PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF

GMR FERRO ALLOYS & INDUSTRIES LIMITED

Registered Office: 6-3-866/1/G2, Greenlands Begumpet, Hyderabad 500016, Andhra Pradesh, India

CASH OFFER OF RS. 26.05 PER SHARE ("OFFER PRICE") FOR ACQUISITION OF UPTO 24,57,059 EQUITY SHARES FROM SHAREHOLDERS / BENEFICIAL OWNERS (THE "OPEN OFFER" / "OFFER")

This Public Announcement ("**PA**") is being issued by YES BANK Limited [hereinafter referred to as ("**YBL**") / the "**Manager to the Offer**") to the equity shareholders ("**Shareholders**") of GMR Ferro Alloys & Industries Limited ("**GFIL**" or the "**Target Company**") on behalf of Cronimet Mercon Invest Limited ("**Acquirer**"), pursuant to and in compliance with, among others, Regulation 10 and 12 of Chapter III of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "**SEBI Takeover Regulations**" or the "**Regulations**"). No other person / individual / entity is acting in concert with the Acquirer for the purposes of this Offer. This is not a competitive bid. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of equity shares of the Target Company.

1. The Offer

1.1. The Acquirer has entered into a Share Purchase Agreement dated May 26, 2008, (hereinafter referred to as the "**SPA**") with (i) GMR Holdings Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at #25/1, SKIP House, Museum Road, Bangalore, 560 025 ("**GMR Holdings**") and (ii) GVL Investments Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at # 25/1, SKIP House, Museum Road, Bangalore, 560 025 ("**GVL Investments**"). GMR Holdings and GVL Investments are the present promoters of the Target Company. GMR Holdings and GVL Investments are hereinafter collectively referred to as the "**Sellers**".

1.2. Pursuant to the terms of the SPA, the Acquirer has agreed to acquire 86,57,855 fully paid up equity shares (the "**Sale Shares**") of the Target Company representing 70.47% of the current, issued, subscribed and paid-up equity share capital of the Target Company ("**Share Capital**") from the Sellers for a total purchase consideration of Rs. 22,55,11,149/- (the "**Purchase Consideration**") i.e. at a price of Rs. 26.047 per equity share (the "**Negotiated Price**"). Of the total number of Sale Shares, 24,57,059 equity shares of the Target Company are locked in upto March 2, 2011. Such locked-in shares shall be transferred to the Acquirer who is the incoming promoter of the Target Company subject to continuation of lock-in at the hands of the Acquirer.

1.3. The SPA governs the inter se rights and obligations of the Acquirer and the Sellers in connection with the acquisition of the Sale Shares by the Acquirer from the Sellers. In terms of the SPA, the sale and purchase of Sale Shares is subject to the fulfillment of certain conditions specified in the SPA, which include receipt of requisite regulatory approvals and receipt of a certification from the Manger to the Offer in terms of Regulation 23(6) of the SEBI Takeover Regulations that the Acquirer has fulfilled its obligations under the SEBI Takeover Regulations.

1.4. Some of the salient features of the SPA are as follows:-

(i) simultaneously with the completion of the purchase and sale of the Sale Shares, which completion shall take place only upon fulfillment of the Acquirer's obligations under the SEBI Takeover Regulations, the Sellers shall cause the Target Company to convene a meeting of the Board of Directors of the Target Company ("**Board**") at which meeting (a) the transfer of the Sale Shares from the Sellers to the Acquirer shall be noted (b) the nominees of the Acquirer shall be appointed as directors on the Board (c) the directors nominated by the Sellers on the Board shall resign;

(ii) the Acquirer shall have the option of appointing a majority of directors on the Board at any time after the lapse of 21 days from the date of this PA subject to the Acquirer having deposited in escrow account 100% (One Hundred Percent) of the consideration payable to the Shareholders in this Offer (assuming full acceptances) in terms of the second proviso to Regulation 22(7) of the SEBI Takeover Regulations. As on the date of this PA and as better detailed in paragraph 8.3 herein, the Acquirer has deposited in escrow 25% (Twenty Five Percent) of the consideration payable to the Shareholders in this Offer (assuming full acceptances) which is the minimum amount required to be deposited in escrow by the Acquirer in terms of Regulation 28 of the SEBI Takeover Regulations;

(iii) the Sellers will not, for a period of three (3) years from the date of transfer of the Sale Shares to the Acquirer ("**Closing Date**"), engage in a line of business similar to that of the Target Company anywhere in the world; and

(iv) the Acquirer shall adhere to the SEBI Takeover Regulations and complete the Open Offer in accordance with the terms thereof and in the event that the Open Offer is not completed or the provisions of the SEBI Takeover Regulations are not complied with, the transactions contemplated in the SPA shall not be consummated and the SPA shall terminate.

1.5. As on the date of this PA, the promoter group of the Target Company, including the Sellers, holds 87,08,463 equity shares ("**Shares**") representing 70.89% of the Share Capital. The Negotiated Price per Sale Share shall be paid in the form of cash. The Acquirer has not paid any other monetary consideration, whether by way of any non-compete fee or otherwise, towards acquisition of the Sale Shares of the Target Company from the Sellers.

1.6. Save as contemplated in the SPA, the Acquirer has not acquired directly or through any person, any Shares during the twelve months period preceding the date of this PA. Save as contemplated in the SPA, the Acquirer has not acquired any Shares during the last 26 weeks period prior to the date of this PA by way of (a) allotment in public issue or (b) allotment in rights issue or (c) preferential allotment.

1.7. The Acquirer does not hold any Shares carrying voting rights in the Target Company as on the date of this PA.

1.8. The Target Company was incorporated on March 23, 2006 with a share capital of Rs. 5,07,000/- divided into 50,700 Shares. By virtue of a Scheme of Arrangement under the provisions of Section 391 to 394 of the Companies Act, 1956, ("**Scheme**") inter-alia between the Shareholders and the shareholders of GMR Industries Limited ("**GMRIL**"), a company incorporated under the Companies Act, 1956 and having its registered office at 6-3-866/1/G2, Greenlands Begumpet, Hyderabad 500016, the metallurgical division of GMRIL comprising the business of manufacture and sale of ferro alloys stood vested as a going concern in the Target Company with effect from April 1, 2006. GMRIL is a listed company whose shares are listed on the stock exchanges in India, as better described below. The Scheme was approved by the Andhra Pradesh High Court on April 19, 2007. Pursuant to the said Scheme, every equity shareholder holding 100 equity shares of Rs 10/- each in GMRIL as on the record date i.e. July 20, 2007 was issued 38 Shares and every preference shareholder holding 100 fully paid (8%) preference shares of Rs 11/- each in GMRIL was allotted 38 fully paid (8%) preference shares of Rs. 11/- each of the Target Company. As a result, the shareholding pattern of the Target Company would be identical to that of GMRIL since pursuant to the Scheme all the shareholders of GMRIL have also become Shareholders of the Target Company.

1.9. The Shares are in the process of being listed on the same stock exchanges in India on which the shares of GMRIL are listed. The equity shares of GMRIL are listed on the Bombay Stock Exchange Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"). The equity shares of GMRIL were also listed on the Hyderabad Stock Exchange Limited ("**HSE**") but SEBI had withdrawn the recognition of HSE with effect from August 29, 2007. Clause 8.3.5.3 of the SEBI (Disclosure and Investor Protection) Guidelines 2000 as amended ("**SEBI DIP Guidelines**") read with Clause 8.3.5.1 thereof provides that every unlisted company which has allotted shares to the holders of securities of a listed company pursuant to a scheme of reconstruction or amalgamation under the provisions of the Companies Act, 1956 shall take steps for listing its securities simultaneously on all stock exchanges where the shares of the listed company are listed within 30 days from the date of the final order of the High Court approving the scheme. Accordingly, in terms of the said provisions of the SEBI DIP Guidelines, the Target Company has filed an application for listing of its Shares on the BSE and the NSE being the stock exchanges on which the shares of GMRIL are listed. Such listing applications have been filed with the BSE and the NSE on November 1, 2007 (collectively the "**Listing Applications**"). As on the date of this PA, the Listing Applications are being processed and the Acquirer expects the listing of the Shares to be completed shortly. Further, SEBI, vide letter dated May 15, 2008 has relaxed the applicability of Rule 19(2)(b) of the Securities Contract Regulations (Rules) 1957 (SCRR) subject to the Target Company complying with the provisions of Clause 8.3.5 of the SEBI DIP Guidelines.

1.10. Therefore, although as on date of this PA the Shares are in the process of being listed, the Acquirer is making this Offer to the Shareholders of the Target Company in compliance with the provisions of the SEBI Takeover Regulations which apply to substantial acquisition of shares of any listed company. Since the eventual listing of the Shares is a mere technical formality, although the SEBI Takeover Regulations arguably need not apply to the acquisition of the Sale Shares by the Acquirer whilst the Listing Applications are being processed, the Acquirer has decided to make the Open Offer to comply with the SEBI Takeover Regulations in letter and in spirit.

1.11. As on the date of this PA, the Share Capital of the Target Company is Rs. 12,28,52,950/- represented by 1,22,85,295 Shares. The Offer size represents 20% of such Share Capital in terms of Regulation 21(5) of SEBI Takeover Regulations which provides that for the purpose of determining the minimum offer size for an open offer, 20% of the voting capital of the listed company as at the expiration of 15 days from the date of closure of the proposed open offer ought to be reckoned. As on the date of this PA, there are no outstanding instruments convertible into Shares.

1.12. Since the Sale Shares constitute 70.47% of the Share Capital which is more than the threshold of 15% stipulated in Regulation 10 of the SEBI Takeover Regulations, this Offer is being made in compliance with Regulation 10 of the SEBI Takeover Regulations. Further since the Acquirer is the incoming promoter of the Target Company and will be in control of the Target Company, the Acquirer is also making this Offer in compliance with Regulation 12 of the SEBI Takeover Regulations.

1.13. This Offer is being made to all Shareholders other than the parties to the SPA and is not conditional on any minimum level of acceptance. The Acquirer will be obliged to acquire all Shares validly tendered in response to the Offer, subject to a maximum of 24,57,059 Shares and subject to the terms and conditions mentioned in this PA and the Letter of Offer ("**LOF**") to be mailed to the Shareholders.

1.14. The Acquirer may purchase additional Shares from the market or through negotiation or otherwise, after the date of this PA in accordance with Regulation 20(7) of the SEBI Takeover Regulations and the details of such acquisition will be disclosed by the Acquirer within 24 hours of such acquisition to the stock exchanges where the Shares are in the process of being listed and to the Manager to the Offer in terms of Regulation 22(17) of the SEBI Takeover Regulations.

1.15. The Manager to the Offer does not hold any Shares as on the date of this PA.

1.16. There are no outstanding partly paid up Shares or any other instruments convertible into Shares at a future date, in the books of the Target Company.

2. The Offer Price

2.1 As set out in Paragraph 1.9 above, as on the date of this PA, the Shares are in the process of being listed on the BSE and the NSE. For the purpose of this Offer, the Shares are therefore deemed to be infrequently traded within the meaning of Regulation 20(5) of the SEBI Takeover Regulations.

2.2 Consequently, the minimum offer price to be computed for this Offer would be governed by Regulation 20(5) of the SEBI Takeover Regulations as being the highest of the following parameters:

Negotiated Price	Rs 26.047
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 twenty six week period prior to the date of PA	Not Applicable
Other parameters based on the audited financial results for the year ended on March 31, 2007:	
Book Value per Share	Rs. 23.02
Return on Net Worth	2.40%
Earning per Share	Rs. 0.06
P/E Ratio	Not Applicable
Fair Value per Share*	Rs. 8.53

* Fair value of the Shares has been determined vide valuation report dated May 26, 2008 issued by Mr. Ashwin Damania, Partner, (Membership No. 38976), M/s. G. M. Kapadia & Co., Chartered Accountants, 1001, Raheja Chambers, 213 Nariman Point, Mumbai 400 021 an independent Chartered Accountant, taking into consideration the parameters set out by the Hon'able Supreme Court of India in the case of Hindustan Lever Employee Union v. Hindustan Lever Limited, (1995) 83 Comp Case 30. The said valuation report, prepared on the basis of Net Asset Value [Rs. 23.02 per Share], Profit Earning Capacity Value [Rs. 1.28 per Share] and Market Value [Not Applicable], indicates that the fair value of the Shares based on the audited financial statements of the Target Company as on March 31, 2007 is Rs. 8.53 per Share.

2.3 The Offer Price of Rs. 26.05 per Share is therefore justified in terms of Regulation 20(5) of the SEBI Takeover Regulations as being more than the highest of the aforementioned parameters.

2.4 The Acquirer is permitted to make an upward revision in the Offer Price at any time upto seven working days prior to the date of closure of the Offer. In the event of such revision, an announcement will be made in the same newspapers where this PA has appeared and the revised offer price would be paid for all Shares tendered anytime during the Offer.

2.5 This PA is being released, as per Regulation 15(1) of the SEBI Takeover Regulations, in Financial Express [English national daily – all editions], Jansatta [Hindi national daily – all editions], Navshakti [Marathi regional language daily] and Andhraprabha [Telugu regional language daily] as the Shares are in the process of being listed on the BSE and the NSE and the registered office of the Target Company is situated in Hyderabad.

3. Information on the Acquirer

3.1 The Acquirer is Cronimet Mercon Invest Limited, a company incorporated on December 25, 2007 under the laws of Jebel Ali Freezone Offshore Companies Regulations 2003, with its registered office and corporate office at LOB 15 - 514, P O Box: 17870, Jebel Ali Free Zone, Dubai, United Arab Emirates.

3.2 No other person / individual / entity is acting in concert with the Acquirer for the purposes of this Offer.

3.3 The Acquirer was incorporated inter-alia to carry on the business of (i) investments in limited liability companies, partnerships, joint ventures and any other companies, (ii) general trading. Presently, the Acquirer is engaged inter alia in investment activities and is presently into the business of investment in companies in the metal industry including ferro alloys.

3.4 The Acquirer is promoted by (i) Mercon Holdings Limited, (ii) Matrix Holdings Limited, (iii) Matrix Industries Limited and (iv) Cronimet Mining GmbH.

3.5 Mercon Holdings Limited, Matrix Holdings Limited and Matrix Industries Limited are companies formed pursuant to the Jebel Ali Free Zone Offshore Companies Regulations 2003 and they have their registered offices at LOB 15 – 514 P.O Box: 17870, Jebel Ali Free Zone, Dubai, United Arab Emirates whereas Cronimet GmbH is a company formed pursuant to the laws of Germany and it has its registered office at Suedbeckenstr, 22, 76189 Karlsruhe, Germany.

3.6 The paid up equity share capital of the Acquirer consists of 1,20,000 Equity Shares of USD 100 each aggregating to USD 1,20,00,000 equivalent to Rs. 4796.40 lakhs (Conversion Rate: 1USD = Rs. 39.97 on March 31, 2008. Source: RBI web site). As on the date of this PA, Mercon Holdings Limited, Matrix Holdings Limited, Matrix Industries Limited and Cronimet Mining GmbH holds 20.83%, 4.17%, 50% and 25% respectively in the paid up equity share capital of the Acquirer. The shares of the Acquirer are not listed on any of the stock exchanges.

3.7 The financial year of the Acquirer under the laws of United Arab Emirates is 1st January to 31st December. Since the Acquirer was incorporated on December 25, 2007 the annual accounts of the Acquirer have not been prepared.

3.8 All Shares validly tendered in terms of this Offer will be transferred in favour of the Acquirer.

4. Information on the Target Company

4.1 The Target Company was incorporated on March 23, 2006 under the Companies Act, 1956 under the name of GMR Ferro Alloys & Industries Limited and the Target Company has not changed its name since the date of incorporation. The registered office of the Target Company is situated at 6-3-866/1/G2, Greenlands Begumpet, Hyderabad 500016 and its plant is located at Tekkali, Ravivalasa Village, Srikakulum District in Andhra Pradesh.

4.2 The Target Company is engaged in the manufacture of high carbon ferro-chrome for use in the stainless steel industry. The Target Company's plant has an installed capacity of 25,000 MT with one 6 MVA and one 9 MVA furnace. The Target Company manufactures two standard grades of ferro chrome i.e. high silicon and low silicon. As better detailed in paragraph 1.8 herein, with effect from April 1, 2006, the ferro alloys division of GMRIL has been demerged and transferred to the Target Company as a going concern pursuant to the Scheme. Relevant details pertaining to the Scheme are given in paragraph 1.8, 1.9 and 1.10

4.3 As on the date of this PA, there are no partly paid up Shares in the books of the Target Company. As set out in paragraph 1.9, the Shares are in the process of being listed on the BSE and the NSE.

4.4 The books of account of the Target Company for the financial year ended March 31, 2008 are yet to be audited. As per the audited accounts for the year ended March 31, 2007, the financials of the Target Company are as follows: (a) Total Income Rs. 13,613.50 lakhs, (b) Total Expenditure Rs. 13,471.81 lakhs, (c) Net profit after tax and prior period adjustments Rs. 88.51 lakhs, (d) Paid up Equity Share Capital Rs. 1,228.53 lakhs, (e) Reserves and Surplus Rs. 1,599.93 lakhs, (f) Secured Loans Rs. 2,487.89 lakhs (g) Unsecured Loans - NIL, (h) Net Deferred Tax Liability Rs. 560.03 lakhs, (i) Net Fixed Assets (including capital work in progress) Rs. 2,711.17 lakhs, (j) Investments Rs. 0.20 lakhs, (k) Current Assets, Loans & Advances Rs. 7,208.87 lakhs, (l) Current Liabilities & Provisions Rs. 3,178.74 lakhs and (m) Miscellaneous Expenditure (to the extent not written off or adjusted) NIL. Relevant ratios are (i) EPS Rs. 0.06 (ii) BV Rs. 23.02, (iii) RONW 2.40%. PE ratio is indeterminable as the Shares are not listed.

For the purpose of determination of EPS, BV and RONW, ratios used are (a) EPS = Profit After Tax – Preference dividend – tax on Preference dividend / Number of equity shares, (b) Net worth = Share Capital + Reserves & Surplus – Debit balance in Profit & Loss account, (c) BV = Net worth / Number of Equity shares and (d) RONW = Profit After Tax /Net worth including preference share capital.

5. Reasons for the acquisition, rationale for the offer and future plans

5.1 This Offer is being made in compliance of and in accordance with Regulations 10 and 12 of the SEBI Takeover Regulations for the purpose of substantial acquisition of shares and voting rights in the Target Company accompanied with change in control and management. The acquisition of the Sale Shares by the Acquirer is a strategic investment.

5.2 Since the Sale Shares constitute 70.47% of the Share Capital which is more than the threshold of 15% stipulated in Regulation 10 of the SEBI Takeover Regulations, this Offer is being made in compliance with Regulation 10 of the SEBI Takeover Regulations. Further since the Acquirer is the incoming promoter of the Target Company and will be in control of the Target Company, the Acquirer is also making this Offer in compliance with Regulation 12 of the SEBI Takeover Regulations.

5.3 Pursuant to the acquisition of the Sale Shares and the Shares under this Offer, the Acquirer will be in control of the Target Company. The Acquirer currently does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the two years from the date of the closure of this Offer except in the ordinary course of business of the Target Company. The Acquirer hereby undertakes not to sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the Shareholders as may be required in accordance with applicable law. The Acquirer would take appropriate decisions in the aforesaid matters as per the requirements of the business of the Target Company and in line with opportunities or changes in the economic scenario, from time to time.

5.4 The Acquirer proposes to reconstitute the Board in terms of the SPA as better detailed in paragraph 1.4 herein.

6. Statutory Approvals & Conditions of the Offer

6.1 The Government of India reviewed the policy on Foreign Direct Investment (FDI) and vide Press Note No.4 (2006 Series) dated February 10, 2006 issued by Ministry of Commerce & Industry, Department of Industrial Policy & Promotion decided to allow, under automatic route and subject to sectoral FDI policy, transfer of shares from residents to non residents where the provisions of the SEBI Takeover Regulations are attracted. Therefore, no approval is required by the Acquirer from the Foreign Investment Promotion Board, (a) to acquire Shares pursuant to SPA and (b) to acquire Shares from the resident public Shareholders pursuant to this Offer.

6.2 The Offer and the obligation of the Acquirer to acquire Shares tendered in this Offer is subject to the receipt of the approval of the Reserve Bank of India ('**RBI**") in terms of the RBI's Master Circular No. 02/2007-08 dated July 2 2007. This Offer and the obligation of the Acquirer to acquire Shares tendered in this Offer is subject to the receipt of approval from RBI. The Acquirer will shortly be filing an application to the RBI for such approval.

6.3 RBI, vide A.P. (DIR Series) Circular No. 62 dated May 24, 2007 has permitted authorized dealers to open an escrow account and special account on behalf of non resident in respect of an open offer being made under the SEBI Takeover Regulations without the prior approval of the RBI. Accordingly, the Acquirer has opened an escrow account with YES Bank Ltd to comply with its obligations under Regulation 28 of the SEBI Takeover Regulations. For details of the escrow arrangements created for this Offer, please refer to paragraph 8 of this PA.

6.4 In the event of any delay in receipt of the statutory approvals set out above, SEBI has the power to grant extension of time to the Acquirer for payment of purchase consideration to eligible Shareholders under the Offer subject to the Acquirer agreeing to pay interest as directed by SEBI, for the delayed period in terms of Regulation 22(12) of the SEBI Takeover Regulations. Further if such delay occurs on account of willful default of the Acquirer in obtaining requisite approvals, Regulation 22(13) of the SEBI Takeover Regulations will become applicable.

6.5 To the best of the Acquirer's knowledge, (a) no approval from banks / financial institutions of the Target Company is required for the Acquirer to make this Offer and (b) other than the approvals mentioned above, no other statutory or regulatory approval is required by the Acquirer to proceed with the Offer. If any other approvals are required or become applicable subsequently, the Offer would be subject to such approvals. The Acquirer will have a right not to proceed with the Offer in the event the approvals are refused, in terms of Regulation 27(1)(b) of the SEBI Regulations.

7. Continuous Listing

7.1 The minimum public shareholding required for continuous listing of the Shares is 25% (twenty five) of the Share capital.

7.2 The Acquirer does not intend to delist the Target Company as a result of the Offer. In the event the Shareholding of the Acquirer were to exceed the threshold specified in the listing agreement for delisting, the Acquirer will take the necessary steps in terms of the provisions of Regulation 21(2) of SEBI Takeover Regulations and as per the listing agreements prescribed by the BSE and the NSE to maintain a minimum threshold of public shareholding for listing on a continuous basis, within the timeframe specified therein.

8. Funding Arrangement

8.1 The maximum purchase consideration payable by the Acquirer under this Offer assuming full acceptance is Rs. 6,40,06,386.95 ("**Maximum Consideration**").

8.2 By way of security for the performance of its obligations under the SEBI Takeover Regulations, the Acquirer has opened a cash escrow account with YES Bank Ltd, having its office at 9th Floor, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018 ("**Escrow Banker**") under the name and style of "Escrow A/c Cronimet" and bearing No. 000180200000577 ("**Escrow Account**") in terms of Regulation 28 of the SEBI Takeover Regulations.

8.3 The Acquirer has deposited a sum of approximately Rs. 1,62,98,200/- [USD 380000 Conversion Rate: 1USD = Rs. 42.89 on May 27, 2008. Source: RBI web site] in the Escrow Account which amount is more than 25% of the Maximum Consideration being the minimum amount to be deposited in escrow by the Acquirer in terms of Regulation 28 of the SEBI Takeover Regulations.

8.4 The Acquirer has confirmed that the funds lying in the Escrow Account will be utilized exclusively for the purpose of the Offer. The Acquirer has authorized the Manager to the Offer to operate the Escrow Account in compliance with Regulation 28 of the SEBI Takeover Regulations. The Acquirer and the Escrow Banker have marked a lien on the Escrow Account in favour of the Manager to the Offer.

8.5 Mr. Cherian Mathew, FCA [Membership No: 200-20598], Managing Partner, Emirates Auditing Company, Chartered Accountants, P. O. Box 3198, Sharjah, United Arab Emirates; Tel No: 00 06 5694696; Telefax No: 00 06 5694697; e-mail ID: eac@emirates.net.ae has certified, based on the financial statements of the Acquirer vide his letter dated May 8, 2008 that Acquirer has adequate financial resources to finance the acquisition of 24,57,059 equity shares of the Target Company under the Offer. The Acquirer proposes to finance the above mentioned acquisition through internally generated funds including capital contributions made by its shareholders. No borrowings from banks / financial institutions / foreign sources or otherwise is envisaged.

8.6 In view of above, the Manager to the Offer is satisfied that firm arrangements for financial resources required to implement the Offer i.e., funds and money for payment through verifiable means are in place to fulfill the obligations of the Acquirer under the Offer and the Manager to the Offer is satisfied that the Acquirer has adequate resources to meet the financial requirements of the Offer and ability to implement the Offer in accordance with the SEBI Takeover Regulations.

9. Other Terms of the Offer

9.1. The LOF with the Form of Acceptance cum Acknowledgement ("**Acceptance Form**") will be mailed to all Shareholders (except the parties to SPA viz (i) the Acquirer and (ii) the Sellers) whose names appear on the register of members of the Target Company and beneficial owners of the Shares, whose names appear as beneficiaries on the records of the respective depositories i.e., National Securities Depository Limited ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**"), at the close of business hours on Friday - May 30, 2008 ("**Specified Date**"). All owners (registered or unregistered) of Shares except the parties to SPA viz (i) the Acquirer and (ii) the Sellers who own/hold Shares at any time before the date of closure of the Offer are eligible to participate in the Offer.

9.2. Mondkar Computers Pvt. Limited, having their office at 21, Shakil Niwas, Opp: Satya Saibaba Temple, Mahakali Caves Road, Andheri East, Mumbai 400093 is acting as the Registrar to the Offer ("**Registrar**"). The Registrar has opened a special depository account with NSDL in the name and style of "MCPL Escrow A/c - GFIL Open Offer" ("**Special Depository Account**") through HDFC Bank Ltd, Trade World, Wing "A", Ground Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400013 ("**DP**").

9.3. Beneficial owners holding Shares in dematerialized form will be required to send on or before the closure of the Offer, along with their Acceptance Form, a photocopy of the delivery instruction slip in "off-market" mode, duly acknowledged by the DP, for transferring the Shares in favor of "MCPL Escrow A/c - GFIL Open Offer" as per the instructions given below:

Depository	NSDL
Depository Participant / DP	HDFC Bank Ltd
Special Depository Account Name	MCPL Escrow A/c - GFIL Open Offer
Client ID	24844701
DP ID	IN301151
ISIN	INE 592I01011

9.4. Shareholders having their depository account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL.

9.5. Shareholders holding Shares in physical form and who wish to tender their Shares will be required to send the Acceptance Form, original share certificate/s and transfer deed/s, duly signed, to the Registrar on or before the closure of the Offer in accordance with the instructions to be specified in the LOF.

9.6. Shareholders who wish to avail of the Offer will be required to deliver the Acceptance Form with relevant documents to the Registrar on all days (excluding holidays and Sundays) at the collection centre mentioned below, in accordance with the instructions to be specified in the LOF and in the Acceptance Form.

9.7. The collection centre mentioned below would remain open on Monday to Friday from 10.00 am to 1.00 pm and from 2.00 pm to 4.00 pm and on Saturdays from 10.00 am to 1.00 pm.

Address of the Collection Centre	Contact Person	Mode of delivery	Phone/ Fax / Email
Mondkar Computers Pvt Limited 21, Shakil Niwas, Opp: Satya Saibaba Temple, Mahakali Caves Road, Andheri East, Mumbai 400093	Devanand Dalvi	Hand Delivery/ Regd Post/ Courier	Tel: 022 2825 7641 / 2836 6620 Fax: 022 2820 7207 Email: info@mondkarcomputers.com

9.8. All owners (registered or unregistered) of Shares except the parties to SPA viz (i) the Acquirer and (ii) the Sellers who own/hold Shares at any time before the date of closure of the Offer are eligible to participate in the Offer.

9.9. Unregistered owners can send their written applications to the Registrar on a plain paper stating (a) the name, address, number of Shares held, number of Shares offered, distinctive numbers and folio number together with the original Share certificate/s and valid transfer deeds in the case of Shares held in physical form or (b) DP name, DP ID and client ID (collectively called "**Shareholding Details**") together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode in the case of Shares held in dematerialized form and (c) the original contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners of Shares.

9.10. In case of non-receipt of the LOF, the eligible Shareholders may send their consent to the Registrar, on a plain paper giving their Shareholding Details as above and submitting the documents as mentioned above so as to reach the Registrar on or before the date of closure of the Offer. Beneficial owners may send their written application on plain paper to the Registrar, giving their Shareholding details as above along with beneficiary account number and either a photocopy or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar, on or before the date of closure of the Offer. Such Shareholders may also obtain a copy of LOF by writing to the Registrar to the Offer superscribing the envelope "**GFIL Open Offer**".

9.11. The Shares are in the process of being listed on the BSE and the NSE. Upon listing, the Shares will be traded in dematerialized mode and the minimum marketable lot would be one Share.

9.12. Shares, if any, that are subject matter of litigation wherein the Shareholder/s is/ are/ may be precluded from transferring the Shares during the pendency of such litigation are liable to be rejected in case directions/orders from competent authority regarding these Shares are not received together with the Shares tendered under the Offer.

9.13. Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting the Shares dematerialized is completed well in time so that credit in the Special Depository Account should be received on or before the date of closure of the Offer failing which the application would be rejected.

9.14. Shareholders who have lodged their Shares for transfer may either download the LOF and Acceptance Form from SEBI's website (www.sebi.gov.in) or request for the Acceptance Form from the Registrar. The Acceptance Form, duly completed and signed in accordance with the instructions contained therein or an application in writing on a plain paper stating the name, address, number of Shares held, number of Shares offered, distinctive numbers and folio number shall be sent to the Registrar along with the acknowledgement, if any, received from the Target Company for having lodged the equity shares for transfer. Shareholders who are attaching the acknowledgement are requested to direct the Target Company in writing to retain the share certificates for onward submission to the Registrar.

9.15. The Registrar will hold, in trust, the Share certificates, Shares lying to the credit of the special depository account, the Acceptance Form, if any and the transfer form/s on behalf of the Shareholders who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted Shares/Share certificates are dispatched/returned.

9.16. In accordance with Regulation 22(5A) of the SEBI Takeover Regulations, Shareholders who have tendered the requisite documents in terms of the PA and LOF shall have the option to withdraw acceptances tendered upto three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions given below so as to reach the Registrar at the collection centre mentioned above as per the mode of delivery indicated therein on or before Wednesday - August 6, 2008.

9.17. The withdrawal option can be exercised on submitting (a) the form of withdrawal which will be sent to Shareholders along with the LOF and (b) the copy of the acknowledgement received from the Registrar while tendering the acceptances together with (a) name, address, distinctive numbers, folio number, and number of equity shares tendered in respect of equity shares held in the physical form and (b) name, address, number of equity shares tendered, DP name, DP ID, beneficiary account number i.e., client ID and photocopy of the delivery instruction in "off market" mode duly acknowledged by DP, in respect of dematerialized equity shares. In case of non-receipt of the form of withdrawal, the above withdrawal application can be made on a plain paper.

9.18. The consideration for Shares accepted by the Acquirer will be paid by account payee cheques/demand drafts. Such payments and documents i.e., Share certificates etc. in case of unaccepted Shares will be returned by registered post/ speed post at the shareholders'/unregistered owners' sole risk. Consideration up to Rs. 1,500/- will be dispatched "Under Certificate of Posting". Shares held in dematerialized form to the extent not accepted will be credited back to the account of the beneficial owner specified in the Acceptance Form. The payment of consideration for the accepted Shares will be made by the Acquirer by cheque/ demand draft to the Shareholders of the accepted Shares within 15 days from the date of closure of the Offer i.e. Tuesday - August 26, 2008.

9.19. A schedule of the activities in respect of the Offer is given below:

Activities	Days & Dates
Specified Date *	Friday - May 30, 2008
Last date for Competitive Bid	Thursday - June 19, 2008
Date by which letter of offer to reach the shareholders	Friday – July 11, 2008
Date of opening of the Offer	Wednesday – July 23, 2008
Last date for revising the Offer Price / number of equity shares	Thursday - July 31, 2008
Last date up to which shareholders may withdraw	Wednesday - August 6, 2008
Date of Closure of the Offer	Monday - August 11, 2008
Date for communicating acceptance/rejection under the Offer and payment of consideration for applications accepted.	Tuesday - August 26, 2008

* Specified Date is only for the purpose of determining the names of Shareholders as on such date to whom the LOF would be sent.

9.20. The Offer is not conditional on any minimum level of acceptance. In the event that the Shares tendered in the Offer are more than the maximum number of 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 SEBI Takeover Regulations i.e. on a proportionate basis, to be decided in a fair and equitable manner, in consultation with the Manager to the Offer, irrespective of whether the Shares are held in physical or dematerialized form.

9.21. While tendering Shares under the Offer, non resident Shareholders (Non Resident Indians/Overseas Corporate Bodies/Foreign Shareholders) will be required to submit the previous RBI approval (specific or general) that they would have obtained to acquire the Shares. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares. While tendering the Shares under the Offer, NRI/OCBs/foreign Shareholders will be required to submit a Tax Clearance Certificate from Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income-tax Act, 1961 (the "**Income Tax Act**") before remitting the consideration. In case the aforesaid Tax Clearance Certificate ("**TCC**") is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the Shareholder under the Income Tax Act, on the entire consideration amount payable to such Shareholder.

9.22. As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ("**FII**") as defined in section 115AD of the Income Tax Act. However, the interest payment for delay in payment of consideration, if any, shall not be governed by this provision. For interest payments, if any, FIIs shall also have to provide their TCC, indicating the amount of tax to be deducted. In absence of the same, the Acquirer will arrange to deduct tax on the interest component, at the rate as may be applicable to the category of shareholder under the Income Tax Act, 1961.

9.23. Securities transaction tax will not be applicable to the shares accepted in this Offer.

9.24. In case of resident Shareholders, the Acquirer will deduct the tax on the interest component exceeding Rs. 5,000/- at the current prevailing rates, as applicable, if applicable. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, he will be required to submit No Objection Certificate from the income tax authorities or a self declaration in Form 15H as may be applicable indicating the rate at which tax is to be deducted by the Acquirer. Shareholders eligible to receive interest component exceeding Rs. 5,000/- would be required to submit their Permanent Account Number for income tax purposes. Clauses relating to payment of Interest will become applicable only in the event of the Acquirer becoming liable to pay interest for delay in release of purchase consideration.

10. General

10.1. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the PA / LOF, can withdraw the same up to three working days prior to the date of closure of the Offer i.e. upto Wednesday - August 6, 2008.

10.2. The Acquirer can revise the Offer Price upwards up to 7 working days prior to the closure of the Offer i.e. Thursday - July 31, 2008 and if there is any upward revision in the Offer Price up to 7 (seven) working days prior to the date of closure of the Offer, the same would be informed by way of a public announcement in the same newspapers where this PA appears and the revised price would be payable to all Shareholders who have tendered their equity shares anytime during the Offer.

10.3. The Acquirer, Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the Securities and Exchange Board of India Act ("SEBI Act") or under any other regulations made under the SEBI Act.

10.4. The Acquirer retains the option of acquiring Shares outside this Offer, subject to the provisions of the SEBI Takeover Regulations and other applicable law.

10.5. If there is a competitive Offer / bid, (i) the public offers under all the subsisting bids shall close on the same day and (ii) as the Offer Price cannot be revised during 7 working days prior to the date of closure of the Offer / bids, it would be in the interest of the Shareholders to wait till the commencement of that period to know the final Offer Price of each offer / bid and tender their acceptance accordingly.

10.6. Pursuant to Regulation 13 of the SEBI Takeover Regulations, the Acquirer has appointed YBL, Mumbai as Manager to the Offer. YBL does not hold any Shares.

10.7. Information provided by the Sellers has been relied on for the purpose of disclosures made in relation to the Target Company and the Sellers. The Acquirer and the board of directors of the Acquirer have not independently verified the accuracy of information provided by the Registrar as also information provided by the Sellers. On this basis, under Regulation 22(6) of the Takeover Regulations, the directors of the Acquirer exempt themselves from and do not accept responsibility for the information in relation to the Target Company and the Sellers which is disclosed in the Public Announcement as also information provided by the Registrar to the Offer in the Public Announcement. Subject to the aforesaid, the Acquirer i.e. Cronimet Mercon Invest Limited and the directors of the Acquirer accept full responsibility for the information contained in this PA and also for the obligations of the Acquirer to the extent as required and as laid down in the SEBI Takeover Regulations and subsequent amendments made thereof.

10.8. All financial data contained in this PA have been rounded off to the nearest lakhs except where stated otherwise.

SEBI web site

10.9. This PA would also be available on SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of the LOF and Acceptance Form which will be available on SEBI's website from the date of opening of the Offer i.e., Wednesday – July 23, 2008 and send their acceptances by filling in the same.

For further details, please refer to the LOF and Acceptance Form.

Registrar to the Offer

MCPL

Mondkar Computers Pvt Limited
21, Shakil Niwas, Opp: Satya Saibaba Temple, Mahakali Caves Road, Andheri East, Mumbai 400093.
Tel: 022 2825 7641 / 2836 6620
Fax: 022 2820 7207; Email: info@mondkarcomputers.com
SEBI Registration No: INR 000000 114
Contact: Ravi Utekar / Devanand Dalvi

Issued by the Manager to the Offer on behalf of the Acquirer i.e. Cronimet Mercon Invest Limited, LOB 15-514, P O Box: 17870, Jebel Ali Free Zone, Dubai, United Arab Emirates.

Manager to the Offer

YES BANK
EXPERIENCE OUR EXPERTISE

YES BANK Limited
12th Floor, Discovery of India Building, Nehru Centre,
Dr. Annie Besant Road, Worli, Mumbai 400018.
Tel No: 91 22 6669 9000 ; Fax No: 91 22 2497 4158
Email: merchantbanking@yesbank.in
SEBI Registration No: MB / INM 0000 10874
Contact : Dhanraj Uchil / Ajay Shete

Place : United Arab Emirates

Date : May 29, 2008

CONCEPT

Size: 50x32.9 sq. cm