest, Depreciation and Tax	808	2,717	5,263	9,138	13,457
Depreciation	1	1	-	-	-
Interest	-	-	-	-	-
PBT and prior period items	**807**	**2,716**	**5,263**	**9,138**	**13,457**
Prior period item - Project development expense written off	13	-	-	-	-
Provision for Tax	14	600	1,099	2,125	306
Net Income	**780**	**2,116**	**4,163**	**7,012**	**13,151**

* *includes interest income*

Balance Sheet as on	June 30, 2004	June 30, 2005	Dec 31, 2005	Dec 31, 2006	March 31, 2007
	Rs. in Lakhs				
Sources of Funds:					
Paid-up Share Capital	47,687	167,706	167,706	167,706	167,706
Reserves & Surplus	95,737	241,949	246,113	253,126	266,277
Net Worth	143,424	409,655	413,819	420,832	433,983
Total	**143,424**	**409,655**	**413,819**	**420,832**	**433,983**
Uses of funds:					
Net Fixed Assets	1,853	1,858	1,859	1,861	1,865
Investments	137,784	333,398	315,574	319,400	368,838
Net Current Assets	3,787	74,399	96,386	99,570	63,280
Total Assets	**143,424**	**409,655**	**413,819**	**420,832**	**433,983**
Other Financial Data					
Dividend (% of share nominal)	Nil	Nil	Nil	Nil	Nil
Earning per Share (Rs)	0.16	0.17	0.48(1)	0.17	1.36(1)
Return on Net Worth	0.54%	0.52%	1.01%(1)	1.68%	3.03%(1)
Book Value per Share (Rs)	16.54	37.91	38.39	39.19	40.71

(1) Not annualized. Further arrears of Preference Dividend has not been reduced as the shareholders have waived the right to receive dividend for the six months period ended December 31, 2005

Notes:

i. M/s. S.R. Batliboi & Associates, the statutory auditors of ACIL, have undertaken a Limited Review of financials for the three months ended March 31, 2007 and have certified the same.

m) ACIL is currently an unlisted company and hence P/E ratio is not applicable

n) Major contingent liabilities: There are no significant contingent liabilities.

o) **Reasons for the fall/rise in the total income and Net Income:**

12 months ended 31 December, 2006 vs 6 months ended December 31, 2005

Total income, in absolute terms, increased by 167% mainly due to increase in the dividend and interest received and also an increase in the profit on sale of investments. This increase is also attributed to the difference in the accounting periods.

Net income rose 68% in spite of increase in the administration and other expenses.

6 months ended December 31, 2005 vs. 12 months ended June 30, 2005

Total income increased by 83% mainly due to increase in the dividend and interest received and also increase in the profit on sale of investments. This increase was in spite of the difference in accounting periods

p) **Significant Accounting Policies:**

a) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

1. Interest - Revenue is recognized on a time proportion taking into account the amount outstanding and the rate applicable.
2. Dividend - Revenue is recognized when the shareholder’s right to receive payment is established by the balance sheet date.

b) Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost. A provision for diminution in value of investments is made to recognize a decline, other than temporary, in the value of the investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

c) Fixed Assets

i. Fixed Assets are stated at their original cost of acquisition / installation, net of accumulated depreciation / amortization, (except freehold land) which is carried at cost.

ii. Capital work-in-progress is stated at the amount expended up to the date of Balance Sheet. Expenditure incurred on projects under implementation are being treated as pre operative expenses pending allocation to the assets and are shown under “Capital work in progress” and the same will be apportioned to fixed assets on commencement of commercial production.

iii. The carrying amounts are reviewed at each balance sheet date when required to assess whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

iv. Depreciation on assets is provided on Straight Line Method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956 or the estimated useful life whichever is higher.

Particulars	Schedule XIV Rates (SLM)
Furniture and Fixtures	6.33%
Plant and Machinery -Computers	16.21%
Plant and Machinery - Others	4.75%

v. Depreciation on additions to fixed assets is provided on a pro-rata basis from the month of acquisition or installation. Depreciation on assets sold, discarded, demolished or scrapped, is provided up to the month in which the said asset is sold, discarded, demolished or scrapped.

d) Expenses on issue of Shares, and Preliminary expenses is adjusted to the Securities Premium Account.

e) Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

f) Taxation

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized. However, in view of the timing differences not being significant, no deferred tax has been recognized by the Company.

g) Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Status of pending litigation matters.

There are no significant litigations involving ACIL as of date.

6 HOLCIM MAURITIUS' FUTURE PLANS FOR ACL

a) Holcim Mauritius is desirous of consolidating its shareholding in ACL, including through the acquisition of 60,000,000 shares from RMIL and RKBK in terms of the Letter Agreement and the acquisition of additional shares in the open market in accordance with the SEBI (SAST) Regulations. Consequently Regulations 11(1) of the SEBI (SAST) Regulations is attracted and the Offer is made pursuant thereto.

b) Holcim Mauritius has no plan to sell, dispose of or otherwise encumber any assets of ACL in the next two years, except to the extent that may be required (i) for the purposes of restructuring or rationalization of assets, investments, liabilities or otherwise of ACL or (ii) in the ordinary course of business of ACL. Holcim Mauritius may also be required to assume obligations under the existing contracts with third parties entered into by ACL which may result in transfer of certain assets or investments. Further, Holcim Mauritius undertakes not to sell, dispose off or otherwise encumber any substantial assets of ACL, except with the prior approval of shareholders of ACL. It will be the responsibility of the Board of Directors of ACL to make appropriate decisions in these matters, in accordance with the requirements of the business of ACL. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time.

7 DISCLOSURE IN TERMS OF REGULATION 21(2)

The Acquirer do not intend to delist the Company consequent to the open offer, purchase of Sale Shares in terms of the Letter Agreement and open market purchase during the offer period. The Acquirer undertakes that in case the public shareholding falls below the limits specified in the Listing Agreement with the stock exchange for listing on a continuous basis pursuant to shares acquired consequent to the open offer, purchase of Sale Shares in terms of the Letter Agreement and open market purchase during the offer period, the Acquirer shall take necessary steps to facilitate compliance of the target company with the relevant provisions of clause 40A of the Listing Agreement, within the time period mentioned therein.

8 BACKGROUND OF AMBUJA CEMENTS LIMITED ("ACL")

a) ACL was incorporated on October 20, 1981 under the Companies Act, 1956, and has its registered office at P.O. Ambujanagar, Taluka Kodinar, District Junagadh, Gujarat 362 715 and its Corporate Office at 106, Maker Chambers III, Nariman Point, Mumbai - 400021.

b) ACL was originally incorporated under the name Ambuja Cements Private Limited. On March 19, 1983 it changed its name to Ambuja Cements Limited. Thereafter on May 19, 1983, it changed its name to Gujarat Ambuja Cements Ltd. The name of the company was changed from Gujarat Ambuja Cements Limited to Ambuja Cements Limited pursuant to a fresh Certification of Incorporation dated April 05, 2007

c) ACL is a constituent of the Holcim group of companies and a consolidated subsidiary of Holcim Ltd. Its promoters are Holcim Mauritius, which holds 22.43 % of the fully paid up equity voting capital of ACL, ACIL, which holds 9.90 % of the fully paid up equity voting capital of ACL, and RMIL, RKBK and Mr. Narotam S. Sekhsaria, who collectively hold 4.73 % of the fully paid up equity voting capital of ACL.

d) ACL is among the largest players in the Indian Cement industry. It had a manufacturing network of network of 5 integrated cement plants and 3 cement grinding plants with a total installed capacity of 16.3 million tonnes as on December 31, 2006 (Source: ACL Annual Report 2006), and has a current capacity of 17.3 million tonnes per annum following completion of its plants at Farraka, West Bengal. ACL has subsidiaries located in Sri Lanka.

e) It is one of the profitable companies in the Indian cement industry. ACL has a market capitalization of approximately Rs. 205,931 million on August 24, 2007. It also holds 11% stake in ACIL.

f) *Brief history of ACL is as follows*

Date	Major Event
October 20, 1981	ACL was established as a private limited company with the name Ambuja Cements Private Limited.
March 19, 1983	ACL was converted into a public limited company.
May 19, 1983	Company was renamed as "Gujarat Ambuja Cements Limited".
February, 1986	Stocks were listed on the BSE and stock exchanges of Ahmedabad, Kolkatta and Delhi.
October, 1986	Commenced operations with a 0.7 mtpa plant at Kodinar.
October, 1993	Gajambuja plant was set up in Gujarat.
September, 1995	Darlaghat plant in Himachal Pradesh and the Ropar grinding unit in Punjab were set up.
March, 1997	Third plant in Gujarat was set up.
December, 1997	Gained control of ACEL through BIFR scheme.
April, 1998	Stock was listed on the NSE.
December, 1999	Acquired DLF Cement, which was renamed as Ambuja Cement Rajasthan Ltd.
February, 2000	Invited American International Group (AIG) and Government of Singapore (GIC) to invest in shares of ACIL.
March, 2000	Sold shareholding in ACEL to ACIL.
June, 2002	Maratha Cement plant in Maharashtra was set up.
June, 2004	ACRL was merged with ACL.
January, 2005	Entered into business and financial co-operation with Holcim, under which Holcim Mauritius acquired AIG and GIC's stake in ACIL, and invested into ACIL as a result of which ACIL and ACEL ceased to be subsidiaries of ACL.
January- May 2006	Existing promoters sell 200,000,000 shares to Holcim Mauritius, which enters into the Shareholder Agreement, and makes an open offer for ACL, and becomes the foreign promoter of ACL.
November, 2006	Pursuant to a Scheme of Amalgamation sanctioned by the Hon. High Court at Bilaspur on 13th November 2006 and Hon. High Court at Ahmedabad on 21st November 2006, the entire business and all the assets and liabilities of the erstwhile ACEL, a Company engaged in cement manufacturing, has with effect from 1st January, 2006, stood transferred and vest in ACL. Shareholders in ACEL were allotted four equity shares of Rs. 2/- each fully paid up of ACL for every five equity shares of erstwhile ACEL.
April, 2007	ACL was renamed from Gujarat Ambuja Cements Limited to Ambuja Cements Limited.
June 2007	1 million tonnes cement grinding unit was commissioned at Farakka, West Bengal.

g) ***Description of locations and manufacturing facilities:***

ACL had a total of 5 integrated cement plants and 3 cement grinding plants with a total installed capacity of 16.3 million tonnes as at December 31, 2006 (Source: ACL Annual Report 2006) which are spread over 7 states of India. Details of the cement manufacturing plants are given below:

Plant	Capacity (mtpa)	Type of Plant	Types of Cement	State
Kodinar	4.9	Integrated Cement Plant	OPC, PPC	Gujarat
Darlaghat	1.5	Integrated Cement Plant	OPC, PPC	Himachal Pradesh
Ropar	2.5	Grinding Unit	OPC, PPC	Punjab
Bhatinda	0.5	Grinding Unit	PPC	Punjab
Rabriyawas	1.8	Integrated Cement Plant	OPC, PPC	Rajasthan
Maratha	3.1	Integrated Cement Plant	OPC, PPC	Maharashtra
Bhatapara	1.0	Integrated Cement Plant	OPC, PPC	Chhattisgarh
Sankrail	1.0	Grinding Unit	OPC, PPC	West Bengal
Total	**16.3**			

During the current year, the company has commissioned one additional grinding unit at Farraka, West Bengal with a capacity of 1 million tonnes taking the total capacity to 17.3 million tonnes.

h) ACL is in the midst of implementing modernization /expansion in certain of its plants as detailed hereunder:

Location	Additional grinding capacity (million tonnes)	Commissioning Schedule
Rourkee (Uttaranchal)	1.00	3rd quarter of 2007
Surat (Gujarat)	1.00	3rd quarter of 2007
Dadri (Uttar Pradesh)	1.50	1st quarter of 2009
Panipat (Haryana)	1.50	2nd quarter of 2009
Total	**5.00**	

i) Captive power generation

Location	Capacity Additional (MW)	Commissioning Schedule
Ambujanagar (Gujarat)	30 (1 X 30)	3rd quarter of 2007
Ambujanagar (Gujarat)	30	4th quarter of 2008
Bhatapara (Chattisgarh)	15 33	2nd quarter of 2008 4th quarter of 2008
Rabariyawas(Rajasthan)	19	1st quarter of 2008
Chandrapur(Maharashtra)	15	1st quarter of 2008
Ropar (Punjab)	6	2nd quarter of 2007
Total	**148**	

In addition, the company is setting up two Clinker Plants. The plant at Bhatapara, Chattisgarh is scheduled to be commissioned by the 1st Quarter of 2009 and the other plant at Rauri, Himachal Pradesh is scheduled to be commissioned by the 2nd Quarter of 2009. In addition, the company is also upgrading its kiln at Rabriyawas, Rajasthan, which is scheduled to be commissioned in the 3rd Quarter of 2007.

j) The share capital structure of ACL as on the date of Public Announcement is as follows:

	No. of Shares/voting rights Face Value (Rs. 2 each)	% of Shares
Fully Paid-up Equity Shares	1,521,620,480	100%
Partly paid-up Equity Shares	Nil	0%
Total paid-up Equity Shares	1,521,620,480	100%
Total voting rights in ACL	1,521,620,480	100%

k) Current capital structure of ACL since inception and the disclosure status of compliance with applicable provisions of SEBI (SAST) Regulations/other applicable Regulations under the SEBI Act 1992 and other statutory requirements as applicable:

Date of Allotment	No. of Shares	% age of shares	Cumulative Paid up capital	Mode of Allotment	Identity of allottees (promoters/ ex-promoters /others)	Status of Compliance with SAST
October 12, 1981	4,500	100.0%	4,500	Initial Capital	Promoters	
January 19, 1983	1,000	18.2%	5,500	Initial Capital	Promoters	
January 3, 1986	17,994,500	100.0%	18,000,000	Public	Promoters & Others	
June 30, 1987	2,000,000	10.0%	20,000,000	Rights	Promoters & Others	
November 20, 1992	4,986,444	20.0%	24,986,444	Rights	Promoters & Others	
November 20, 1992	168,239	0.7%	25,154,683	Rights	Others	
May 1, 1993	43,591	0.2%	25,198,274	Exercise of Warrants	Others	
May 1, 1993	1,078	0.0%	25,199,352	Rights	Others	
June 1, 1993	65,612	0.3%	25,264,964	Exercise of Warrants	Others	
June 30, 1993	1,216,284	4.6%	26,481,248	Exercise of Warrants	Others	
July 31, 1993	2,897	0.0%	26,484,145	Exercise of Warrants	Others	
August 13, 1993	1,417,455	5.1%	27,901,600	Exercise of Warrants	Others	
August 19, 1993	1,069,950	3.7%	28,971,550	Exercise of Warrants	Others	
August 27, 1993	803,578	2.7%	29,775,128	Exercise of Warrants	Others	
August 19, 1993	673	0.0%	29,775,801	Rights	Others	
October 1, 1993	15,309	0.1%	29,791,110	Exercise of Warrants	Others	
October 1, 1993	3,325	0.0%	29,794,435	Rights	Others	
December 30, 1993	37,897	0.1%	29,832,332	Exercise of Warrants	Others	
February 28, 1994	2,806	0.0%	29,835,138	Exercise of Warrants	Others	
February 28, 1994	352	0.0%	29,835,490	Rights	Others	
April 30, 1994	46,200	0.2%	29,881,690	Conversion of Eurobonds	Others	
May 31, 1994	10,080	0.0%	29,891,770	Conversion of Eurobonds	Others	
June 30, 1994	24,780	0.1%	29,916,550	Conversion of Eurobonds	Others	
July 18, 1994	375	0.0%	29,916,925	Rights	Others	
July 30, 1994	162,960	0.5%	30,079,885	Conversion of Eurobonds	Others	
August 26, 1994	1,045	0.0%	30,080,930	Exercise of Warrants	Others	
August 31, 1994	252,420	0.8%	30,333,350	Conversion of Eurobonds	Others	
September 30, 1994	135,660	0.4%	30,469,010	Conversion of Eurobonds	Others	
October 12, 1994	44,375	0.1%	30,513,385	Exercise of Warrants	Others	

October 21, 1994	33,500	0.1%	30,546,885	Exercise of Warrants	Others	
October 31, 1994	311,221	1.0%	30,858,106	Conversion of Eurobonds	Others	
October 31, 1994	122,551	0.4%	30,980,657	Exercise of Warrants	Others	
October 31, 1994	4,404	0.0%	30,985,061	Rights	Others	
November 30, 1994	5,040	0.0%	30,990,101	Conversion of Eurobonds	Others	
December 31, 1994	8,400	0.0%	30,998,501	Conversion of Eurobonds	Others	
February 14, 1995	30,985,061	50.0%	61,983,562	Bonus	Promoters & Others	
February 28, 1995	123,480	0.2%	62,107,042	Conversion of Eurobonds	Others	
February 28, 1995	5,800	0.0%	62,112,842	Rights	Others	
February 28, 1995	1,600	0.0%	62,114,442	Exercise of Warrants	Others	
March 31, 1995	53,760	0.1%	62,168,202	Conversion of Eurobonds	Others	
April 29, 1995	5,200	0.0%	62,173,402	Exercise of Warrants	Others	
April 29, 1995	100	0.0%	62,173,502	Rights	Others	
April 29, 1995	103,320	0.2%	62,276,822	Conversion of Eurobonds	Others	
June 30, 1995	50	0.0%	62,276,872	Rights	Others	
June 30, 1995	100	0.0%	62,276,972	Exercise of Warrants	Others	
June 30, 1995	5,040	0.0%	62,282,012	Conversion of Eurobonds	Others	
July 31, 1995	203,280	0.3%	62,485,292	Conversion of Eurobonds	Others	
August 31, 1995	663,600	1.1%	63,148,892	Conversion of Eurobonds	Others	
August 31, 1995	2,750	0.0%	63,151,642	Rights	Others	
September 30, 1995	313,320	0.5%	63,464,962	Conversion of Eurobonds	Others	
September 30, 1995	2,650	0.0%	63,467,612	Rights	Others	
September 30, 1995	1,900	0.0%	63,469,512	Exercise of Warrants	Others	
October 31, 1995	133,560	0.2%	63,603,072	Conversion of Eurobonds	Others	
October 31, 1995	150	0.0%	63,603,222	Rights	Others	
October 31, 1995	2,600	0.0%	63,605,822	Exercise of Warrants	Others	
November 30, 1995	372,961	0.6%	63,978,783	Conversion of Eurobonds	Others	
November 30, 1995	550	0.0%	63,979,333	Rights	Others	
November 30, 1995	150	0.0%	63,979,483	Exercise of Warrants	Others	
December 29, 1995	76,440	0.1%	64,055,923	Conversion of Eurobonds	Others	
December 29, 1995	50	0.0%	64,055,973	Rights	Others	
January 31, 1996	3,352,449	5.0%	67,408,422	Conversion of Eurobonds	Others	
January 31, 1996	250	0.0%	67,408,672	Rights	Others	
January 31, 1996	1,500	0.0%	67,410,172	Exercise of Warrants	Others	

February 15, 1996	2,841,728	4.0%	70,251,900	Conversion of Eurobonds	Others	
February 28, 1996	3,294,491	4.5%	73,546,391	Conversion of Eurobonds	Others	
April 6, 1996	300	0.0%	73,546,691	Exercise of Warrants	Others	
June 12, 1996	1,324	0.0%	73,548,015	Rights	Others	
June 12, 1996	900	0.0%	73,548,915	Exercise of Warrants	Others	
July 31, 1996	400	0.0%	73,549,315	Rights	Others	
July 31, 1996	524	0.0%	73,549,839	Exercise	Others of Warrants	
October 29, 1996	200	0.0%	73,550,039	Rights	Others	
October 29, 1996	300	0.0%	73,550,339	Exercise of Warrants	Others	
January 8, 1997	2,250	0.0%	73,552,589	Rights	Others	
January 8, 1997	250	0.0%	73,552,839	Exercise of Warrants	Others	
March 6, 1997	2,200	0.0%	73,555,039	Exercise of Warrants	Others	
April 10, 1997	5,000	0.0%	73,560,039	Rights	Others	
April 10, 1997	5,000	0.0%	73,565,039	Exercise of Warrants	Others	
July 29, 1997	2,050	0.0%	73,567,089	Rights	Others	
July 29, 1997	1,550	0.0%	73,568,639	Exercise of Warrants	Others	
September 24, 1997	600	0.0%	73,569,239	Rights	Others	
September 24, 1997	600	0.0%	73,569,839	Exercise of Warrants	Others	
December 17, 1997	1,100	0.0%	73,570,939	Rights	Others	
December 17, 1997	550	0.0%	73,571,489	Exercise of Warrants	Others	
May 27, 1998	1,450	0.0%	73,572,939	Rights	Others	
May 27, 1998	2,000	0.0%	73,574,939	Exercise of Warrants	Others	
September 30, 1998	750	0.0%	73,575,689	Rights	Others	
September 30, 1998	750	0.0%	73,576,439	Exercise of Warrants	Others	
January 27, 1999	50	0.0%	73,576,489	Rights	Others	
January 27, 1999	50	0.0%	73,576,539	Exercise of Warrants	Others	
November 4, 1999	1,274	0.0%	73,577,813	Rights	Others	
November 4, 1999	1,274	0.0%	73,579,087	Exercise of Warrants	Others	
December 1, 1999	250	0.0%	73,579,337	Rights	Others	
December 1, 1999	250	0.0%	73,579,587	Exercise of Warrants	Others	
January 03, 2000	50	0.0%	73,579,637	Rights	Others	
January 03, 2000	50	0.0%	73,579,687	Allotment of shares against trade able warrants	Others	
February 14, 2000	73,548,315	50.0%	147,128,002	Bonus	Promoters and Others	NA
October 10, 2000	1,500	0.0%	147,129,502	Rights	Others	
October 10, 2000	1,500	0.0%	147,131,002	Allotment of shares against trade able warrants	Others	
March 31, 2001	400	0.0%	147,131,402	ESOS	Employees	

April 27, 2001	200	0.0%	147,131,602	Rights	Others	
April 27, 2001	200	0.0%	147,131,802	Allotment of shares against trade able warrants	Others	
May 07, 2001	2,019	0.0%	147,133,821	Bonus	Others	
May 07, 2001	8,000,000	5.2%	155,133,821	Preferential Allotment	Affinity Investments Ltd	Disclosure made under 7(3) on July 09, 2001
December 06, 2001	200	0.0%	155,134,021	Allotment of shares T/W	Others	
December 06, 2001	200	0.0%	155,134,221	Rights	Others	
December 06, 2001	5,000	0.0%	155,139,221	ESOS	Employees	
April 18, 2002 - October 22, 2002	2,900	0.0%	155,142,121	Allotment of shares T/W	Others	
April 18, 2002 - October 27, 2002	2,900	0.0%	155,145,021	Rights	Others	
January 10, 2002 - October 22, 2002	68,875	0.0%	155,213,896	ESOS	Employees	
November 28, 2003 - December 31, 2003,	2,513,700	1.6%	157,727,596	Conversion of REELS	Others	
October 17, 2003	31,200	0.0%	157,758,796	Allotment of shares T/W	Others	
October 17, 2003	31,200	0.0%	157,789,996	Rights	Others	
November 12, 2003	29,353	0.0%	157,819,349	Bonus	Others	
January 09, 2003 - December 31, 2003	492,700	0.3%	158,312,049	ESOS	Employees	
January 20. 2004 - February 06, 2004	4,121,687	2.5%	162,433,736	Conversion of REELS	Others	
February 19, 2004	218,200	0.1%	162,651,936	ESOS	Employees	
February 27 2004 - March 17, 2004	3,587,845	2.2%	166,239,781	Conversion of REELS	Others	
March 17, 2004	105,750	0.1%	166,345,531	ESOS	Employees	
April 06, 2004	10,061,706	5.7%	176,407,237	Conversion of REELS	Others	
April 14, 2004 - June 30, 2004	330,240	0.2%	176,737,477	ESOS	Employees	
June 30, 2004	2,662,474	1.5%	179,399,951	Allotment of Shares on merger of ACRL with the Company	Others	
October 14, 2004	88,965	0.0%	179,488,916	ESOS	Employees	
October 14, 2004	100	0.0%	179,489,016	Allotment of shares T/W	Others	
October 14, 2004	100	0.0%	179,489,116	Rights	Others	
November 23, 2004 - December 24, 2004	98,675	0.1%	179,587,791	ESOS	Employees	
January 27, 2005 - June 09, 2005	545,675	0.3%	180,133,466	ESOS	Employees	
June 26, 2005	720,533,864	80.0%	900,667,330	Split from Face Value Rs. 10 to Face Value Rs. 2	Pros & Others	
June 28, 2005	450,333,665	33.3%	1,351,000,995	Bonus	Pros & Others	
June 28, 2005	880,128	0.1%	1,351,881,123	ESOS	Employees	
June 28, 2005	750	0.0%	1,351,881,873	Rights	Others	
June 28, 2005	750	0.0%	1,351,882,623	Allotment of shares T/W	Promoters and Others	
October 19, 2005 - November 28, 2005	913,877	0.1%	1,352,796,500	ESOS	Employees	

January 02, 2006 - April 17, 2006	5,239,469	0.4%	1,358,035,969	ESOS	Employees	
May 02, 2006	1,500	0.0%	1,358,037,469	Rights	Others	
May 02, 2006	1,500	0.0%	1,358,038,969	T/W	Others	
May 02, 2006 - December 11, 2006	3,768,637	0.3%	1,361,807,606	ESOS	Employees	
December 21, 2006	153,961,356	10.2%	1,515,768,962	Merger of ACEL	Promoters and others	Disclosure made under 7(3) on December 22, 2006
December 29, 2006	1,059,628	0.1%	1,516,828,590	ESOS	Employees	
March 13, 2007 - August 02, 2007	4,791,890	0.3%	1,521,620,480	ESOS	Employees	
September 28, 2007	36,125	0.0%	1,521,656,605	ESOS	Employees	
October 10, 2007	115,751	0.0%	1,521,772,356	ESOS	Employees	

The applicable Regulations at the time of each allotment have been complied with

l) There has been no suspension of trading of the share of ACL on any of the Stock Exchanges where it is listed.

m) The shares of ACL are listed on BSE and NSE, while the Global Depository Receipts are listed on the Luxembourg Stock Exchange. There are no shares outstanding pending listing other than 712,751 shares issued pursuant to ESOP for which application is being made.

n) The closing prices of the shares of ACL on BSE and NSE as on August 23, 2007 was Rs. 132.75 and Rs.132.65 respectively. The opening and closing price of ACL on August 24, 2007 at BSE was Rs. 134.75 and Rs. 135.40 respectively and at NSE was Rs. 134.00 and Rs. 135.60 respectively.

o) ACL has granted stock options to its employees under various ESOP Plans, which if exercised would result in the issue of 10,811,813 Equity Shares as on the date of the Public Announcement. As on the date of PA, ACL has 335,520 equity shares outstanding on account of rights and warrants kept in abeyance. The fully diluted equity voting capital as on the date of PA is 1,532,767,813 equity shares of face value of Rs. 2 each.

p) ACL has complied with applicable provisions of Chapter II of SEBI (SAST) Regulations.

q) ACL is in compliance with the listing agreement as on the date of the Public Announcement and no penal/punitive action has been initiated against ACL by the stock exchanges where its shares are listed.

r) The Board of Directors of ACL as on the date of the Public Announcement was as follows:

Name of the Director	Designation & Appointment Date	Experience	Qualification	Residential Address
Mr. Suresh Neotia	Non Executive Chairman (September 7, 1985)	Industrialist and on the Boards of several companies	Commerce and Law Graduate	7/2 Queens Park, Calcutta - 700 019
Mr. Narotam S. Sekhsaria	Managing Director (November 10, 1982) Non Executive Vice Chairman (wef January 30, 2006)	Managing Director of the company till January , 2006	Chemical Engineer	3, Rushilla, 17C, Carmichael Road, Mumbai 400 026
Mr. Markus Akermann	Director (May 3, 2006)	Joined Holcim Group in 1978 and is presently the CEO of Holcim Ltd	Degree in Business Economics	Holcim Ltd Zürcherstrasse 156, 8645 Jona, Switzerland
Mr. Paul Hugentobler	Director (May 3, 2006)	Joined Holcim Group in 1980 and is presently a member of the Executive committee of Holcim Ltd	Degree in Civil Engg. and Economic Science	Eschenweg 10, 8645 Jona, Switzerland
Mr. M.L. Bhakta	Director (September 7, 1985)	Senior Partner, Kanga & Co., Advocates and Solicitors	Arts and Law Graduate	4, Sagar Villa, 3B, Bhulabhai Desai Road, Mumbai 400 006
Mr. Nasser Munjee	Director (August 16, 2001)	Worked with HDFC for 21 years. Former Managing Director of Infrastructure Development Finance Co. Ltd.	M.Sc (Econ.) from LSE	Champagne House, 69 Worli Sea Face, Mumbai 400 018

Name of the Director	Designation & Appointment Date	Experience	Qualification	Residential Address
Mr. Rajendra P Chitale	Director (July 7, 2002)	Partner, M.P. Chitale & co., a leading firm of Chartered Accountants	FCA	13-B, Tanna Residency, 392, V.S. Marg, Prabhadevi, Mumbai - 400 025
Mr. Shailesh Haribhakti	Director (May 3, 2006)	Managing partner of Haribhakti & Co.	CA	228 Kalpataru Habitat, B Wing, Dr. S S Rao Road, Parel, Mumbai 400 012.
Mr. Nirmalya Kumar	Director (May 3, 2006)	Over 20 years of experience in teaching and consulting profession. Professor at London Business School.	Commerce Graduate, MBA and Ph. D. in Marketing	28 North Park, Gerard Cross, SL9 8JN, London, United Kingdom
Dr. Omkar Goswami	Non-Executive Independent Director (July 20, 2006)	Over 25 years of experience. He is one of the most renowned Economists of India.	MA Economics and D.Phill in Econmics	E-121, Masjid Moth, Greater Kailash III, New Delhi-110048.
Mr. P.B Kulkarni	Wholetime Director (February 1, 1999)	Over 39 years experience. Joined the company in 1983 as Project Manager	B.E. (Mech)	703 Usha Kunj 30, D Juhu Tara Road Mumbai - 400 049
Mr. A.L. Kapur	Wholetime Director (May 1,1999) Managing Director (May 1, 2007)	Over 47 years experience in industry in various positions including CEO. Over 2 decades of experience in the cement industry	BA, FCA and FCWA	Southland Bldg, Near Baptist Church, Shahid Bhagat Singh Road Colaba, Mumbai - 400 005
Mr. N.P. Ghuwalewala	Wholetime Director (June 28, 2004)	Over 36 years of experience including 22 years in the cement industry. Former managing director of ACRL	Chemical Engineer	Vallabh Niwas, 31A, M.L. Dahanukar Road, Mumbai 400 026
Mr. B.L. Taparia	Wholetime Director & Company Secretary (May 1, 1999)	Over 36 years of experience. Joined the Company in 1993 as Dy. Company Secretary.	B.Com., LL.B., FCS	301, Saraswati Darshan, Link Road, Bangurnagar, Goregaon (West), Mumbai - 400090.

s) Mr. Paul Hugentobler is a director of ACIL and ACL. Mr. Suresh Neotia is the non-executive Chairman of ACL and a director of ACIL. Mr. Markus Akermann is a director of Holcim Ltd and ACL. Mr. A.L. Kapur is a director of ACIL and the Managing Director of ACL. All the above common directors have recused themselves from all decisions of the board of Holcim Ltd, ACIL and ACL with regard to the Offer.

t) Mr. Paul Hugentobler Mr. Markus Akermann and Mr. Nirmalya Kumar are nominees of Holcim Mauritius on the board of ACL. All the above directors have recused themselves from all decisions of the board of ACL with regard to the Offer.

u) Merger/de-merger/spin-off in the last 3 years:

Indo Nippon Special Cements Limited, a wholly owned subsidiary of ACL has been merged with ACL with effect from July 1, 2005.

In terms of the business and financial co-operation entered into between ACL and Holcim on January 20, 2005, ACIL and its subsidiaries including ACEL ceased to be subsidiaries of ACL during 2005. ACL has sold 22% of its shareholding in ACIL in this period.

Pursuant to a Scheme of Amalgamation sanctioned by the Hon. High Court at Bilaspur on November 13, 2006 and Hon. High Court at Ahmedabad on November 21, 2006, the entire business and all the assets and liabilities of the erstwhile ACEL has with effect from January 01, 2006, stood transferred and vest in ACL. Shareholders in ACEL were allotted four equity shares of Rs. 2/- each fully paid up of ACL for every five equity shares of erstwhile ACEL. Accordingly ACIL was allotted 147,470,903 shares in ACL.

With effect from April 05, 2007 the name of ACL was changed from Gujarat Ambuja Cements Limited to its present name Ambuja Cements Limited.

There has been no de-merger or spin-off in the last 3 years.

v) Key financials of ACL on stand-alone basis (Audited results for FY2004, FY2005 and FY2006 (18 Months ending 31st December , 2006); and reviewed results for 6 months ended June 2007) :

Profit & Loss Statement for the	**Year ended 30th June 2004**	**Year ended 30th June 2005**	**18 month ended31st December 2006**	**6 months ended 30th June 2007#**
	Rs. in Lakhs			
Net Sales	196,811	259,995	626,829	289,820
Other Income	5,049	7,457	11,366	7,433
Total Income	201,860	267,452	638,195	297,253
Total Expenses	143,108	187,582	413,520	178,981
PBDITA	**58,752**	**79,870**	**224,675**	**118,272**
Depreciation and Amortization	16,861	19,541	32,612	11,811
Interest	7,843	8,475	7903	(1,927)
PBT and Exceptional Items	**34,048**	**51,854**	**184,160**	**108,388**
Exceptional / Prior Period Items	4,302	-	-	68,228
PBT	38,350	51,854	184,160	176,616
Current Tax	2,030	3,912	33,000	30,075
Deferred Tax	2,641	1,038	307	(483)
Fringe Benefit Tax	-	75	528	175
PAT	**33,679**	**46,829**	**150,325**	**146,849**

Balance Sheet as on	**Year ended 30th June 2004**	**Year ended 30th June 2005**	**18 month ended 31st December 2006**
	Rs. In Lakhs		
Sources of Funds			
Share Capital	17,947	27,041	30,451
Reserves & Surplus	184,229	190,801	318,721
Net Worth	202,176	217,842	349,172
Amount Received against issue of warrants			
Secured Loans	64,978	54,933	31,777
Unsecured Loans	61,990	57,812	54,761
Deferred tax liability, net	37,071	38,109	38,386
Total Liabilities	**366,215**	**368,696**	**474,096**
Application of funds			
Net Fixed Assets (incl. CWIP)	249,822	236,334	312,411
Investments	101,097	112,506	113,312
Net Current Assets	14,407	18,824	47,602
Miscellaneous Expenditure Not Written Off	889	972	771
Total Assets	**366,215**	**368,696**	**474,096**

Balance Sheet as on 30th June	Year ended 30th June 2004	Year ended 30th June 2005	18 month ended 31st December 2006
	Rs. In Lakhs		
Other Financial Data			
Dividend (% of share nominal)	80%	90%	165%
Earning per Share (Basic) (Rs) (1)(3)	2.83	3.47	10.12
Return on Net Worth	16.7%	21.5%	43.1%*
Book Value per Share (Rs) (2)(3)	112.16	16.04	22.97

Based on reviewed results.

(1) EPS is not annualised

(2) Book Value Per Share = (Equity Capital + Reserves - Miscellaneous Expenses) / No of outstanding shares on balance sheet date

(3) Adjusted for bonus issue and split

Notes

i. Reasons for the fall/rise in the total income and Net Income :

FY2006 (18 Months ending 31st December, 2006)

The Accounting year of the Company has changed to end on 31st December, 2006 instead of on 30th June 2006. The current year therefore comprises of a period of 18 months.

Erstwhile ACEL has been amalgamated with the company, with effect from January 1, 2006. The figures of ACEL for its financial year ended 31st December, 2006 (12 months) are included in the financial results of the company for the current year (18 months)

Hence the financial numbers are strictly not comparable to those of the financial year 2005.

FY2005

In value terms, ACL's net sales rose 32% from Rs. 19,681 million in FY2004 to Rs. 26,000 million in FY2005. The increased sales were due to a 22% increase in sales volumes to 12.7 million tonnes in FY05 from 10.4 million tonnes in FY04, and due to an increase in price realizations on both domestic and export sales

Net profit increased by 39% to Rs. 4,682.9 million in FY2005 from Rs. 3,367.9 million in FY2004 driven by increased sales and higher efficiency, which were partly offset by higher RM costs and coal prices.

w) The shareholding pattern of ACL as October 26, 2007 is as follows:

Shareholders' category	Shareholding & Voting rights prior to the agreement/ acquisition and Offer (A)	% Holding	Shares/ Voting rights agreed to be acquired which triggered off the Regulations and Open Market Purchases (B)	Shares/ Voting rights to be acquired in the open Offer (Assuming full acceptances) (C)	Shareholding/ Voting rights after the acquisition and Offer (A)+(B)+(C) = (D)	% Holding
1) Promoter Group						
a) Promoters - Acquirer and PAC						
Holcim Mauritius	341,328,720	22.43	120,911,804	306,553,600	768,794,124	50.52
ACIL	150,670,120	9.90	-	-	150,670,120	9.90
Sub Total	**491,998,840**	**32.33**	**120,911,804**	**306,553,600**	**919,464,244**	**60.42**
b) Parties to the Agreement						
RMIL	49,055,484	3.22	(39,000,000)		10,055,484	0.66
RKBK	22,986,425	1.51	(21,000,000)		1,986,425	0.13
Mr. Narotam S. Sekhsaria	1,000	0.00			1,000	0.00
Sub Total	**72,042,909**	**4.73**	**(60,000,000)**		**12,042,909**	**0.79**
2) Public	957,730,607	62.94	(60,911,804)	(306,553,600)	590,265,203	38.79
Grand Total (1+2)	**1,521,772,356**	**100.00**			**1,521,772,356**	**100.00**

Total number of shareholders was 248,270

The offer size has been calculated after taking into consideration the outstanding ESOS, warrants and GDRs.

x) ***Details of the change in the shareholding of the promoters as and when it happened in the ACL***

The details of the change in promoter holding in the ACL are given below:

Year	Shares Acquired/Sold	Total Holding of Promoters	% Holding to paid up capital	Comments
March 31,1997	——	17,846,516	24.26	
March 31,1998	-15,800	17,830,716	24.24	
March 31,1999	497,800	18,328,516	24.91	
March 31,2000	19,097,518	37,426,034	25.44	Including bonus shares
March 31,2001	3,980,124	41,406,158	28.14	
March 31,2002	5,485	41,411,643	26.69	
March 31,2003	1,292,518	42,704,161	27.51	
March 31,2004	-199,449	42,504,712	25.55	
March 31,2005	-73,800	42,430,912	23.59	
June 26,2005	169,723,648	212,154,560	23.56	By split
June 28, 2005	106,077,280	318,231,840	23.56	By bonus
December 23, 2005	3,811,069	322,042,909	23.81	
Janauary 28, 2006	-200,000,000	122,042,909	9.02	By sale to Holcim Mauritius, then an investor
May 03, 2006	200,366,481	322,409,390	23.74	Holcim Group becomes a part of ACL promoters
June 7-8,2006	3,199,217	325,608,607	23.98	Open Market Purchases
November 16, 2006	50,000,000	375,608,607	-	Inter-se promoter transfer of shares
November 16, 2006	-50,000,000	325,608,607	-	
December 21, 2006	147,470,903	473,079,510	31.21	On merger of ACEL with ACL
January 09, 2007	22,500,000	495,579,510	32.67	Block Deal
April 23 , 2007	38,143,270	533,722,780	35.18	Open Market Purchases
June 30, 2007	30,318,969	564,041,749	37.09	Open Market Purchases

For shares acquired by Holcim Mauritius from the open market during the open offer period, please refer to Para 2.2(g)

ACL has complied with the applicable provisions of the SEBI (SAST) Regulations/other applicable Regulations under SEBI Act 1992 and other statutory requirements as applicable. Suitable action may be taken against the promoters in the event any non compliance with the provisions of Chapter II of the Regulations is determined in accordance with law.

y) ACL has not received any directions from SEBI u/s 11B of the SEBI Act, prohibiting them from dealing in securities or under any of the Regulations made under the SEBI Act.

z) The details regarding the corporate governance norms for ACL are as follows:

Particulars	Listing Agreement Clause
Board of Directors	49 I
Audit Committee	49 II
Shareholders / Investors Grievance Committee	49 VI (C)
Remuneration of Directors	49 III
Board Procedures	49 IV
Management	49 V
Shareholders	49 VII
Report on Corporate Governance	49 VII

All of the above clauses have been complied with and hence no remarks.

aa) Contingent Liabilities not provided

Contingent Liabilities Not Provided For (Rs. in Millions)	31 December 2006	30 June 2005
(i) Amount outstanding in respect of Indemnities given by ACL to Banks for loans given to third parties, for ACL's business.	Nil	1.6
(ii) Claims against ACL not acknowledged as debts.	469.7	364.1
(iii) Tax matters.		
(a) Disputed liability in respect of Income-tax demands (including interest) - matters under appeal.	195.5	276.0
(b) Disputed Sales-tax demands (including interest and penalty) - matters under appeal.	105.3	50.3
(c) Disputed Excise demands - matters under appeal.	99.5	173.8
(d) Disputed Customs demands - matters under appeal.	8.6	
(e) Disputed liability of RTO Tax on Mining Machinery.	6.2	6.2
(iv) Disputed liabilities relating to Railway Freight on Cement - matter once decided in favour of ACL by the Honourable High Court of Gujarat was remanded back by the Honourable Supreme Court pursuant to an SLP filed by the railways.	55.1	55.1
(v) Disputed liabilities relating to Coal claims - matter pending in the Honourable High Court:		
(a) Railway freight on Coal.	14.9	14.5
(b) Penal freight on Excess Weight of Coal.	2.4	5.4
(c) Interest on Premium on Coal.	32.9	32.9
(vi) Disputed liability relating to labour matters.	198.8	1.99

I. The Honourable High Court of Himachal Pradesh has passed an order in favour of ACL for its claim in respect of power subsidy in the form of Power Tariff Freeze (PTF) and Peak Load Exemption Charges (PLEC). Against this, Government of Himachal Pradesh on 1st May, 2004 has issued 296 5.13% H P Infrastructure Development Bonds of face value of Rs. 10 Lakhs each, having a value of Rs. 29.60 Crores redeemable after 10 years and balance of Rs. 0.08 crore is refunded to ACL. The Government of Himachal Pradesh has filed Special Leave Petition in the Honourable Supreme Court, against the decision of the Honourable High Court of Himachal Pradesh. ACL has given an undertaking to refund Rs. 29.68 Crores paid by the State Government together with interest thereon upto the date of final judgement in time bound manner, in the event that the matter is decided against ACL.

II. The Government of Rajasthan has granted 75% exemption from Sales Tax in respect of Rabriyawas unit (erstwhile Ambuja Cement Rajasthan Ltd.). However, the eligibility of exemption in excess of 25% has been contested by the State Government in a similar matter of another Company and the matter is pending before the Honourable Supreme Court. ACL has given an undertaking to the Government of Rajasthan that ACL will deposit the differential amount of Sales Tax which is Rs. 821.6 million (previous year Rs. 571.8 million), in case the Supreme Court's decision goes against in the matter referred above.

III. Writ petition filed by erstwhile ACEL against the order of Madhya Pradesh State Mining Department demanding Rs. 47.6 million towards payment of additional royalty on limestone based on the ratio of 1.6 tonnes of limestone to 1 tonne of cement produced at its factory in Chattisgarh. The matter is now pending before Honourable High Court at Bilaspur. The Company is contingently liable for Rs. 324.4 million in this matter.

bb) Future obligations of ACL include (as per the latest audited balance sheet as at December 31, 2006):

- Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) is Rs. 38,782 Lakhs (previous year Rs. 23,188 Lakhs)

cc) The details of the major pending litigation for ACL are as follows:

Outstanding Litigations

- Litigations involving Criminal Offences as listed out below :

  — One of the shareholders holding 46 shares in ACL in 1992 has filed a criminal compliant in February 1993 against ACL and its directors. The Complainants claimed that they had opted for the sale of debentures and the issuance of tradable warrants, which was not honoured by ACL. The matter is pending before the Judicial Magistrate First Class, Baroda. ACL has petitioned the court to bifurcate the case and to dismiss the complaint against ACL and its directors as false and frivolous.

  — A criminal complaint was filed against certain officers of ACL, under Sections 323, 147, 148, 149, 325, 427, 436, 447, 395, 504, 506 of the Indian Penal Code, 1860, on the basis of a complaint of the complainant, for criminal trespass and misappropriation of his property by way of installation of a tower of ACL on his property.

  — A criminal complaint has been filed by a Dealer under sections 406, 420, 465, 471, 120(B) and 114 of the Indian Penal Code, 1860 alleging that the officers of ACL, who had collected blank cheques form the Complainant as security for providing sign boards, had used the cheques to recover outstanding amounts form him by depositing the signed cheque. Presently the proceedings with the collection of evidence for framing charges are in progress.

  — A criminal case was filed against the company and directors under the Environment Protection Act, 1985, but the same was dismissed by the Court. Against the same, a revision has been filed and is pending.

  — MRTP Commission has proceeded against the company and some other cement companies in the industry against alleged price increase and practice. The proceedings are pending.

- Litigations involving Securities Related Offences : NIL
- Litigations involving Civil Offences as listed out below: NIL
- Litigations involving Statutory and other offences as listed out below as per latest audited balance sheet dated 31st December 2006:

Nature of Case	Amount (Rs crs)	Period	Forum
Sales Tax	2.00 3.80 1.00	1988-1991 1992-1994 1991-1992	Commercial Tax Officer Tribunal High Court
Sales Tax / Additional tax/ Purchase Tax	1.60 8.40 84.80	1997-2005 1991-1997 1999-2003	Asstt Commissioner Tribunal High Court
Customs Duty	0.60 8.00	2005-06 2001-2003	Commissioner (Appeals) Tribunal*
CENVAT credit on Outward Transportation	1.80 27.20	2005-06 2005-06	Commissioner (Appeals) Tribunal
CENVAT Credit on various Capital Goods	1.80 8.90 24.90	2004-05 1997-2003 1995-1998	CEGAT CEGAT High Court*
CENVAT Credit on various inputs	8.70 23.40 5.10 7.70 5.40	2004-05 2001-05 1994-1996 1994-2004 1993-1997	Commissioner (Appeals) CEGAT CEGAT* High Court* Supreme Court*
Interest demand on delayed payment of duty	3.10	2005-06	Commissioner (Appeals)
Excise duty on clearance of Cement	0.50	2001-02	CEGAT*

* In respect of these department is in appeal.

- Overdue interest/principal as on date : NIL
- Other major litigation:

Issue	Amount	Forum
Supply of Cement to Sardar Sarovar Narmada Nigam Limited.	Rs. 133.31 mm plus interest claimed	Civil Courts in Ahmedabad
Writ Petitions filed against the entitlement of incentives and drawing of water from Pakadiguddam Dam by ACL.	Not Ascertainable	High Court of Bombay (Nagpur bench)
Compliant before the MRTP Commission by Delhi Development Authority for alleged cartelisation.	Rs. 54 mm	MRTP Commission

- Roll over / Re-scheduling of loans or any other liability : NIL
- Labour problems / closure as listed below : NIL
- No penalty has been levied by SEBI or any other regulatory body or any other authority in India or abroad.
- No disciplinary action/ investigation has been taken by the Securities and Exchange Board of India/ Stock Exchange against ACL, its Directors and Promoters other than as disclosed in para 2.1(g) .

dd) The compliance officer of ACL is Mr. B.L. Taparia, Ambuja Cements Ltd., Elegant Business Park, MIDC Cross Road 'B'. Off. Andheri Kurla Road. Andheri(E), Mumbai 400 059 Tel: +91 22 6616 7000 Fax: +91 22 6616 7716 email: shares@ambujacement.com

9 OFFER PRICE AND FINANCIAL ARRANGEMENTS

9.1 JUSTIFICATION OF OFFER PRICE

a) The shares of ACL are listed on BSE and NSE. Based on the information available, the shares of ACL are frequently traded on BSE (Source: www.bseindia.com) and NSE (Source :www.nseindia.com) within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations.

b) The annualised trading turnover during the preceding six months in each of the Stock Exchanges is detailed below:

Date	Name of Stock Exchange	Total number of shares traded during the preceding six calendar months	Total number of listed shares	Annualised trading turnover (in terms of % of total listed shares)	Trading Status in terms of SEBI (SAST) Regulations
February 1, 2007 to July 31, 2007	NSE	683,249,455	1,520,909,229	89.9%	Frequently Traded
February 1, 2007 to July 31, 2007	BSE	218,672,091	1,520,909,229	28.8%	Frequently Traded

(Source: www.bseindia.com and www.nseindia.com)

c) The Offer Price is justified in terms of Regulation 20 (4) of the SEBI(SAST) Regulations in view of the following:

Particulars	Date of the public announcement for this Offer for shares of ACL
	August 23, 2007
i. Negotiated price : If Holcim Mauritius has entered into any agreement for acquisition of shares or voting rights or deciding to acquire shares or voting rights exceeding the prescribed percentage.	154.00
ii. Price paid by Holcim Mauritius for any acquisition including by way of allotment in a public or rights or preferential issue during the 26-week period prior to the date of this Public Announcement.	123.73
iii. Higher of (A) or (B) below	
Share price data of ACL on NSE, where it is most frequently traded, is as under:	
A. The average of the weekly high and low of the closing prices of the shares of ACL during the 26-weeks preceding the announcement.	118.29
B. The average of the daily high and low of the shares of ACL during the 2-weeks preceding the announcement.	129.60

d) 26 weeks weekly high/low data on NSE (most frequently traded Stock Exchange)

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	March 01, 2007 Thu	127.45	111.70	119.58	49,973,245
2	March 08, 2007 Thu	113.30	103.80	108.55	50,618,096
3	March 15, 2007 Thu	110.05	105.40	107.73	59,398,489
4	March 22, 2007 Thu	110.85	103.80	107.33	30,706,551
5	March 29, 2007 Thu	105.30	102.20	103.75	28,181,657
6	April 05, 2007 Thu	106.70	103.75	105.23	32,252,303
7	April 12, 2007 Thu	109.40	107.15	108.28	17,138,388

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
8	April 19,2007 Thu	113.75	108.55	111.15	27,818,403
9	April 26, 2007 Thu	120.40	115.05	117.73	32,600,518
10	May 03, 2007 Thu	121.80	117.35	119.58	9,597,475
11	May 10, 2007 Thu	121.15	120.10	120.63	23,912,710
12	May 17, 2007 Thu	123.70	119.55	121.63	26,401,930
13	May 24, 2007 Thu	119.25	114.85	117.05	30,192,174
14	May 31, 2007 Thu	116.00	113.40	114.70	19,619,697
15	June 07, 2007 Thu	114.80	109.55	112.18	11,573,575
16	June 14, 2007 Thu	110.85	109.25	110.05	21,657,163
17	June 21,2007 Thu	119.75	109.90	114.83	15,314,804
18	June 28, 2007 Thu	125.30	116.10	120.70	21,765,809
19	July 05, 2007 Thu	130.05	122.50	126.28	19,220,821
20	July 12,2007 Thu	132.80	126.50	129.65	17,155,676
21	July 19,2007 Thu	139.20	128.95	134.08	25,631,809
22	July 26,2007 Thu	136.30	125.05	130.68	20,029,460
23	August 02, 2007 Thu	131.40	125.15	128.28	24,141,644
24	August 09, 2007 Thu	129.55	126.50	128.03	18,380,413
25	August 16, 2007 Thu	129.90	126.70	128.30	18,212,859
26	August 23, 2007 Thu	132.65	126.60	129.63	41,390,720
			26 week Avg.	**118.29**	

Source: NSE website

e) 2 weeks daily high/low data on NSE (most frequently traded Stock Exchange)

Day no.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	August 10, 2007 Fri	128.90	121.10	125.00	3,800,413
2	August 13, 2007 Mon	132.70	127.50	130.10	4,531,169
3	August 14, 2007 Tue	131.40	128.10	129.75	4,069,837
4	August 16,2007 Thu	130.20	124.10	127.15	5,811,440
5	August 17, 2007 Fri	129.90	123.30	126.60	6,641,644
6	August 20,2007 Mon	131.50	124.00	127.75	6,304,275
7	August 21,2007 Tue	129.50	126.10	127.80	4,481,706
8	August 22,2007 Wed	132.00	126.95	129.48	10,506,978
9	August 23,2007 Thu	154.00	131.55	142.78	13,456,117
			Average	**129.60**	

Source: NSE website

f) In the opinion of the Manager to the Offer and Holcim Mauritius, the Offer Price of Rs 154 per fully paid-up equity share is justified.

g) If Holcim Mauritius acquires shares after the date of Public Announcement upto 7 (seven) working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

h) There is no arrangement between the acquirers and RMIL and RKBK for payment of non-compete fees

i) The equity shares of ACL will be acquired by the Acquirer free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

9.2 FINANCIAL ARRANGEMENTS

a) The total fund requirement for the acquisition of up to 306,553,600 shares at Rs. 154.00 per share is Rs. 47,209,254,400 (Rupees Forty Seven Billion Two Hundred and Nine Million Two Hundred Fifty Four Thousand and Four Hundred only).

b) Pursuant to a parent support undertaking given on August 22, 2007 in favor of the obligations of Holcim Mauritius, Holcim Ltd has confirmed that (i) it will supervise the management of its indirectly wholly-owned subsidiary Holcim Mauritius so as to enable the management of Holcim Mauritius to be able to fulfill its obligations under regulation 29 of the SEBI (SAST) Regulations, and that (ii) all funds necessary to consummate the Offer have been or will be made available on behalf of Holcim Mauritius as at the date of this Public Announcement.

c) Further, Ernst & Young Ltd, Bleicherweg 21, P.O. Box CH- 8022, Zurich. the auditors of Holcim Ltd, have provided a certificate dated July 16, 2007 stating that as on June 30, 2007, Holcim Group had undrawn committed credit lines amounting to at least USD 1.5 billion (INR 61,515 million) from a consortium of 28 banks with no restrictions, which is more than the amount needed for consummating the Offer. Holcim Ltd has provided a certificate stating that as on June 30, 2007, it has undrawn committed credit lines amounting to at least USD 1.5 billion (INR 61,515 million). There are no restrictive clauses in any of the financing agreements. The details of the undrawn committed credit lines is as follows:

Name of Original Lender	Facility Commitment (USD thousand)	Undrawn Committed Credit Lines (USD thousand)*
Citibank, N.A., London Branch	176,000	88,614
ABN AMRO Bank N.V., Niederlassung Deutschland	143,000	71,999
Banco Santander Central Hispano S.A., New York Branch	143,000	71,999
Bank of America, N.A.	143,000	71,999
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	143,000	71,999
Barclays Bank PLC	143,000	71,999
BBVA Ireland p.l.c.	143,000	71,999
BNP Paribas S.A.	143,000	71,999
CALYON Corporate Banking & Services	143,000	71,999
Credit Suisse	143,000	71,999
Deutsche Bank Luxembourg S.A.	143,000	71,999
Fortis Bank (Nederland) N.V.	143,000	71,999
HSBC France	143,000	71,999
HVB Banque Luxembourg Société Anonyme	143,000	71,999
ING Luxembourg S.A.	143,000	71,999
Merrill Lynch Bank USA	143,000	71,999
The Royal Bank of Scotland plc	143,000	71,999
Société Générale S.A.	143,000	71,999
UBS AG, London Branch	143,000	71,999
Wachovia Bank, N.A., London Branch	143,000	71,999
SANPAOLO IMI BANK IRELAND PLC	120,000	60,419

BayernLB Landesbank	83,000	41,790
DBS Bank Ltd, London Branch	83,000	41,790
JPMorgan Chase Bank, N.A., Frankfurt Branch	83,000	41,790
Landesbank Baden-Wuerttemburg, London Branch	83,000	41,790
Caisse Regionale de Credit Agricole Mutual de Paris et d'Ile de France	65,000	32,727
Zürcher Kantonalbank	60,000	30,209
National Australia Bank Limited	30,000	15,105
Total	**3,500,000**	**1,762,215**

* As on June 30, 2007

d) The Manager to the Offer is satisfied about the ability of the Holcim Mauritius to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

e) Further, Holcim Mauritius has made a cash deposit of Rs. 475.16 millions (Four hundred and seventy five million, one hundred and fifty eight thousand and eighty only) with The Hongkong and Shanghai Banking Corporation ltd, 52/60 Mahatma Gandhi Road, Mumbai 400 001 (HSBC Mumbai) and provided a bank guarantee dated August 23, 2007 issued by HSBC Mumbai favouring DSP Merrill Lynch Limited for an amount of Rs. 4,901.58 millions (Rupees four billion nine hundred one million five hundred eighty thousand eight hundred only) which is valid till February 23, 2008.The aggregate commitment of Rs. 5,376.74 millions (Rupees five billion three hundred seventy six million seven hundred thirty eight thousand eight hundred eighty only), is in excess of the amount required under Regulation 28(2) of the SEBI (SAST) Regulations, i.e. 25% for the first Rs. 100 Crores and 10% thereafter. DSP Merrill Lynch Limited has been authorized to realize the value of the aforesaid bank account and bank guarantee.

10 TERMS AND CONDITIONS OF OFFER

10.1 STATUTORY APPROVALS REQUIRED FOR THE OFFER

a) The Offer, along with any obligation to purchase the Shares tendered and accepted and to pay for the same, as well as the acquisition of the Sale Shares pursuant to the Letter Agreement, as well as other acquisitions of shares in accordance with sub regulation 7 of Regulation 20 of the SEBI (SAST) Regulations and payment for the same, is subject to the receipt by Holcim Mauritius of RBI Approval under FEMA. RBI approval has been received vide RBI letter no. FE.CO.FID/5902/10.21.079/2007-08 dated September 12, 2007.

b) Besides this, as on the date of this Draft Letter of Offer, no other statutory approvals are required to acquire the shares tendered pursuant to this Offer. In terms of Regulation 27 of SEBI (SAST) Regulations, Holcim Mauritius will not proceed with the Offer in the event that the statutory approval indicated above is refused.

c) In case of delay in receipt of the statutory approval, SEBI has power to grant extension of time to Holcim Mauritius for payment of consideration to shareholders, subject to Holcim Mauritius agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by Holcim Mauritius in obtaining the requisite approval, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.

d) Holcim Mauritius does not require any approvals from financial institutions or banks for the Offer.

10.2 OTHERS

a) The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of ACL (except Holcim Mauritius, ACIL, RMIL, RKBK and Mr. Narotam S. Sekhsaria), whose names appear on the register of members of ACL and to the beneficial owners of the shares of ACL, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on September 21, 2007 ("Specified Date").

b) Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL.

c) All owners (registered or unregistered) of shares of ACL (except Holcim Mauritius, ACIL, RMIL, RKBK and Mr. Narotam S. Sekhsaria) are eligible to participate in the Offer anytime before the Close of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of shares held, Number of shares offered, Distinctive Numbers, Folio Number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

d) The acceptance of the Offer is entirely at the discretion of the shareholders of ACL. Holcim Mauritius will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of ACL are advised to adequately safeguard their interest in this regard.

e) Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

11 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

a) Shareholders of ACL, who wish to avail of this Offer are free to offer their shareholding in whole or in part and should forward the under mentioned documents to the Registrar to the Offer at their office at ***Karvy Computershare Private Limited Plot No. 17 to 24, Vithalrao Nagar, Hi Tech City Road, Madhapur, Hyderabad 500 086, Phone: 040 - 23420818 - 828, Fax: 040-23420814*** either by hand delivery on weekdays or by Registered Post, on or before the Closure of the Offer, i.e., no later than December 3, 2007 or at the Collection Centres, so as to reach the Registrar/ Collection Centres on or before the close of business hours, i.e., no later than 1700 hrs on December 3, 2007 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance. ***Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects; otherwise the same is liable to be rejected. In the case of dematerialized shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account before the closure of the Offer. The Form of Acceptance of such dematerialized shares, not credited in favour of the special depository account before the closure of the Offer, will be rejected.***

i. For Equity shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with "ACL" and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.

Unregistered owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original broker contract note.
- Valid Share Transfer form(s) as received from the market.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

ii. For Equity shares held in dematerialized form:

Beneficial owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

b) The Registrar to the Offer, M/s Karvy Computershare Private Limited, have opened a special depository account at National Securities Depository Limited (NSDL) as detailed below :

DP Name	DSP Merrill Lynch Ltd.
Special DP Account	Escrow Account - ACL Offer
DP ID	IN 302638
Client ID	10035092

c) The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer, Holcim Mauritius or ACL.

d) The holders of the Global Depository Receipts (GDRs) who wish to avail of this Offer should request withdrawal of the equity share/(s) from the Depository in terms of the issuance of GDRs . Holders of GDRs who wish to tender the equity shares underlying such GDRs, should also request the Depository to instruct the Custodian to deliver the equity shares in accordance with (a) above.

e) The holders of the ESOPS who wish to avail of this Offer would need to convert the ESOPs into equity shares and deliver the equity shares in accordance with (a) above.

f) In case of non-receipt of the Letter of Offer, the Eligible Persons may send their consent to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Distinctive Number; Folio Number, Number of shares offered; along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e., no later than December 3, 2007 or in case of beneficial owners they may send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Number of shares offered; 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, or the Eligible Persons for the Offer can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the closure of the Offer, i.e., no later than December 3, 2007. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the Letter of Offer and Form of Acceptance will be available on SEBI's website (www.sebi.gov.in), from the date of Opening of the Offer. The eligible persons can download the Form of Acceptance from the SEBI's website and apply using the same.

g) If the aggregate of the valid responses to the Offer exceeds the Offer size of 306,553,600 fully paid-up equity shares of ACL (representing 20.00% of the fully diluted equity voting capital of ACL), then Holcim Mauritius shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The shares of ACL are compulsorily traded in dematerialised form, hence minimum acceptance will be one share.

h) Shareholders who have sent their shares for dematerialization need to ensure that the process of getting their shares dematerialized is completed well in time so that the credit in the Special Depository Account is received on or before the date of Closure of the Offer, i.e., no later than December 3, 2007, else the application would be rejected.

i) While tendering shares under the Offer, NRIs/OCBs/Foreign Shareholders will be required to submit the previous RBI approvals (specific or general) that they may have obtained for acquiring shares of ACL. ***In case of previous RBI approval not being submitted, Holcim Mauritius reserves the right to reject such shares tendered.***

j) While tendering shares under the Offer, NRI/OCBs/Foreign Shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by Holcim Mauritius under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, Holcim Mauritius will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

k) In addition to the above mentioned address, the equity shareholders of ACL, who wish to avail of and accept the Offer can also deliver the Acceptance Form along with all the relevant documents at any of the collection centres below. All the centres mentioned herein below would be open as follows:

(Monday to Friday 10.00 a.m. to 4.00 p.m, Saturday: 10.00 a.m. to 1.00 p.m.)

#	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax	Mode of delivery
	Mumbai (Fort)	16-22 Bake House Maharashtra Chamber. of Commerce. Lane, Opp. MSC Bank, Fort Mumbai - 400 023	Ms. Varija Kotian	022-66382666	022-66331135	Hand Delivery
	Mumbai (Andheri)	7,Andheri Industrial Estate, Off Veera Desai Road, Andheri (W), Mumbai 400 053	Ms. Vishakha Shringarapure	022- 2673 0799 /153 / 292	022- 26730152	Hand Delivery
	New Delhi	105-108, Arunachal Bldg, 19, Barakhamba road, Connaught Place, New Delhi 110 001	Mr. S N Jha	011-2332 4401 /409	011-23310616	Hand Delivery
	Ahmedabad	201-203 "Shail", Opp: Madhusudhan House Behind Girish Cold Drinks Off C G Road Ahmedabad - 380 006	Mr. Edward Raphael	079-26420422 / 26400528	079-26565551	Hand Delivery

	Chennai	No. 33/1, Venkatraman Street, T.Nagar, Chennai - 600017.	Mr. Gunashekhar	044 - 28151793 / 1794 / 4781	044-28153181	Hand Delivery
	Hyderabad	Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081	Ms. Rinki Sareen	040-23420818	040-23431551	Hand Delivery/ Regd Post
	Kolkata	49, Jatin Das Road, Nr.Deshpriya Park, Kolkatta 700 029	Mr. Sujit Kundu /Mr. Debnath	033-24644891	033-24644866	Hand Delivery
	Bangalore	No.59, Skanda, Putana Road, Basavanagudi Bangalore 560 004	Mr. Kishore	080-26621192	080-26621169	Hand Delivery
	Surat	M/7, Empire State Building, Near Udhana Darwaja, Ring Road, Surat 395 002	Ms. Vaishali	0261- 3017151 to 160	N A	Hand Delivery
	Pune	Office No 6, 3rd floor, Rachna Trade Estate, Law College Road, SNDT Circle, CTS No.105, Erandwane, Pune 411 004	Ms. Gayathri Oak	020- 404 8790 (5 lines)	020- 2545 6842	Hand Delivery

l) Shareholders who cannot hand deliver their documents at the Collection Centers referred above, may send the same by Registered Post, at their own risk and cost, to the Registrar to the Offer at their address given below:

Karvy Computershare Private Limited, Plot No. 17 to 24, Vithalrao Nagar, Hi Tech City Road, Madhapur, Hyderabad 500 086, Phone: 040 - 2342 0818 - 828, Fax: 040 - 2343 1551.

m) In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents only to the Registrar to the Offer as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before November 28, 2007:

i. For Equity Shares held in demat form:

Beneficial owners should enclose

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original / Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.

ii. For Equity Shares held in physical form:

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- In case of partial withdrawal, valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with ACC and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.

In case of non-receipt of Form of withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details

- In case of physical shares: Name; Address; Distinctive Numbers; Folio Number; Number of Shares tendered and
- In case of dematerialised shares: Name; Address; Number of Shares offered; 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.

1) The withdrawal of Shares will be available only for the Share certificates/ Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.

2) The intimation of returned shares to the Shareholders will be at the address through Registered post as per the records of ACL/Depository as the case may be.

3) In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from ACL

4) Partial withdrawal of tendered shares can be done only by the Registered shareholders / Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

5) Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

n) Payment of consideration will be made by crossed account payee cheque / demand draft and sent by registered post, to those shareholders/unregistered owners and at their own risk, whose shares/ share certificates and other documents are found in order and accepted by Holcim Mauritius. In case of joint registered holders, cheques /demand drafts will be drawn in the name of the sole/first named holder/ unregistered owner and will be sent to him. **It is desirable that shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that same can be incorporated in the cheque / demand draft.**

o) Unaccepted or withdrawn Share Certificate(s), transfer form(s) and other documents, if any, will be returned by Registered Post at the shareholders'/unregistered owners' sole risk to the sole/first named shareholder/unregistered owner. Unaccepted or withdrawn shares held in demat form will be credited back to the beneficial owners' depositary account with the respective depositary participant as per the details furnished by the beneficial owner in the Form of Acceptance.

p) The Registrar to the Offer will hold in trust the Share(s)/Share certificate(s), Shares lying in credit of the special depository account, Form of Acceptance, if any, and the transfer form(s) on behalf of the shareholders/unregistered owner(s) of ACL, who have accepted the Offer, till the cheques / drafts for the consideration and/or the unaccepted shares/ share certificates are dispatched / returned.

12 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, DSP Merrill Lynch Limited, from 11 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closure:

a) Memorandum and Articles of Association of Holcim Mauritius

b) Holcim Ltd letter dated August 22, 2007 confirming that it will supervise the management of its wholly owned subsidiary Holcim Mauritius so as to enable its management being able to fulfill its obligations under Regulation 29 of the SEBI (SAST) Regulations, and that all funds necessary to consummate this Offer have been or will be made available on behalf of Mauritius as at the date of this announcement.

c) Letter from Ernst & Young, the auditors of Holcim Ltd, dated July 16, 2007, certifying that as on June 30, 2007, Holcim Ltd had undrawn committed credit lines worth at least USD 1.5 billion

d) Audited results of Holcim Mauritius for three years ended December 31, 2004, 2005 & 2006

e) Copy of the Letter Agreement between dated August 22, 2007 between Holcim Mauritius and RMIL & RKBK for transfer of shares

f) Certified copy of limited review results of Holcim Mauritius for the period of Three months ended March, 2007

g) Articles of Incorporation of Holcim Ltd

h) Audited results of Holcim Ltd for three years ended December 31, 2004, 2005 & 2006

i) Memorandum and Articles of Association of ACL

j) Audited results of ACL for three years/period ended June 30, 2004, 2005 and December 31 2006.

k) Escrow agreement entered into amongst Holcim Mauritius, HSBC Mumbai and DSP Merrill Lynch Limited confirming the deposit referred in para 6.2 (b) above

l) Bank guarantee dated August 23, 2007 for an amount of Rs.4,901.58 million issued by The Hongkong & Shanghai Banking Corporation Limited in favour of DSP Merrill Lynch Limited.

m) Published copy of Public Announcement dated August 24, 2007

n) SEBI observation letters dated October 30, 2007.

13 DECLARATION BY ACQUIRER AND PAC

The Board of Directors of the Acquirer and PAC accept responsibility for the information contained in this draft Letter of Offer. The Acquirer and PAC are severally and jointly responsible for the fulfillment of their obligations under the SEBI (SAST) Regulations.

Holderind Investments Ltd	**Ambuja Cement India Private Limited**	**Holcim Ltd**
(Acquirer)	*(Person acting in concert)*	*(Person deemed to be acting in concert)*
Sd/- Authorised Signatories	Sd/- Authorised Signatories	Sd/- Authorised Signatories

Date: November 6, 2007

Encl:

1. Form of Acceptance
2. Form of Withdrawal
3. Transfer deed for shareholders holding shares in physical form

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

FROM

OFFER
OFFER OPENS ON : November 14, 2007
OFFER CLOSES ON : December 3, 2007

To, **Holderind Investments Ltd**
C/o. Karvy Computershare Private Ltd.
Plot No. 17 to 24, Vithalrao Nagar, Hitech City Road,
Madhapur, Hyderabad 500 086.

Dear Sir,

Open offer for acquisition of up to 306,553,600 fully Paid-up Equity Shares of face value of Rs.2/- each, representing 20.14%of the fully paid-up equity voting capital of Ambuja Cements Limited at a price of Rs. 154/- per fully paid-up equity share

I/We refer to the Public Announcement dated Friday, August 24, 2007, Wednesday, October 17, 2007 and the Letter of Offer dated November 6, 2007 for acquiring the equity shares held by me/us in Ambuja Cements 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, hold the following shares in physical form and 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:

Ledger Folio No.___________________________No. of Share Certificate(s)__________________________________No. of Shares____________

Sr.No.	Certificate No.	Distinctive No.		No. of Shares
		From	To	
			Total	

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We confirm that the equity shares of **Ambuja Cements Limited** which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original share certificate(s) and the valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures. I/We hold the following shares in Demat Form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP in respect of my/our equity shares as detailed below

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

I/We have done an off-market transaction for crediting the shares to the **"Escrow Account- ACL Offer"** whose particulars are,

DP Name **: DSP MERRILL LYNCH LIMITED**	DP ID / Client ID **: IN 302638 / 10035092**

☐ a delivery instruction from my account with NSDL

☐ an inter-depository delivery instruction from my account with CDSL

I/We note and understand that the Shares would lie in the said A/c i.e. **"Escrow Account-ACL Offer"** until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

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

I/We further authorise the Acquirer to return to me/us, the equity share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof and in the case of dematerialised shares, to the extent not accepted will be released to my Depository Account at my sole risk.

I/We authorise the Acquirer or the Manager to the Offer or the Registrar 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 above.

I/We authorize the Acquirer to accept the Shares so offered or such lesser number of Shares that it may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/ us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

The Permanent Account Number (PAN) allotted under the Income Tax Act 1961 is as under

	Ist Shareholder	2nd Shareholder	3rd Shareholder
PAN			

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form may provide details of bank account of the first/sole shareholder and the consideration payment will be drawn accordingly. For shares that are tendered in electronic form, the bank account details obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars.

Name of Bank		Account No.		Savings/Current/NRE/NRO/Others(Please tick)
Address of the Branch				Pin

Yours faithfully,

Signed and delivered	FULL NAME(S)	SIGNATURE(S)
1st Shareholder		
2nd Shareholder		
3rd Shareholder		

Note : In case of joint holders all must sign. In case of body corporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place: Date :

(Tear Here)

Ack. Receipt

Holderind Investments Ltd

C/o. Karvy Computershare Private Ltd. Plot No. 17 to 24, Vithalrao Nagar, Hitech City Road, Madhapur, Hyderabad 500 086.

Stamp of collection centre

Received from Mr./Ms./M/s. .... Form of Acceptance cum Acknowledgement

#.......... Number of Share Certificates for...................shares/# Copy of the Delivery Instruction to (DP) for.....................shares

Delete whichever is not applicable

INSTRUCTIONS

1. **PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER**
2. **In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demat shares not credited in favour of the special depository account, before the closure of the Offer will be rejected.**
3. Shareholders should enclose the following:-.

   i. For Equity shares held in demat form:-

   Beneficial owners should enclose

   - Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
   - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
   - For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

     In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.

   ii. For Equity shares held in physical form:-

   Registered Shareholders should enclose:

   - Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
   - **Original Share Certificate(s).**
   - **Valid Share Transfer form(s)** duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with "ACL" and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.

     In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates along with the duly completed transfer form, the Offer shall be deemed to be accepted.

   Unregistered owners should enclose:

   - **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein.
   - **Original Share Certificate(s)**
   - **Original Broker Contract Note**
   - **Valid Share Transfer form(s)** as received from the market.

     The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.
4. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer or Ambuja Cements Limited.
5. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in the favour of the special depository account with NSDL.
6. In case of shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
7. In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
8. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

   a. Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.

   b. Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).

   c. No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
9. **Non resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in Ambuja Cements Limited. If, the shares are held under General Permission of RBI the non resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.**
10. **Non resident shareholders should enclose No Objection certificate/ Tax Clearance certificate from the Income Tax Authorities under Income-Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will be deducted at marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer.**

(Tear Here)

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer

Karvy Computershare Private Limited

(Unit: Ambuja Cements Limited)

Plot No. 17 to 24, Vithalrao Nagar, Hitech City Road, Madhapur, Hyderabad 500 086.

Tel.: +91 40 2342 0818 - 28 Fax : +91 40 2343 1551

FORM OF WITHDRAWAL

From:
Name:
Address:

OFFER	
OPENS ON	**November 14, 2007**
LAST DATE OF WITHDRAWAL	**November 28, 2007**
CLOSES ON	**December 3, 2007**

To ,

Holderind Investments Ltd
C/o. Karvy Computershare Private Ltd.
Plot No. 17 to 24, Vithalrao Nagar, Hitech City Road,
Madhapur, Hyderabad 500 086.
Dear Sir/Madam,

Open offer for acquisition of up to 306,553,600 fully Paid-up Equity Shares of face value of Rs.2/- each, representing 20.14%of the fully paid-up equity voting capital of Ambuja Cements Limited at a price of Rs. 154/- per fully paid-up equity share

I/We refer to the Letter of Offer dated November 6, 2007 for acquiring the Shares held by me/us in Ambuja Cements Limited.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal i.e, no later than 16.00 hours on November 28, 2007.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and also for the non-receipt of Shares held in the dematerialised form in the Depository account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depository from time to time.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Ledger Folio No ____________________No. of Share Certificate(s) _______________________________________ No. of Shares__________________________________

Sr.No.	Certificate No.		Distinctive No.		No. of Shares
			From	To	
				Total	

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We hold the following Shares in dematerialised Form and had done an off-market transaction for crediting the Shares to the **"Escrow Account-ACL Offer"** as per the following particulars:

DP Name **: DSP MERRILL LYNCH LIMITED**	DP ID / Client ID **: IN 302638 / 10035092**

Please find enclosed a photocopy of the Depository Delivery Instruction(s) (TIFD) duly acknowledged by the Depository Participant. The particulars of the account from which my/our Shares have been tendered are as detailed below

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

I/We note that the Shares will be credited back only to that Depository Account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialised Shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and delivered

	FULL NAME(S)	SIGNATURE(S)
1st Shareholder		
2nd Shareholder		
3rd Shareholder		

Note: In case of joint holdings, all holders must sign. A Corporation must affix its rubber stamp.

Place: Date:

(Tear Here)

Acknowledgement Slip
Ambuja Cements Limited.Open Offer

Folio No/DP ID/Client ID

Received from Mr./Ms. ____

Address ____

Number of Certificate(s) enclosed____________________ Certificate Numbers________________________________

Total Number of share(s) enclosed_______________________________________

Signature of Official _________________________ Date of Receipt __________________________

Stamp of collection centre

Note: All future corrospondance, if any, in connection with this offer, should be addressed to the Registrar to the Offer

INSTRUCTIONS

1. **Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the Collection Centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e no later than 16.00 hours on November 28, 2007.**
2. Shareholders should enclose the following:-
   - i. For Equity Shares held in demat form: Beneficial owners should enclose
     - Duly signed and completed Form of Withdrawal.
     - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
     - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction (TIFD) in "Off-market" mode, duly acknowledged by the DP.
   - ii. For Equity Shares held in physical form:

     Registered Shareholders should enclose:
     - Duly signed and completed Form of Withdrawal.
     - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
     - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with **Ambuja Cements Limited** and duly witnessed at the appropriate place.
   - iii. Unregistered owners should enclose:
     - Duly signed and completed Form of Withdrawal.
     - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.
7. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
8. In case of Shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.
9. In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
10. In case of bodies corporate, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.
11. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):
    - a. Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
    - b. Duly attested power of attorney if any person apart from the shareholder has signed withdrawal form or transfer deed(s).
12. The Form of Withdrawal and other related documents should be submitted at any of the Collection Centers of **Karvy Computershare Private Limited** stated in the Letter of Offer.
13. Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at **Karvy Computershare Private Limited, Plot No. 17 to 24, Vithalrao Nagar, Hitech City Road, Madhapur, Hyderabad 500 086 Phone: 040 - 2342 0818 - 828, Fax: 040 - 2343 1551** so as to reach the Registrars on or before the last date of withdrawal i.e. November 28, 2007.

(Tear Here)

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer

Karvy Computershare Private Limited

(Unit: Ambuja Cements Limited)

Plot No. 17 to 24, Vithalrao Nagar, Hitech City Road, Madhapur, Hyderabad 500 086.

Tel.: +91 40 2342 0818 - 28 Fax : +91 40 2343 1551