THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this Form with enclosures to the Managers to the Offer ONLY at their address given overleaf.)

FORM OF ACCEPTANCE-CUM- ACKNOWLEDGEMENT

PLEASE READ THE PARA ON "PROCEDURE FOR THE ACCEPTANCE AND SETTLEMENT" OF THE LETTER OF OFFER BEFORE FILLING THIS FORM.

OFFER	
OPENS ON :	Wednesday, 27th June 2007
CLOSES ON :	Monday, 16th July 2007

From:

____
____
____

To,
CIL Securities Limited
#214, Raghava Ratna Towers,
Chirag Ali Lane, Abids, Hyderabad–500 001.

Sub: Open Offer to the shareholders of **Bhagyanagar Castings Limited** (Target Company" / " BCL") to acquire 11,31,400 Fully Paid Equity Shares of face value Rs. 10/- each representing 20% of Subscribed share capital at a price of Rs. 7.00/- (Rupees Seven only) per Fully Paid Equity Share ("Offer Price") Payable in cash by **Mr M Srinivasa Reddy ("Acquirer").**

Dear Sir,
I/We refer to the Letter of Offer dated 11/06/2007 for acquiring the equity shares held by me / us in **Bhagyanagar Castings Limited.**
I/We the undersigned, have read the Letter of Offer understood and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.

For Shares held in Physical Form

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below.
Ledger Folio No. .... No. of Share Certificate(s) .... No. of Equity Shares ....

Sr.No.	Certificate No.	Distinctive Nos		No. of Shares
		From	To	
		Total number of equity shares		

(In case the space provided is inadequate, please attach a separate sheet with details and authenticate the same)

For Shares held in Demat Form
Note :The Target Company has not admitted its Equity Shares with any Depository and hence Equity Shares are only in Physical Form

For NRIs/OCBs/FIIs/Foreign Shareholders:
I/We have enclosed the following documents:
ðNo Objection Certificate / Tax Clearance Certificate from Income Tax Authorities. ð Previous RBI approvals for holding the shares of Bhagyanagar Castings Limited hereby tendered in the Offer.

The Permanent Account No. (PAN/GIR No.) allotted under the Income Tax Act 1961 is as under:

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN/GIR No.			

I/We confirm that the Equity Shares of Bhagyanagar Castings 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 valid share transfer deed will be held in trust for me/us by the Managers to the Offer until the time the Acquirer pay the purchase consideration as mentioned in the Letter of Offer.
I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.
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, equity shares/share certificate(s) in respect of which the Offer is not found valid / not accepted without specifying the reasons thereof.
I/We authorise the Acquirer or the Manager to the Offer to send by registered post/speed post/UCP, the draft/ Pay Order/ cheque in settlement of the amount, to the sole / first holder at the address recorded with the Company/Depository Participant.

Yours faithfully,
Signed and Delivered:

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

Tel.No. _______________Fax No._________________ Email______________________________________

Place : Date :

Note: *In case of joint holdings, all holders must sign. In case of body corporate, stamp of the company should be affixed and necessary board resolution should be attached.*
So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank		Branch	
Account Number		Savings/Current/(Others: please specify)	

P.T.O.

-- TEAR ALONG THIS LINE --

Folio No./BO ID:____ **Sr.No.:**____________________________________ **Acknowledgement Slip**

CIL SECURITIES LIMITED
#214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500001.

Received from Mr/Ms.____
Address____
____
Form of acceptance cum acknowledgement, ___________________ Number of Share Certificates __________ for Equity shares

Signature of Official and Date of Receipt

INSTRUCTIONS

1. **Shareholders should enclose the following :-**

   I **For Equity shares held in demat form : -**

   Note : The Target Company has not admitted its Equity Shares with any Depository and hence Equity Shares are only in Physical Form

   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 Bhagyanagar Castings Limited and duly witnessed at the appropriate places.

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

   III **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 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.

2. **Non resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in Bhagyanagar Castings 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.**

3. **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 ALONG THIS LINE---

Note: All future correspondence, if any, should be addressed to the Managers to the Offer at the following address:

CIL Securities Limited
#214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001
Phone: +91 40 2320 3155/2465; Fax: +91 40 2320 3028;
Email: cilsec@rediffmail.com