**PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF DCM SHRIRAM INDUSTRIES LIMITED**
**(Registered Office: Kanchenjunga Building, 6th Floor, 18, Barakhamba Road, New Delhi-110001)**

# CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS OF DCM SHRIRAM INDUSTRIES LIMITED

This Public Announcement ("PA") is being issued by Mefcom Capital Markets Limited (hereinafter referred to as "the Manager to the Offer") on behalf of HB Stockholdings Limited (hereinafter referred to as "the Acquirer") and Mr. H. C. Bhasin (hereinafter referred to as "Person Acting in Concert" or "PAC"), pursuant to Regulation 10 and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 [SEBI (SAST) Regulations] and subsequent amendments thereto.

## BACKGROUND TO THE OFFER

1. The Open Offer is being made by HB Stockholdings Limited, a company incorporated under the Companies Act, 1956 on July 30, 1985 as a public limited company and having its Registered Office at Plot No. 31, Echelon Institutional Area, Sector-32, Gurgaon – 122001, Haryana to the Shareholders of DCM Shriram Industries Limited (hereinafter referred to as "the Target Company"). HB Stockholdings Limited is the sole Acquirer under the Offer.

2. The Acquirer is making an offer to the shareholders of the Target Company to acquire upto 35,00,000 fully paid up equity shares of Rs.10/- each of the Target Company (Offer Shares), representing 22.88% of fully paid-up equity share capital at a price of Rs.70/- (Rupees Seventy only) per equity share ("the Offer Price") payable in cash, subject to terms and conditions mentioned hereinafter and in pursuance of Regulation 10 of the SEBI (SAST) Regulations.

3. The aforesaid offer is hereinafter referred to as "the Offer" or "Open Offer".

4. The Acquirer proposes to acquire the Offer Shares. Regulation 14(1) of the SEBI (SAST) Regulations requires any acquirer, who has acquired securities of any listed company which entitle him to voting rights in excess of the percentages specified in Regulation 10 or Regulation 11 of the SEBI (SAST) Regulations, to make a public announcement to acquire shares of such company not later than four working days of deciding to acquire shares or voting rights exceeding the respective percentage specified under Regulation 10. The shareholding of the Acquirer and PAC constitutes 12.87% of the existing Share Capital of the Target Company. The Offer is being made in compliance with Regulation 10 read with Regulation 14(1) of the SEBI (SAST) Regulations.

5. The shareholding pattern of the Target Company, as on the date of this Public Announcement is as follows:

| Shareholder Category | Number of Equity Shares of the Target Company | Percentage of Equity Capital |
|---|---:|---:|

| | | |
|---|---|---|
| Promoters | 49,77,819 | 32.54 |
| Public comprising of | | |
| - HB Stockholdings Ltd. (Acquirer) | 19,54,348 | 12.77 |
| - Mr. H. C. Bhasin (PAC) | 15,000 | 0.10 |
| - Others | 83,51,270 | 54.59 |
| **TOTAL** | **1,52,98,437** | **100** |

6. The shareholding pattern of the Target Company, after successful completion of the Offer is expected to be as follows:

| **Shareholder Category** | **Number of Equity Shares of the Target Company** | **Percentage of Equity Capital** |
|---|---|---|
| Promoters | 49,77,819 | 32.54 |
| Public comprising of | | |
| - HB Stockholdings Ltd. (Acquirer) | 54,54,348 | 35.65 |
| - Mr. H. C. Bhasin (PAC) | 15,000 | 0.10 |
| - Others | 48,51,270 | 31.71 |
| **TOTAL** | **1,52,98,437** | **100** |

7. There are no partly paid up shares issued by the Target Company.

**THE OFFER**

1. The Offer is being made by the Acquirer to the shareholders of the Target Company (except the Acquirer and PAC). This offer is being made pursuant to Regulation 10 read with Regulation 14(1) of the SEBI (SAST) Regulations to acquire Offer Shares at a price of Rs.70/- per fully paid up equity share of the Target Company payable in cash subject to the terms and conditions mentioned hereinafter.

2. The Acquirer holds 19,54,348 shares comprising 12.77% in the Target Company as on the date of this PA. Upon completion of the Offer, assuming full acceptances, the Acquirer will hold 35.65% of the existing Share Capital of the Target Company. The total holding of Acquirer and PAC is currently 19,69,348 shares comprising 12.87% in the Target Company as on the date of this PA. Upon completion of the Offer, assuming full acceptances, the Acquirer and PAC will hold 35.75% of the existing Share Capital of the Target Company.

3. The Manager to the Offer does not hold any shares of the Target Company as on the date of the PA.

4. Subject to the receipt of regulatory approvals and other terms and conditions as set out in the PA and the Letter of Offer to be sent to the shareholders of the Target Company, the Acquirer will acquire all Offer Shares validly tendered pursuant to the Offer. However, if the aggregate of the valid response to the Offer exceeds the Offer size of 35,00,000 shares (representing 22.88% of

the existing voting Capital) then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations.

5. Mr. H. C. Bhasin, is deemed to be PAC with the Acquirer within the meaning of Regulation 2(1) (e) of the SEBI (SAST) Regulations in relation to the Offer.

6. The Offer is not subject to any minimum level of acceptance.

7. This is not a competitive bid.

**OFFER PRICE**

1. Based on the trading volumes of the Target Company for the six months period ended 31st October, 2007, its shares are frequently traded on the Bombay Stock Exchange Limited (BSE) within the meaning of explanation (i) to Regulation 20 (5) of the SEBI (SAST) Regulations.

2. There is no negotiated price paid by the Acquirer for acquiring shares of the Target Company.

3. This Offer is being made at a price of Rs.70/- per share, being the price in terms of the applicable provisions of the Regulations. In accordance with Regulation 20(4) of the Regulations, the Offer Price of Rs. 70/- per share is higher than any of the following:

| | | |
|---|---|---|
| a. | Negotiated Price | Not applicable |
| b. | Highest price paid by the Acquirer/PAC for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to 19th November, 2007 (the date of PA). | Rs. 62.54 |
| c. | The higher of the average of the weekly high and low of the closing prices for the equity shares of the Target Company for the 26 weeks period and the average of the daily high and low of the prices of the equity shares during the 2 weeks period prior to 19th November, 2007 (the date of PA). | Rs. 66.50 |

4. The highest and average price paid by the Acquirer or PAC for acquisition of shares of Target Company during 12 months period ended 18-11-2007 is as under:-
   Highest Price: Rs.68.12 Average Price: Rs.56.41

**INFORMATION ABOUT THE ACQUIRER AND PAC**

**I. Acquirer**

1. HB Stockholdings Limited was incorporated on July 30, 1985 as a public limited company and has its Registered Office at Plot No. 31, Echelon Institutional Area, Sector-32, Gurgaon – 122001, Haryana.

2. Acquirer is a company listed at BSE and National Stock Exchange of India Limited.

3. The Board of Directors of the Acquirer comprises of Mr. Lalit Bhasin, Mr. K. N. Malhotra, Mr. Gulshan Rai, Mr. P. K. Mittal, Mr. Harbans Lal, Mr. Anil Goyal, Mr. Vijay Sood and Mr. J. M. L. Suri.

4. The Promoters and Promoter Group of the Acquirer are Mr. H.C.Bhasin, Mr. Lalit Bhasin, Mr. Ayush Kapur, Mr. Kanishk Kapur, Mr. Manasvin Arora, Ms. Mehar Arora, Merrygold Investments Ltd. and RRB Master Holdings Ltd.

5. HB Prima Capital Limited and Mount Finance Limited are its wholly owned subsidiaries.

6. HB Stockholdings Limited was initially incorporated under the name of HB Portfolio Leasing Limited on 30th July 1985 with the main object of providing funds and non funds based financial services. Later the company also made a foray into real estate development. Pursuant to a Scheme of Arrangement sanctioned by Delhi High Court in 1996 the company was restructured and it confined its activity to investment in securities. The name of the company was changed on 19th February 1997 to HB Stockholdings Limited.

7. The company is registered with Reserve Bank of India as a Non Banking Finance Company. A Certificate of Registration to carry on the business of a non-banking financial institution has been obtained from the Reserve Bank of India in terms of Section 45-IA of the RBI Act, 1934. It must be distinctly understood, however, that in issuing the Certificate of Registration RBI does not undertake any responsibility for the financial soundness of the company or for the correctness of any of the statements made or any commitments made or opinions expressed.

8. The paid up equity share capital of the Acquirer as on date of PA is Rs. 24,31,66,634/- comprising of 2,54,43,257 shares of Rs.10/- each fully called up (Allotment money receivable Rs. 1,12,65,936/-).

9. Financial Information of the Acquirer is as follows:

(Rs. in lakhs)

| | **Year ended 31st March** | | | **Period ended 30-09-2007 (Unaudited)*** |
|---|---|---|---|---|
| | **2005 (Audited)** | **2006 (Audited)** | **2007 (Audited)** | |
| 1) Total Income | 272.59 | 1262.11 | 320.80 | 1629.94 |
| 2) Net profit / (Loss) | 149.97 | 1077.67 | 153.18 | 1312.37 |
| 3) Paid-up Equity Capital | 2431.66 | 2431.67 | 2431.67 | 2431.67 |
| 4) Reserves & Surplus | 4172.41 | 5248.02 | 5407.77 | 6719.63 |
| 5) EPS(Basic&Diluted) (Rs.) | 0.61 | 4.23 | 0.63 | 5.16 |
| 6) Book Value per Share (Rs.) | 25.96 | 30.18 | 30.81 | 35.97 |
| 7) Return on Net Worth (%) | 2.27 | 14.03 | 1.95 | 14.34 |
| 8) PE Multiple | 19.28 | 6.15 | 37.46 | 7.84 |

*The figures for six months ended 30th September, 2007 are not annualised except for the PE Multiple.

**II. PAC**

Mr. H.C. Bhasin, aged 69 years, is the son of Late Mr. R.R. Bhasin and is residing at C-2/7, Safdarjung Development Area, New Delhi-110016. He is the main promoter of the Acquirer and also holds 0.10% shares in the Target Company. He has an experience of nearly 50 years in the financial services industry.

## INFORMATION ABOUT THE TARGET COMPANY

1. DCM Shriram Industries Limited, having its Registered Office at Kanchenjunga Building, 6th Floor, 18, Barakhamba Road, New Delhi-110001 is the principal company of the DCM Shriram Group with a portfolio of products comprising of Sugar, Alcohol, Organic/Fine Chemicals and Industrial Fibres. The group is also engaged in the manufacturing of Shipping and other Containers and Potable Alcohol.

2. The Promoters and Promoter Group of the Target Company comprises of Bantam Enterprises Pvt. Ltd., Lily Commercial Pvt. Ltd., Divine Investments Pvt. Ltd., HR Travels Pvt. Ltd., Quick Lithographers Pvt. Ltd., Peekay Alkalies Pvt. Ltd., Super Wares Pvt. Ltd., Gentech Chemicals Pvt. Ltd., Hi Vac Wares Pvt. Ltd., Versa Trading Ltd., Meridian Marketing Pvt. Ltd., Tilak Dhar (HUF) and M/s. Suman Bansi Dhar, Alok B Shriram, Divya Shriram, Karuna Shriram, Urvashi Tilak Dhar, Tilak Dhar, Madhav B Shriram, Kanika Shriram, Aditi Dhar and Akshay Dhar.

3. As on the date of this PA, there are no partly paid up shares issued by the Target Company.

4. As per the Annual Report for the year ended 31st March, 2007 of the Target Company, the Board of Directors comprised of Mr. Tilak Dhar, Mr. Alok B. Shriram, Mr. Madhav B. Shriram, Mr. G. Kumar, Mr. Atam Parkash, Mr. P. R. Khanna, Dr. V. L. Dutt and Mr. S. P. Arora.

5. The total paid up share capital of the Target Company as on 30th September, 2007 is Rs. 15,29,84,370/- divided into 1,52,98,437 equity shares of Rs.10/- each.

6. The equity shares of the Target Company are listed on the BSE.

7. Financial Information of the Target Company is as follows:

(Rs. in lakhs)

| | **Year ended 31st March** | | | **Period ended 30-09-2007 (Unaudited)*** |
|---|---|---|---|---|
| | **2005 (Audited)** | **2006 (Audited)** | **2007 (Audited)** | |
| 1) Total Income | 55496 | 71928 | 63349 | 28304 |
| 2) Net profit / (Loss) | 2484 | 2909 | 158 | (742) |
| 3) Paid-up Equity Capital | #1530 | 1530 | 1530 | 1530 |
| 4) Reserves & Surplus | 14623 | 16716 | 16400 | 15658 |
| 5) EPS (Basic & Diluted) (Rs.) | 17.34 | 19.02 | 1.04 | (4.85) |
| 6) Book Value per Share (Rs.) | 105.59 | 119.27 | 117.20 | 112.35 |
| 7) Return on Net Worth (%) | 15.38 | 15.94 | 0.88 | (4.32) |
| 8) PE Multiple | 27.76 | 4.71 | 90 | N.A. |

*The figures for six months ended 30th September, 2007 are not annualized.
#Includes Capital Suspense Account.

8. All information about the Target Company has been sourced from publicly available sources.

## REASONS FOR THE OFFER AND FUTURE PLANS ABOUT THE TARGET COMPANY

1. The Offer is being made for consolidation of existing shareholding in the Target Company without change in control.

2. The Acquirer does not have any plans to make any change to the existing lines of business of the Target Company or to dispose off or otherwise encumber any assets of the Target Company in the next 24 months, except in the ordinary course of business of the Target Company. It will be the discretion of the Board of the Target Company to take appropriate decision in these matters as per the requirements of the business and in line with opportunities from time to time.

   Further, during the said period of 24 months, the Acquirer undertakes not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the approval of the shareholders of the Target Company.

## STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

1. Approval from RBI for acquiring shares from Non-Resident shareholders of the Target Company shall be procured as and when necessary.

2. The Acquirer will make the necessary applications to, and filing with, the requisite authorities to obtain the statutory approval described above.

3. To the best of the Acquirer's knowledge, as on the date of this PA, there are no other statutory approvals required to implement the Offer other than the approval specified above. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approvals. The Acquirer will have the right not to proceed with the Offer in the event that the statutory approvals indicated above are refused in terms of Regulation 27 of the SEBI (SAST) Regulations.

4. The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the closure of the Offer. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to shareholders of the Target Company, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations.

5. To the best of its knowledge, the Acquirer does not require any approvals from any financial institutions or banks for the Offer.

## CONTINUOUS LISTING

1. As per the listing agreement with the BSE, the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis.

2. Pursuant to the Offer, the public shareholding of the Target Company is not expected to fall to less than 25% of the existing Share Capital of the Target Company.

**FINANCIAL ARRANGEMENTS**

1. The requirement of funds (assuming full acceptance of the Offer) for the acquisition of 35,00,000 equity shares of the Target Company at a price of Rs. 70/- per share would amount to Rs. 24,50,00,000/- (Rupees Twenty Four Crores and Fifty Lakhs Only).

2. In accordance with Regulation 28 of SEBI (SAST) Regulations an escrow account has been created for deposit of securities with M/s. Religare Securities Ltd., New Delhi. This escrow account comprises of 60,000 equity shares of M/s. Jaiprakash Associates Ltd. (Market Value Rs. 9,12,33,000/- (Rupees Nine Crores Twelve Lakhs Thrity Three Thousand only) based on closing market rate as on 16/11/2007 on BSE). The total value of the escrow account exceeds the amount required under Regulation 28(2) of SEBI (SAST) Regulations which is Rs. 6,12,50,000/- (Rupees Six Crores Twelve Lakhs and Fifty Thousand Only). The Manager to the Offer is authorised to realise the value of the securities by sale or otherwise; provided if there is any deficit on realisation of the value of the securities, such deficit, if any, shall be made good by the Manager to the Offer. The Acquirer has also made a cash deposit of Rs.25,00,000/- (Rupees Twenty Five Lakhs Only) with HDFC Bank Ltd., Surya Kiran Building, K. G. Marg, New Delhi-110001 being more than 1% of the total consideration payable under the Offer. The Manager to the Offer is authorised to realise the value of the deposit in terms of the SEBI (SAST) Regulations.

3. Firm arrangement for financial resources required to implement the offer is already in place. The Acquirer has adequate internal resources for financing the acquisition of equity shares under the Offer. M/s. P. Bholusaria & Co., Chartered Accountants, having office at 26/11, Shakti Nagar Delhi-110007, Tel.:011-23845925, the Statutory Auditors of the Acquirer, through their partner Mr. Amit Goel, (Membership Number-92648), have certified on 15th November, 2007 that the Acquirer has adequate resources to meet the financial requirements of the Offer.

4. The Manager to the Offer confirms that firm arrangement for funds and money for payment through verifiable means are in place to fulfill the offer obligations.

**OTHER TERMS OF THE OFFER**

1. Since it is not a conditional offer, the Offer is not subject to any minimum level of acceptance.

2. However, if the aggregate of the valid response to the Offer exceeds the Offer size of 35,00,000 shares (representing 22.88% of the existing voting Capital) then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations.

3. The shares of the Target Company are compulsorily traded in dematerialised form. Hence, the minimum acceptance will be of 1 (One) share.

4. The Letter of Offer together with Form of Acceptance cum Acknowledgement and Form of Withdrawal will be mailed to all the shareholders of the Target Company (except the Acquirer and PAC), whose names appear in the Register of Members of the Target Company and the beneficial owners of the equity shares of the Target Company whose names appear on the beneficial records of the respective Depositories, at the close of business on 20/11/2007 ("the specified date").

5. All the shareholders (except the Acquirer and PAC), who own the equity shares of the Target company anytime before the closure of the Offer are eligible to participate in the Offer.

6. The shareholders, who wish to tender their equity shares held in physical form, will be required to send the Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and Transfer Deed(s) / Advice(s) duly signed to the Registrar to the Offer at the address mentioned below either by hand delivery or by Registered Post on or before the close of the Offer i.e. 24/01/2008 in accordance with the instructions contained in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

7. The Registrar to the Offer on behalf of the Acquirer has opened a special depository account as detailed below:

| | |
|---|---|
| **Depository** | **National Securities Depository Limited** |
| **Account Name** | **RCMC A/c DSIL-Open Offer Escrow A/c** |
| **Depository Participant** | **Pee Aar Securities Ltd.** |
| **DPID** | **IN301428** |
| **Client ID** | **10056828** |

8. The shareholders (registered and unregistered), who do not receive the Letter of Offer, can send their applications in writing so as to reach the Registrar to the Offer on or before the close of the Offer i.e. 24/01/2008 on a plain paper stating the name, address, number of equity shares held, distinctive numbers, folio number, number of equity shares offered along with the original share certificate(s), duly signed transfer deed(s) and in case of unregistered shareholders also the original contract note issued by the broker through whom equity shares were acquired.

9. Beneficial owners (holders of equity shares in dematerialised form), who wish to tender their equity shares, will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the Depository Participant (DP), in favour of the special depository account, to the Registrar to the Offer either by hand delivery or by Registered Post and to ensure the credit of their shares in favour of this special depository account on or before the close of the Offer, i.e. 24/01/2008, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

10. The shareholders of the Target Company who wish to avail themselves of accepting the Offer can deliver the Form of Acceptance cum Acknowledgement along with all the relevant documents at the collection centre mentioned below in accordance with the procedure as set out in the Letter of Offer. The centre mentioned herein below will be opened as follows:

| Address of Collecting Centre | Contact Person | Telephone Number | Fax Number | Mode of Delivery |
|---|---|---|---|---|
| RCMC Share Registry Pvt. Ltd. B-106, Sector-2, Noida-201301 U.P. | Mr. Rakesh Adhana | 0120-4015880 | 0120-2444346 | Hand Delivery/ Registered Post |

**Collection Timings for the location mentioned above will be 10.00 a.m. to 1.00 p.m. & 2.00 p.m. to 5.00 p.m. from Monday to Friday and 10.00 a. m. to 1.00 p.m. on Saturday.**

11. Applications in respect of shares that are the subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these shares are not received together with the shares tendered under the Offer.

12. No indemnity is required from the unregistered shareholders.

13. Pursuant to Regulation 22(5A) of the SEBI (SAST) Regulations, equity shareholders of the Target Company desirous of withdrawing the acceptance tendered by them in the Offer may do so up to three (3) working days prior to the closing date 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 21/01/2008.

    (i) The withdrawal option can be exercised by submitting the Form of Withdrawal, which is enclosed with the Letter of Offer.

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

    - In case of physical shares: name, address, distinctive numbers, folio number, number of shares tendered; and

    - In case of dematerialised shares: name, address, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

14. The Registrar to the Offer will hold in trust the shares / share certificates, shares held in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the Offer until the cheques / drafts for the consideration or the unaccepted shares / share certificates are dispatched / returned.

15. The Letter of Offer along with Form of Acceptance cum Acknowledgement and Form of Withdrawal will also be available on SEBI's website http://www.sebi.gov.in and can be downloaded and used as an application for tendering / withdrawing the equity shares.

16. 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. Unaccepted shares held in dematerialised form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

17. While tendering the shares under the Offer, NRI / OCB / Non-domestic companies / Other persons who are not resident in India will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such shares tendered. While tendering shares under the Offer, NRI / OCB / Non-domestic companies / Other persons who are not resident in India will be required to submit a No Objection Certificate / Tax Clearance Certificate from the Income Tax authorities, under the Income Tax Act, 1961 (the "Income Tax Act"), indicating the rate at which the tax has to be deducted by the Acquirer before remitting the consideration. In case the aforesaid No Objection Certificate / Tax Clearance Certificate is not submitted, the 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.

18. The securities transaction tax will not be applicable to the shares accepted under the Offer.

19. The consideration for the equity shares accepted by the Acquirer will be paid by crossed account payee cheques / demand drafts.

20. A schedule of some of the major activities for the Offer is given below:

| Activity | Date | Day |
|---|---|---|
| Specified Date | 20/11/2007 | Tuesday |
| Last date for a Competitive bid | 10/12/2007 | Monday |
| Letter of Offer to be posted to shareholders | 26/12/2007 | Wednesday |
| Date of Opening of the Offer | 03/01/2008 | Thursday |
| Last date for revising the Offer Price / number of shares | 15/01/2008 | Tuesday |
| Last date for withdrawal of acceptance by shareholders | 21/01/2008 | Monday |
| Date of Closing of the Offer | 24/01/2008 | Thursday |
| Date of communicating rejection / acceptance and payment of consideration for applications accepted | 08/02/2008 | Friday |

** Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent and all owners (registered or unregistered) of the shares of the Target Company (except the Acquirer and PAC) are eligible to participate in the Offer anytime before the closing of the Offer.*

**GENERAL**

1. Shareholders of the Target Company who have accepted the Offer by tendering the requisite documents, in accordance with the terms of this PA and the Letter of Offer, shall have the option to withdraw acceptance tendered by them up to three (3) working days prior to the date of closing of the Offer i.e. by 21/01/2008 , in terms of Regulation 22(5A) of the SEBI (SAST) Regulations.

2. If the Acquirer decides to make upward revision in the Offer Price in accordance with Regulation 26 of the Regulations, such upward revision will be made not later than 15/01/2008 (being seven working days prior to the date of closure of the Offer). Such revisions / amendments would be effected by making a Public Announcement in the same newspapers in which the original PA is being made and the revised price shall be payable to all the shareholders of the Target Company whose shares are accepted under the Offer.

3. If there is a withdrawal of the Offer by the Acquirer, the same will be informed by way of a Public Announcement in the same newspapers in which this PA has appeared.

4. **If there is a competitive bid:**

   i. **The public offers under all the subsisting bids shall close on the same date.**

   ii. **As the Offer Price cannot be revised during seven (7) working days prior to the closing date of the Offer / Bids, it would, therefore, be in the interest of the shareholders of the Target Company to wait until the commencement of that period to know the final offer price of each offer / bid and tender their acceptance accordingly.**

5. The Acquirer and PAC have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 and subsequent amendments made thereto.

6. This PA would also be available on the SEBI website http://www.sebi.gov.in.

7. Pursuant to Regulation 13 of SEBI (SAST) Regulations, the Acquirer has appointed Mefcom Capital Markets Limited as the Manager to the Offer. As on the date of this PA, Mefcom Capital Markets Limited does not hold any shares of the Acquirer.

8. The Board of Directors of the Acquirer jointly and severally accepts the responsibility for the information contained in this PA and also for the obligations of the Acquirer as laid down in SEBI (SAST) Regulations and subsequent amendments made thereto.

**ISSUED BY THE MANAGER TO THE OFFER**

**Mefcom Capital Markets Limited**
5th Floor, Sanchi Building,
77 Nehru Place, New Delhi-110019
Tel.: +91(11) 46500500
Fax: +91(11) 46500550
Email: ashok.juneja@mefcom.in
Contact Person: Mr. Ashok Juneja

**REGISTRAR TO THE OFFER**

**RCMC Share Registry Pvt. Ltd.**
B-106, Sector-2,
Noida-201301
Tel.: 0120-4015880
Fax: 0120-2444346
Email: shares@rcmcdelhi.com
Contact Person: Mr. Rakesh Adhana

**On Behalf of the Acquirer**
**HB STOCKHOLDINGS LIMITED**
**Plot No. 31, Echelon Institutional Area, Sector – 32, Gurgaon – 122001 (Haryana)**

**Place: New Delhi** **Date: 19/11/2007**