LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as shareholder(s) of M/s **Corporate Merchant Bankers Limited** if you require any clarification about the action to be taken, you may please consult your stockbroker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in Corporate Merchant Bankers Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was affected.

OPEN OFFER BY

COSMOS INDUSTRIES LIMITED (ACQUIRER)
Registered Office: 202, Thapar Arcade, 47, Kalu Sarai, Hauz Khas, New Delhi-110016.
Tel No. 011-46024542/43; Fax No. 011-46024544
ALONGWITH PERSONS ACTING IN CONCERT
Deepak Yadav and Bhavna Yadav resident of House No. 1311, Sector-14, Faridabad, Haryana
Tel No: 011-46024542/43, Fax No. 011-46024544.
To
Acquire upto 6,60,000 equity shares of Rs. 10/- each representing 20% of the total equity/voting share capital of Target Company at a price of Rs. 10.50/- (Rupee Ten and Paise Fifty Only) per fully paid equity share, payable in Cash.
Pursuant to the Regulation 10 & Regulation 12 of
Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof
Of
CORPORATE MERCHANT BANKERS LIMITED
Registered Office: 1/27, 1st Floor, Lalita Chamber, Lalita Park, Laxmi Nagar, Delhi-11092
Tel No. (011)-22451104; Fax No. (011)- 22451104.

ATTENTION:

1. **The Offer is not a conditional Offer.**
2. **As on the date of Public Announcement, to the best of knowledge of Acquirers, no Statutory Approvals are required to be obtained for the purpose of this Offer. However, the Offer would be subject to all Statutory Approvals that may become applicable at a later date before the completion of Offer.**
3. **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer i.e. 15th October, 2008.**
4. **If there is any upward revision in the Offer Price by the Acquirers upto seven working days prior to the date of closure i.e. upto 9th October, 2008, the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.**
5. **If there is a Competitive Bid:**
   5.1 The Public Offers under all the subsisting bids shall close on the same date
   5.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the Offer, 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.
6. **There is no competitive bid.**
7. **A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's web-site: www.sebi.gov.in**

PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 11"PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 13 TO15)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL ARE ENCLOSED WITH THIS LETTER OF OFFER.

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

Manager to the Offer	Registrar to the Offer
Chartered Capital & Investment Limited 13, Community Centre, East of Kailash, New Delhi - 110065. Tel .: 011-26419079/ 26218274 Fax : 011 - 26219491; Email: charteredcapital@gmail.com Contact Person: ***Mr. Priyaranjan***	**BEETAL FINANCIAL & COMPUTER SERVICES PVT. LIMITED** Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukh Das Mandir, New Delhi-110062 Tel. Nos.: 29961281-82, Fax No.: 29961284 E. Mail: beetal@rediffmail.com Contact Person: ***Mr. Punit Mittal***
OFFER OPENS ON: October 1, 2008 (Wednesday)	**OFFER CLOSES ON: October 20, 2008 (Monday)**

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Sr. No.	Activity	(Original Schedule) Date and Day	(Revised Schedule) Date and Day
1	Date of Public Announcement	**July 16, 2008 Wednesday**	**July 16, 2008 Wednesday**
2	**Specified Date (For the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent)**	**August 08, 2008 Friday**	**August 08, 2008**
3	**Last date for announcement of Competitive Bid**	**August 06, 2008 Wednesday**	**August 06, 2008 Wednesday**
4	Date by which Letter of Offer will be posted to the shareholders.	August 28, 2008 Thursday	September 26, 2008 Friday
5	**Date of Opening of the Offer**	**September 05, 2008 Friday**	**October 01, 2008 Wednesday**
6	**Date of Closing of the Offer**	**September 24, 2008 Wednesday**	**October 20, 2008 Monday**
7	Last Date of Withdrawal of Acceptance	September 19, 2008 Friday	October 15, 2008 Wednesday
8	**Last date for revising the Offer price/number of shares**	**September 15, 2008 Monday**	**October 08, 2008 Wednesday**
9	Date of communicating Rejection/ Acceptance and payment for Applications accepted will be dispatched	October 09, 2008 Thursday	November 04, 2008 Tuesday

RISK FACTORS

i. In the event that either (a) the regulatory approvals are not received (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirer not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of CMBL, whose shares have been accepted in the offer as well as the return of shares not accepted by the acquirer may be delayed.

ii. The shares tendered in the offer will lie to the credit of a designated escrow account/ held in trust by the Registrar, till the completion of the offer formalities. Accordingly, the acquirer make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.

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

iv. In the event of over-subscription to the offer, the acceptance will be on a proportionate basis.

v. Target Company being Non Banking Finance Company (NBFC) is not fully complying with relevant provisions of the Reserve Bank of India in respect of Non Banking Finance Companies.

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1. DEFINITIONS

1.	Acquirers or The Acquirers or CIL alongwith PACs	Cosmos Industries Limited alongwith PACs Mr. Deepak Yadav and Ms. Bhavna Yadav
2.	Book Value per share	Net worth / Number of equity shares issued
3.	DSE	Delhi stock Exchange Association Limited
4.	EPS	Profit after tax / Number of equity shares issued
5.	Form of Acceptance	Form of Acceptance cum Acknowledgement
6.	Form of Withdrawal	Form of Withdrawal cum Acknowledgement
7.	FEMA	Foreign Exchange Management Act, 1999.
8.	LOO or Letter of Offer	Offer Document
9.	Manager to the Offer or, Merchant Banker	Chartered Capital And Investment Limited
10.	N.A.	Not Applicable
11.	Negotiated Price	Rs. 1.00 (Rupee One Only) per fully paid-up equity share of face value of Rs.10/- each.

12.	Offer or The Offer	Open Offer for acquisition of 6,60,000 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 10.50 (Rupee Ten and Fifty Paise Only) per fully paid up equity share, payable in Cash.
13.	Offer Price	Rs. 10.50 (Rupee Ten and Fifty Paise Only) per share for fully paid equity shares of Rs. 10/- each, payable in Cash.
14.	Persons eligible to participate in the Offer	Registered shareholders of Corporate Merchant Bankers Limited, and unregistered shareholders who own the equity shares of Corporate Merchant Bankers Limited any time prior to the Offer closure other than the Parties to SPA i.e. Acquirers & the Sellers under SPA.
15.	Persons Acting in Concert or "PACs"	Deepak Yadav and Bhavna Yadav
16.	Public Announcement or "PA"	Announcement of the Open Offer by The Acquirers, which appeared in the newspapers on July 16, 2008.
17.	RBI	Reserve Bank of India
18.	Registrar or Registrar to the Offer	M/s Beetal Financial & Computer Services Private Limited
19.	Return on Net Worth	(Profit After Tax/Net Worth) *100
20.	SEBI	Securities and Exchange Board of India
21.	SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
22.	SEBI Act	Securities and Exchange Board of India Act, 1992
23.	Sellers	Uttrakhand Promoters (P) Ltd, Ria Marketing Services (P) Ltd, Upasana Leasing & Holding (P) Ltd, Lifeline Housing Development Finance Company Ltd, Road Side Hotels & Marketing (P) Ltd, Samiksha Leasing & Trading Company (P) Ltd, Manoj Kumar Goel, Bhola Singh and Naresh Kumar
24.	SPA	Share Purchase Agreement
25.	Specified Date	Friday, August 08, 2008
26	Target Company or CMBL	Corporate Merchant Bankers Limited
26.	UPSE	Uttar Pradesh Stock Exchange Limited

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF CORPORATE MERCHANT BANKERS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 25, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3.1 DETAILS OF THE OFFER

3.1.1 M/s **Cosmos Industries Limited**, (hereinafter referred to as "**Acquirer(s)**") alongwith Persons Acting in Concert Mr Deepak Yadav and Mrs Bhavna Yadav (hereinafter referred to as "**PACs**") are making an Open Offer pursuant to Regulation 10 and Regulation 12 and in compliance with the SEBI (SAST) Regulations, 1997. There are no other acquirer or other entities/ persons who are or can be deemed to be Persons acting in concert for the purpose of this offer.

3.1.2 The Acquirers have entered into a Share Purchase Agreement [**SPA**] on July 11, 2008 to acquire an aggregate of 1970780 (Nineteen lacs Seventy thousand Seven hundred and Eighty Only) fully paid up equity shares of Rs.10/- each representing 59.72% of the total paid up capital and voting rights of **Corporate Merchant Bankers Limited**, a Company incorporated under the Companies Act, 1956 and having its registered office at 1/27, 1st Floor, Lalita Chambers, Lalita Park, Laxminagar, Delhi-110092 (hereinafter referred to as "**CMBL/the Target Company**") from the shareholders belongs to Non Promoter Group of CMBL, namely Uttrakhand Promoters (P) Ltd, Ria Marketing Services (P) Ltd, Upasana Leasing & Holding (P) Ltd, Lifeline Housing Development Finance Company Ltd, Road Side Hotels & Marketing (P) Ltd, Samiksha Leasing & Trading Company (P) Ltd, Manoj Kumar Goel, Bhola Singh and Naresh Kumar (hereinafter Collectively referred to as **Sellers**) (810000, 162000, 150000, 162000, 276800, 147500, 164480, 48000 and 50000 respectively - Collectively, the "Sale Shares"), at a price of Rs. 1.00 (Rupees One Only) per fully paid up equity share payable in cash ("**Negotiated Price**"). The total consideration for the shares acquired as mentioned above is Rs. 19,70,780.00 (Rupees Nineteen Lacs Seventy Thousand Seven Hundred and Eighty Only) and that resulted the triggering of SEBI (SAST) Regulations, 1997.

3.1.3 By the above acquisition, the Acquirer and PACs will hold in aggregate 24,56,280 (Twenty Four Lacs Fifty Six Thousand Two Hundred and Eighty Only) number of equity shares representing 65.13% of the total paid up capital and resultant voting rights of the target company, which resulted in triggering of SEBI (SAST) Regulations, 1997.

3.1.4 The details of the sellers are as under:

S. No.	Name of the Shareholder/ Seller	Address	No. of Shares	Amount (In Rs)
1.	Uttrakhand Promoters (P) Ltd	1/27, Lalita Chamber, Lalita Park, Laxmi Nagar, Delhi-92	8,10,000	8,10,000
2.	Ria Marketing Services (P) Ltd	311/D-5, Avadh Complex, Laxmi Nagar, Delhi-92	1,62,000	1,62,000
3	Upasana Leasing & Holding (P) Ltd	D-319, Narmadha Aptt, Kalkaji-19	1,50,000	1,50,000
4	Lifeline Housing Development Finance Company Ltd	311/D-5, Avadh Complex, Laxmi Nagar, Delhi-92	1,62,000	1,62,000
5	Road Side Hotels & Marketing (P) Ltd	D-341, Anand Vihar, Delhi-92	2,76,800	2,76,800
6	Samiksha Leasing & Trading Company (P) Ltd	312, M. J. Shopping Centre, 3, Veer Savarkar Block, Shakarpur, Delhi-92	1,47,500	1,47,500
7	Manoj Kumar Goel	34-A, Sarai Pipal Thala, Behind Mangat Ram Dal Mill, Adarshnagar, Delhi-33	1,64,480	1,64,480
8	Bhola Singh	309, M. J. Shopping Centre, 3, Veer Savarkar Block, Shakarpur, Delhi-92	48,000	48,000
9	Naresh Kumar	4, West Vinod Nagar, Delhi-92	50,000	50,000
	Total		**1970780**	**19,70,780.00**

3.2.1 The salient features of the SPA are as under:-

a. In consideration of the purchase of the shares, the Acquirer shall pay total cash consideration of Rs. 19,70,780/- (Rupees Nineteen Lacs Seventy Thousand Seven Hundred and Eighty Only).

b. Against payment of the sale consideration, the Sellers as the legal and beneficial owners of the shares, shall sell, transfer, convey and deliver to the Acquirer and the Acquirer shall purchase and acquire from the sellers, shares free from all encumbrances, all rights, title and interests of the Sellers in the shares together with all accrued benefits, rights and obligations attaching thereto.

c. The Acquirer undertake and covenant to take all steps and actions as may be necessary for compliance with the provisions of the Takeover Code. The sellers agree to provide the Acquirer with all possible necessary support (within their control), for complying with the provisions of the Takeover Code relating to Public Offer as are applicable to the transaction envisaged herein.

d. On completion, by the Acquirer, of the obligations relating to the Public Offer under the Takeover Code, as certified by Chartered Capital And Investment Limited, the Manager to the Offer appointed for such Public Offer in accordance with the Takeover Code, the parties shall ensure that the Board of Directors of the Target Company shall pass effective resolutions for recording the transfer of shares of the Target Company to the Acquirer and appointment of the persons nominated by the Acquirer on the Board of Directors of the Target Company.

e. In the event Acquirer fail to comply with the applicable provisions of the Takeover Code relating to the Public Offer, the SPA shall stand terminated and shall be null and void.

3.2.2 Apart from 19,70,780 (Nineteen Lacs Seventy Thousand Seven Hundred and Eighty Only) fully paid up equity shares, which the acquirer agreed to acquire in terms of SPA, the Acquirer does not hold any equity shares of the target company. However PACs in aggregate holds 4,85,500 equity shares/voting rights of CMBL.

3.2.3 Neither the Acquirers, Sellers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.2.4 There is no agreement entered between the acquirer and PACs with respect to the Offer and funding for the offer. However the acquirer will acquire up to maximum of 6,60,000 validity tendered under the Open Offer.

3.2.5 Acquirer is not holding any equity share of target company hence provisions of Chapter II are not applicable to the acquirer. However provisions of Chapter II are applicable to the PACs and they have made disclosures in compliance with the provisions of Chapter II of the Regulations.

3.3 The Offer

3.3.1 The Acquirers have made a Public Announcement on July 16, 2008 in the following newspapers in accordance with the Regulation 15 and pursuant to Regulation 10 and 12 of SEBI (SAST) Regulations, 1997.

Publication	Editions
Financial Express (English)	All Editions
Jansatta (Hindi)	All Editions

The Public Announcement is also available on the SEBI website at www.sebi.gov.in.

3.3.2 The Acquirers are making this Open Offer under the SEBI (SAST) Regulations, 1997, to acquire 6,60,000 equity shares of Rs. 10/- each representing 20% of the total share/voting capital of "CMBL" at a price of Rs. 10.50 (Rupees Ten and Fifty Paise only) per fully paid-up equity share ("Offer Price"} payable in cash subject to terms and conditions mentioned hereinafter.

3.3.3 There are no partly paid-up shares in the Target Company.

3.3.4 The Offer is not a Competitive Bid.

3.3.5 The Offer is not subject to any minimum level of acceptances from the shareholders i.e. it is not a conditional offer. The Acquirer will accept the equity shares of CMBL those are tendered in valid form in the terms of this offer upto the maximum of 6,60,000 equity shares.

3.3.6 Acquirers have not acquired any shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

3.4 Objects of the Offer/ Acquisition

3.4.1 The Acquirer along with PACs are interested in taking over the management and control of CMBL. Thus substantial acquisition of shares and voting rights accompanied with change in control and management is the reason and rationale for the acquisition.

3.4.2 The Offer to the Public Shareholders of CMBL is for the purpose of acquiring 20% of the total voting capital and resultant voting rights of CMBL. After the proposed Offer, the Acquirers will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

3.4.3 The acquirer will continue the same line of business activity of target company.

4. BACKGROUND OF THE ACQUIRER AND PACs

4.1 Cosmos Industries Limited

4.1.1 Cosmos Industries Limited (hereinafter referred to as "CIL" or the Acquirer or the Acquirer Company) is a company incorporated under the Companies Act, 1956 as a Limited company and was registered with the Registrar of Companies, N.C.T of Delhi & Haryana vide its certificate of incorporation dated November 02, 1998. The company at present has its Registered/Corporate Office at 202, Thapar Arcade, 47 Kalu Sarai, Hauz Khas, New Delhi-110016, Tel No.: 011- 46024542/ 43, Fax No. 011- 46024544, Email: yaducorp@sify.com. The Promoters of the "CIL" are Mr Deepak Yadav, Mr. Kunal Singh, Ms Bhavna Yadav, Ms Bharti Singh and Umlesh Singh and the Company does not belongs to any group as such. CIL has at present manufacturing facilities located at Dhuri, Dist Sangrur, Punjab.

4.1.2. CIL is the Acquirer in the present offer and Mr. Deepak Yadav and Ms Bhavna Yadav are persons acting in concert in respect of this Open Offer.

4.1.3 The Acquirer's main business activity is to manufacture and refinery in all its branches and to purchase, produce, refine, import, export, sell and generally to deal in sugar, sugar beets, sugarcane, molasses, syrups and alcohol and all products and by products thereof.

4.1.4 The Compliances under Chapter II of the SEBI (SAST) Regulations, 1997 are not applicable to the acquirer as it is an unlisted company and also hot holding any equity shares of the target company.

4.1.5 The Authorised share capital of the company constitutes of 2,00,00,000 fully paid up equity shares of Rs. 10/- each aggregating Rs. 20,00,00,000/- (Rupees Twenty Crores Only) and issued, subscribed and paid share capital of the acquirer company constitutes of 76,80,000 fully paid up equity shares of Rs. 10/- each aggregating Rs. 7,68,00,000/- (Rupees Seven Crores Sixty Eight Lacs Only)). The shareholding pattern of "CIL" as on the date of public announcement are as under:

Sl. No.	Category	No. of shares held	% of Shareholding
1.	Promoters/PACs	76,02,588	98.99
2.	Mutual Funds/FIIs/FIs/ Banks	-	-
3.	Public & Others	77,412	1.01
	TOTAL	**76,80,000**	**100**

4.1.6 As on date of Public Announcement, the Shareholding Details of the "CIL" are as under:

S. No.	Name	No. of Shares
1.	Deepak Yadav	73,56,916
2.	Bhavna Yadav	1,18,769
3	Bharti Singh	77,409
4.	Umlesh Singh	69,926
5.	Kunal Singh	56,977
6.	Bharat Singh	1
7.	SNG Exim (P) Ltd	1
8.	Rangar Breweries Ltd	1
	TOTAL	**76,80,000**

4.1.7 The Board of Directors of "CIL" as on P.A date consists of following members:-

S. No.	Name of Director	Designation	Residential Address	Date of Appointment	Qualification & Field of Experience
1	Mr. Deepak Yadav	Director	1311, Sector 14, Faridabad	17.08.2005	B.Tech, MBA having 6 years of experience in ` Business Administration.
2	Mrs. Bhavna Yadav	Director	1311, Sector 14, Faridabad	17.08.2005	Graduate having 6 years of experience in Business Administration.
3	Mr. Kunal Singh	Director	R-4/16, Rajnagar, Ghaziabad	17.08.2005	Graduate
4	Mrs Umlesh Singh	Director	R-4/16, Rajnagar, Ghaziabad	17.08.2005	Higher Secondary

None of the above directors are on the board of the Target Company.

4.1.8 Cosmos Industries Limited is an unlisted Company.

4.1.9 The brief financials of "CIL" are as under:-

(Amount in Lacs)

Profit & Loss Statement	Year ended 31.03.2005 (Audited)	Year ended 31.03.2006 (Audited)	Year ended 31.03.2007 (Audited)	Year ended 31.03.2008 (Unaudited)*
Income from operations	1287.00	2857.00	5166.00	6328.00
Other Income	198.00	80.00	54.00	59.00
Total Income	**1485.00**	**2937.00**	**5220.00**	**6387.00**
Total Expenditure	1415.00	2237.00	4276.00	5427.00
Profit Before Depreciation Interest and Tax	**70.00**	**700.00**	**944.00**	**960.00**
Depreciation	120.00	109.00	125.00	139.00
Interest	217.00	143.00	336.00	565.00
Profit/ (Loss) Before Tax	**(267.00)**	**448.00**	**483.00**	**256.00**
Provision for Tax	-	153.00	169.00	40.00
Profit / (Loss) After Tax	**(267.00)**	**295.00**	**314.00**	**216.00**

(Amount in Lacs)

Balance Sheet Statement	Year ended 31.03.2005 (Audited)	Year ended 31.03.2006 (Audited)	Year ended 31.03.2007 (Audited)	Year ended 31.03.2008 (Unaudited)*
Sources of funds				
Paid up equity share capital	768.00	768.00	768.00	768.00
Share Application Money	-	755.00	814.00	814.00
Reserves and Surplus (excluding revaluation reserves)	(1717.00)	(1421.00)	(1107.00)	(877.00)
Secured loans	2321.00	2760.00	4686.00	4741.00
Unsecured loans	146.00	21.00	21.00	65.00
Deferred Tax Liability	-	148.00	257.00	257.00
Total	**1518.00**	**3031.00**	**5439.00**	**5768.00**
Uses of funds				
Net fixed assets	1508.00	1584.00	2385.00	2675.00
Investments	-	-	-	85.00
Net current assets	6.00	1438.00	3047.00	300.003
Misc. Expenses (Not Written Off)	4.00	9.00	7.00	5.00
Total	**1518.00**	**3031.00**	**5439.00**	**5768.00**

Balance Sheet Statement	Year ended 31.03.2005 (Audited)	Year ended 31.03.2006 (Audited)	Year ended 31.03.2007 (Audited)	Year ended 31.03.2008 (Unaudited)*
Other Financial Data				
Dividend (%)	-	-	-	-
Earning Per Share (In Rs)	-	1.94	1.98	1.28
Networth	(953.00)	241.00	725.00	956.00
Return on Networth (%)	-	122	43.32	22.59
Book Value Per Share**	-	1.59	4.58	5.68

*As Certified by Statutory Auditor Garg R Kumar & Associates, Chartered Accountants through Mr. Rakesh Kumar (Membership No. 70514), having their office at 137, Navyug Market, Ghaziabad-201001, Tel: 0120- 2795011/2791398 vide their certificate dated May 27, 2008.

** Calculated including Share Application Money

The Details of Secured Loans for the Relevant Years are as follows.

(Rs in Lacs)

Particulars	Year ended 31.03.2005 (Audited)	Year ended 31.03.2006 (Audited)	Year ended 31.03.2007 (Audited)
Cash Credit Limit	354.00	569.00	2124.00
Term Loan	Nil	253.00	1178.00
Cane Development Loan	819.00	635.00	Nil
Loans from State Bank of Patiala	191.00	191.00	191.00
Loans from other Bank	15.00	13.00	10.00
Sugar Development Fund (Ministry of Food & Supply, Govt. of India)	942.00	1099.00	1183.00
Total	**2321.00**	**2760.00**	**4686.00**

4.1.10 Reasons for Fall & Rise in Income/PAT in relevant years are given as under:

During the year March 31, 2007, the income from operations of the company was increased from Rs 2857 lacs to 5166 lacs due to increase in demand of sugar in the market which affects the profitability of the company also.

4.1.11 There has been no merger / de-merger, spin-off in CIL during the past three years.

4.1.12 There is no change in Accounting Policies adopted by CIL during last three years.

4.1.13 The following are the details of major contingent liabilities for the year ended March 31, 2007.

Particulars	Amount (Rs in Lacs)
Capital Commitments	289.38
Claims against the company not acknowledgement as debt:	
Purchase Tax Liability	691.50
Interest Liability	51.83
Liability towards Vat	104.51
Provision for Gratuity	156.03
Provident Fund liability	54.25

Disclosure in terms of Regulation 16(ix)

The Acquirer at present has no intention to sell, dispose of or otherwise encumber any significant assets of CMBL in the succeeding two years, except in the ordinary course of business of CMBL. CMBL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of CMBL.

4.1.14 CIL has not promoted any Company(s) / Firm(s) since its inception.

4.1.15 CIL had not acquired earlier any shares in CMBL including any acquisition through Open Offer prior to SPA dated July 11, 2008.

4.1.16 As per the information received from CIL, the following litigation matters are pending against the Company:

Year	Against	Court/Authorities where the matters are pending	Nature of Case
1983	Union of India	High Court	Sugar Levy
1984	Union of India	Registrar	Sugar Levy
1985	Union of India	High Court of Delhi	Sugar Levy
1986	Union of India	High Court of Delhi	Sugar Levy
-	Mr. Balbir Singh	Karkarduma Court, Delhi	Labour case

However in view of above litigations matter, there will be no impact on the instant open offer.

4.1.17 SIGNIFICANT ACCOUNTING POLICIES AS ON 31.03.2007

BASIS OF ACCOUNTING

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis. Accounts have been prepared using historical cost convention and on the basis of a going concern concept and are in consonance with generally accepted accounting principles.

FIXED ASSETS

(a) None of the items of Fixed Assets have been revalued and they are stated at their original cost of acquisition / construction less accumulated depreciation.

INVESTMENT

Investments are stated at cost.

DEPRECIATION

(a) Depreciation is calculated on Written Down Value Method at rates specified in schedule XIV of the Companies Act, 1956, as amended vide notification No. GSR 756 (s) dated 16.12.1993 except on plant & machinery on which depreciation has been provided on the basis of straight line method.

REVENUE RECOGNISATION/BASIS OF ACCOUNTING

Revenue in respect of sale of goods is recognized at the point of dispatch or passing of title of goods to the customers exclusive of excise duty, is accounted for an accrual basis.

INVENTORIES

Inventories are valued as under :

Finished Goods	-	At lower of cost or net realizable value
Stores & Spares, Packing Material etc.	-	Weighted average cost

RETIREMENT BENEFITS

Under Provident Fund's Scheme and employee state insurance, company's contribution accruing during the year has been charged to Profit & Loss account.

The liability of gratuity and leave encashment are provided for on payment basis.

DEFERRED TAX

Deferred Tax Assets/Liabilities have been accounted for in accordance with AS-22 issued by the Institute of Chartered Accountant of India.

4.1.18 The Acquirer have at present no intention to delist the target company from the stock exchange in succeeding period of 2 years.

4.2 Mr. Deepak Yadav

4.2.1 Mr. Deepak Yadav S/o Shri Jaswant Singh Yadav aged 30 years, an Indian National residing at House No. 1311, Sector-14, Faridabad, Haryana , Tel No: 011-46024542/43, Fax No. 011-46024544. Mr Deepak Yadav is M. Tech and M.S. in Finance. He is the Managing Director and CEO of M/s Indian Sucrose Ltd and M/s Cosmos Industries Ltd. and has 6 years experience in Business Administration.

4.2.2 Mr. Rakesh Kumar (Partner of Garg R Kumar & Associates, Chartered Accountants, (Membership no. 70514) having office at 137, Navyug Market, Ghaziabad, Tel: (0120) 2795011, 2791398 has certified vide his certificate dated July 20, 2008 that the Net worth of Mr. Deepak Yadav as on 31.03.2008 is Rs. 57.90 Lacs.

4.2.3 As per declaration received Mr. Deepak Yadav he holds directorship in the following Companies:

Sr No.	Name of the Company	Designation	Listed At
1.	Cosmos Industries Ltd	Chairman	Not Listed
2.	Cosmos Hydro Power (P) Ltd	Director	Not Listed
3.	Cosmos Hospitality & Estate (P) Ltd	Director	Not Listed
4.	Rangar Breweries Ltd	Managing Director	Not Listed
5.	Indian Sucrose Ltd	Managing Director	DSE, BGSE, CSE
6.	East Hope Town Estate Company Limited	Director	Not Listed
7.	Noble Buildcon (P) Ltd	Director	Not Listed

4.2.4 As on the date of Public Announcement, as per declaration received the Acquirer has promoted Cosmos Hydropower (P) Ltd and Cosmos Hospitality & Estate (P) Ltd.

Name of Company	**Cosmos Hydropower (P) Limited**
Date of Incorporation	22.06.2007
Nature of Business	Hydro Power Project
Whether Company is Sick Industrial Company	No

Financial Information	**March 31, 2006 (Audited)**	**March 31, 2007 (Audited)**	**March 31, 2008 (Audited)**
Paid up capital (Rs in Lacs)	Nil	Nil	41.00
Reserves (Excluding Revaluation Reserve)	Nil	Nil	Nil
Total Income	Nil	Nil	Nil
Profit After Tax (PAT)	Nil	Nil	Nil
Earning Per Share (EPS) (In Rs)	Nil	Nil	N.A
Net Asset Value (In Rs)	Nil	Nil	9.43

Name of Company	**Cosmos Hospitality & Estate (P) Limited**
Date of Incorporation	25.06.2007
Nature of Business	Hospitality & Real Estate
Whether Company is Sick Industrial Company	No

Financial Information	**March 31, 2006 (Audited)**	**March 31, 2007 (Audited)**	**March 31, 2008 (Audited)**
Paid up capital (Rs in Lacs)	Nil	Nil	35.00
Reserves (Excluding Revaluation Reserve)	Nil	Nil	Nil
Total Income	Nil	Nil	Nil
Profit After Tax (PAT)	Nil	Nil	Nil
Earning Per Share (EPS) (In Rs)	Nil	Nil	N.A
Net Asset Value (In Rs)	Nil	Nil	9.33

4.2.5 Shri Deepak Yadav has not acquired any shares of the target company earlier through open offer except 308500 equity shares in the target company through market purchase at Rs. 1.00 per share.

4.2.6 The provisions of Chapter II of the Regulations are applicable to the Deepak Yadav and he has made timely disclosure to target company and stock exchange.

4.3 Mrs Bhavna Yadav

4.3.1 Mrs. Bhavna Yadav W/o Shri Deepak Yadav aged 30 years, an Indian National residing at House No. 1311, Sector-14, Faridabad, Haryana, Tel No: 011-46024542/43, Fax No. 011-46024544.Mrs Bhavna Yadav is a Graduate and has 6 years experience in Business Administration.

4.3.2 Mr. Rakesh Kumar (Partner of Garg R Kumar & Associates, Chartered Accountants, (Membership no. 70514) having office at 137, Navyug Market, Ghaziabad, Tel: (0120) 2795011, 2791398 has certified vide his certificate dated July 20, 2008 that the Net worth of Mrs. Bhavna Yadav as on 31.03.2008 is Rs. 112.66 Lacs.

4.3.3 As per declaration received Mrs. Bhavna Yadav is holding directorship in following companies.

Sr No.	Name of the Company	Designation	Listed At
1.	Cosmos Industries Ltd	Chairman	Not Listed
2.	Cosmos Hydro Power (P) Ltd	Director	Not Listed
3.	Cosmos Hospitality & Estate (P) Ltd	Director	Not Listed

4.3.4 As on the date of Public Announcement, the Bhavna Yadav has promoted Cosmos Hydropower (P) Ltd and Cosmos Hospitality & Estate (P) Ltd.

Name of Company	**Cosmos Hydropower (P) Limited**
Date of Incorporation	22.06.2007
Nature of Business	Hydro Power Project
Whether Company is Sick Industrial Company	No

Financial Information	March 31, 2006 (Audited)	March 31, 2007 (Audited)	March 31, 2008 (Audited)
Paid up capital (Rs in Lacs)	Nil	Nil	41.00
Reserves (Excluding Revaluation Reserve)	Nil	Nil	Nil
Total Income	Nil	Nil	Nil
Profit After Tax (PAT)	Nil	Nil	Nil
Earning Per Share (EPS) (In Rs)	Nil	Nil	N.A
Net Asset Value (In Rs)	Nil	Nil	9.43

Name of Company	**Cosmos Hospitality & Estate (P) Limited**
Date of Incorporation	25.06.2007
Nature of Business	Hospitality & Real Estate
Whether Company is Sick Industrial Company	No

Financial Information	March 31, 2006 (Audited)	March 31, 2007 (Audited)	March 31, 2008 (Audited)
Paid up capital (Rs in Lacs)	Nil	Nil	35.00
Reserves (Excluding Revaluation Reserve)	Nil	Nil	Nil
Total Income	Nil	Nil	Nil
Profit After Tax (PAT)	Nil	Nil	Nil
Earning Per Share (EPS) (In Rs)	Nil	Nil	N.A
Net Asset Value (In Rs)	Nil	Nil	9.33

4.3.5 Bhavna Yadav had purchased 1,77,000 shares in the target company through market purchase at Rs. 1.00 per share and has not acquired any shares in the target company through open offer.

4.3.6 The provisions of Chapter II of the Regulations are applicable to the Bhavna Yadav and she has made timely disclosure to target company and stock exchange.

4.4 Mr. Deepak Yadav and Mrs. Bhavna Yadav are the directors of Cosmos Industries Limited and Mr. Deepak Yadav is husband of Mrs. Bhavna yadav..

4.5 The shares to be acquired under the Open Offer will only be acquired by the acquirer i.e Cosmos Industries Limited.

5. DISCLOSURE UNDER REGULATION 21(2)

The Offer (assuming full acceptance) would result in public shareholding in the Target Company being reduced below the minimum level required as per the Listing Agreement entered with the Stock Exchanges for the purpose of listing on continuous basis. The Acquirer in terms of the provisions of Clause 40A of the Listing Agreement will facilitate the target company to raise the level of Public shareholding to the level specified for continuous listing as specified in the listing agreement entered with the stock exchange, within the time period and manner prescribed by the concerned stock exchange so as to maintain the minimum % of public shareholding in the Target Company required for continuous listing.

6. BACKGROUND OF THE TARGET COMPANY - CORPORATE MERCHANT BANKERS LIMITED (CMBL)

6.1 CMBL was originally incorporated on August 26th, 1994 as a Private Limited Company with name Corporate Merchant Bankers Private Limited. The Company was converted into a Public Limited Company vide Certificate of incorporation dated December 26, 1994 issued by Registrar of Companies, N.C.T of Delhi & Haryana under the name Corporate Merchant Bankers Limited. At present the Registered Office of the Company is situated at 1/27, 1st Floor, Lalita Chambers, Lalita Park, Laxmi Nagar, Delhi-110092. Ph.: 011- 22451104, Fax: 011- 22451104.

6.2 The main object of CMBL is to carry on the business of Merchant Banking and to act as agent of and or dealers, brokers in the securities and or foreign exchange securities/currency in the course of Merchant Banking Business.

6.3 CMBL is registered with Reserve Bank of India as a Non Banking Finance Company (NBFC) vide RBI Certificate of Registration number 14.00060 dated February 24, 1998 issued by Reserve Bank of India, New Delhi. CMBL is not fully complying with the relevent rules and regulations of NBFC of Reserve Bank of India.

6.4 The Authorized Share Capital of CMBL as on the date of Public Announcement is Rs 700.00 Lacs, comprising of 70,00,000 equity shares of Rs 10/- (Rupees Ten Only) each. The issued, subscribed and paid-up equity share capital as on date of Public Announcement stood at Rs 330.00 Lacs comprising of 33,00,000 equity shares of Rs 10/- (Rupees Ten Only) each

As on the date of PA, the share capital structure of the target company is as given under:

Paid up Equity Shares of CMBL	No. of Equity shares/ voting rights	% of Shares / voting rights
Fully paid-up equity shares	33,00,000	100.00
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	33,00,000	100.00
Total voting rights in the Target Company	33,00,000	100.00

6.5 The shares of CMBL are listed at The Delhi Stock Exchange Limited (DSE) and the U P Stock Exchange Limited (UPSE).

6.6 The current capital structure of the Company has been build up since inception as under:

Date of allotment	No of shares issued	% of shares issued	Cumulative paid up capital (In Rs.)	Mode of allotment	Identity of Allottees (Promoters/ Others)	Status of Compliance
15.11.1994	500	0.01	5200	Cash	Promoters & Associates	No Compliance pending
06.04.1996	1624480	49.23	16250000	Cash	Promoters & Associates	
06.04.1996	825000	25.00	24500000	Cash	Promoters & Associates	
06.04.1996	850000	25.76	33000000	Cash	Public Issue	
Total	**3250000**	**100.00**	**33000000.00**			

6.7 There are no preference shares or outstanding convertible instruments / warrants.

6.8 There are no partly paid up shares in the Company.

6.9 As per declaration received from the target company, Sellers, Promoters and other major shareholders of the Target Company have complied with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

6.10 CMBL has complied with the requirements of the Listing Agreement and as per declaration received no punitive action has been taken against the CMBL by the stock exchanges where its equity shares are listed.

6.11 The shares of Company have been suspended on both of the stock exchanges due to the Non-Compliances and the company had already taken steps for revocation of suspension.

6.12 The composition of the Board of Directors of CMBL as on the date of Public Announcement is as follows:-

Name of the Director	Designation	Qualification & Experience	Residential Address	Date of Appointment
Dr. K. S. Panwar	Managing Director	Doctorate having 20 years of experience in Financial Services	73, Deluxe Co. op. G.H.S. Society, Vasundhara Enclave, Delhi-110096	01.02.1995
Mr. Yashpal Goel	Director	Chartered Accountant having 10 years of experience in Finance & Administration	U-55/2, Ist Floor, Shakarpur, Delhi-110092	06.03.2006
Mr. R. C. Jain	Director	M.Tech having 6 years of experience in Engineering and Business Administration	1C/4, Vaishali Sai-4, Indirapuram, Ghaziabad	06.03.2006

As on date of the PA, none of the directors on the board of the Target Company represent the Acquirer.

6.13 There has been no merger / de-merger, spin-off during the past three years in CMBL.

6.14 The brief financials of CMBL are as under:-

(Rs. In Lacs)

Profit & Loss Statement	Year ended 31.03.2005 (Audited)	Year ended 31.03.2006 (Audited)	Year ended 31.03.2007 (Audited)	Year ended 31.03.2008 (Unaudited)*
Income from operations	4.56	1.49	0.98	1.42
Other Income	-	-	-	0.28
Total Income	**4.56**	**1.49**	**0.98**	**1.70**
Total Expenditure	3.72	1.85	1.70	1.88
Profit/ Loss before Depreciation, Interest and Tax	**1.00**	**0.25**	**(0.69)**	**(0.18)**
Depreciation	0.11	0.11	0.02	0.01
Profit (Loss) before Tax	**0.83**	**(0.37)**	**(0.72)**	**(0.20)**
Provision for Tax (Add Deferred Tax)	(0.27)	0.03	-	-
Profit (Loss) after Tax (PAT)	**0.56**	**(0.34)**	**(0.72)**	**(0.20)**

(Rs. In Lacs)

Balance Sheet Statement	Year ended 31.03.2005 (Audited)	Year ended 31.03.2006 (Audited)	Year ended 31.03.2007 (Audited)	Year ended 31.03.2008 (Unaudited)*
Sources of Funds				
Paid up Share Capital	330.00	330.00	330.00	330.00
Reserves & Surplus (Excluding Revaluation Reserve)	2.31	1.97	1.25	1.05
Secured loans	-	-	-	-
Unsecured Loans	-	-	-	-
Current Liabilities	2.13	2.98	3.10	0.78
Deferred Tax Liability	-	-	0.01	-
Total	**334.43**	**334.95**	**334.37**	**331.83**

Application of Funds				
Net Fixed Assets	0.29	0.17	0.15	0.13
Investments	214.36	229.56	290.56	262.75
Net Current Assets	119.37	105.21	43.66	68.95
Miscellaneous Expenses not written off	0.41	-	-	-
Total	**334.43**	**334.95**	**334.37**	**331.83**
Other Financial Data	**Year ended 31.03.2005 (Audited)**	**Year ended 31.03.2006 (Audited)**	**Year ended 31.03.2007 (Audited)**	**Year ended 31.03.2008 (Unaudited)***
Dividend (%)	-	-	-	-
Earning Per Share (Rupees)	0.02	-	-	-
Networth	331.89	331.97	331.25	331.05
Return on Networth (%)	0.168	-	-	-
Book Value Per Share (Rupees)	10.05	10.06	10.03	10.03

*As certified by Mr. V. K. Jaju (M. No. - 83381), Prop. of V. K. Jaju & Company, Chartered Accountants, statutory auditors of the Company, having office at LGF 120, World Trade Centre, Barakhamba Lane, New Delhi-110001, Tel: 011- 3357090 vide his certificate dated June 17, 2008.

6.17 Reasons for Fall & Rise in Income & PAT in relevant Years:

The Company has been operating at very low levels and hence minor changes in the earnings, affect the final income and profitability of the Company.

6.18 Pre and Post-Offer shareholding pattern of the Target Company as on the date of PA, is as per the following table:

Sr. No	Shareholder category	Shareholding & voting rights prior to the acquisition (A)		Shares/voting rights acquired which triggered and Offer (B)		Shares/Voting rights to be acquired in the off the Regulations (assuming full acceptance) (C)		Shareholding/voting rights after the acquisition and open Offer i.e. A+B+C	
		No.	%	No.	%	No.	%	No.	%
1.	**a. Promoter Group**	2700	0.08	Nil	Nil	Nil	Nil	#	#
	b. Non Promoter (Parties to Agreement)								
1.	Uttrakhand Promoters (P) Ltd	810000	24.54	(810000)	(24.54)	Nil	Nil	Nil	Nil
2.	Ria Marketing Services (P) Ltd	62000 1	4.91	(162000)	(4.91)	Nil	Nil	Nil	Nil
3.	Upasana Leasing & Holdings (P) Ltd	150000	4.55	(150000)	(4.55)	Nil	Nil	Nil	Nil
4.	Lifeline Housing development Finance Co Ltd	162000	4.91	(162000)	(4.91)	Nil	Nil	Nil	Nil
5.	Road Side Hotel & Marketing (P) Ltd	276800	8.39	(276800)	(8.39)	Nil	Nil	Nil	Nil
6.	Samiksha Leasing & Trading Co. (P) Ltd	147500	4.47	(147500)	(4.47)	Nil	Nil	Nil	Nil
7.	Bhola Singh	48000	1.45	(48000)	(1.45)	Nil	Nil	Nil	Nil
8.	Naresh Kumar	50000	1.51	(50000)	(1.51)	Nil	Nil	Nil	Nil
9.	Manoj Kumar Goel	164480	4.98	(164480)	(4.98)	Nil	Nil	Nil	Nil
	Total 1 (b)	**1970780**	**59.71**	**(1970780)**	**(59.71)**	**Nil**	**Nil**	**Nil**	**Nil**
	Total 1 (a) + 1 (b)	**1973480**	**59.80**	**(1970780)**	**(59.71)**	Nil	Nil	Nil	Nil
2.	**Acquirer (COSMOS INDUSTRIES LIMITED)**	Nil	Nil	1970780	59.71	660000	20.00	2630780	79.72
	PACs								
1.	Deepak Yadav	308500	9.35	Nil	Nil	Nil	Nil	308500	9.35
2.	Bhavna Yadav	177000	5.36	Nil	Nil	Nil	Nil	177000	5.36
	Total 2	**Nil**	**Nil**						
3.	**Public (other than 1 to 2)**								
	a. FIs/MFs/FIIs Banks/SFIs etc	Nil	Nil	Nil	Nil				

	b. Private Corporate Bodies	Nil	Nil	Nil	Nil				
	c. Indian Public	841020	25.49	Nil	Nil				
	d. NRI/OCB					(660000)	(20.00)	183720	5.57
	d. Any other	Nil							
	Total 3	**1355000**	**25.49**	**Nil**	**Nil**				
	Grand Total (1 to 3)	**3300000**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**3300000**	**100.00**

Note: The data within bracket indicates sale of equity shares.

The promoter shareholding under 1(a) can also participate in the Offer, hence the reduction in their shareholding is shown under Public Category as after the Offer their share holding will be part of Public Holding.

6.19 There are no change in the shareholding of Promoters Group of CMBL since 1997 as mentioned below:

Financial Year ended	No. of shares held by promoters / PAC	Paid up equity capital of the Company (in no.)	% of Total capital	% Change in shareholding of Promoters	Status of Compliance
31.03.1997	2700	33,00,000	0.08	-	
31.03.1998	2700	33,00,000	0.08	-	
31.03.1999	2700	33,00,000	0.08	-	
31.03.2000	2700	33,00,000	0.08	-	
31.03.2001	2700	33,00,000	0.08	-	
31.03.2002	2700	33,00,000	0.08	-	**Complied**
31.03.2003	2700	33,00,000	0.08	-	
31.03.2004	2700	33,00,000	0.08	-	
31.03.2005	2700	33,00,000	0.08	-	
31.03.2006	2700	33,00,000	0.08	-	
31.03.2007	2700	33,00,000	0.08	-	
31.03.2008	2700	33,00,000	0.08	-	

Note: Except the above there is no sale and purchase of shares made by promoters.

6.18 As per the information received from the Target Company, the number of the shareholders in CMBL in public category other than PACs and Parties to agreement as on the date of PA is 373 (Three Hundred and Seventy Three Only).

6.19 The Company has Complied with the conditions of Corporate Governance as envisaged under clause 49 of the listing agreement and Corporate Governance Certificate is attached with annual report of the Target Company for the year ended March 31, 2007.

6.20 As per declaration received from the target company, there are no litigation matters pending by and against the Company as on date.

6.21 The name and contact details of the compliance officer are as under:-

Name of the Compliance Officer	Mr. Yashpal Goel
Contact Address	1/27, Ist Floor, Lalita Chamber, Lalita Park, Laxminagar, Delhi-110092
Telefax	(011) 22451104

6.22 Corporate Merchant Bankers Limited is s Non Banking Finance Company registered with Reserve Bank of India (RBI) under section 45IA without accepting public deposit vide RBI's Certificate of Registration No. 14.00060 dated February 24, 1998 at New Delhi

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The shares of "**CMBL**" are at present listed on The Delhi Stock Exchange Limited (DSE) and The Uttar Pradesh Stock Exchange Limited (UPSE). The shares of the CMBL have not been traded at all the Stock Exchanges where they are listed/ permitted to be traded during the preceding six calendar months prior to the month of this Public Announcement within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997.

7.1.2 The annualized trading turnover during preceding six calendar months ended June, 2008 at the DSE and UPSE, where the shares of the company are listed as follows:

Name of the Stock Exchange	Total no. of equity shares traded during January, 2008 to June, 2008	Total no. of listed shares	Annualized trading turnover (% to total listed shares)
DSE	Nil	33,00,000	Not Applicable
UPSE	Nil	33,00,000	Not Applicable

7.1.3 As the shares of "CMBL" have not been traded at all the Stock Exchanges where they are listed/permitted to be traded during the preceding six calendar months prior to the month of this Public Announcement, the Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 has been determined taking into account the following parameters:

a.	The Negotiated Price	Rs. 1.00/-(Rupees One Only)
b.	Highest Price paid by Acquirer and PACs 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 PA	Rs. 1.00/-(Rupees One Only)

c.	Other Financial Parameters	Based on the Certified financial data for the year ended 31st March, 2008*
1.	Return on Net Worth (%)	-
2.	Book Value per share (Rs.)	10.03
3.	Earning per share (Rs.)	(0.006)
4.	Price Earning Multiple (with reference to the Offer price of Rs. 10.50/- per share)	-
5.	The average industry P/E for the sector in which CMBL operates (Source: Capital Market Journal, edition June 30- July 13, 2008 (Industry- Finance & Investment)	20.6

*As Certified by Mr. V. K. Jaju (Membership No. 83381), Partner of V. K. Jaju & Company, Chartered Accountants, Statutory Auditor of the company having office at LGF 120, World Trade Centre, Barakhamba Lane, New Delhi-110001 vide their certificate dated June 17, 2008.

Therefore, based on the above parameters, the offer price of Rs. 10.50/- in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 is justified.

7.1.4 There is no non-compete agreement.

7.1.5 If the Acquirer acquire equity shares after the date of Public Announcement upto 7 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.

7.2 Financial Arrangements

7.2.1 Assuming full acceptance, the total requirement of funds for the Offer would be Rs 69,30,000/- (Rupees Sixty Nine Lacs Thirty Thousand Only). The Acquirer has sufficient means to fulfill its obligations under this Offer to complete the Offer in accordance with the SEBI (SAST) Regulations, 1997. The Acquirer has made firm arrangement for the resources required to complete the Offer in accordance with the SEBI (SAST) Regulations, 1997. The acquisition will be financed through internal / personal resources like internal accruals and no borrowings from banks / FIs etc., is being made.

7.2.2 The Acquirer have adequate resources to meet the financial requirements of the Offer. M/s Garg R Kumar & Associates Chartered Accountants through its partner Mr. Rakesh Kumar (Membership No. 70514), having their office at 137, Navyug Market, Ghaziabad, Tel: 0120- 2791398, 2795011 vide their certificate dated May 27, 2008 has certified that the Networth of M/s. Cosmos Industries Limited as on March 31, 2008 is Rs 956.53 Crore and letter also confirms that it has sufficient means to fulfill its obligations under this Offer.

7.2.3 As per Regulation 28, Acquirer has opened an Escrow Account with HSBC Bank, Barakhamba Road, New Delhi-110001 and has deposited Rs 17,32,500/- (Rupees Seventeen Lacs Thirty Two Thousand and Five Hundred Only) being 25% of the total consideration payable to the shareholders under the Open Offer by way of cash.

7.2.4 The Acquirer has duly empowered M/s Chartered Capital And Investment Limited, Manager to the Offer, to realise the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997.

7.2.5 The Manager to the Offer, M/s Chartered Capital And Investment Limited, hereby confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligation under the SEBI (SAST) Regulations, 1997.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 Persons eligible to participate in the Offer

8.1.1 Registered shareholders of CMBL and unregistered shareholders who own the equity shares of CMBL any time prior to the date of Closure of the Offer, other than the parties to the SPA, i.e. Acquirer, PACs and Sellers .

8.1.2 None of the existing shares of CMBL are under any lock-in requirements.

9. Statutory Approvals

9.1 The offer is subject to the acquirer obtaining the approval (s) from the Reserve Bank of India (RBI), if any, under the Foreign Exchange Management Act, 1999.

9.2 As on the date of Public Announcement, to the best of the Acquirer' knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

9.3 The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of offer.

9.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. SEBI has power to grant extension of time to Acquirer for payment of consideration to shareholders subject to Acquirer agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of wilful default by the Acquirer in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

10. Others

10.1 Accidental omission to despatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

10.2 This Letter of Offer has been mailed to all the shareholders of CMBL whose names appeared on the Register of Members of CMBL as on **Friday, August 08, 2008**, being the Specified Date except the Sellers and Parties to SPA.

10.3 Unaccepted Share/ Shares Certificates, Share Transfer Forms and other documents, if any, will be credited back to respectively depository account or returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

10.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

11. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

11.1 Shareholders who wish to tender their equity shares will be required to send their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and duly signed Share Transfer Form(s) to the Registrar to the Offer by hand delivery or registered post, as the case may be, at the address mentioned in Para 11.14 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

11.2 Shareholders of CMBL to whom this Offer is being made, are free to offer his / her / their equity shares of CMBL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in this Offer.

11.3 Beneficial owner and shareholders holding shares in physical form, who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or courier or by registered post, as the case may be, so as to reach them on or before 1700 hours upto the date of closure of the offer i.e. **Monday, October 20, 2008.**

" Form of Acceptance, duly completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with CMBL.

" Relevant Original Share Certificate(s).

" Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing in the Register of Members of CMBL or on the Share Certificate issued by CMBL) as per the specimen signature(s) lodged with CMBL and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognised stock exchange with membership number). Please do not fill in any other details in the Share Transfer Deed. In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer as mentioned hereafter.

" Where the Transfer Deed(s) are executed by Constituted Attorney, attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer.

11.4 A copy of the No Objection Certificate / Tax Clearance Certificate if obtained from the Indian tax authorities by the shareholders (applicable to NRIs/OCBs/FIIs).

11.5 In case the equity shares are held by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

11.6 In case of Non-resident equity shareholders, Foreigners, Foreign Companies and Foreign Institutional Investors, photocopies of the approval(s) by the Reserve Bank of India for acquiring and holding equity shares in CMBL.

11.7 In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court.

11.8 In case of non-receipt of Letter of Offer, the eligible shareholders may send his / her / their applications to the Registrar to the Offer having Office at **Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukh Das Mandir, New Delhi-110062, on a plain paper stating the name, address, number of equity shares held, folio number(s), certificate number(s), distinctive number(s), and number of shares** tendered along with the relevant documents as mentioned hereinabove, so as to reach them on or before 1700 hours upto the date of closure of the offer i.e. **Monday, October 20, 2008.**

11.9 Persons who own equity shares of CMBL any time prior to the date of Offer Closure, but are not registered holders, can tender their equity shares for purchase by the Acquirer, by communicating his / her / their desire to tender, in writing to the Registrar to the Offer and obtain from them a copy of the Letter of Offer, the Application Form and Transfer Deed(s) and lodge the same along with the relevant Share Certificate(s) and other documents, as mentioned hereinabove together with the Original Contract Note issued by a registered Stock Broker of a recognised Stock Exchange, only at the address of Registrar to the Offer as mentioned hereinabove:

11.10 An unregistered shareholder can send his / her / their application to the Registrar to the Offer on the address mentioned hereinabove, on a ***plain paper*** stating the name, address, number of shares held, folio number(s), certificate number(s), distinctive number(s) and number of equity shares tendered along with the relevant documents as mentioned hereinabove, so as to reach them **on or before 1700 hours on Monday, October 20, 2008.**

11.11 No indemnity is required from the unregistered shareholders.

11.12 In case the Share Certificate(s) and the instrument(s) of transfer are lodged for transfer with CMBL, then **the Form of Acceptance** should be accompanied by (i) the Share Transfer Deed(s) and (ii) the acknowledgement of lodgement or receipt issued by CMBL by individual. Whereas the Transfer Deed(s) are executed by Constituted Attorney, also attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer along with the acknowledgement of lodgement or receipt issued by CMBL. In case the equity shares are lodged by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed along with the Form of Acceptance and the acknowledgement of lodgement or receipt issued by CMBL.

11.13 In case of shareholders who have not received the LOO may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, original physical share certificates and duly signed transfer deed , so as to reach the Registrar to the Offer on or before 1700 hours upto the date of Closure of the Offer **i.e. Monday, October 20, 2008.** Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

11.14 The following collection centres would be accepting the documents as specified above, both in case of shares in physical and dematerialized form.

Address of Registrar to the Offer:

Sr. No.	Address of Registrar to the Offer	Business Hours	Mode of Delivery
1.	Beetal Financial & Computer Services Pvt. Limited Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukh Das Mandir, New Delhi-110062 E. Mail: beetal@rediffmail.com Tel. Nos.: 29961281-82, Fax No.: 29961284 **Contact Person: Mr. Punit Mittal**	**Monday to Friday** 1000 hours to 1700 hours **Saturday** 1000 hours to 1330 hours	Hand Delivery / Courier/ Registered Post

Holidays: Sundays and Bank Holidays

11.15 The Registrar to the Offer will hold in trust the shares / share certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of CMBL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are despatched / returned.

11.16 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the date of Closure of the Offer i.e. **Wednesday, October 15, 2008.** The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed in the Letter of Offer. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 1700 hours upto the last date of withdrawal i.e. **Wednesday, October 15, 2008.**

11.17 The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum-Acknowledgement / Plain paper application submitted and the Acknowledgement slip. In case of non receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:-

11.17.1 In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares.

11.18 The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer.

11.19 The intimation of returned shares to the Shareholders will be sent at the address as per the records of CMBL / Depository as the case may be.

11.20 Acquirer will acquire upto 6,60,000 paid-up equity shares tendered in the Offer with valid applications.

11.21 Physical shares withdrawn by the shareholders under the Offer will be returned by registered post.

12. Method of Settlement

12.1 Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by Acquirer, Acquirer will accept the offers received from the share holders on a proportionate basis, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of CMBL is 100, {One Hundred} equity share.

12.2 The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents or/ and shares lying in the special depository account, tendered by the shareholders of CMBL under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirer only upon the fulfilment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.

12.3 On fulfilment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirer will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of CMBL whose equity shares are accepted by the Acquirer at his address registered with CMBL/ DP. **It is compulsory for the shareholders to provide their bank details like name of bank, account number, branch and address of bank etc. of the first/sole shareholders in the Form of Acceptance-Cum-Acknowledgement in order to receive consideration through ECS mode of payment.**

12.4 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder.

12.5 The Acquirer shall endeavour to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer (i.e. Tuesday, November 04, 2008 including payment of consideration to the shareholders of CMBL whose equity shares are accepted for purchase by the Acquirer.

12.6 While tendering the Shares under the Offer, the NRIs/OCBs/FIIs will be required to submit the No Objection Certificate/ Tax Clearance Certificate, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, from the Income Tax Authorities under Income Tax Act, 1961. In case the aforesaid No Objection Certificate/Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholder. The Acquirer will send the proof of having deducted and paid the tax along with the payment consideration.

12.7 In case of non-receipt of any of statutory approvals, if any required, SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirer will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

13 General

13.1 The Form of Acceptance and instructions contained therein are integral part of this Letter of Offer.

13.2 Neither the Acquirer nor the Manager nor the Registrar nor the Company will be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, Share certificate(s), Share transfer deed(s), copy of delivery instructions or other documents.

13.3 The Offer Price is denominated and payable in Indian Rupees only.

13.4 All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

13.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirer till the last day of revision, viz., at any time upto seven working days prior to the date of closure of the Open Offer or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

13.6 "If there is competitive bid:

13.6.1 The Public Offers under all the subsisting bids shall close on the same date.

13.6.2 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"

13.7 Other than as mentioned in para 3.1.3, the Acquirer does not hold any equity shares of the target company. However PACs Mr Deepak Yadav and Mrs Bhavna Yadav holds 308500 and 177000 shares respectively representing in aggregate 14.71% of the total paid up capital/voting share capital of the CMBL.

13.8 Wherever necessary, the financial figures are rounded off to nearest lac or crore.

13.9 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrar to the Offer on or before 1700 hours upto three working days prior to the date of Closure of the Offer, i.e. Wednesday, October 15, 2008, as mentioned in para 11.18 above.

13.10 Alternatively, a copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal cum Acknowledgement can be obtained from SEBI's official website: **www.sebi.gov.in.**

13.11 The Manager to the Offer i.e. Chartered Capital And Investment Limited does not hold any shares in CMBL as on the date of PA.

14. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at 13, Community Centre, East of Kailash, New Delhi- 110065, Contact Person: Mr. Amit Mehta from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

14.1 Certifcate of Incorporation, Memorandum & Articles of Association of Cosmos Industries Limited.

14.2 Certificate of Incorporation, Memorandum & Articles of Association of Corporate Merchant Bankers Limited.

14.3 Certificate from Mr. Rakesh Kumar, Partner of Garg R Kumar & Associates, Chartered Accountants, Certifying that Cosmos Industries Limited has sufficient funds to meet its obligations under the Open Offer.

14.4 Annual Reports of Cosmos Industries Limited for years ended on March 31, 2005, 2006, 2007 as well as certified financial figures for the Year ending March 31, 2008

14.5 Annual Reports of Corporate Merchant Bankers Limited for years ended on March 31, 2005, 2006, 2007 as well as certified financial figures for the Year ending March 31, 2008.

14.6 Certificate from HSBC Bank confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulations, 1997.

14.7 Copy of Share Purchase Agreement dated July 11, 2008.

14.8 Published copy of the Public Announcement (PA), which appeared in the newspapers on July 16, 2008.

14.9 Copy of letter from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

15. DECLARATION BY THE ACQUIRER AND PACs

15.1 The Directors of Acquirer, Cosmos Industries Limited having its registered office at 202, Thapar Arcade, 47, Kalu Sarai, Hauz Khas, New Delhi-110016 and PACs Mr. Deepak Yadav and Bhavna Yadav residents of House No. 1311, Sector 14, Faridabad, Haryana accepts full responsibility for the information contained in this Letter of Offer (except for the information regarding the Target Company which has been compiled from publicly available information) and also for the obligations of the Acquirer and PACs as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

15.2 All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

For and on behalf of Board of Directors of

Cosmos Industries Limited

Sd/-

Deepak Yadav

(Director)

Place: New Delhi

Date: 24.09.2008

16. ENCLOSURES

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal cum Acknowledgement
3. Blank Share Transfer Deed(s).

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance with enclosures to the Registrar to the Offer)

OFFER OPENS ON	:	**Wednesday ,October 08, 2008**
OFFER CLOSES ON	:	**Monday, October 20, 2008**

Please read the Instructions overleaf before filling-in this Form of Acceptance

FOR OFFICE USE ONLY
Acceptance Number
Number of equity shares Offered
Number of equity shares accepted
Purchase consideration (Rs.)
Cheque/Demand Draft/Pay Order No.

From:

Tel. No.: Fax No.: E-mail:

To,
COSMOS INDUSTRIES LIMITED
C/o Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukh Das Mandir,
New Delhi-110062

Dear Sir/s,

SUB: OPEN OFFER TO ACQUIRE 6,60,000 EQUITY SHARES OF RS. 10/- EACH REPRESENTING 20 % OF THE TOTAL EQUITY/ VOTING SHARE CAPITAL OF CORPORATE MERCHANT BANKERS LIMITED AT AN OFFER PRICE OF RS. 10.50/- (RUPEES TEN AND FIFTY PAISE ONLY) PER FULLY PAID EQUITY SHARE OF RS.10/- EACH BY COSMOS INDUSTRIES LIMITED ALONWITH PACS.

I / We, refer to the Letter of Offer dated 24.09.2008 for acquiring the equity shares held by me / us in Corporate Merchant Bankers Limited.

1. I / We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
2. I / We, unconditionally offer to sell to Cosmos Industries Ltd., (hereinafter referred to as the "Acquirer") the following equity shares in Corporate Merchant Bankers Limited (hereinafter referred to as "CMBL"), held by me / us, at a price of Rs. 10.50/- per fully paid-up equity share.
3. I/We and enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our equity shares as detailed below (please enclose additional sheet(s), if required).

Ledger Folio No……………………………… Number of share certificates attached………………..

Representing ………………………… equity shares

Number of equity shares held in **CMBL**		Number of equity shares Offered	
In figures	In words	In figures	In words

Sr. No.	Share Certificate No.	Distinctive Nos.		No. of equity shares
		From	To	
1				
2				
3				
	Total no. of Equity Shares			

4. I / We confirm that the equity shares of CMBL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
5. I / We authorize the Acquirer to accept the equity shares so offered or such lesser number of equity shares that the Acquirer may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirer to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
6. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I / We agree that the Acquirer may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
7. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are despatched to the shareholders, as the case may be.
8. I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
9. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
10. I / We irrevocably authorise the Acquirer to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with CMBL/DP :

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with CMBL):

Place: ----------------- Date: ------------------ Tel. No(s). : ----------------- Fax No.: -------------------

So as to avoid fraudulent encashment in transit the acquirer is also providing facilities for remittance of consideration through ECS mode, the shareholder(s) holding Shares are requested to provide details of bank account of the first/sole shareholder and the consideration through ECS Mode/Cheque or Demand Draft will be drawn accordingly. For payment received through ECS mode as well as through Demand Draft/ Pay Order, the following Bank details is compulsory.

Bank Account No.: --------------------------------- Type of Account: --------------------------------
(Savings / Current / Other (please specify))

Name of the Bank: ---

Name of the Branch and Address: ---

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.			

Yours faithfully,

Signed and Delivered:

	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

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

INSTRUCTIONS

1 Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.

2 The Form of Acceptance should be filled-up in English only.

3 A Notary Public under his Official Seal must attest Signature(s) other than in English, Hindi, and thumb impressions.

4 Mode of tendering the Equity Shares Pursuant to the Offer:

I. The acceptance of the Offer made by the Acquirers is entirely at the discretion of the equity shareholder of **CMBL.**

II. Shareholders of **CMBL** to whom this Offer is being made, are free to Offer his / her / their shareholding in **CMBL** for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in the Offer.

5. Business Hours : Mondays to Friday : 10.30 AM to 5.00 PM
Saturday : 10.30 AM to 1.30 PM
Holidays : Sundays and Bank Holidays

ACKNOWLEDGEMENT SLIP

SUB: OPEN OFFER TO ACQUIRE 6,60,000 EQUITY SHARES OF RS. 10/- EACH REPRESENTING 20 % OF THE TOTAL EQUITY/ VOTING SHARE CAPITAL OF CORPORATE MERCHANT BANKERS LIMITED AT AN OFFER PRICE OF RS. 10.50/- (RUPEES TEN AND FIFTY PAISE ONLY) PER FULLY PAID EQUITY SHARE OF RS.10/- EACH BY COSMOS INDUSTRIES LIMITED ALONWITH PACS.

Received from Mr. / Ms.. ………………………...……………………………………………..............................

Ledger Folio No/ -----------------Number of certificates enclosed..…………… under the Letter of Offer dated ______________________, Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

Sr. No. Share Certificate No.	**Distinctive Nos.**		**No. of equity shares**
	From	**To**	
1.			
2.			
3.			
Total no. of Equity Shares			

Stamp

Authorised Signatory

Date

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

Beetal Financial & Computer Services Pvt. Limited

Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukh Das Mandir, New Delhi-110062

E. Mail: beetal@rediffmail.com

Tel. No.: 29961281-82, Fax No.: 29961284

Contact Person: Mr. Punit Mittal

FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as prescribed thereto in the Letter of Offer)

OFFER OPENS ON	**:**	**October 084, 2008 Wednesday**
LAST DATE OF WITHDRAWAL	**:**	**October 15, 2008 Wednesday**
OFFER CLOSES ON	**:**	**October 20, 2008 Monday**
Please read the Instruction in Letter of Offer and overleaf before filling-in this Form of Withdrawal		

FOR OFFICE USE ONLY
Withdrawal Number
Number of equity shares Offered
Number of equity shares withdrawn

From:

Tel. No.: Fax No.: E-mail:

To,

COSMOS INDUSTRIES LIMITED

C/o Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99,
Madangir, Near Dada Harsukh Das Mandir,
New Delhi-110062

Dear Sir

SUB: OPEN OFFER TO ACQUIRE 6,60,000 EQUITY SHARES OF RS. 10/- EACH REPRESENTING 20 % OF THE TOTAL EQUITY/ VOTING SHARE CAPITAL OF CORPORATE MERCHANT BANKERS LIMITED AT AN OFFER PRICE OF RS. 10.50/- (RUPEES TEN AND FIFTY PAISE ONLY) PER FULLY PAID EQUITY SHARE OF RS.10/- EACH BY COSMOS INDUSTRIES LIMITED ALONWITH PACS.

I/We refer to the Letter of Offer dated 24.09.2008 for acquiring the equity shares held by me/us in
I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
I/We wish to withdraw our acceptance tendered in response to the said offer. We had deposited/sent our 'Form of Acceptance' to you on __________ alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

Sr. No.	Certificate No.	Distinctive No(s)		No. Of Shares
		From	To	
	Total number of equity shares			

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.
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.

Yours faithfully,

Signed and Delivered:

	FULL NAME OF THE HOLDER (S)	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Place:

Date:

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

---TEAR HERE---

Folio No.:

Beetal Financial & Computer Services Pvt. Limited Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukh Das Mandir, New Delhi-110062 E. Mail: beetal@rediffmail.com Tel. No.: 29961281-82, Fax No.: 29961284 Contact Person: **Mr. Punit Mittal**	Serial No.: **(Acknowledgement Slip)**	
Received from Mr./Ms. Address ______________________________	Signature of Official and Date of Receipt	Stamp of Registrar to the Offer
Form of withdrawal in respect of ____________ Number of Share Certificates representing ______________ number of shares.		

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

Beetal Financial & Computer Services Pvt. Limited
Beetal House, 3rd Floor, 99, Madangir,
Near Dada Harsukh Das Mandir,
New Delhi-110062
E. Mail: beetal@rediffmail.com
Tel. No.: 29961281-82, Fax No.: 29961284
Contact Person: **Mr. Punit Mittal**

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 1700 hours upto the last date of withdrawal i.e. Wednesday, October 15, 2008.
2. **Shareholders should enclose the following:-**

   a. For Equity Shares held in demat form:

   Beneficial owners should enclose

   i. Duly signed and completed Form of Withdrawal.

   ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.

   iii. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

   b. For Equity Shares held in physical form:

   Registered Shareholders should enclose:

   i. Duly signed and completed Form of Withdrawal.

   ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.

   iii. 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 Target Company and duly witnessed at the appropriate place.

   Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip

3. 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.
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 alongwith enclosure 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 CMBL. The facility of partial withdrawal is available only on 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.