LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a shareholder(s) of Everest Industries Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or your investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your Shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

EVEREST FINVEST (INDIA) PRIVATE LIMITED

a private limited company incorporated on June 9, 1992 under the Companies Act, 1956
(Registered Office: 11-A, Mittal Chambers, Nariman Point, Mumbai – 400 021
Tel: +91-22-22022930 Fax: +91-22-22022853)

MAKES A CASH OFFER AT Rs. 184 PER FULLY PAID UP EQUITY SHARE TO ACQUIRE

2,960,004 fully paid up equity shares of Rs. 10 each representing 20% of the voting equity capital of

EVEREST INDUSTRIES LIMITED

a company incorporated under the Companies Act, 1956
(Registered Office: c/o ACC Ltd., Research & Consultancy Directorate, CRS Complex, LBS Marg, Thane (W) – 400 604 (Maharashtra), India)
Tel: + 91-22-55985914/15 Fax: + 91-22-55985913)

Note:

- This Offer is being made pursuant to and in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof.
- The Offer is made by Everest Finvest (India) Private Limited ("EFL"), as the Acquirer. Mrinalini Trust (Trust that holds 99.99% equity capital of EFL) is a person acting in concert and Mr. Aditya Vikram Somani, Mrs. Padmini A. Somani and Mr. Janardan Sekhsaria collectively are deemed persons acting in concert ("Deemed PAC") in terms of regulation 2(e)(2) of the Regulations for the purposes of this offer.
- The Offer is subject to the receipt of approval from Reserve bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") for the acquisition of equity shares by the Acquirer from non-resident persons under the Offer. If these approvals are not received the Acquirer will not be able to acquire shares tendered in the Offer by non-resident persons.To the best of knowledge and belief of the Acquirer, as of the date of this PA, there are no other statutory approvals required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of regulation 27 of the Regulations. No approvals are required from FIs/Banks for the Offer.
- If there is any upward revision of the Offer Price by the Acquirer till the last permitted date for revision viz. 01-Feb-06 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the original Public Announcement had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the Offer and accepted under the Offer.
- Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer viz. 07-Feb-06
- **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 working days prior to the closing date of the offers / bids, it would therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**
- There has been no competitive bid as on date.
- A copy of the Public Announcement and this Letter of Offer (including the Form of Acceptance cum Acknowledgement and the Form of Withdrawal) is expected to be available on SEBI's website (www.sebi.gov.in)

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
kotak Investment Banking **Kotak Mahindra Capital Company Limited** Bakhtawar, 3rd Floor, 229, Nariman Point Mumbai - 400 021 Tel: +91 22 56341100 Fax: +91 22 22840492 Contact Person: Mr. Ajay Vaidya, Vice President (Compliance) and Company Secretary Email: everest.offer@kotak.com	KARVY Karvy Computershare Private Limited **Karvy Computershare Private Limited** "Karvy House", 46, Avenue 4 Street No. 1, Banjara Hills Hyderabad - 500 034 Tel: +91 40 23312454 Fax: +91 40 23311968 Contact Person: Mr. Murali Krishna Email: murali@karvy.com

	Original Offer Programme		Revised Offer Programme	
Activity	**Date**	**Day**	**Date**	**Day**
Specified Date	17-Oct-05	Monday	17-Oct-05	Monday
Last date by which Letter of Offer will be dispatched to the Shareholders	26-Nov-05	Saturday	19-Jan-06	Thursday
Offer Opening Date	07-Dec-05	Wednesday	23-Jan-06	Monday
Offer Closing Date	26-Dec-05	Monday	11-Feb-06	Saturday
Last date for a competitive bid, if any	06-Nov-05	Sunday	06-Nov-05	Sunday
Last date for revising the Offer Price / Offer Size	15-Dec-05	Thursday	01-Feb-06	Wednesday
Last date for withdrawing acceptance of the Offer	21-Dec-05	Wednesday	07-Feb-06	Tuesday
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired Shares and / or the share certificate(s) / demat delivery instruction for the rejected Shares will be dispatched / issued	10-Jan-06	Tuesday	26-Feb-06	Sunday

RISK FACTORS:

- The Offer is subject to the receipt of approval from Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") for the acquisition of equity shares by the Acquirer from non-resident persons under the Offer. If these approvals are not received the Acquirer will not be able to acquire shares tendered in the Offer by non-resident persons.
- The Acquirer is not in the same line of activity as that of the Target Company. Hence there is no assurance with respect to the continuation of the past trend in the financial performance of Everest Industries Limited.
- The Acquirer makes no assurance with respect to the market price of the shares during / after the Offer.
- The Acquirer reported net losses for the financial years ended March 31, 2004 & March 31, 2005.
- The Offer to the shareholders of Everest Industries Limited is for substantial acquisition of shares along with acquisition of control, and it is made in accordance with regulations 10 and 12 of the SEBI (SAST) Regulations.
- The tendered shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the shares of Everest.
- In the event of oversubscription in the Offer, the acceptance will be on a proportionate basis and will be contingent on the level of oversubscription.
- The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of Everest or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of Everest are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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KEY DEFINITIONS

Acquirer / EFL	Everest Finvest (India) Private Limited a private limited company incorporated on June 9, 1992 under the Companies Act, 1956 and having its registered office at 11A, Mittal Chambers, Nariman Point, Mumbai – 400 021
BSE	Bombay Stock Exchange Limited
Deemed PAC	Collectively Mr. Aditya Vikram Somani, Mrs. Padmini A. Somani and Mr. Janardan Sekhsaria
FEMA	Foreign Exchange Management Act, 1999, as amended
FIPB / SIA	Foreign Investment and Promotion Board / Secretariat of Industrial Assistance
Form	Form of Acceptance-cum-Acknowledgement attached to this Letter of Offer
Letter of Offer	This Letter of Offer dated January 17, 2006
Manager to the Offer	Kotak Mahindra Capital Company Limited, the merchant bankers appointed by the Acquirer pursuant to regulation 13 of the Regulations, having its registered office at Bakhtawar, 3rd Floor, 229 Nariman Point, Mumbai – 400021
NSE	The National Stock Exchange Limited
Offer	Offer being made by the Acquirer for 2,960,004 Shares to the public shareholders of the Target Company at the Offer Price payable in cash
Offer Price	Price of Rs. 184 (Rupees One Hundred and Eighty Four only) per Share
Offer Size	2,960,004 Shares representing 20% of the voting equity capital of the Target Company
PAC / Trust	Mrinalini Trust
Public Announcement / PA	Announcement of this Offer made on behalf of the Acquirer to the shareholders of the Target Company published on 16-Oct-2005 which appeared in all the editions of Financial Express and Jansatta, and the Mumbai edition of Sakal as amended by the corrigendum public announcement released in the same newspapers on January 15, 2006
RBI	Reserve Bank of India
Registrar to the Offer	Karvy Computershare Private Limited, the Registrars to the Offer appointed by the Acquirer, having its office at "Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034
Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
Seller / ACC Ltd.	The Associated Cement Companies Limited
Share	Fully paid up equity share of Everest Industries Limited having a face value of Rs.10 each
Shareholders	Shareholders of the Target Company
Specified Date	17-Oct-05 being the date for the purpose of determining the names of the Shareholders to whom the Letter of Offer will be sent
Stock Exchanges	BSE and NSE
Target/Target Company/ EIL/Everest	Everest Industries Limited

Note : All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the Regulations.

I. 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 EVEREST INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S), PACs OR THE COMPANY WHOSE SHARES/CONTROL IS 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 THE ACQUIRER(S) IS (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 ACQUIRER(S) DULY DISCHARGES ITS (THEIR) RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 21, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

II. THE DETAILS OF THE OFFER

Background of the Offer

1. This open offer (“Offer”) is being made by Everest Finvest(India) Private Limited, (hereinafter referred to as the “ Acquirer” or “EFL”), with Mrinalini Trust (hereinafter referred to as the “PAC” or the “Trust”) being the person acting in concert, pursuant to and in compliance with, among others, regulations 10 and 12 of the Regulations, for the purpose of substantial acquisition of Shares and voting rights of the Target Company accompanied with change in control of the Target Company. The Acquirer do not hold any share in the Target Company as on the date of the PA. Collectively, Mr. Aditya Vikram Somani, Mrs. Padmini A. Somani and Mr. Janardan Sekhsaria are persons deemed to be acting in concert with the Acquirer (herein after referred to as “Deemed PAC”).
2. The Acquirer has entered into a Share Purchase Agreement (hereinafter referred to as “SPA”) dated October 14, 2005 with Associated Cement Companies Limited (the “Seller” or “ACC”) wherein EFL has undertaken to acquire 74,00,020 shares (“Sale Shares”) representing just over 50.00% of the voting equity share capital of the Target Company from ACC at a negotiated price of Rs. 134 (Rupees One Hundred and Thirty Four Only) per fully paid up equity share of EIL.
3. Pursuant to regulations 10 & 12 of the Regulations, on account of proposed substantial acquisition of equity shares and change in control as a consequence of the SPA referred to in paragraph 2 above, the Acquirer is required to make an offer to the shareholders of EIL to acquire their shares by making a PA in terms of the Regulations.
4. The salient features of the SPA provide the following:
   a) The Acquirer has paid an advance of Rs. 99,16,02,680 for the Sale Shares under the SPA and the Sale Shares shall be released to the Acquirer on fulfillment of all conditions in the SPA. The primary condition to SPA being making the open offer to the shareholders of EIL under the applicable provisions of the Regulations and fulfillment of all conditions pertaining thereto.
   b) In the event of non-compliance of the requirements of regulation 22 of the Regulations, the Seller shall not be required to sell and the Acquirer shall not be required to purchase the shares in the manner provided in the SPA.
   c) The Seller shall cause its nominees on the Board to take all necessary steps to appoint persons nominated by the Acquirer as additional directors. Pursuant to such appointment the Seller shall cause its nominees to resign from the Board. This amounts to the Seller ceding control on the Target in favour of the Acquirer.
   d) The Acquirer intends to take control on EIL along with all its liabilities as at the date of the SPA. Thus, pursuant to the proposed acquisition of shares by EFL, there would be a change in control and management of EIL in accordance with the SPA.
   e) The Acquirer, Seller and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.
   f) The Acquirer may make requisite changes to the composition of the Board of Directors of the Target Company as per business considerations and regulatory requirements.

   There is no Share Holders Agreement between the Acquirer & ACC Ltd.

Details of the proposed Offer

5. In accordance with regulation 15 of the Regulations, the Acquirer issued a public announcement (“PA”) on 16-Oct-05, which appeared in all the editions of Financial Express and Jansatta, and the Mumbai edition of Sakal. A copy of the PA is available on SEBI’s website (http://www.sebi.gov.in/).
6. The Acquirer is making this offer to the shareholders of Target to acquire 2,960,004 fully paid up equity shares of Rs.10/- each representing 20% of the outstanding voting equity share capital of Target (the “Shares”) at a price of Rs.184/- per fully paid-up equity share (the “Offer Price”) payable in cash, in terms of regulations 20 & 21 of the Regulations (the “Offer” or “Open Offer”).
7. In the 26 weeks before the PA, the equity shares of the Target are most frequently traded on BSE & in the last 2 weeks, the equity shares of the Target are most frequently traded on NSE, within the meaning of regulation 20(5) of the Regulations. This Offer is being made at Rs.184/- (Rupees One Hundred & Eighty Four only) per share in terms of the Regulations. This Offer Price is greater than the highest of (a) the average of the weekly high and low of closing prices of the Shares of the Target on BSE for the last 26 weeks (Rs. 183.14 / share) (b) the average of the daily high and low prices of the Shares of the Target on NSE for last 2 week period (Rs. 178.43 / share) (c) the highest price paid by the Acquirer or persons acting in concert with them for acquisition, if any, including by

way of allotment in a public or rights or preferential issue during the last 26 weeks (Not applicable), and (d) the negotiated price, (Rs. 134 / share).

8. This Offer is not conditional upon any minimum level of acceptance.
9. There are no partly paid-up Shares in the Target Company.
10. The Acquirer has not acquired any Shares since the date of the PA or during the 12-month period prior to the date of the PA.
11. There have been no competitive bids as on date.
12. Subject to receipt of approvals and other the terms and conditions of the Offer, the Shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by the Acquirer.
13. The Shares to be acquired under this Letter of Offer are to be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.
14. This Offer is made to all Shareholders of the Target Company, except the Acquirer, PAC & Deemed PAC and except to ACC Ltd. in accordance with proviso to regulation 22(3).
15. The Letter of Offer is being sent to those Shareholders whose name(s) appeared in the Register of Members of the Target Company at the close of business hours on 17-Oct-05, being the Specified Date, as required under the Regulations.
16. There are no outstanding convertible instruments in the Target Company as on the date of PA.

Object of the acquisition / Offer

17. The Offer to the shareholders of Target, as explained in paragraph 1 above, is being made pursuant to regulations 10 & 12 of the Regulations for the acquisition of equity shares of Target accompanied by a change in control / management of the Target.
18. EIL is a leading manufacturer of building materials especially in fiber cement roofing products and flat sheets. The Acquirer perceives growth in the building materials industry and wish to participate in the business opportunities in the same. The Acquirer has identified EIL as a suitable company for such participation.
19. The Acquirer does not have any plans to dispose off or otherwise encumber any assets of the Target in the next two years except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and/or rationalization, reorganization, arrangements of operations, assets, investments, liabilities or otherwise of the Target Company. Notwithstanding the immediately preceding sentence, the Board of Directors of the Target Company will take appropriate decisions in these matters as per the requirements of business and in line with the opportunities from time to time.
20. Other than in the ordinary course of business, the Acquirer undertakes that it shall not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company.
21. Pursuant to this Offer, the public shareholding (i.e. shareholding of all other persons except the Acquirer, PAC and Deemed PAC) will not reduce to 25% or less of the voting equity capital of the Target Company.

III. BACKGROUND OF THE ACQUIRER (INCLUDING DISCLOSURE UNDER REGULATION 21(3))

Details Of the Acquirer, EFL

22. The details of EFL are provided in the table below

Name	Everest Finvest (India) Pvt. Ltd., a private limited company incorporated on June 9, 1992 under the Companies Act, 1956
Address of the registered/corporate office	11-A, Mittal Chambers, Nariman point, Mumbai – 400 021 Ph: (022) – 22022930; Fax: (022) – 22022853
Listed on	Not listed
Group	EFL is held by a trust and is not controlled by any particular person, entity or group of persons or entities.
Shareholding Pattern	EFL is held 99.99% by Mrinalini Trust (the “Trust”) & 200 shares of EFL are held by Mr. Ramesh Kumar Bagla.
Relationship with PAC	As stated above, the Trust holds 99.99% of the share capital of EFL
Primary Business	To make strategic investments
Compliance with the applicable provisions of the Regulations/other applicable regulations under the SEBI Act, 1992	No compliance applicable as on date of Public Announcement

23. EFL was founded in 1992 and has been carrying on the business of investments in shares & securities and providing finance by way of inter corporate deposits.
24. The residential addresses of the Board of Directors of EFL are given below:

Name of director	Residential address	Work experience	Qualifications	Date of appointment
Mr. Aditya Vikram Somani	131, Lakshmi Vilas, 13th Floor, 87 Napean Sea Road, Mumbai – 400 006	10 Years	M.Com, MBA	Jan 10, 2005
Mr. Arvind Nopany	95-B, Meghdoot Building, Netaji Subash Road, Mumbai – 400 002	16 Years	B.Com, MBA	Sept 02, 1992

Name of director	Residential address	Work experience	Qualifications	Date of appointment
Mr. Sandeep Junnarkar	1702, Wallace Appts. 1, 17th Floor, Naushir Barucha Marg, Mumbai – 400 007	22 Years	B. Sc. (Hons), LLB Solicitor	Oct 6, 2005
Mr. Anil Singhvi	131 A, Twin Towers, Veer Savarkar Marg, Prabhadevi, Mumbai – 400 025	23 Years	B.Com, FCA	Oct 6, 2005

None of these Directors is on the Board of Directors of the Target Company.

25. The details of experience and qualifications of the Board of Directors of EFL are given below:

The biographical information below is provided to the best of EFL's knowledge.

Mr. Aditya Vikram Somani (32 years) has ten years of business experience in business management in the field of construction, software development and textiles. He has completed his studies in masters of business administration from University of Pittsburgh, Pittsburgh, USA. He is also involved in various social service activities like being an activist at Salaam Bombay Foundation, Mumbai, an NGO educating children on health issues and preventing tobacco addiction & PRAJA, Mumbai, another NGO working with Municipal Corporation of Greater Mumbai towards more accountability.

Mr. Arvind Nopany (40 years) has sixteen years of experience in business management in the field of HDP bag manufacturing & marketing cements. He has completed his studies in masters of business administration from Armstrong University, California. He is an advisor to Gujarat Ambuja Cement Limited ("GACL") for packing material management (PP bags) in all India. He supplies woven sacks to GACL & distributes cement manufactured by GACL to Baroda city.

Mr. Sandeep Junnarkar (54 years) is a solicitor by profession & a partner at Junnarkar & Associates. He specializes in banking laws, corporate laws, including monopolies laws, exchange control laws & securities laws. He also holds directorships in various listed companies. From 1981 to 2002, he was a partner with M/s. Kanga & Co. Advocates & Solicitors, Mumbai.

Mr. Anil Singhvi (45 years) is a chartered accountant by qualification and has twenty-three years of experience in the areas of finance & treasury. Mr. Anil Singhvi joined Gujarat Ambuja Cements Limited in 1986 and has held very senior managerial position over last 18 years. He was elevated to the company's main Board of Directors in 1999. In Gujarat Ambuja Cement Limited, he is responsible for Corporate Finance, Treasury, Mergers and Acquisitions, Strategic plans and General Corporate Affairs. He is also on the Board of several associate and subsidiary companies of Gujarat Ambuja Cements Limited which are engaged in cement and other activities. He was ranked the best CFO in 2001 by The Economist Intelligence Unit, India. He is architect of the foundation of the Indian Association of CFOs and Corporate Treasurers (In Act) which was founded in 2002.

26. Brief Financials of EFL

(No adjustments are required pursuant to the provisions of Annexure I, point 11 of the Standard Letter of Offer)

Data for the years 2002-03, 2003-04 and 2004-05 are based on audited financials of EFL and data for six-months ended 30-Sept-05 are based on financials certified by the auditors

(Rupees)

Profit & Loss Statement

	2002-03	2003-04	2004-05	Six Months Ended 30-Sept-05
Interest Receipt	-	-	52,795	574,424
Total Expenditure	15,190	46,270	198,448	8,250
Profit Before Depreciation Interest and Tax	(15,190)	(46,270)	(145,653)	566,174
Depreciation	-	-	-	-
Interest	-	-	-	-
Profit Before Tax	(15,190)	(46,270)	(145,653)	566,174
Provision for Tax (incl earlier years)	-	489	13,450	191,000
Profit After Tax	(15,190)	(46,759)	(159,103)	375,174

Balance Sheet

	As on March 31, 2003	As on March 31, 2004	As on March 31, 2005	As on September 30, 2005
Sources of funds				
Paid up share capital	100,000	100,000	10,000,000	10,000,000
Reserves and Surplus (excluding revaluation reserves)	76,020	29,261	(129,842)	245,332
Networth	176,020	129,261	9,870,158	10,245,332
Uses of funds				
Net fixed assets	-	-	-	-
Investments	-	-	-	-
Net current assets	176,020	129,261	9,870,158	10,245,332
Total miscellaneous expenditure not written off	-	-	-	-
Total	**176,020**	**129,261**	**9,870,158**	**10,245,332**

Other Financial Information

	As on March 31, 2003	As on March 31, 2004	As on March 31, 2005	As on September 30, 2005
Dividend Declared per Share	NIL	NIL	NIL	NIL
Basic Earnings per Share	(3.9)	(4.7)	(0.7)	0.4
Diluted Earnings per Share	(3.9)	(4.7)	(0.7)	0.4
Return on Networth	-8.6%	-36.2%	-1.6%	3.7%
Book Value per Share	17.6	12.9	9.9	10.2

27. The Acquirer have not acquired any Shares in the Target Company in the last 12 months

28. Significant accounting policies of EFL

    The following represents the significant accounting policies of EFL generally as disclosed in EFL's financials for the fiscal year ended March 31, 2005

    a. System of Accounting:

       The Company prepares its financial statements in accordance with the generally accepted accounting principles and the requirements of the Companies Act, 1956.

    b. Revenue Recognition:

       Income and Expenditure are accounted for on accurual basis.

    c. Accounting for taxes on Income:

       a. Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961.

       b. Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is a virtual certainty.

29. EFL has no significant contingent liabilities or litigations pending against it.

Details Of the PAC, Mrinalini Trust

30. The details of Mrinalini Trust (PAC) are provided in the table below

Name	Mrinalini Trust
Address of the registered/corporate office	19, Bhuleshwar Road, Near Cotton Exchange, Mumbai – 400 002
Listed on	Not listed
Relationship with EFL	■ EFL is held 99.99% by Mrinalini Trust (the "Trust") ■ The settler of the Trust is Mr. N. Sekhsaria and the beneficiary is Ms. Mrinalini A. Somani ■ Following are the trustees of the Trust: - – Mr. Aditya Vikram Somani – Mrs. Padmini A. Somani – Mr. Janardan Sekhsaria
Primary Business	Investments for the beneficiary
Compliance with the applicable provisions of the Regulations/other applicable regulations under the SEBI Act, 1992	No compliance applicable as on date of Public Announcement

31. Mrinalini Trust was founded on May 31, 2001, as a private beneficiary trust for the benefit of Ms. Mrinalini A. Somani. The Trust has been carrying on activities of investment in shares & securities and providing finance from its trust fund for the benefit of the beneficiary

32. The residential addresses of the Trustees of Mrinalini Trust are given below:

Name of director	Residential address	Work experience	Qualifications	Date of appointment
Mr. Aditya Vikram Somani	131, Lakshmi Vilas, 13th Floor, 87 Napean sea Road, Mumbai – 400 006	10 years	M. Com, MBA	31-May-2001
Mrs. Padmini A. Somani	131, Lakshmi Vilas, 13th Floor, 87 Napean sea Road, Mumbai – 400 006	6 years	MSc (Economics)	31-May-2001
Mr. Janardan Sekhsaria	Sekhsaria Bldg., 3rd Floor, 448, S.V.P. Road, Mumbai – 400 004	29 years	B. Com.	31-May-2001

None of these Trustees is on the Board of Directors of the Target Company.

33. The details of experience and qualifications of the Trustees of EFL has been provided in the paragraphs 40, 43 and 46.

34. Brief Financials of Mrinalini Trust *

(Rupees)

Profit & Loss Statement

	2002-03	2003-04	2004-05	Six Months Ended 30-Sept-05
Total Income	569,190	2,691,423	734,583	303,203
Total Expenditure	227,807	290,929	53,506	1,615
Net income (deficit)	341,383	2,400,494	681,077	301,588

Balance Sheet

	As on March 31, 2003	As on March 31, 2004	As on March 31, 2005	As on September 30, 2005
Sources of funds				
Trust Fund A/c	17,032,047	19,432,540	20,113,617	20,415,205
Uses of funds				
Investments	17,017,285	19,056,769	20,033,992	20,033,992
Net current assets (Bank A/c.)	14,762	375,771	79,625	381,213
Total	**17,032,047**	**19,432,540**	**20,113,617**	**20,415,205**

* Based on Financials as certified by the Trustees of the Trust

35. The PAC have not acquired any Shares in the Target Company in the last 12 months

36. Significant accounting policies of Mrinalini Trust: The Trust follows generally accepted mercantile basis of accounting.

37. Collectively Mr. Aditya Vikram Somani, Mrs. Padmini A. Somani and Mr. Janardan Sekhsaria being trustees of Mrinalini Trust are deemed persons acting in concert ("Deemed PAC") in terms of regulation 2(e)(2) of the Regulations.

38. Neither the Acquirer nor the PAC has promoted any listed companies in the last three years.

Details Of the Deemed PAC, Mr. Aditya Vikram Somani

39. The details of Mr. Aditya Vikram Somani (Deemed PAC) are provided in the table below

Name	Mr. Aditya Vikram Somani
Address of the residential office	131, Lakshmi Vilas, 13th Floor, 87 Napean sea Road, Mumbai – 400 006
Relationship with PAC/EFL	■ EFL is held 99.99% by Mrinalini Trust (the "Trust") ■ Mr. Aditya Vikram Somani is a Trustee of Mrinalini Trust
Compliance with the applicable provisions of the Regulations/other applicable regulations under the SEBI Act, 1992	No compliance applicable as on date of Public Announcement

40. Mr. Aditya Vikram Somani has ten years of business experience in business management in the field of construction, software development and textiles.

41. Mr. Aditya Vikram Somani does not hold any positions on the Board of Directors of any listed company.

Details Of the Deemed PAC, Mrs. Padmini A. Somani

42. The details of Mrs. Padmini A. Somani (Deemed PAC) are provided in the table below

Name	Mrs. Padmini A. Somani
Address of the residential office	131, Lakshmi Vilas, 13th Floor, 87 Napean sea Road, Mumbai – 400 006
Relationship with PAC/EFL	■ EFL is held 99.99% by Mrinalini Trust (the "Trust") ■ Mrs. Padmini A. Somani is a Trustee of Mrinalini Trust
Compliance with the applicable provisions of the Regulations/other applicable regulations under the SEBI Act, 1992	No compliance applicable as on date of Public Announcement

43. Mrs. Padmini A. Somani has six years of business experience in the field of business development & marketing of pharmaceuticals. She is also involved in several social service activities.

44. Mrs. Padmini A. Somani does not hold any positions on the Board of Directors of any listed company.

Details Of the Deemed PAC, Mr. Janardan Sekhsaria

45. The details of Mr. Janardan Sekhsaria (Deemed PAC) are provided in the table below

Name	Mr. Janardan Sekhsaria
Address of the residential office	Sekhsaria Bldg., 3rd Floor, 448, S.V.P. Road, Mumbai – 400 004
Relationship with PAC/EFL	■ EFL is held 99.99% by Mrinalini Trust (the "Trust") ■ Mr. Janardan Sekhsaria is a Trustee of Mrinalini Trust
Compliance with the applicable provisions of the Regulations/other applicable regulations under the SEBI Act, 1992	No compliance applicable as on date of Public Announcement

46. Mr. Janardan Sekhsaria has twenty-nine years of experience in business management in the field of trading of raw cotton.

47. Mr. Janardan Sekhsaria does not hold any positions on the Board of Directors of any listed company.

48. The financial details of the deemed PACs are as follows

	Mr. Aditya Vikram Somani	**Mrs. Padmini A. Somani**	**Mr. Janardan Sekhsaria**
	As at Sept 30, 2005 Rs lakhs	As at Sept 30, 2005 Rs lakhs	As at Sept 30, 2005 Rs lakhs
Networth *	310.00	850.00	181.62

* Certified by Mr. Y.M. Agarwala, Membership No. 10397, Address: Mitra Kunj, 16th Peddar Road, Mumbai 400 026, Contact no. +91-22-22650059, vide separate certificates dated October 13, 2005

49. No listed companies are promoted by the Deemed PACs in the last three years

50. Reasons for the Acquisition and Future plans about Target

   a. The Offer to the shareholders of Target Company, as explained in paragraph 3 above, is being made pursuant to regulations 10 & 12 of the Regulations for the acquisition of equity shares of Target Company accompanied by a change in control / management of the Target Company.

   b. EIL is a leading manufacturer of building materials especially in fiber cement roofing products and flat sheets. The Acquirer perceives growth in the building materials industry and wish to participate in the business opportunities in the same. The Acquirer has identified EIL as a suitable company for such participation.

   c. As of date of the PA, the Acquirer does not have any plans to dispose off or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and/or rationalization, reorganization, arrangements of operations, assets, investments, liabilities or otherwise of the Target Company. Notwithstanding the immediately preceding sentence, the Board of Directors of the Target Company will take appropriate decisions in these matters as per the requirements of business and in line with the opportunities from time to time.

   d. Other than in the ordinary course of business, the Acquirer undertakes that it shall not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of the Target Company.

IV. Background of the Target Company (based on public information and information provided by the Target Company)

51. EIL (formerly known as Eternit Everest Limited) was incorporated in 1934. It has its registered office at c/o ACC Ltd., Research & Consultancy Directorate, CRS Complex, LBS Marg, Thane(West) – 400604 (Maharashtra). Tel.: +91-22-55985914/15, Fax: +91-22-55985913.

52. Everest Industries Limited has been the pioneer in the manufacturing of fibre cement roofing products and flat sheets. The company started in India in 1934 with a first manufacturing unit at Kymore in Madhya Pradesh. Presently the company has 3 other plants in Kolkata, at Podanur in Tamil Nadu and at Nasik in Mahrashtra. It has a modern R&D centre at Nasik. (source: everestind.com)

53. The present subscribed and paid up share capital of EIL is Rs. 1480 lacs sub-divided into 148,00,020 equity shares of Rs. 10/- each fully paid-up as on the date of the PA.

Paid up equity shares of EIL	Number of shares / voting rights	% of equity shares / voting rights
Fully paid up equity shares	148,00,020	100
Partly paid up equityhares	-	-
Total paid up equity shares	148,00,020	100
Total voting rights in the Target Company	148,00,020	100

54. EIL got listed in 1983. Build-up of the current capital structure of the Company since inception is as under:

Date of allotment	No. of shares issued	% of shares issued (post issue)	Cumulative paid up capital	Mode of allotment	Identity of allottees (promoters / ex-promoters / others)	Status of compliance
1934	115,000	100%	1,150,000	Issue of shares	Turner & Newall Ltd. & ACC Ltd.	Complied with all statutory requirements.
1938	240,000	68%	3,550,000	- do -	- do-	- do -
1939	60,000	14%	4,150,000	- do -	- do -	- do -
1940	185,000	31%	6,000,000	- do -	- do -	- do -
1953	400,000	40%	10,000,000	Bonus issue (3:2)	Existing Shareholders	- do -
1954	500,000	33%	15,000,000	Issue of shares	- do -	- do -
1957	350,000	19%	18,500,000	- do -	- do -	- do -
1966	616,670	25%	24,666,700	Bonus Issue (1:3)	Existing Shareholders	- do -
1991	2,466,670	50%	49,333,400	Bonus issue 1:1	Existing Shareholders	- do -
1994	4,933,340	50%	98,666,800	Bonus issue 1:1	Existing Shareholders	- do -
1995	4,933,340	33%	14,800,200	Bonus issue 1:2	Existing Shareholders	- do -

Notes:

- In 1983 Turner & Newell International Ltd. who held 73.99% of the company's equity share capital sold part of their shareholding to the Indian Public and their shareholding stood reduced to 49.46%.
- On 10.5.1989 Turner & Newell International Ltd. sold its promoters stake of 12,20,000 (49.46%) of equity shares to Eteroutremer S.A. of Belgium (Etex Group).
- In 2000, M/s.Nefibouw B.V. (another Etex group company) acquired 80,010 (0.54%) equity shares from public through stock exchanges after taking FIPB approval. Etex group stake in EIL then went upto 50%. [Eteroutremer S.A. (49.46%), Nefibouw B.V. (0.54%)].
- On 12.2.2002 Etex Group sold 50% to ACC Ltd. (other promoter). Acquisition was within the purview of sub regulation (e) of Regulation 3 under chapter I of the SEBI (SAST) Regulations, 1997. ACC Ltd. has informed the manager to the Offer that pursuant to this Acquisition, ACC Ltd. has complied with respect to the disclosures required under Chapter II of the SEBI (SAST) Regulations, 1997.
- ACC Ltd sold 8030 shares during the quarter July to September 2005.

55. There are no equity-linked instruments, which are outstanding in the Target Company as on October 16, 2005. No person, directly or indirectly, is entitled to subscribe to or be allotted any equity share in the Target Company, by virtue of any agreement / option / right.

56. The Shares of the Target Company are listed on BSE & NSE. The Target has complied with the listing requirements and no penal / punitive actions have been taken by the Stock Exchanges.

57. The Target has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act, 1992. The Target has complied with Chapter II of the Regulations, though there have been certain instances of delays with respect to such compliance.

58. The Board of Directors of the Target, as of the date of the Public Announcement, is as under:

Name	Designation	Qualification	Experience	Date of appointment on EIL's Board of Directors
Mr. M.L. Narula	Chairman	B.Sc Engineering (Electrical)	44 years	11.07.2005
Mr. M.L.Gupta	Managing Director	B.Tech (Hons)	42 years	08.07.2002
Mr. A.K.Jain	Director	B.Tech (Hons) Chemical	35 years	12.02.2002
Mr. D.C.Shroff	Director	B.A.(Hons), LL.B.	38 years	12.02.2002*
Dr. N.K.Sengupta	Director	IAS (Retd.), Former Revenue Secretary, Former MP Lok Sabha	45 years	10.01.1994
Mr. Mohanlal Bhandari	Director	B.Com., FCA	32 years	07.07.2004
Mr. Manish Sanghi	Director	B.E.(Mechanical), PGDM (IIMA)	19 years	08.07.2002

* upto 06.01.1978 as a representative of Turner & Newell and then continued as representative of Eteroutremer S.A. upto 12.2.2002. On ACC taking over, he was re-appointed as Independent Director w.e.f. 12.2.2002.

59. There were no mergers, demergers and / or spin-offs involving the Target Company during the last three years. Details of change of name of the EIL since incorporation are given below:-

Asbestos Cement Limited	w.e.f. 03.04.1934 (on incorporation)
Everest Building Products Limited	w.e.f. 24.10.1983
Eternit Everest Limited	w.e.f. 18.09.1990
Everest Industries Limited	w.e.f. 25.07.2003

60. The financials of the Target Company are as follows:

Data for the years 2002-03, 2003-04 and 2004-05 are based on audited financials of the Target Company and data for six-months ended 30-Sept-05 are based on financials certified by the auditors

(Rupees in Lacs)

Profit & Loss Statement

	2002-03 (15 months)	**2003-04 (12 months)**	**2004-05 (12 months)**	**Six Months Ended 30-Sept-05**
Income from operations	20,969	19,925	22,747	12,214
Other Income	147	182	218	69
Total Income	21,116	20,107	22,965	12,283
Total Expenditure	18,735	17,521	19,447	9,742
Profit Before Depreciation Interest and Tax	2,381	2,586	3,518	2,541
Depreciation	741	584	570	316
Interest	132	44	53	57
Profit Before Tax (Before Exraordinary Items)	1,507	1,958	2,895	2,168
Exceptional Income / (Expenses)	-	5,177	-	-
Provision for Tax	556	1,178	979	755
Profit After Tax (PAT)	951	5,957	1,916	1,413

Balance Sheet

	As of March 31, 2003	**As of March 31, 2004**	**As of March 31, 2005**
Sources of funds			
Paid up share capital	1,480	1,480	1,480
Reserves and Surplus (excluding revaluation reserves)	7,964	8,495	9,568
Networth	9,444	9,975	11,048
Secured Loans	1,524	214	1,100
Unsecured Loans	101	187	299
Total Loans	1,625	401	1,399
Deferred Tax Liabilities	1,021	1,106	1,019
Total	12,090	11,481	13,466
Uses of funds			
Net fixed assets	7,879	6,484	9,086
Investments	1	1	1
Net current assets	3,528	4,551	4,127
Total miscellaneous expenditure not written off	681	446	251
Total	**12,090**	**11,481**	**13,466**

Other Financial Data

	2002-03 (15 months)	**2003-04 (12 months)**	**2004-05 (12 months)**
Dividend (%)	30%	325%	50%
Earning Per Share	6.4	40.3	12.9
Return on Networth	10.9%	62.5%	17.7%
Book Value Per Share	63.8	67.4	74.6

61. Contingent liabilities for the Target (As on 31-Mar-2005):

- Claims against the company not acknowledged as liabilities: Rs. 225.14 Lacs
- Guarantees issued by Banks : Rs. 38.54 Lacs, secured by inventories and book debts
- Estimated capital expenditure commitments: Rs. 604.62 Lacs

62. The reasons for the rise and fall of net sales and PAT of the Target Company are given below:

FY 2005 vs. FY 2004

As compared to FY 2004, the sales volumes in FY 2005 was higher by 7.9%. The increase in volume is attributable to export of prefab material worth Rs 596 Lacs which was undertaken for the first time in FY 2005. Further, better sales realization improved sales value.

PAT (without considering exceptional items) for the year 2005 was higher due to improvement in productivity and cost reduction measures initiated by EIL in FY 2005.

FY 2004 (12 months) vs. FY 2003 (15 months)

The periods under consideration are not comparable as FY 2003 covered 15 months & FY 2004 covered 12 months.

There was a drop of 2.4% in sales volumes in FY 2004 (12 months) as compared to FY 2003 (15 months). Further overcapacity contributed to pressure on sales prices leading to drop in sales value.

PAT for the year 2004 was higher mainly due to an exceptional profit of Rs. 4,672 Lacs on sale of land by EIL.

FY 2003 (15 months) vs. FY 2001 (12 months)

The periods under consideration are not comparable as FY 2001 covered 12 months & FY 2003 covered 15 months.

On the back of significant improvement in demand in the Industrial segment coupled with strong rural demand the sales volume of EIL increased by 66% in FY 2003 as compared to FY 2001.

Further the profits of the company have shown a significant increase from a loss of Rs. 217 Lacs in FY 2001 to a profit of Rs. 951 Lacs in FY 2003. This increase is attributable to various cost saving measures initiated by the company, better utilization of capacity & a better product mix.

63. Pre and post Offer share holding pattern of the Target Company is as follows:

Shareholders' Category	Shareholding & voting rights prior to the agreement		Shares/voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in this Open Offer (Assuming Full Acceptance)		Shareholding and voting rights after the acquisition and this Offer	
	A		B		C		A +B + C = D	
	Nos	%	Nos	%	Nos	%	Nos	%
1 Promoters Group								
Parties to the Agreement	11,242,000	75.96%	(7,400,020)	-50.00%	-	-	3,841,980	25.96%
Promoters other than above	-	-	-	-	-	-	-	-
2 Acquirers								
(a) EFL	-	-	7,400,020	50.00%	2,960,004	20.00%	10,360,024	70.00%
(b) PAC (including Deemed PACs)	-	-	-	-	-	-	-	-
3. Institutions							This will depend on response from and within each category of (3) and (4)	
Domestic Financial Institutions	6,425	0.04%	-	-	-	-		
Banks, Insurnace & Govt Companies	4,862	0.03%	-	-	-	-		
FIIs	33,275	0.22%	-	-	-	-		
Sub-Total	*44,562*	*0.30%*	-	-	-	-	-	-
4. Public (Other than 1 to 3)	3,513,458	23.74%	-	-	-	-	598,016	4.04%
	14,800,020	100.00%	7,400,020	50.00%	2,960,004	20.00%	14,800,020	100.00%

* The current promoter will cease to be a promoter, pursuant to the SPA. Therefore the non-promoter holding will be 4,439,996 shares representing 30.00% of the equity capital of EIL (assuming full acceptance under this offer)

64. Details of shareholding of current promoter* of the target company are as follows:-

Year	Particulars	Shares Acquired / Disposed off	Balance with ACC Ltd.
1934	Issue of shares to Promoters	20,010	20,010
1938	Issue of shares to Promoters	41,760	61,770
1939	Issue of shares to Promoters	10,440	72,210
1940	Issue of shares to Promoters	32,190	104,400
1953	Bonus Issue (3:2)	141,600	246,000
1954	Issue of shares to Promoters	123,000	369,000
1957	Issue of shares to Promoters	86,100	455,100
1966	Bonus Issue (1:3)	151,700	606,800
1983	Acquisition in Public Issue	34,870	641,670
1991	Bonus Issue (1:1)	641,670	1,283,340
1994	Bonus Issue (1:1)	1,283,340	2,566,680
1995	Bonus Issue (1:2)	1,283,340	3,850,020
2002	Acquisition from Etex Group	7,400,010	11,250,030
2005	Sale in Open Market	(8,030)	11,242,000

* The current promoter will cease to be a promoter, pursuant to the SPA.

65. Corporate Governance: The Target Company has confirmed vide their letter dated October 21, 2005 that it is in compliance with the Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges.

66. Pending Litigations: There are no litigations pending for EIL except the following

- The Sales Tax authorities have made claims for an amount aggregating to Rs. 3,528 Lacs against EIL including an amount of Rs. 2,830 Lacs for which the petition has been disposed off by the Honourable High Court and EIL is in the process of filing a petition with the appropriate authorities against the same. Cases pertaining to other claims are pending at various levels of appellate authorities
- The Central Excise authorities have made claims for an amount aggregating to Rs. 3.2 Lacs against EIL and cases pertaining to these claims are pending at various levels of appellate authorities
- The factory at Calcutta has been built on land taken on lease from Calcutta Port Trust (“CPT”). The lease agreement expired in February 1998 and CPT offered to renew it at substantially higher rates, which have been contested by the Company in Calcutta High Court. The Company has made payments to CPT based on the interim relief but continues to make provision based on original demand received from CPT.

67. Compliance Officer of EIL: Mr. Suresh Menon, Vice President & Company Secretary, Everest Industries Limited, “Everest House”, E-62, Greater Kailash-I, New Delhi - 110 048. Telephone No.: 011-51731951, 51731952; Fax No.: 011-26464006; Email-ID: smenon@everestind.com

V. Offer Price and Financial Arrangements

Justification of Offer Price

68. The Shares of the Target Company are listed on BSE & NSE.

69. In the 26 weeks before this PA, the equity shares of the Target are most frequently traded on BSE & in the last 2 weeks, the equity shares of the Target are most frequently traded on NSE, within the meaning of regulation 20(5) of the Regulations.

70. The Acquirer has made a Public Announcement on October 16, 2005. The annualized trading turnover during the period Apr-05 to Sept-05, the six calendar months prior to October (the month in which Public Announcement was made), is as follows:

Name of the Stock Exchange	Total number of Shares traded during the preceding 6 calendar months prior to the month of the Public Announcement (six months ending Sept 2004)	Total number of listed Shares	Annualised trading turnover (as % of total number of listed Shares)
BSE	17,29,266	1,48,00,020	23.4%
NSE	16,12,083	1,48,00,020	21.8%

Source: Official data from BSE and NSE.

71. As the annualized trading turnover (by number of Shares) on BSE & NSE is more than 5% of the total number of listed Shares of the Target Company, the Shares of the Target Company are deemed to be frequently traded as per the explanation to regulation 20(5) of the Regulations.

72. The Offer Price of Rs. 184 per Share is justified in terms of regulation 20 of the Regulations as it is higher than:

	BSE	NSE	Relevant
a) The average of the weekly high and low of closing prices for Shares of the Target Company on BSE for the 26 weeks before the date of the Public Announcement	Rs. 183.14 / Share	Rs. 183.23 / Share	Rs. 183.14 / Share
b) The average of the daily high and low of the Shares of the Target Company on NSE for the two week period before the date of the Public Announcement	Rs. 179.48 / Share	Rs. 178.43 / Share	Rs. 178.43 / Share
c) The highest price paid by the Acquirer or persons acting in concert with him for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the 26 weeks before the date of the Public Announcement	Not applicable		
d) The negotiated price	Rs 134/share		

There has been no issue of Shares in the 26 weeks before the date of the Public Announcement.

73. The details of closing prices and volume on BSE for the 26-week period prior to the date of the Public Announcement are as under:

Week Number	Week-ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Total Volume (Number of Shares)
1	22-Apr-05	179.00	173.35	176.18	56,676
2	29-Apr-05	178.05	172.95	175.50	32,123
3	6-May-05	173.95	170.65	172.30	22,533
4	13-May-05	177.35	174.30	175.83	23,538
5	20-May-05	190.75	176.00	183.38	189,526
6	27-May-05	181.75	176.15	178.95	18,310
7	3-Jun-05	185.50	176.05	180.78	11,672
8	10-Jun-05	199.65	180.70	190.18	125,819
9	17-Jun-05	199.80	188.15	193.98	119,249
10	24-Jun-05	191.30	189.20	190.25	37,050
11	1-Jul-05	189.60	179.70	184.65	22,809
12	8-Jul-05	187.75	182.10	184.93	46,611
13	15-Jul-05	189.25	184.25	186.75	36,006
14	22-Jul-05	186.30	184.45	185.38	42,292
15	29-Jul-05	185.30	181.00	183.15	19,730
16	5-Aug-05	179.70	171.25	175.48	36,102
17	12-Aug-05	179.45	175.85	177.65	64,905
18	19-Aug-05	185.15	176.55	180.85	108,135
19	26-Aug-05	183.75	179.65	181.70	54,592
20	2-Sep-05	189.90	180.05	184.98	85,810
21	9-Sep-05	187.25	183.60	185.43	30,659
22	16-Sep-05	193.40	184.30	188.85	148,386
23	23-Sep-05	193.10	171.65	182.38	82,302
24	30-Sep-05	181.90	173.00	177.45	32,168
25	7-Oct-05	180.05	177.05	178.55	16,923
26	14-Oct-05	178.75	168.05	173.40	56,687
	Average			**183.14**	

Source: Official data from BSE

The details of intra-day price and volume on NSE for the 2-week period prior to the date of the Public Announcement are as under:

Day No.	Date	High (Rs)	Low (Rs)	Average (Rs)	Volume (Number of Shares)
1	3-Oct-05	178.25	175.00	176.63	1,471
2	4-Oct-05	182.50	179.00	180.75	2,573
3	5-Oct-05	180.70	179.00	179.85	2,431
4	6-Oct-05	184.00	176.25	180.13	11,925
5	7-Oct-05	195.00	170.00	182.50	3,631
6	10-Oct-05	178.15	170.30	174.23	4,906
7	11-Oct-05	172.50	167.00	169.75	17,304
8	13-Oct-05	182.00	170.00	176.00	18,011
9	14-Oct-05	200.00	172.10	186.05	34,308
	Average			**178.43**	

Source: Official data from NSE

74. There is no non-compete agreement entered into by the Acquirer with the Seller under the Share Purchase Agreement.

75. Based on the above and in the opinion of the Managers to the Offer and the Acquirer, the Offer Price is justified as per the Regulations.

76. As per the Regulations, the Acquirer can revise the Offer Price upwards up to 7 working days prior to the closure of this Offer and the revision, if any, in the Offer Price would be announced in the same newspapers where the Public Announcement has appeared and the revised price will be paid for all Shares acquired pursuant to this Offer.

77. If the Acquirer acquires Shares after the date of Public Announcement up to 7 working days prior to the close 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.

Financial Arrangements

78. The total financial resources required for this Offer, assuming full acceptance will be Rs. 54,46,40,736 (Rupees Fifty Four Crores, Forty Six Lakhs, Forty Thousand Seven Hundred and Thirty Six Only) ("Maximum Consideration"). For meeting the obligations of this Offer, the Acquirer has created , an escrow in the form of a deposit of Rs. 55,00,00,000 (Rs. Fifty Five Crores) with Standard Chartered Bank – 90 M.G. Road, Fort, Mumbai, (the "Bank"), which has been earmarked for the Offer. Mr. Y.M. Agarwala, Membership No. 10397, Address: Mitra Kunj, 16th Peddar Road, Mumbai 400 026, Contact no. +91-22-22650059 ("Accountants") have confirmed vide their letter dated October 15, 2005 that the Acquirer has adequate financial resources available for fulfilling the obligations under the Offer for a value up to the Maximum Consideration.

79. On the basis of the aforesaid financial arrangements and based on the confirmation from the Bank and the certificate from the Accountants, the Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to implement this Offer in full.

VI. Terms and Conditions of the Offer

80. This Offer is being made to all Shareholders / beneficial owners (registered or otherwise) (except to the Acquirer, PAC & Deemed PAC and except to ACC in accordance with proviso to regulation 22(3)). The Letter of Offer together with the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed to the shareholders of the Target Company whose names appear on the Register of Members of the Target Company and the beneficial owners of the Shares of the Target Company, whose names appear as beneficiaries on the records of the respective Depositories, on 17-Oct-2005, except to the Acquirer, PAC & Deemed PAC and except to ACC. Accidental omission to dispatch 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.

81. The Acquirer will acquire the Shares, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter. There are no locked-in Shares in the Target Company.

82. To the extent of the Offer Size, all the Shares of the Target Company that are validly tendered pursuant to this Offer are proposed to be acquired by EFL.

83. The Regulations provide for an upward revision of the Offer Price and the number of Shares to be acquired, at any time up to seven working days prior to the closure of the Offer viz. up to 01-Feb-06 and allows withdrawal of the Offer under certain circumstances. Any such revision / withdrawal would be informed by way of an announcement in the same newspapers where the original Public Announcement appeared. In case of revision, the revised price will be payable by the Acquirer for all the Shares that are validly tendered pursuant to the Offer.

84. Each equity shareholder of the Target Company to whom this Offer is being made is free to offer his shareholding in the Target Company in whole or in part while accepting this Offer. The acceptance must be unconditional and should be absolute and unqualified.

85. Shareholders who hold Shares in physical form and who wish to tender their Shares will be required to send the form of Acceptance-cum-Acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in the section of this Letter of Offer entitled "Procedure for Acceptance and Settlement", to the Registrar to the Offer at any of its collection centers, mentioned under paragraph 99 of this Letter of Offer, either by hand delivery during Business Hours or by registered post so that the same are received on or before the closing date i.e. 11-Feb-06.

86. In respect of dematerialised Shares the credit for the Shares tendered must be received in the special account (as specified in paragraph 92 on or before 1 p.m. Indian Standard Time on 11-Feb-06). If the Shareholders hold their Shares through CDSL, their Depository Participant Instruction will have to take the form of an inter-depository delivery instruction to CDSL for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL as mentioned in paragraph 92 below.

87. The Acquirer will not be responsible in any manner for any loss of share certificate(s) and/or Offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.

88. In case of non-receipt of the document, the eligible shareholder may send his consent, to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, distinctive numbers, folio number, number of Shares offered, along with the necessary documents (as mentioned in paragraph 95 so as to reach the Registrar to the Offer on or before the closure of the Offer.

89. The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement constitute part of the terms of this Letter of Offer.

Statutory Approvals

90. The Statutory Approvals pertaining to the Offer are as under:

a. The Offer is subject to the receipt of approval from Reserve bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") for the acquisition of equity shares by the Acquirer from non-resident persons under the Offer. If these approvals are not received the Acquirer will not be able to acquire shares tendered in the Offer by non-resident persons.

b. To the best of knowledge and belief of the Acquirer, as of the date of this PA, there are no other statutory approvals required to acquire the equity shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of regulation 27 of the Regulations. No approvals are required from FIs/Banks for the Offer.

c. It may be noted that in case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to the Acquirer for payment of consideration to shareholders subject to the Acquirer paying interest for the delay beyond 15 days from the date of the closure of the Offer, as directed by SEBI under regulation 22(12) of the Regulations. In case of extension of time for payment of consideration, interest will be payable as per the provisions of Regulation 22(12) of the Regulations.

VII. Procedure for Acceptance and Settlement

91. The Shareholders of the Target Company, who wish to avail of and accept this Offer should deliver the documents mentioned below as soon as possible by Registered Post with acknowledgement due or in person or by courier, so as to reach the Registrar to the Offer or the Registrar's Collection Centers at the addresses mentioned in paragraph 99 before 1 pm Indian Standard Time on 11-Feb-06 or such other extended date in case there is any competitive bid. Shareholders are advised to ensure that the Form of Acceptance-cum-Acknowledgement and other documents are complete in all respect otherwise the same is liable to be rejected. In the case of dematerialized Shares, the shareholders are advised to ensure that their Shares are credited in favour of the special depository account, before the close of the offer. The Form of Acceptance-cum-Acknowledgment of such dematerialised Shares not credited in favour of the special depository account before the close of the Offer is liable to be rejected.

92. Documents to be delivered by all shareholders

(a) For Shares held in the DEMATERIALIZED FORM

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant ("DP").

(ii) Photocopy of the Delivery Instruction in "Off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP. The details of the special depository account are as follows:

DP Name	Karvy Stock Broking Limited
DP ID Number	IN302470
Account name	Everest Escrow Account – Open Offer
Beneficiary Account Number	40208187
ISIN	INE295A01018
Market	Off-Market
Execution Date	On or before 11-Feb-06

Please note the following:

(i) For each delivery instruction, the beneficial owner should submit a separate Acceptance Form.

(ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Shares have not been credited to the above special account as on the date of closure of the Offer.

(b) In case of Shares held in the PHYSICAL MODE by REGISTERED SHAREHOLDERS:

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders. In case of Shares held in joint names, names should be filled up in the same order in which they hold Shares in the Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;

(ii) Original equity share certificate(s); and

(iii) Valid equity share transfer form(s) duly signed by transferor (by all the equity shareholders in case the Shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s).

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

(c) In case of Shares held in the PHYSICAL MODE by PERSONS NOT REGISTERED AS SHAREHOLDERS:

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein;

(ii) Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and

(iii) Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares being tendered in this case.

(iv) In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company / its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Company/ its transfer agents, of the share certificate(s) and the transfer deed(s).

(v) No indemnity is required from persons not registered as shareholders.

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

93. Non-resident shareholders should, in addition to above, enclose copy(ies) of permission(s) received from Reserve Bank of India to acquire Shares held by them in the Target Company.

94. Shareholders who have sent their physical Shares for dematerialization may participate in the Offer by submitting the Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Depository Participant. Shareholders who have sent their physical Shares for dematerialization need to ensure that the process of getting their Shares dematerialized is completed well in time so that the credit in the special depository account duly instructed by the shareholder should be received on or before the close of the Offer i.e. 11-Feb-06, else the application will be rejected.

95. In case of non-receipt of the Letter of Offer, the eligible shareholders may obtain a copy of the Letter of Offer from the SEBI website www.sebi.gov.in, or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of acquisition of the Shares. Alternatively those desirous of tendering their Shares to the Acquirer may participate in the Offer as follows:

(a) In case Shares are held in the dematerialized form

by sending their consent in writing on a plain paper to the Registrar to the Offer, such that it is received by the Registrar to the Offer before 1 p.m. Indian Standard Time on 11-Feb-06, stating the name, address, no. of Shares held, no. of Shares offered, DP name, DP ID, beneficiary account number along with a photocopy of the Delivery Instruction in “Off-market” mode, duly acknowledged by the DP, in favour of “Everest Escrow Account – Open Offer” filled as specified in paragraph 92 above.

(b) In case of Shares held in the physical mode

by sending their consent in writing to the Registrar to the Offer, on a plain paper stating the name, address, no. of Shares held, no. of Shares offered, distinctive nos., folio no., the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired, along with the original share certificate(s) and transfer deed(s) duly signed (as specified in paragraph 92(b) and 92(c), as applicable, above), either by hand delivery or by Registered Post or courier, such that these are received by the Registrar to the Offer before 1 p.m. Indian Standard Time on 11-Feb-06.

96. All the shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

- Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorisations (including board and/or general meeting resolutions).

97. As per the current provisions of Section 195(1) of the IT Act, and in accordance with an opinion obtained from independent tax counsel, any person responsible for paying to a non-resident, not being a company, or to a foreign company, any sum chargeable to tax is required to deduct tax at source (including surcharge) at the rates in force. Since, under the current provisions of the IT Act, the consideration payable under the Offer would be chargeable to capital gains under Section 45 of the IT Act, the Acquirers will need to deduct tax at source (including surcharge) at the rates in force on the gross consideration payable. Some of the categories of Shareholders, who are not tax residents of India and the tax to be deducted on the gross consideration payable, are as given below:

- Non-resident Indians: The Acquirers will deduct tax at source at the rate of 30.6% on the Offer Price in the case of short-term capital gains or business profits, and at the rate of 20.4% on the Offer Price in the case of long-term capital gains. In the event that the aforesaid amount exceeds Rs. 8,50,000/- the aforesaid rate will be increased by a surcharge of 10.2% of the sum.
- Overseas Corporate Bodies / Non-domestic companies: The Acquirers will deduct tax at source (including surcharge) at the rate of 41.82% on the Offer Price in the case of short-term capital gains or business profits, and at the rate of 20.91% (including surcharge and education cess) on the Offer Price in the case of long-term capital gains.
- Foreign Institutional Investors: The Acquirers will not deduct tax at source from income by way of capital gains, whether short-term or long-term, arising from the transfer of shares payable by the Acquirer to a foreign institutional investor, if the FII tenders a tax residency certificate from the tax authorities of the country of residence of the FII. If the same is not available, a certificate stating that the FII does not have any permanent establishment in India as defined in the Double Taxation Avoidance Agreement between India and the country of residence of the FII shall be submitted.

98. The expression ‘rates in force’ in relation to an assessment year or financial year has been defined under the IT Act to inter-alia mean for the purposes of deduction of tax under Section 195, the rate or rates of income-tax specified in this behalf in the Finance Act of the relevant year or the rate or rates of income-tax specified in an agreement entered into by the Central Government under Section 90, whichever is applicable by virtue of the provisions of Section 90.

Under Indian law, capital gains are treated as long-term only for shares that are deemed to have been held for more than twelve (12) months immediately prior to their sale. For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirers shall take the following actions based on the information obtained from the Company:

- In the case of shares held in physical form that are registered with the Company in the name of the Shareholder, the date of registration of the shares with the Company shall be taken as the date of acquisition.
- In the case of shares held in a physical form and where the Shareholder is not the registered Shareholder, the capital gain shall assumed to be short-term in nature.
- In the case of dematerialised shares, the date of credit of the shares to the Shareholders demat account shall be taken as the date of acquisition.
- In case of any ambiguity, incomplete or conflicting information or the information not being available with the Company/Acquirers regarding the same, the capital gain shall be assumed to be short-term in nature.

Those categories of Shareholders who may be eligible to obtain certificate regarding no deduction of tax or certificate regarding deduction of tax at lower rates may obtain the relevant certificate from the concerned Income Tax authorities under Section 195(3) of the IT Act, or under Section 197(1) and submit the same to the Acquirers while submitting the Bid Form. On failure to produce such certificate from the Income Tax authorities, the Acquirers will deduct tax at the rates in force, and a certificate in the prescribed form shall be issued to that effect.

No tax will be deducted at source for Shareholders, who are tax residents of India.

Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers or the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

99. The Form of Acceptance-cum-Acknowledgement along with all the relevant documents should be submitted at any of the collection centers below.

No.	Collection Centre	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of delivery
1.	Ahmedabad	201–203 "Shail" Opp Madhusudhan House New Navrangpura Tel. Exchange Off CG Road, Ahmedabad 380 006	Edward	edward@karvy.com	079-26420422/ 26400527/28	079-26565551	Hand Delivery
2.	Bangalore	TKN Complex No. 51/2 Vanivilas Road Opp National College Basavanagudi, Bangalore 560 004	Kishore	nkishore@karvy.com	080-26621193/ 26621192	080-26621169	Hand Delivery
3.	Chennai	G-1 Swathi Court 22, Vijay Raghava Road, T. Nagar, Chennai 600 017	Gunashekhar	chennaiirc@karvy.com	044-28153445/ 28151034/ 28153658	044-28153181	Hand Delivery
4.	Hyderabad	46, Avenue 4, Street No1, Banjara Hills, Hyderabad 500034	A Anitha	irchyd@karvy.com	040-23312454	040-23311968	Hand Delivery / Regd. Post
5.	Kolkata	49 Jatindas Road, Nr.Deshpriya Park Kolkata 700 029	Sujit Kundu	sujitkundu@karvy.com	033-24634787 -89	033-24644866/ 24634787	Hand Delivery
6.	Mumbai	7, Andheri Industrial Estate, Off Veera Desai Road, Andheri(W) Mumbai 400 053	Vishakha Shringarapure	vishakhats@karvy.com	022-26730799/ 153	022-26730152	Hand Delivery
		16-22 Bake House Maharashtra Chmb. of Comm. Lane, Opp. MSC Bank, Fort Mumbai 400 023	Nutan Shirke	nutan.shirke@karvy.com	022-56382666	022-56331135	Hand Delivery
7.	New Delhi	105-108, Arunachal Bldg. 19 Barakhamba Road, Conn. Place, New Delhi 110 001	Michael George	michaelg@karvy.com	011-23324401/ 23353835/981	011-23324621	Hand Delivery

Working Hours: Monday to Friday 11.00 am to 3 pm Saturday 11 am to 1 pm
Holidays: Sundays and Bank Holidays

NO SHARES OR DOCUMENTS SHOULD BE SENT DIRECTLY TO THE ACQUIRER / PAC / DEEMED PAC / TARGET COMPANY / MANAGER TO THE OFFER

100. Applicants who cannot hand deliver their documents at the collection centers referred to above, may send the same by registered post, at their own risk and cost, to the Registrar to the Offer at its address Karvy Computershare Private Limited, “Karvy House”, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034.

101. The Registrar to the Offer will hold in trust the share certificates, credit of dematerialized Shares, form of acceptance duly filled in and the transfer deed(s) on behalf of the shareholders of the Target Company who have accepted the Offer, till such time as the Acquirer completes the obligations under the Offer.

102. In case the number of Shares validly tendered in the Offer by the shareholders of the Target Company are more than the Shares to be acquired under the Offer, the acquisition of Shares from each shareholder will be, as per the provisions of Regulation 21(6) of the Regulations, on a proportional basis in such a way that the acquisition from any shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. As the Shares trade in the compulsory dematerialized settlement segment of BSE, the minimum marketable lot for the Shares is 1 (one).

103. The payment of consideration for accepted applications will be made by the Acquirer in cash through account payee cheques, drafts, warrants, etc. sent by Registered Post for amounts exceeding Rs. 1,500 and otherwise by UPC in accordance with the Regulations, and the same will be drawn in the name of the first named person in case of joint shareholders. It is desirable that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgement, so that the same can be incorporated in the cheque / demand draft / pay order.

104. The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the shareholders’ sole risk. Shares, to the extent unaccepted, held in dematerialized form will be credited back to the beneficial owners’ depository account with the respective depository participant as per details furnished in the Form of Acceptance.

105. Subject to the Statutory Approvals as stated in Paragraph 90 above, the Acquirer intends to complete all formalities, including the payment of consideration within a period of 15 days from the closure of the Offer, i.e. 11-Feb-06 and for the purpose open a special account as provided under regulation 29, provided that where the Acquirer is unable to make the payment to the shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any wilful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time.

106. A copy of this Letter of Offer (including the Form of Acceptance cum Acknowledgement) is expected to be available on SEBI’s web-site (www.sebi.gov.in) during the period the Offer is open. Eligible shareholders can make an application in the Offer in the form downloaded from SEBI’s website as one of the alternatives for applying in the Offer.

107. In terms of the Regulations, shareholders desirous of withdrawing their acceptances tendered in the offer can do so up to three working days prior to the close of the Offer i.e. up to 07-Feb-06. The withdrawal option can only be exercised by submitting the Form of Withdrawal as per the instructions below so as to reach the Registrar to the Offer at its address Karvy Computershare Private Limited, “Karvy House”, 46, Avenue 4, Street No. 1, Banjara Hills, Hyderabad - 500 034 either by hand delivery or by registered post

108. In case of non-receipt of the Form of Withdrawal the withdrawal option can be exercised by making an application on plain paper along with details as mentioned in paragraph 95 above.

VIII. Documents for Inspection

109. Copies of the following documents will be available for inspection at the office of the Manager to the Offer at 3rd floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 am to 1:00 pm from the date of opening of the Offer up to the closure of this Offer.

- Memorandum & Articles of Incorporation and Certificate of Incorporation of EFL.
- Audited financial accounts of EFL for the last three years and certified financials for the half year ended September 30, 2005.
- Certified financials of Mrinalini Trust (PAC) for the last three years and for half year ended September 30, 2005.
- Certificate from Mr. Y.M. Agarwala stating that the Acquirer has cash available for meeting their obligations under the Regulations
- CA Certificates certifying net worth of Deemed PACs.
- Letter from the Standard Chartered Bank dated October 15, 2005 confirming the escrow arrangement and empowering the Manager to the Offer in accordance with the Regulations.
- Published copy of the Public Announcement
- SEBI’s observation letters dated January 12, 2006
- Agreement dated October 15, 2005 regarding the special depository account with Karvy Stock Broking Limited
- Audited Annual reports of the Target Company for the last three years and certified financials for six months ended September 30, 2005
- Share Purchase Agreement dated October 14, 2005, evidencing the negotiated price

IX. Declaration by the Acquirer

The Boards of Directors of the Acquirer and Board of Trustees of Mrinalini Trust (PAC) accept full responsibility for the information (except for the information relating to the Target Company, which has been compiled from publicly available sources) contained in this Letter of Offer as evidenced by the signature of their authorized representative for this purpose. The Acquirer and the PAC would be jointly & severally responsible for ensuring compliance with the Regulations.

Signed by

Sd/-

For **Everest Finvest (India) Private Limited**

Name : **Mr. Aditya Vikram Somani**
Designation : Director

Date : January 17, 2006
Place : Mumbai

Sd/-

For **Mrinalini Trust**

Name : **Mr. Janardan Sekhsaria**
Designation : Trustee

Date : January 17, 2006
Place : Mumbai

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

Everest Industries Limited Open Offer

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

From

Folio No./DP ID No./Client ID No.:

OFFER OPENS ON: January 23, 2006	**(Monday)**
OFFER CLOSES ON: February 11, 2006	**(Saturday)**

Tel.: Fax: E-mail:

To

The Acquirer – Everest Industries Limited Open Offer
Karvy Computershare Private Limited
"Karvy House", 46, Avenue 4, Street No. 1, Banjara Hills,
Hyderabad - 500 034.

Dear Sir,

Sub: Open Offer being made by Everest Finvest (India) Private Limited to the shareholders of Everest Industries Limited

I/We refer to the public announcement dated October 16, 2005, the corrigendum public announcement dated January 15, 2006 and the Letter of Offer dated January 17, 2006 for acquiring the equity shares held by me/us in Everest Industries Limited. I/We, the undersigned have read the aforementioned public announcements and Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

☐ **SHARES IN PHYSICAL FORM**

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

S. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1					
2					
3					
4					
5					
(In case the space provided is inadequate, please attach a separate sheet with details)				**Total No. of Equity Shares**	

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirers dispatch the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

☐ **SHARES IN DEMATERIALIZED FORM**

I/We, holding Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my Shares as detailed below:

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

— — — — — — — — — — TEAR HERE — — — — — — — — — —

ACKNOWLEDGEMENT SLIP

Everest Industries Limited Open Offer

Received from Mr./Ms._ ____________________ residing at ____

Form of Acceptance cum Acknowledgement for __________________________ shares along with:

☐ copy of depository instruction slip from DP ID _________________________ Client ID ___________________________

☐ _______________ Share Certificate(s) _________________________ transfer deed(s) under folio number(s) ____________________

for accepting the Offer made by the Acquirer.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

I/We have executed an off-market transaction for crediting the Shares to the special depository account as per the details below

☐ via a delivery instruction from my account with NSDL

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

DP Name	Karvy Stock Broking Limited
DP ID Number	IN302470
Account name	Everest Escrow Account – Open Offer
Beneficiary Account Number	40208187
ISIN	INE295A01018
Market	Off-Market
Execution Date	On or before 11-Feb-06

I/We note and understand that the Shares would lie in the special depository account until the time the Acquirers dispatch the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

For NRIs/ OCBs/ FIIs/ Foreign Shareholders:

I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.

☐ RBI approvals for acquiring Shares of Everest Industries Limited hereby tendered in the Offer.

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

I/We authorize the Acquirers to accept the Shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, share certificate(s)/Shares in respect of which the Offer is not found valid/ not accepted without specifying the reasons thereof.

I/We authorize the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UPC as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/ first holder at the address mentioned below. In case I have tendered my Shares in dematerialized form, I authorize Acquirers and the Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

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

Yours faithfully,

Signed and Delivered

	FULL NAME(S) OF THE SHAREHOLDERS	SIGNATURE(S)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder____

____

Place :

Date :

Bank Details

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

Name of the Bank		Branch	
Account No.		Savings/Current/(others : please specify)	

— — — — — — — — — — — — — — — — — TEAR HERE — — — — — — — — — — — — — — — — —

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

Karvy Computershare Private Limited
"Karvy House", 46, Avenue 4
Street No. 1, Banjara Hills
Hyderabad - 500 034
Tel: +91 40 23312454
Fax: +91 40 23311968
Contact Person: Mr. Murali Krishna
Email: murali@karvy.com

No.	Collection Centre	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of delivery
1.	Ahmedabad	201–203 "Shail" Opp Madhusudhan House New Navrangpura Tel. Exchange Off CG Road, Ahmedabad 380 006	Edward	edward@karvy.com	079-26420422/ 26400527/28	079-26565551	Hand Delivery
2.	Bangalore	TKN Complex No. 51/2 Vanivilas Road Opp National College Basavanagudi, Bangalore 560 004	Kishore	nkishore@karvy.com	080-26621193/ 26621192	080-26621169	Hand Delivery
3.	Chennai	G-1 Swathi Court 22, Vijay Raghava Road, T. Nagar, Chennai 600 017	Gunashekhar	chennaiirc@karvy.com	044-28153445/ 28151034/ 28153658	044-28153181	Hand Delivery
4.	Hyderabad	46, Avenue 4, Street No1, Banjara Hills, Hyderabad 500034	A Anitha	irchyd@karvy.com	040-23312454	040-23311968	Hand Delivery / Regd. Post
5.	Kolkata	49 Jatindas Road, Nr.Deshpriya Park Kolkata 700 029	Sujit Kundu	sujitkundu@karvy.com	033-24634787 -89	033-24644866/ 24634787	Hand Delivery
6.	Mumbai	7, Andheri Industrial Estate, Off Veera Desai Road, Andheri(W) Mumbai 400 053	Vishakha Shringarapure	vishakhats@karvy.com	022-26730799/ 153	022-26730152	Hand Delivery
		16-22 Bake House Maharashtra Chmb. of Comm. Lane, Opp. MSC Bank, Fort Mumbai 400 023	Nutan Shirke	nutan.shirke@karvy.com	022-56382666	022-56331135	Hand Delivery
7.	New Delhi	105-108, Arunachal Bldg. 19 Barakhamba Road, Conn. Place, New Delhi 110 001	Michael George	michaelg@karvy.com	011-23324401/ 23353835/981	011-23324621	Hand Delivery

Working Hours: Monday to Friday 11.00 am to 3 pm Saturday 11 am to 1 pm
Holidays: Sundays and Bank Holidays

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRERS OR TO THE MANAGER TO THE OFFER

(1) **All queries** pertaining to this Offer may be directed to the Registrar to the Offer.

(2) **Shareholders holding registered Shares** should submit the Form duly completed and signed in accordance, by the holders of the Shares, along with the original equity share certificate(s) and valid equity share transfer form(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed.

(3) **Shareholders holding Shares in dematerialised form** should submit the Form duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant ("DP").

(4) **In case of shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.

(5) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(6) **Persons who own Shares (as on the Specified Date or otherwise) but are not the registered holders** of such Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the share certificate(s), the transfer deed(s) with the buyers details not filled in and other relevant documents. In case the share certificate(s) and transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or courier or in person to the Registrar at their offices as mentioned above.

The sole/first holder may also mention particulars relating to savings/current account number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form, to enable the Registrar to print the said details in the cheques after the name of the payee.

(7) **Non-resident Shareholders** should enclose copy (ies) of permission received from Reserve Bank of India to acquire Shares held by them in the Target Company.

(8) **Non-resident Shareholders** are advised to refer to the clause on taxation in Section VII of the Letter of Offer regarding important disclosures regarding the taxation of the consideration to be received by them.

(9) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(10) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

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

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

(C) No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

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FORM OF WITHDRAWAL

Everest Industries Limited Open Offer

From
Folio No./DP ID No./Client ID No.:

OFFER OPENS ON	**January 23, 2006**	**(Monday)**
LAST DATE OF WITHDRAWAL	**February 7, 2006**	**(Tuesday)**
OFFER CLOSES ON	**February 11, 2006**	**(Saturday)**

Tel.: Fax: E-mail:

To

The Acquirer – Everest Industries Limited Open Offer
Karvy Computershare Private Limited
"Karvy House", 46, Avenue 4, Street No. 1
Banjara Hills, Hyderabad - 500 034.

Dear Sir,

Sub: Open Offer being made by Everest Finvest (India) Private Limited to the shareholders of Everest Industries Limited

I/We refer to the public announcement dated October 16, 2005, the corrigendum public announcement dated January 15, 2006 and the Letter of Offer dated January 17, 2006 for acquiring the equity shares held by me/us in Everest Industries Limited. I / We, the undersigned have read the aforementioned Public Announcement and the Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

I / We hereby consent unconditionally and irrevocably to withdraw my / our Shares from the Offer and I / we further authorize the Acquirers to return to me / us, the tendered Share Certificate(s) / Share(s) at my / our sole risk.

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

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. 07-Feb-06

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

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

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr.No.	Ledger Folio No (s)	Certificate No (s)	Distinctive Nos.		No. of Shares
			From	To	
1					
2					
3					
4					
5					
(In case the space provided is inadequate, please attach a separate sheet with details) **Total number of Equity Shares**					

TEAR HERE

ACKNOWLEDGEMENT SLIP

Everest Industries Limited Open Offer

Received from Mr./Ms._ ____________________ residing at ____

a Form of Withdrawal for _________________ shares along with :

☐ A copy of depository instruction slip from DP ID _________________________ Client ID __________________________

☐ A copy of acknowledgement slip issued when depositing dematerialized shares

☐ A copy of acknowledgement slip issued when depositing physical shares

for withdrawing from the Offer made by the Acquirers.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

I / We hold the following Shares in dematerialized form and had executed an off-market transaction for crediting the Shares to the “Everest Escrow Account – Open Offer”. Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our Shares have been tendered are as follows:

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

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

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

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

Yours faithfully,

Signed and Delivered

	FULL NAME(S) OF THE SHAREHOLDERS	SIGNATURE(S)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder____

____

Place:

Date:

— — — — — — — — — — — — — — — — — TEAR HERE — — — — — — — — — — — — — — — — —

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

Karvy Computershare Private Limited
“Karvy House”, 46, Avenue 4
Street No. 1, Banjara Hills
Hyderabad - 500 034
Tel: +91 40 23312454
Fax: +91 40 23311968
Contact Person: Mr. Murali Krishna
Email: murali@karvy.com

No.	Collection Centre	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of delivery
1.	Ahmedabad	201–203 "Shail" Opp Madhusudhan House New Navrangpura Tel. Exchange Off CG Road, Ahmedabad 380 006	Edward	edward@karvy.com	079-26420422/ 26400527/28	079-26565551	Hand Delivery
2.	Bangalore	TKN Complex No. 51/2 Vanivilas Road Opp National College Basavanagudi, Bangalore 560 004	Kishore	nkishore@karvy.com	080-26621193/ 26621192	080-26621169	Hand Delivery
3.	Chennai	G-1 Swathi Court 22, Vijay Raghava Road, T. Nagar, Chennai 600 017	Gunashekhar	chennaiirc@karvy.com	044-28153445/ 28151034/ 28153658	044-28153181	Hand Delivery
4.	Hyderabad	46, Avenue 4, Street No1, Banjara Hills, Hyderabad 500034	A Anitha	irchyd@karvy.com	040-23312454	040-23311968	Hand Delivery / Regd. Post
5.	Kolkata	49 Jatindas Road, Nr.Deshpriya Park Kolkata 700 029	Sujit Kundu	sujitkundu@karvy.com	033-24634787 -89	033-24644866/ 24634787	Hand Delivery
6.	Mumbai	7, Andheri Industrial Estate, Off Veera Desai Road, Andheri(W) Mumbai 400 053	Vishakha Shringarapure	vishakhats@karvy.com	022-26730799/ 153	022-26730152	Hand Delivery
		16-22 Bake House Maharashtra Chmb. of Comm. Lane, Opp. MSC Bank, Fort Mumbai 400 023	Nutan Shirke	nutan.shirke@karvy.com	022-56382666	022-56331135	Hand Delivery
7.	New Delhi	105-108, Arunachal Bldg. 19 Barakhamba Road, Conn. Place, New Delhi 110 001	Michael George	michaelg@karvy.com	011-23324401/ 23353835/981	011-23324621	Hand Delivery

Working Hours: Monday to Friday 11.00 am to 3 pm Saturday 11 am to 1 pm
Holidays: Sundays and Bank Holidays

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