

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS OF

BHANDARI HOSIERY EXPORTS LIMITED

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CASH OFFER FOR ACQUISITION OF UPTO 17,14,811 FULLY PAID UP EQUITY SHARES OF RS. 10/- EACH FROM SHAREHOLDERS OF BHANDARI HOSIERY EXPORTS LIMITED

1. This Public Announcement ("PA") is being issued by SOBHAGYA Capital Options Limited ("SCOL"), [hereinafter referred to as the "Manager to the Offer"] on behalf of Mr. Nitin Bhandari and Ms. Nitika Bhandari [hereinafter referred to as the "Acquirers"], pursuant to and in compliance with among others, Regulation 11(1) of Chapter III of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and subsequent amendments thereto (the "Takeover Regulations" or the "Regulations").
2. No other person / individual / entity is acting in concert with Acquirers for the purposes of this Offer.
3. This is not a competitive bid.
4. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of Bhandari Hosiery Exports Limited [hereinafter referred to as "BHEX" or "Target Company"].
5. **The Offer**
- 5.1. Mr. Nitin Bhandari and Ms Nitika Bhandari (Part of Promoter Group of the Target Company) both residing at Bhandari House, Queen's Enclave, Near Chatley Estate, South City, Ludhiana; have voluntarily decided to increase their shareholding in BHEX and intend to acquire from Non promoter Shareholders upto 17,14,811 fully paid up equity shares of Rs.10 each representing 23% of the Paid up Equity Share Capital of BHEX at Rs. 18/- (Rupees Eighteen only) per share ("the Calculated Price") aggregating Rs. 3,08,66,598 (Rupees Three Crore eight lacs sixty six thousand five hundred ninety eight only) ("Consideration") payable in cash ("the Acquisition").
- 5.2. Pursuant to Regulations 11(1) of the SEBI (SAST) Regulations, Acquirers are making an voluntary Offer to the Non- Promoter shareholders of BHEX to acquire up to 17,14,811 fully paid up equity shares ("shares") of Rs. 10 each representing 23 % of the paid up/ voting capital of BHEX at a price of Rs. 18/- (Rupees Eighteen Only) per share ("Offer Price") payable in cash ("Offer") subject to the terms and conditions mentioned hereinafter.
- 5.3. The Offer is not conditional on any minimum level of acceptances.
- 5.4. The Target Company ("BHEX") is listed only on Bombay Stock Exchange Limited (BSE).
- 5.5. Mr. Naresh Bhandari, Ms. Kusum Bhandari, Mr. Suresh Bhandari, Mr. Mahesh Bhandari, Ms. Asha Bhalla, Mr. Kamlesh Nayyar, Bhandari Export Industries Limited, Bhandari Knit Exports, Lifestyle Garments, Miracle Clothing Company and TBD Trading Company are Person Acting in Concert ("PAC") as per the SEBI (SAST) Regulations, 1997. None of the abovementioned "Persons" is acting for the purpose of this offer with the Acquirers, for the common objective of acquisition of shares or voting rights or gaining control over the target Company.
- 5.6. Mr. Nitin Bhandari and Ms. Nitika Bhandari, being part of the Promoter Group of the Target Company, already hold 18,92,061 and 12,25,750 Shares representing 25.38% and 16.44% respectively of the total Share Capital, as on the date of Public Announcement. The total shareholding of Promoters and Promoter Group is 38,40,761 shares representing 51.51% of total share capital of the Target Company.
- 5.7. Details of acquisition of Shares by Acquirers during last 12 months are given following:

Date of Acquisition	Mode of Acquisition	Number of Shares	Consideration
Nitin Bhandari			
09th April 2007	Open Market	930	17.05
16th April 2007	Open Market	100	17.12
04th May 2007	Open Market	1000	16.11
13th July 2007	Open Market	5100	16.99
14th March 2008	Conversion of warrant into Shares	402750	18.00
Nitika Bhandari			
14th March 2008	Conversion of warrant into Shares	402750	18.00

- 5.8. The Acquirers i.e. Mr. Nitin Bhandari & Ms. Nitika Bhandari have agreed that they would distribute between themselves upto 12,00,368 and 5,14,443 fully paid up equity shares of BHEX in the ratio of 70% and 30% respectively of the valid equity shares tendered under the Open Offer, presuming full acceptance of the offer. In case of partial response to the Open Offer the Acquirers have agreed to acquire the valid equity shares tendered under the Open Offer in the ratio of 7:3.
- 5.9. Sobhagya Capital Options Ltd, Manager to the Offer, do not hold any equity shares of Target Company as on the date of Public Announcement.
- 5.10. The Acquirers and BHEX are not included in the list of persons / entities debarred from accessing the capital market under Section 11 B of the SEBI Act, 1992 or under any other Regulation.
- 5.11. This is not a competitive bid.
6. **The Offer Price**
- 6.1. The annualized trading turnover based on the trading volume in the shares of BHEX on the BSE during 01st October 2007 to 31st March 2008 (6 calendar months preceding the month in which the PA is made) is as under:

Period	Total No. of shares traded during Period (annualized)	Total No. of Listed shares	Annualized trading turnover (as a % of total Listed shares)
01.10.2007 to 31.03.2008	21,99,556	59,55,700	36.93%

Source: www.bseindia.com

- 6.2. The equity shares of the BHEX are deemed to be frequently traded on BSE within the meanings of Explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations.
- 6.3. The Offer price of Rs. 18/- (Rupees Eighteen Only) per share is justified in terms of Regulations 20 (4) of the SEBI (SAST) Regulations applicable for Companies whose shares are frequently traded, and the same has been determined after considering the following facts:

a.	The Negotiated Price	Nil
b.	Highest Price paid by acquires for acquisition, if any, including by way of allotment in a public or rights issue or Preferential Issue during the 26 weeks prior to the date of the PA	Rs. 18.00/-Per share
c.	The average of the weekly High and Low of the closing prices of the shares of BHEX on Stock Exchange during 26 weeks period preceding the date of PA	Rs. 17.91/- Per share
d.	The average of the daily high and Low of the prices of the shares of BHEX on Stock Exchange during 2 weeks period preceding the date of PA	Rs. 16.67/- per share

7. **Information about Acquirers**
- 7.1. Mr. Nitin Bhandari S/o Mr. Naresh Bhandari, aged about 25 years, residing at Bhandari House, Queen's Enclave, South City, Ludhiana is working as President of BHEX. He has done Master of Business Administration in Entrepreneurial Management from European Business School, London, U.K. He is part of Promoters Group of the BHEX. He is also on the Board of Directors of Bhandari Export Industries Limited and a Member of its Audit Committee.
- 7.2. Ms. Nitika Bhandari is D/o Mr. Naresh Bhandari aged about 27 years, residing at Bhandari House, Queen's Enclave, South City, Ludhiana is working as Chief Merchandiser of BHEX.
- 7.3. Other details of the Acquirers are as below on the date of the Public Announcement

S. No.	Name of Acquirers & Res. Address	PAN No.	Educational Qualification	Total Business Experience
1.	Mr. Nitin Bhandari	AFPPB0808R	MBA in Entrepreneurial Management from European Business School, London, U.K.	He is having 05 years experience in the fields of process of manufacture and merchandising of readymade garments, optimising costing, reducing wastage and improving quality.
2.	Ms. Nitika Bhandari	AFAPB9359Q	*Graduated in Garment Technology from Pearl Fashion, New Delhi *Degree in Fashion Technology from F.I.T., New York	She is having 07 years experience in the field of designing, coordinating with the buyers, sampling, handling fabric norms, supervising production activities, implementing cost standards, working out pricing and quotations and allied matters.

- 7.4. The Shareholding of Acquirers, along with other promoters, as on the date of the PA is as below:

S. No.	Shareholder	No. of Shares held	Percentage of Shareholding
1.	Mr. Nitin Bhandari (Acquirer)	18,92,061	25.38%
2.	Ms. Nitika Bhandari (Acquirer)	12,25,750	16.44%
3.	Other Promoters	7,22,950	9.70%
	Total Promoters Shareholdings	38,40,761	51.51%
	Total Shareholdings of the Target Company	74,55,700	100%

- 7.5. The Net-worth of Mr. Nitin Bhandari and Ms. Nitika Bhandari as on 31-03-2008 is Rs. 6,28,34,981/- (Rupees Six Crore twenty eight lacs thirty four thousand nine hundred eighty one only) and Rs. 3,75,71,595/- (Rupees Three Crore seventy five lacs seventy one thousand five hundred ninety five only) respectively as certified by M/s. Vipan Kumar Agarwal & Co., Chartered Accountants (Membership No. 081198), Address: K-206, Kismat Complex, Ludhiana Tel.No. 0161-2533139.
- 7.6. Neither Acquirers nor any PAC have been prohibited by SEBI from dealing in Securities, in terms of directions issued u/s 11B of SEBI Act.

8. **Information about Bhandari Hosiery Exports Ltd. (BHEX) ("the Target Company")**
- 8.1. BHEX is a Public Limited Company incorporated on 25th November, 1993 with Registrar of Companies, Jalandhar, under the Companies Act, 1956. BHEX has its Registered and Corporate Office at Bhandari House, Village Meherban, Rahon Road, Ludhiana, Tel.- 0161-3260742-44, Fax No- 0161-2690394.
- 8.2. The break up of the Equity Share Capital of the Target Company is as follows :

Particulars	No. of Shares of Rs. 10 each	Amount in Rs.
Authorised Share Capital	2,50,00,000	25,00,00,000
Issued, Subscribed & Paid Up Equity Share Capital	74,55,700	745,57,000
Total Voting Rights	74,55,700	100%

- 8.2.1. **Listed Capital:**
- Out of total Issued / Paid Up Capital comprising 7455700 Shares, 5955700 Equity Shares are already listed at BSE. The Company has allotted on 14.03.2008 15 Lacs Fully Paid Equity Shares on account of Conversion of Warrants. The company has applied for listing of these newly issued 15 lacs equity shares and application for listing of the same is pending/in process with BSE.
- 8.3. As far as the Acquirers are aware, there are no outstanding partly paid up equity shares or any other instruments convertible into equity shares at a future date, in the books of BHEX.
- 8.4. **Business Overview of "BHEX"**

- 8.4.1. The Company Bhandari Hosiery Exports Limited (BHEX) belongs to the BHANDARI GROUP that was established in 1942 by Sh. Prem Chand Bhandari. Bhandari Hosiery Exports Limited was set up and incorporated in the year 1993 by Shri Naresh Bhandari and his wife Ms. Kusum Bhandari. The Company took over the running business of a firm named "Bhandari Hosiery Exports". The Company came out with a Public Issue of 22,18,600 Equity Shares of Rs. 10/- each at par in the year 1994.
- 8.4.2. At present, the Company is a Government of India Recognized Export House with its Regd. Office and Unit at Bhandari House, Village Meharban , Rahon Road, Ludhiana. Shri Naresh Bhandari, the Chairman & Mg. Director of the Company has experience of over 25 years in the relevant industry of Readymade Knitted Hosiery Garments.

- 8.4.3. The Company is engaged primarily in the manufacture and export of knitted hosiery garments such as T-Shirts, Pullovers, Sweat Shirts, Bermudas, Polo shirts, Track Suits, Payjamas, Lowers, ladies knitted tops with embroidery, prints etc. The Licensed capacity of the company is 20,40,000 pieces per annum
- 8.4.4. The Company is a garment manufacturing company having vertical production facility to produce High Fashion Knitted Garments. With more than 15 years experience and state of the art manufacturing facilities, BHEX manufactures garments for leading international and overseas brands and some overseas retail chains. In the international market, The Company has a global presence in around 17 countries including quality conscious markets like USA, Canada, Germany, UK and the European Countries.
- 8.4.5. The products are targeted towards trendy fashion oriented line for both gender of the upper middle class segment. Garments are exported to many of the European and North American Countries. The Company conforms to International standards in manufacturing practices and adopted Eco- friendly standards in production.

- 8.4.6. BHEX aims to be the best knitted garment manufacturing and exporting Company. The Company continuously incorporates the latest technological advances in manufacturing processes to ensure that its esteemed customers receive top-of-line quality products.
- 8.4.7. It is all due to the efforts of the Company to deliver quality product to its customers side by side complying with the domestic and international Standards that presently the Company has become a W.R.A.P.B.S.C.I and C-TPAT Certified Company.
- 8.5. As on date there are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date.
- 8.6. There has been no merger / de-merger or spin off in the Company during the past three years.
- 8.7. Financial information of BHEX for the year ended March 31, 2007 and Nine months ended on 31st December 2007:

(Rs. in Lacs)			
Particulars	December 31, 2007 (nine months)	March 31, 2007	
Total Income	5013.92	6553.09	
Profit After Tax	150.26	168.14	
Equity Share Capital	595.57	595.57	
Reserves & Surplus	965.04	814.78	
Earning per Share(Rs) (annualized)	3.36	3.23	
Return on Net worth % (annualized)	12.84%	11.92%	

9. **Reasons for the Offer and Future Plans about the Target Company**
- 9.1. Mr. Nitin Bhandari and Ms. Nitika Bhandari, being part of the promoter group already hold 18,92,061 and 12,25,750 Shares representing 25.38% and 16.44% respectively of the total share capital of the target company, as on the date of this Public Announcement. The Acquirers propose to increase their holdings in BHEX by acquiring shares from Non promoter shareholders. This offer is upto 23% of the paid up Capital / voting rights, i.e. 17,14,811 shares of BHEX and is being made in terms of Regulations 11(1) of the SEBI (SAST) Regulations.
- 9.2. Acquirers do not have any plan to dispose off or otherwise encumber any of the assets of BHEX in the succeeding two years from the date of closure of the offer, except in the ordinary course of business and with the prior approval of shareholders of BHEX. Acquirers will not dispose off, sell or otherwise encumber any substantial assets of BHEX except with the prior approval of the shareholders. However re-organization and/ or streamlining of various businesses may be considered for commercial reasons and achieving operational efficiencies, may include the restructuring and/or rationalization of assets of BHEX.
- 9.3. The Acquirers have vast experience in the textile and ready made garments and they expect to continue using their experience in taking the company forward.

10. **Statutory Approvals & Conditions of the Offer**
- 10.1. The shares that are tendered in the Offer may be those held by Non-Resident Indians or persons resident outside India who are not Non-Resident Indians, including Overseas Corporate Bodies, if any, holding shares in the Company who may be persons not covered by specific provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
- 10.2. The Offer is therefore subject to the receipt of the approval of the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations made there under for the acquisition of equity shares by the Acquirers from the aforesaid category of shareholders under the Offer and other related matters. In case of previous RBI Approvals not being submitted, the Acquirers reserves the right to reject the shares tendered in the Offer from aforesaid category of shareholders.
- 10.3. The Acquirers will make the requisite application to RBI to obtain permission under FEMA for transfer of shares in their names in due course after successful completion of this Offer.

- 10.4. There are no other statutory approvals required to acquire the shares tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals that may become applicable prior to completion of the Offer.
- 10.5. The Acquirers shall complete all procedures relating to the Offer within a period of 15 days from the date of closing of the offer.
- 10.6. In case of delay in receipt of statutory approvals, as explained above, SEBI has power to grant extension of time to the Acquirers for payment of purchase consideration to eligible shareholders of the Company, subject to the Acquirer agreeing to pay interest as directed by SEBI, for the delayed period in terms of Regulation 22(12) of the Takeover Regulations. If the delay occurs due to willful default of the Acquirer in obtaining requisite approvals, Regulation 22(13) of the Takeover Regulations will become applicable.
- 10.7. To the best of the Acquirers' knowledge, (a) no approval from banks/ financial institutions of the Company is required for the Acquirer to make this Offer and (b) other than the approvals mentioned aforesaid, no other statutory or regulatory approval is required for the Acquirer to proceed with the offer. If any other approvals are required or become applicable subsequently, the Offer would be subject to such approvals. The Acquirer will have a right not to proceed with the Offer in the event the approvals are refused, in terms of Regulation 27(1)(b) of the Takeover Regulations.
- 10.8. The Acquirers reserves the right to withdraw the offer, in terms of Regulation 27 of the SEBI (SAST) Regulations, in the event the requisite statutory approvals are being refused. In the event of withdrawal, a Public Announcement will be made in the same newspapers in which this original Public Announcement is being made.
- 10.9. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of SEBI (SAST) Regulation, SEBI may, if satisfied that the non-receipt of the approvals was not due to willful default or negligence, grant an extension for the purpose of completion of the Offer provided the Acquirers agrees to pay interest to the shareholders for delay beyond 15 days from the date of closing of the Offer.
- 10.10. If the Acquirers fail to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on his part, the amount lying in the escrow account shall be forfeited in the manner provided in Regulation 28(12) (e) of SEBI (SAST) Regulations.

11. **Continuous Listing**
- 11.1. The minimum public shareholding required for continuous listing of the equity shares of BHEX is 25% (twenty five) of the total Equity Share capital. Pursuant to this Offer, there will be no violation of Clause 40A of the listing agreement of BHEX with the stock exchanges on which its equity shares are listed and the equity shares will continue to be listed as the public shareholding of BHEX is not expected to fall to a level below the limit for continuous listing specified in the listing agreement.
- 11.2. Pursuant to this Offer, if the public shareholding of BHEX falls to a level below the limit for continuous listing specified in the listing agreement i.e. 25%, Acquirer undertakes to take necessary steps to facilitate compliance of BHEX with the relevant provisions thereof in terms of the provisions of Regulation 21(2) of the Takeover Regulations and enable BHEX to raise the level of public shareholding, to the level specified for continuous listing specified in the listing agreement with the stock exchanges, within the prescribed period.

12. **Financial Arrangements**
- 12.1. The maximum purchase consideration payable by the Acquirers in case of full acceptance of this Offer would be Rs. 3,08,66,598/- (Rupees Three Crore eight lacs sixty six thousand five hundred ninety eight only) for acquisition of 17,14,811 equity shares at the offer price of Rs. 18/- per share.
- 12.2. The Acquirer has opened a cash escrow account with AXIS Bank Ltd. in their capacity as the Escrow Banker, having their office at Greater Kailash II Branch, New Delhi, under the name and style of " NBNB BHEX- Open Offer Escrow Account" and bearing No. 268010200008822 and deposited Rs. 78,00,000/- (Rupees Seventy eight lacs only) being more than 25% of the total purchase consideration payable under the Offer assuming full acceptance at the aforesaid offer price in accordance with Regulation 28 of the Takeover Regulations. The Acquirers have authorized the Manager to the Offer to operate the cash escrow account in compliance with Regulation 28 of the Takeover Regulations and have also marked a lien on the a/c in favour of the Manager to the Offer.
- 12.3. AXIS Bank has given a Certificate to the effect that the amount is being deposited in the aforementioned Account. In view of above, the Manager to the Offer is satisfied that firm arrangements for financial resources required to implement the Offer i.e., funds and money for payment through verifiable means are in place to fulfill the obligations of the Acquirers under the Offer and is satisfied that the Acquirers have adequate resources to meet the financial requirements of the Offer and ability to implement the Offer in accordance with the Takeover Regulations.
- 12.4. In case of a revision in the Offer price, the Acquirers would raise the amount in the escrow account to ensure compliance with Regulation 28 of SEBI (SAST) Regulations.
- 12.5. The Acquirers has adequate resources to meet the financial requirements of the Offer. This is certified by the Networth Certificate as provided by M/s. Vipan Kumar Agarwal & Co., Chartered Accountants (Membership No. 081198), Address: K-206, Kismat Complex, Ludhiana -141007.

13. **Other Terms of the Offer**
- 13.1. The Letter of offer ["LOF"] and Acceptance cum acknowledgement Form will be mailed to the shareholders of BHEX [except the Acquirers and PAC] whose names appear on the Register of Members of BHEX and beneficial owners of the equity shares, whose names appear as beneficiaries on the records of the respective depositories i.e., National Securities Depository Limited ["NSDL"] and Central Depository Services (India) Limited ["CDSL"], at the close of business hours on Monday 28th, 28th, 2008 ("Specified Date"). All owners (registered or unregistered) of shares of BHEX [except the Acquirers and PAC] who own/hold equity shares at any time before the date of closure of the Offer are eligible to participate in the Offer.
- 13.2. M/s. Skyline Financial Services Pvt. Limited, having their Corporate office at 246, First Floor, Sant Nagar, East of Kailash, New Delhi- 110065 has been appointed as the Registrar to the Offer ("Registrar"). The Registrar has opened a special depository account with NSDL in the name and style of "Skyline-BHEX-Open Offer Escrow Account." ("Special Depository Account") through KK Securities Ltd, New Delhi ["DP"]. Beneficial owners holding equity shares in dematerialized form will be required to send to Registrar on or before the closure of the offer, along with their Form of Acceptance-cum-Acknowledgment, a photocopy of the delivery instruction slip in "off-market" mode, duly acknowledged by the DP, for transferring the shares in favor of "Skyline- BHEX- Open Offer Escrow Account" as per the instructions given below:

Depository	NSDL
Depository Participant	KK Securities Limited
Client ID	10072081
DP ID	IN300468
ISIN of the Target Company	INE474E01011
Market	Off-market
Execution date	On or before the date of Closure of Offer

- 13.3. Shareholders of BHEX having their depository account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL. Beneficiary owners (holders of shares in dematerialized form) who wish to tender their equity shares will be required to send their Acceptance Form to Registrar to Offer i.e. Skyline Financial Services Pvt. Ltd., along with a photocopy of the delivery instruction slip in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the depository participant in favour of the special depository account, to the Registrar in accordance with the instructions to be specified in the LOF and Acceptance Form.
- 13.4. Shareholders of BHEX holding equity shares in physical form and who wish to tender their equity shares will be required to send the Acceptance Form, original share certificate/s and transfer deed/s, duly signed, to the Registrar on or before the closure of the Offer in accordance with the instructions to be specified in the LOF and Acceptance Form.
- 13.5. The equity shareholders of BHEX who wish to avail of the Offer will be required to deliver the Acceptance Form with relevant documents to the Registrar on all days (excluding holidays and Sundays) at the collection centre mentioned below, in accordance with the instructions to be specified in the LOF and Acceptance Form. The collection centre mentioned below would remain open on Monday to Friday from 10.00 am to 1.00 pm and from 2.00 pm to 4.00 pm and on Saturdays from 10.00 am to 1.00 pm.

NAME & ADDRESS OF REGISTRAR	Mode of delivery to Registrar	PHONE	FAX
SKYLINE FINANCIAL SERVICES PRIVATE LIMITED 246, First Floor, Sant Nagar, East of Kailash, New Delhi Contact person: Mr. Virendra Rana	Hand delivery/ Registered Post/Courier	011- 2629 2679- 82- 83	011- 26292681

- 13.6. All owners (registered or unregistered) of shares of BHEX [except the Acquirers and PAC] who own/hold equity shares at any time before the date of closure of the Offer are eligible to participate in the Offer. Unregistered owners can send their written applications to the Registrar, on a plain paper stating (a) the name, address, number of equity shares held, number of equity shares offered, distinctive numbers and folio number together with the original share certificate/s and valid transfer deeds in the case of equity shares held in physical form or (b) DP name, DP ID and client ID (collectively called "Shareholding Details") together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode in the case of equity shares held in dematerialized form and (c) the original contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners of equity shares.
- 13.7. In case of non-receipt of the LOF and Acceptance Form, the eligible persons / shareholders of BHEX may send their consent to the Registrar, on a plain paper giving their shareholding details as above and submitting the documents as mentioned above so as to reach the Registrar on or before the date of closure of the Offer. Beneficial owners may send their written application on plain paper to the Registrar, giving their Shareholding Details as above along with beneficiary account number and either a photocopy or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar, on or before the date of closure of the Offer. Such shareholders of BHEX may also obtain a copy of LOF and Acceptance Form by writing to the Registrar to the Offer superscribing the envelope "BHEX Open Offer".
- 13.8. The equity shares are traded in dematerialized mode hence, the minimum marketable lot is one equity share. Equity shares, if any, that are the subject matter of litigation wherein the shareholder/s is/are may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected in case directions/orders from competent authority regarding these equity shares are not received together with the equity shares tendered under the Offer. The LOF and Acceptance Form, in such cases, would be forwarded to the concerned competent authority for further action at their end. In case the equity shares are in the name of tainted persons or the transfer of the equity shares was kept in abeyance due to the inclusion of the tainted persons as declared by the Special Custodian under the Special Act, such shares will not be accepted until the equity shares are cleared by the Special Court appointed for this purpose.
- 13.9. Shareholders of BHEX who have sent their equity shares for dematerialized need to ensure that the process of getting the equity shares dematerialized is completed well in time so that the credit in the special depository account should be received on or before the date of closure of the Offer, else the application would be rejected.

- 13.10. Shareholders of BHEX who have lodged equity shares for transfer may either download the LOF and Acceptance Form from the SEBI's site (www.sebi.gov.in) or request for the Acceptance Form from the Registrar to the Offer. The Acceptance Form, duly completed and signed in accordance with the instructions contained therein or an application in writing on a plain paper stating the name, address, number of equity shares held, number of equity shares offered, distinctive numbers and folio number shall be sent to the Registrar to the Offer along with the acknowledgement, if any, received from BHEX for having lodged the equity shares for transfer. Shareholders of BHEX who are attaching the acknowledgement are requested to direct BHEX in writing to retain the share certificates for onward submission to the Registrar to the Offer.
- 13.11. Equity shares tendered by the equity shareholders of BHEX in the public offer shall be free from lien, charge or encumbrances.
- 13.12. The Registrar to the Offer will hold, in trust, the share certificates, equity shares lying to the credit of the special depository account, the Acceptance Form, if any and the transfer form/s on behalf of the shareholders of BHEX who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted equity shares/share certificates are dispatched/returned.
- 13.13. In accordance with Regulation 22(5A) of the Takeover Regulations, shareholders of BHEX who have tendered the requisite documents in terms of the PA and the LOF and Acceptance Form shall have the option to withdraw acceptances tendered upto three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions given below so as to reach the Registrar to the Offer at the collection centre mentioned above as per the mode of delivery indicated therein on or before closing hours of 02nd July 2008.
- 13.14. The withdrawal option can be exercised on submitting (a) the Form of Withdrawal which will be sent to shareholders of BHEX along with the LOF and Acceptance Form and (b) the copy of the acknowledgement received from the Registrar to the Offer while tendering the acceptances together with (a) name, address, distinctive numbers, folio number, and number of equity shares tendered in respect of equity shares held in the physical form and (b) name, address, number of equity shares tendered, DP name, DP ID, beneficiary account number i.e., client ID and photocopy of the delivery instruction in "off market" mode duly acknowledged by DP, in respect of dematerialized equity shares. In case of non-receipt of the form of withdrawal, the above withdrawal application can be made on a plain paper.
- 13.15. The consideration for equity shares accepted by the Acquirer will be paid by crossed account payee cheques/demand drafts. Such payments and documents i.e., share certificates etc. in case of unaccepted equity shares, will be returned by registered posts/speed post at the shareholders/unregistered owners' sole risk. Equity shares held in dematerialized form to the extent not accepted will be credited back to the account of the beneficial owner specified in the Acceptance Form. The payment of consideration for the accepted equity shares will be made by the Acquirer by cheque/demand draft to the shareholders of the accepted equity shares within 15 days from the date of closure of the Offer i.e. 02nd July 2008.
- 13.16. Aschedule of some of the major activities in respect of the Offer is given below:

Activity	Date	Day
Date of Public Announcement	21.04.2008	Monday
Specified Date (for the purpose of determining the names of the shareholders to whom the Letter Offer would be sent)	28.04.2008	Monday
Last date for a competitive bid, if any	12.05.2008	Monday
Date by which Letter of Offer will be posted to shareholders	28.05.2008	Wednesday
Date of opening of the Offer	28.06.2008	Thursday
Last date for Revising the Offer Price/ Number of Shares	23.06.2008	Monday
Last date for withdrawing acceptances tendered by shareholders	27.06.2008	Friday
Date of closing of the Offer	02.07.2008	Wednesday
Date of communicating acceptance/ rejection and payment of consideration for accepted shares/ dispatch of the share certificate in case of rejection.	17.07.2008	Thursday

- 13.17. The Offer is not conditional on any minimum level of acceptance. In the event that the Shares tendered validly in the Offer by the Shareholders of BHEX are more than the Shares to be acquired under the Offer, the acquisition of validly tendered Shares from each Shareholder will be as per the provisions of Regulation 21(6) of the Takeover Regulations i.e. on a proportionate basis, to be decided in a fair and equitable manner, in consultation with the Manager to the Offer, irrespective of whether the Shares are held in physical or dematerialized form.
- 13.18. While tendering equity shares under the Offer, non resident shareholders (Non Resident Indians/Overseas Corporate Bodies/Foreign shareholder) will be required to submit the previous RBI approval (specific or general) that they would have been required to submit to acquire the shares of BHEX. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such shares validly tendered. While tendering the shares under the Offer, NRI/OCBs/foreign shareholders will be required to submit a Tax Clearance Certificate ("TCC") from Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income-tax Act, 1961 (the "Income Tax Act") before remitting the consideration.
- 13.19. In case the aforesaid TCC is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.
- 13.20. If the resident shareholder of BHEX requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, he will be required to submit No Objection Certificate from the income tax authorities or a self declaration in Form 15H as may be applicable indicating the rate at which tax is to be deducted by the Acquirer. Shareholders of BHEX eligible to receive interest component exceeding Rs. 5,000/- would be required to submit their Permanent Account Number for income tax purposes. Clauses relating to payment of interest will become applicable only in the event of the Acquirer becoming liable to pay interest for delay in release of purchase consideration.
14. **General Condition**
- 14.1. Acquirers can revise the price upwards upto seven working days prior to closure of the offer and revision if any in the offer price would appear in the same news papers where the Public Announcement has appeared. The same price would be paid to all shareholders who tender their shares in the offer.
- 14.2. If there is any upward revision in the Offer Price till the last date of revision in terms of Regulation 26 i.e. 23rd June 2008 or withdrawal of the Offer, the same would be informed by way of a Public Announcement in the same newspapers in which this original Public Announcement is being made. In case of an upward revision in the offer price, the revised Offer Price would be payable to all the shareholders who have tendered their shares any time during the offer and have been accepted under the Offer.
- 14.3. The intimation of returned shares to the shareholders will be sent at the address as per the records of Targets Company/Depositories, as the case may be.
- 14.4. **"If there is competitive bid :**
- The public Offers under all the subsisting bids shall close on the same date.**
 - As the Offer Price can not be revised during 7 working days prior to the closing date of the Offers/ bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly."**
- 14.5. Neither Acquirers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of directions issued u/s 11B of SEBI Act.
- 14.6. If the aggregate of the valid responses to the offer exceeds offer size, then the acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations.
- 14.7. Pursuant to Regulation 13 of SEBI (SAST) Regulations, Acquirers has appointed Sobhagya Capital Options Limited, as Manager to the Offer and M/s Skyline Financial Services Pvt. Ltd. as Registrar to Offer. Both of the Intermediaries are Registered and hold valid and effective License granted by SEBI.
- 14.8. The Acquirers accept full responsibility for the information contained in this Public Announcement and also for the obligation of the Acquirers as laid down in the SEBI (SAST) Regulations.

MANAGER TO THE OFFER
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REGISTRAR TO THE ISSUE