LETTER OF OFFER

"This Document is Important and requires your Immediate Attention"

This Letter of Offer is sent to you as Shareholder(s) of **M/s. Greycells Entertainment Limited (GEL)** if you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager or Registrar to the offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum acknowledgement / Form of withdrawal and transfer deed to the Member of the Stock Exchange through whom the said sale was effected.

CASH OFFER at Rs.20.60/- (Rupees Twenty and Paise Sixty only) per fully paid up Equity Share of Rs.10/- (Rupees Ten only) including interest of Rs.0.60 per share on delayed payments for validly accepted tendered shares beyond February 2, 2006 till May 23, 2006

BY

Mr. Uday Sinh Wala & Mrs. Simeron Ghei

residing at

31/A, Peace Heaven, St. Andrews Road,
Bandra (West), Mumbai: 400050
Tel No: 022 – 30918606

ALONGWITH THE FOLLOWING AS PERSON ACTING IN CONCERT (PAC)

Name	Residential / Registered office Address	Name	Residential / Registered office Address
S B & T Finance Pvt. Ltd.	138, Shreeji Chambers, 1st Floor, Tata Road No.2, Opera House, Mumbai 400 004. Tel: 22657517 / 19	Mohina Chainani	19/1, Pushpa Vihar, Colaba Post Office, Mumbai – 400005. Tel: 22154071
Bela Desai	402, Ganga Niwas, P.M. Road, Vile Parle (East), Mumbai – 400057. Tel: 26131440	Indra Sethi	403, Pleasant Palace Apts., 16 Narayan Dabholkar Road, Mumbai – 400006. Tel: 23622489
Systematik Finvest Pvt. Ltd.	138, Shreeji Chambers, 1st Floor , Tata Road No.2 ,Opera House Mumbai 400 004. Tel: 22657517 / 19	Surendra Kumar Sethi	403, Pleasant Palace Apts., 16 Narayan Dabholkar Road, Mumbai – 400006. Tel: 23622489
Sanjiv Chainani	19/1, Pushpa Vihar, Colaba Post Office, Mumbai – 400005. Tel: 22154071	Varij Sethi	403, Pleasant Palace Apts., 16 Narayan Dabholkar Road, Mumbai – 400006. Tel: 23622489

(Pursuant to the Regulations 10 & 12 of Securities And Exchange Board Of India (Substantial Acquisition of Shares & Takeover) Regulations, 1997 and subsequent amendment thereof)

TO ACQUIRE

6,18,300 fully paid up Equity Shares of face value of Rs.10/- each representing 20% of the voting equity share capital at Rupees 20/- and Rs. 0.60 towards interest thereon for the delayed period in cash for each fully paid up equity share

OF

GREYCELLS ENTERTAINMENT LIMITED

Registered office at : Bunglow No. 2, Janki Kutir, Juhu, Mumbai- 400 049

Tel. No.: 022 - 26131465 Fax No: 022- 26131491

Manager To The Offer	Registrar to the Offer
Aryaman Financial Services Limited, 208, Maker Chamber V, 2nd Floor, Nariman Point, Mumbai – 400 021. Tel: (022) 22845716/22826464, Fax: 22883134 Email: afsl@vsnl.com **Contact Person: Mr. Praveen Kumar**	**Bigshare Services Private Limited** E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E),Mumbai – 400 072 Tel: 28473747, 28473474 Fax: 28475207 Email: bigshare@sify.com **Contact Person: Mr. V. Kumareshan**

OFFER OPENS ON : April 26, 2006	OFFER CLOSES ON : May 15, 2006

a)	At present No statutory compliances/ approvals are required to implement the offer except under SEBI (SAST) Regulations, 1997.
b)	The offer is not conditional.
c)	“Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public Announcement/Letter of Offer, can withdraw the same upto three working days prior to the date of the closure of the offer” in terms of Regulations 22(5A) of the SEBI (SAST) Regulations by filling the withdrawal form attached herewith. The withdrawal form is also available on the SEBI website (www.sebi.gov.in).
d)	Upward revision of offer, if any, would be informed by way of Public Announcement on or before May 07, 06 in respect of such changes in all the newspapers in which the original public announcement was made. The Acquirers shall pay the revised price for all the shares tendered any time during the offer and accepted under the offer.
e)	**There is no competitive bid.**
f)	The Copy of Public Announcement and Letter of Offer (including Form of Acceptance cum acknowledgement) are also available on the SEBI website (www.sebi.gov.in).
g)	In case of a delay in receipt of any statutory approval(s), the SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the tendering share holders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulations 22(12) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default or neglect or inaction or notation by the acquirer in obtaining the requisite approval regulation 22(13) of the SEBI (SAST) Regulations will become applicable.
h)	**Risk Factor** **A. In Relation to Proposed Offer** In case the shares tendered in the open offer are more than the shares agreed to be acquired by the Acquirers, the Acquirers shall accept all valid applications received from the shareholders of the company on a Proportionate basis, in consultation with the Manager taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non marketable lots. In the event that either the regulatory approval is not received in timely manner or if SEBI instructs the Acquirers not to proceed with the Offer then the Offer process may be delayed beyond the schedule of activities indicated in the this Letter of Offer. Consequently the payment of consideration to the shareholders whose shares have been accepted by the Acquirers shall be delayed. **B. In association with the Acquirers and PACs:** The Acquirers & PACs make no assurance with respect to the financial performance of the target Company. They also make no assurance with respect to the market price of the shares both during the Offer Period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer. There is no anticipated risk relating to the transaction. Hence the heading in relation to transaction is not taken in Letter of Offer.

SCHEDULE OF ACTIVITIES

ACTIVITY	ORIGINAL SCHEDULE	REVISED SCHEDULE
Public Announcement	November 07, 2005, Monday	November 07, 2005, Monday
Specified Date	November 23, 2005, Wednesday	November 23, 2005, Wednesday
Last date for a Competitive Bid	November 29, 2005, Tuesday	November 28, 2005, Monday
Date by which Letter of Offer to be posted to the shareholders.	December 23, 2005, Friday	April 18, 2006 Tuesday
Date of Opening of the Offer	December 30, 2005, Friday	April 26, 2006, Wednesday
Last date for revising the offer price/ Number of shares	January 09, 2006, Monday	May 4, 2006, Thursday
Last date for withdrawal of acceptance by the shareholders	January 13, 2006, Friday	May 10, 2006, Wednesday
Date of Closure of the Offer.	January 18, 2006, Wednesday	May 15, 2006, Monday
Date of communicating the rejection /acceptance and payment of consideration for the acquired shares.	February 02, 2006, Thursday	May 23, 2006, Tuesday

INDEX

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:-

ACQUIRERS	Mr. Uday Sinh Wala Mrs. Simeron Ghei
SHARE(S)	Fully paid up equity share with one vote per equity share of Greycells Entertainment Limited, having face value of Rs. 10/- each.
TARGET COMPANY / GEL	M/s. Greycells Entertainment Limited
GCPPL	M/s. Grey Cells Communication and Production Private Limited. (formerly known as Grey Cells Media Private Limited)
FORM OF ACCEPTANCE	The form of application cum acknowledgement and authority, which is enclosed with this Letter of Offer.
LOO	This Letter of Offer.
PUBLIC ANNOUNCEMENT (PA)	Announcement of the offer issued in newspapers on November 07, 2005
SEBI (SAST) REGULATIONS	Securities and Exchange Board Of India (Substantial Acquisition of Shares & Takeover) Regulations, 1997 and subsequent amendments thereof.
SEBI	Securities and Exchange Board Of India
SEBI ACT	The Securities and Exchange Board Of India Act, 1992
OFFER PRICE	Rs. 20.60/- (Rupees Twenty and paise sixty only) alongwith interest of Rs.0.60 on delayed payments for validly accepted tendered shares beyond February 2, 2006 till May 23, 2006 for each fully paid-up equity share payable in cash by cheque / demand draft
MANAGER TO THE OFFER	Aryaman Financial Services Limited.
REGISTRAR TO THE OFFER	Bigshare Services Private Limited
BSE	Bombay Stock Exchange Limited, Mumbai
PREFERENTIAL ALLOTMENT	28,53,050 Equity Shares allotted on preferential basis at the Board meeting held on October 31, 2005
PERSONS ELIGIBLE TO PARTICIPATE	All shareholders of GEL registered and unregistered, who own the shares at any time prior to the closure of the offer, except the Acquirers and PACs.
PERSONS ACTING IN CONCERT (PACs)	Surendra Kumar Sethi , Varij Sethi, Sanjiv Chainani , Indra Sethi , Mohina Chainani, S.B.&. T. Finance Pvt. Ltd. , Bela Desai, Systematik Finvest Pvt. Ltd.

1. **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 **GREYCELLS ENTERTAINMENT LIMITED** TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES/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 ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER M/S. ARYAMAN FINANCIAL SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 18, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. **DETAILS OF THE OFFER**

2.1 BACKGROUND OF THE OFFER

1. Greycells Entertainment Limited has acquired the Grey Cells Communication and Production Private Limited (earlier known as Grey Cells Media Pvt. Ltd.) by issuing shares of GEL to the shareholders of Grey Cells Communication & Production Pvt. Ltd. by virtue of an agreement dated 31st October, 2005. Pursuant to the agreement, the acquirers Mr. Uday Sinh Wala and Mrs. Simeron Ghei (as shareholder of GCPPL) have been allotted on preferential basis 6,11,000 & 39,000 Equity shares respectively of GEL (in lieu of their shareholding in GCPPL) after the necessary approvals from Bombay Stock Exchange Limited (BSE). The said allotment of equity shares has been approved by the shareholders of GEL by passing a special resolution in the Extra Ordinary General Meeting (EGM) of shareholders held on 21st March 2005. On October 31, 2005, target company had allotted 6,11,000 equity shares to Mr. Uday Sinh Wala and 39,000 equity shares to Mrs. Simeron Ghei. Before the aforesaid preferential allotment, the Acquirers were not holding any equity shares in the target company. After the allotment of shares, the Acquirers Mr. Uday Sinh Wala and Mrs. Simeron Ghei hold 19.76 % and 1.26 % respectively of the post issue paid up equity share capital of GEL. The shares were allotted to the Acquirers at Rs. 20/- per share. Subsequent to the allotment of shares, the shareholding of the Acquirers in the target company has increased beyond the limits as specified in Chapter III of SEBI (SAST) Regulations.

   The erstwhile management proposed to acquired Greycells Communications & Production Private Limited (GCPPL) by issuing Equity Shares of the Target Company to the shareholders of GCPPL in lieu of their holding. M/s Anmol Sekri & Associates were appointed for doing the valuation and recommending the swap ratio. In terms of the swap ratio recommended by M/s Anmol Sekri & Associates, the shareholders of the Target company consented, at the Extra Ordinary General Meeting (EGM) held on 21st March 2005, for allotment of upto 8,06,990 Equity Shares of Rs.10/- each at a price of Rs.20/- per share to Mr.Uday Sinh Wala and 51,510 Equity Shares of Rs.10/- each at a price of Rs.20/- per share to Mrs.Simeron Ghei.

   BSE did not accept the recommendation made by M/s Anmol Sekri & Associates, and it appointed M/s. CM & R S Associates to provide an opinion on the fairness of valuation of both the companies and the swap ratio. Ms/. CM & R S Associates rejected the swap ratio recommended by M/s Anmol Sekri & Associates.

Subsequently M/s. A F Ferguson & Co. was appointed to carry out the valuation exercise and for recommending the swap ratio. The swap ratio recommended by M/s. A F Ferguson & Co. was accepted by BSE. In terms of the same 6,11,000 Equity Shares of Rs.10/- each at a price of Rs.20/- per share were allotted to Mr.Uday Sinh Wala and 39,000 Equity Shares of Rs.10/- each at a price of Rs.20/- per share to Mrs. Simeron Ghei.

Consequently there is difference in the number of Equity Shares actually allotted to Mr.Uday Sinh Wala and Mrs. Simeron Ghei and the number of the Equity Shares mentioned in the EGM Notice. As detailed given below :-

Sr. No.	Name of the Allottees	As per EGM Notice	Actual Allotment
1	Uday Sinh Wala	806990	611000
2	Simeron Ghei	51510	39000

These shares which were allotted on October 31, 2005 are yet to be listed with BSE. Application for final listing of shares had been submitted to BSE on 30th November 2005. Reply is still awaiting from BSE. BSE had given its “In Principle Approval” for the aforesaid allotment vide its letter no. List/sg/kj/pdk/24(a)/2005 dated 18th October 2005.

2. Details of Shareholding of all PACs – Pre & Post preferential allotment.

Sr. No.	**Name**	**Pre-issue shareholding**	**% of total pre issue paid up capital**	**Shares allotted on preferential basis**	**Post-issue shareholding**	**% of total post issue paid up capital**
1.	S B & T Finance Pvt Limited	500	0.21	215000	215500	6.97
2.	Bela Desai	100	0.042	175000	175100	5.66
3.	*Systematik Finvest Pvt. Ltd	18500	7.76	-	18500	0.60
4.	Sanjiv Chainani	11000	4.61	-	11000	0.36
5.	Indra Sethi	2300	0.96	-	2300	0.07
6.	Mohina Chainani	6300	0.26	-	6300	0.20
7.	Surendra Kumar Sethi	7500	0.31	-	7500	0.24
8.	Varij Sethi	7500	0.31	-	7500	0.24
	Total	53700	14.462	390000	443700	14.34

Total pre issue paid up capital (No of shares) - 238450

Total post issue paid up capital (No of shares) - 3091500

*As per intimation received by the Company from Systematik Finvest Pvt. Ltd and subsequently intimated to the Bombay Stock Exchange Ltd., by the Company, the said 18500 equity shares have been sold by Systematik Finvest Pvt. Ltd. thereby effectively reducing its shareholding to Nil. Consequently total pre issue shareholding and post issue shareholding of all the PAC’s stands reduced to 35200 & 425200 respectively.

3. The Acquirers and PAC's are now making an open offer to the equity shareholders of GEL as required under Regulation 10 & 12 of the SEBI (SAST) Regulations,1997
4. In light of the same this Letter of Offer is made under Regulation 10 & 12 of the SEBI (SAST) Regulations 1997.
5. The proposed change in control is not through any arrangement.
6. Neither the Acquirers, PAC's nor the Target Company have been prohibited by SEBI from dealing in securities in terms of the direction issued u/s 11B of SEBI Act or under any of the regulation made under the SEBI Act.1992
7. The Acquirer Mr. Uday Sinh Wala is Managing Director of M/s Greycells Entertainment Limited (target company) appointed at the board meeting held on 10/12/2004. Post his appointment as Managing Director, there was no change in Management Control of the target company. The Composition of the Board of Directors in GEL, post acquisition and Offer shall be determined on completion of all formalities relating to the Offer.
8. Prior to the preferential allotment, the Acquirers did not hold any shares in the Target Company.
9. As on date, the Manager to the offer, Aryaman Financial Services Limited, does not hold any shares in the target company.

2.2 DETAILS OF THE PROPOSED OFFER

1. The public announcement was made by the Acquirers on November 7, 2005 in compliance with Regulation 15 of the SEBI (SAST) Regulations in all the editions of Financial Express (English Daily) (except Delhi & Chandigarh, where it was published on November 8, 2005), Jansatta (Hindi Daily) and Navshakti (Marathi Regional daily). The Public Announcement is also available on the SEBI website at www.sebi.gov.in
2. The offer to the equity shareholders of GEL is to acquire further 6,18,300 equity shares representing 20% of the equity voting capital of GEL at a price of Rs. 20/- per share. The payment to the shareholders whose shares have been accepted shall be in cash and will be paid by cheque / demand draft.
3. All the equity shares of the target company are fully paid up and there are no partly paid up equity shares in the target company.
4. The Acquirers and the PAC's have not acquired any shares of the target company after the date of Public Announcement and upto the date of this LOO.
5. The offer is not subject to any minimum level of acceptance and is not a conditional offer. The Acquirers will acquire all the equity shares of GEL that are tendered in valid form in accordance with the terms and conditions set out herein and in the Letter of Offer to be sent to the shareholders.
6. The Manager of the offer have requested to SEBI , grant extension under Section 22(12) of SEBI (SAST) Regulations, 1997 for condonation of delay beyond 90 days from the date of Public Announcement in the opening of offer

2.3 OBJECT OF THE ACQUISITION / OFFER

The offer to the Shareholders of GEL is being made pursuant to Regulation 10 and 12 and other provisions of Chapter III and in compliance with the SEBI (SAST) Regulations involving substantial acquisition of voting rights and management control of the target company.

GEL had acquired Grey Cells Communication and Production Private Limited (earlier known as Grey Cells Media Pvt Ltd) by issuing shares of GEL to the shareholders of Grey Cells Communication & Production Pvt Ltd by virtue of an agreement dated 31st October, 2005. Pursuant to the said agreement the acquirers Mr. Uday Sinh Wala and Mrs. Simeron Ghei (as shareholders of GCPPL) have been allotted 6,11,000 & 39,000 equity shares respectively of GEL (in lieu of their shareholding in GCPPL) after necessary approvals from BSE. The said allotment of equity shares has been approved by the shareholders of GEL by passing a special resolution in the Extra Ordinary General Meeting (EGM) of the shareholders held on March 21, 2005.

Before the aforesaid preferential allotment, the Acquirers were not holding any equity shares in the target company. After the allotment of shares, the Acquirers Mr. Uday Sinh Wala and Mrs. Simeron Ghei hold 19.76 % and 1.26 % respectively of the post issue paid up equity share capital of GEL. The shares were allotted to the Acquirers at Rs. 20/- per share.

The object for acquisition of Grey Cells Communication and Production Pvt. Ltd ‘can be summarised as under:

The target company (GEL) is in the business of production and distribution of films, event management and other related areas. With the acquisition of Grey Cells Communication and Production Pvt. Ltd, it is proposed to gain from the combined experience of over two decades, of the promoters of Grey Cells Communication and Production Pvt. Ltd, across the spectrum of Sales & Marketing, International & National Broadcast Management, Production of Sporting events, Fiction Programming, Formatted Shows, and Non – Fiction Programming, thereby enabling the Company to expand into project development and execution in the areas of television- licensing, marketing and production, motion pictures production, Live broadcast management, Airtime and in-films/ television sales, youth based marketing, activation and related areas.

The Acquirers do not have any intention to dispose off or otherwise encumber any assets of the Target Company in the next two years from the date of closure of the offer, except in the ordinary course of business with the prior approval of the shareholders.

3. BACKGROUND OF THE ACQUIRERS AND PACs

3.1 Information about the Acquirers

1. The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the Regulation made under the SEBI Act.
2. There has been no agreement between the Acquirers for the shares to be acquired under the open offer.
3. The Acquirers Mr. Uday Sinh Wala and Mrs. Simeron Ghei are related to the extent that they are husband and wife.

A. Mr Uday Sinh Wala:-

Mr.Uday Sinh Wala, aged about 42 years resides at 31/A, Peace Heaven, St. Andrews Road, Bandra (West), Mumbai: 400050 Tel No: 022 - 30918606. His career spans for more than 17 years in strategic planning and execution in the Advertising, sports/Entertainment Television Business and he worked with leading agencies like Leo Burnett India, Lowe (Lintas) India Ltd., and Grey India. He has, in the past created successful and innovative Television Programming in the entertainment sphere along with Sports Management and Broadcast. As C.O.O. at Nimbus he was responsible for the first ever initiative in customizing Sports Programming for the Indian marketplace with the 1998 Asian Games – Bangkok and followed by the ICC Cricket World Cup 1999 in England. He has worked on Tele-vision Programming ranging from formatted shows to Soaps, Magazine Programmes to live coverage, channel management services to tele-films, the entire gamut of programmes and genres of Indian Television. He is working as director / partner / proprietor in the following companies.

a. Greycells Entertainment Limited (Managing Director)

b. Greycells Communication and Production Private Limited (Director)

c. Mindseye Entertainment Private Limited (Director)

Among the above only Greycells Entertainment Limited is a Listed Company.

The net worth of Mr. Uday Sinh Wala as on October 31, 2005 is Rs. 121.00 Lacs as certified vide certificate dated December 08, 2005 by M/s. Anil A. Masand & Co, Chartered Accountants (Membership No. of Mr. Anil A. Masand is 37245), having their office at 3, Shewa Apartment, 33-B, 3rd Road, Khar (W), Mumbai 400052, Telephone No. : 26482720.

The compliance with Chapter II of SEBI (SAST) Regulations 1997, by the Acquirer Mr. Uday Sinh Wala, the same as applicable for the year 2005, has been complied with.

B. Mrs. Simeron Ghei :-

Mrs. Simeron Ghei, aged about 40 years resides at 31/A, Peace Heaven, St. Andrews Road, Bandra (West), Mumbai: 400050 Tel No: 022 - 30918606. She has completed Post Graduation in Mass Communication. She has experience of over 10 years in the Advertising & Tourism Industry. She is a Director in Mindseye Entertainment Private Limited and Greycells Communication and Production Private Limited. She is not a director in any listed Company.

The net worth of Mrs. Simeron Ghei as on October 31, 2005 is Rs. 12.00. Lacs as certified vide certificate dated December 08, 2005 by M/s. Anil A. Masand & Co, Chartered Accountants (Membership No. of Mr.Anil A Masand is 37245), having their office at 3, Shewa Apartment, 33-B, 3rd Road, Khar (W), Mumbai 400052, Telephone No. : 26482720.

The compliance with Chapter II of SEBI (SAST) Regulations 1997, by the Acquirer Mrs Simeron Ghei, the same as applicable for the year 2005 has been complied with

3.2 DETAILS OF THE COMPANIES IN WHICH MR. UDAY SINH WALA / MRS. SIMERON GHEI IS THE PROMOTER / FULL TIME DIRECTOR ARE AS UNDER

A. Greycells Communication and Production Pvt Ltd

The Company was incorporated on August 7, 2003 with the object of Sales & Marketing, International & National Broadcast Management, Production of Sporting events, Fiction Programming, Formatted Shows, and Non – Fiction Programming, thereby enabling the Company to expand into project development and execution in the areas of television- licensing, marketing and production, motion pictures production, Live broadcast management, Airtime and in-films/ television sales, youth based marketing, activation and related areas.

The Directors of the Company are Mr. Uday Sinh Wala and Mrs. Simeron Ghei. The Company is not listed on any stock exchange.

Brief Financials

(Rs. In lacs)

Particulars	**Year ended 31.03.05 (Audited)**	**Year ended 31.03.04 (Audited)**
Equity Capital	5.00	5.00
Reserves	8.44	0.97
Total Income	210.28	13.54
Profit after tax	7.47	0.97
Earnings per share	14.94	1.94
Net asset value	67.24	5.86

This is not a sick industrial company

B. Mindseye Entertainment Pvt Ltd

The Company was incorporated on January 10, 2005 and the Company has not yet completed its first financial year.

3.3 INFORMATION ABOUT PERSONS ACTING IN CONCERT(S)

<table>
<tr><th>Particulars</th><th colspan="3">SB&T Finance Pvt. Ltd.</th><th colspan="3">Systematik Finvest Pvt. Ltd.</th></tr>
<tr><td>Name & address of the company</td><td colspan="3">SB&T Finance Pvt. Ltd.
138, Shreeji Chambers 1st Floor ,
Tata Road No.2 Opera House
Mumbai 400 004</td><td colspan="3">Systematik Finvest Pvt. Ltd.
138, Shreeji Chambers 1st Floor ,
Tata Road No.2 Opera House
Mumbai 400 004</td></tr>
<tr><td>Relationship, if any, existing between them</td><td colspan="6">Both the companies are promoted by the same Promoters.</td></tr>
<tr><td>Salient features of the agreement, if any, entered between them with regard to the offer/acquisition of shares</td><td colspan="3">Not Applicable</td><td colspan="3">Not Applicable</td></tr>
<tr><td>Brief History & Major areas of operations</td><td colspan="3">The company is a Merchant Banker registered with SEBI with track record and a commitment to providing customized solutions to its clients.
SEBI Registration no.; INM000007540</td><td colspan="3">The Company is an Investment Company</td></tr>
<tr><td>Identity of the promoters and / or persons having control over such companies and the group, if any, to which such companies belong to.</td><td colspan="3">Surendra Kumar Sethi, Varij Sethi & Sanjiv Chainani</td><td colspan="3">Surendra Kumar Sethi, Varij Sethi & Sanjiv Chainani</td></tr>
<tr><td>Status of compliance by the acquirers/ PACs with the applicable provisions of chapter II of SEBI Takeover Regulations</td><td colspan="3">Yes</td><td colspan="3">Yes</td></tr>
<tr><td rowspan="5">Share holding pattern</td><td>Sl. No</td><td>Shareholder’s Category</td><td>No. and Percentage of Shares held</td><td>Sl. No</td><td>Shareholder’s Category</td><td>No. and Percentage of Shares held</td></tr>
<tr><td>1.</td><td>Promoters
- SB&T International Ltd.
- Systematik Finvest Pvt. Ltd.
- Tidal Constructions Pvt. Ltd.
- Others</td><td>3000000– (50%)
1999980 – (33%)
1000000 – (16.67%)
20 – (0.01%)</td><td>1.</td><td>Promoters
- Varij Sethi
- Sanjiv Chainani
- Jusal Trading Pvt. Ltd.
- SB&T Securities Pvt. Ltd.</td><td>125000 – (8.33%)
375000 – (25%)
300000 – (20%)
700000 – (46.67%)</td></tr>
<tr><td>2.</td><td>FII/ Mutual-Funds / FIs/Banks</td><td>0</td><td>2.</td><td>FII/ Mutual-Funds/ FIs/ Banks</td><td>0</td></tr>
<tr><td>3.</td><td>Public</td><td>0</td><td>3.</td><td>Public</td><td>0</td></tr>
<tr><td></td><td>Total Paid Up Capital</td><td>6000000 - (100%)</td><td></td><td>Total Paid Up Capital</td><td>1500000 – (100%)</td></tr>
</table>

Names and residential addresses of Board of directors of acquirer(s). Confirm whether any of such director(s) is already on the Board of Directors of Target Company. If so, disclosures in terms of Regulation 22(9).	Name	Residential Address	Name	Residential Address
	Surendra Kumar Sethi	403, Pleasant Palace Apts., 16 Narayan Dabholkar Road, Mumbai – 400006.	Surendra Kumar Sethi	403, Pleasant Palace Apts., 16 Narayan Dabholkar Road, Mumbai– 400006.
	Varij Sethi	403, Pleasant Palace Apts., 16 Narayan Dabholkar Road, Mumbai – 400006.	Varij Sethi	403, Pleasant Palace Apts., 16 Narayan Dabholkar Road, Mumbai– 400006.
	Sanjiv Chainani	19/1, Pushpa Vihar, Colaba Post Office, Mumbai – 400005.	Sanjiv Chainani	19/1, Pushpa Vihar, Colaba Post Office, Mumbai– 400005.
	Bela Desai	402, Ganga Niwas, P.M. Road, Vile Parle (East), Mumbai – 400 057.	Vipul Gandhi	D/302, Ratan Nagar, Bldg. No.7, Four Bunglows, Andheri (West), Mumbai– 400053.
	Ms. Bela Desai is Director of the Target Company.		None of the aforesaid directors are directors of Target Company.	
Name of the stock exchanges where the shares of acquirer are listed/traded in the permitted category, if acquirer is a listed company.	Not Applicable		Not Applicable	
Total Paid up capital, Face Value of shares and Market Price of shares.	Paid up capital :- Rs. 6,00,00,000/- Face value :- Rs. 10/- Market price :- N.A.		Paid up capital :- Rs. 1,50,00,000/- Face value :- Rs. 10/- Market price :- N.A.	
Brief audited financial details shall be given for a period of last three years.	As below		As below	

Brief audited financials of SB&T Finance Pvt. Ltd.

(Amount Rs. In lacs)

Profit & Loss Statement	**As on 30th Sept. 2005 (Certified)***	**Year I 2004-05**	**Year II 2003-04**	**Year III 2002-2003**
Income from operations	52.47	28.20	23.40	13.50
Other Income	0.00	0.03	0.00	5.87
Total Income	52.47	28.23	23.40	19.37
Total Expenditure.	17.20	25.10	21.63	29.52
Profit Before Depreciation Interest and Tax	35.27	3.13	1.77	(10.15)
Depreciation	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00
Profit Before Tax	35.27	3.13	1.77	(10.15)
Provision for Tax (Deferred Tax)	0.00	0.07	0.07	0.00
Profit After Tax	35.27	3.07	1.70	(10.15)

(Amount Rs. In lacs)

Balance Sheet Statement	**As on 30th Sept. 2005 (Certified)***	**Year I 2004-05**	**Year II 2003-04**	**Year III 2002-03**
Sources of funds				
Paid up share capital	600.00	600.00	600.00	600.00
Reserves and Surplus (excluding revaluation reserves)	53.38	18.11	15.04	13.34
Networth	653.38	618.11	615.04	613.34
Secured loans	9.39	0.00	0.00	0.00
Unsecured loans	5.00	15.00	0.00	0.00
Deferred Tax Liability	0.13	0.13	0.07	0.00
Total	667.90	633.24	615.11	613.34
Uses of funds				
Net fixed assets	12.95	1.76	1.89	2.02
Investments	517.58	516.79	508.01	480.11
Net current assets	137.27	114.59	104.84	130.58
Total miscellaneous expenditure not written off	0.20	0.10	0.36	0.63
Total	667.90	633.24	615.11	613.34

(Amount in Rs.)

Other Financial Data	**Year I 2004-05**	**Year II 2003-04**	**Year III 2002-03**
Dividend (%)	0.00	0.00	0.00
Earning Per Share	0.051	0.028	(0.17)
Return on Networth	0.005	0.003	(0.017)
Book Value Per Share	10.30	10.24	10.21

Book value = (Share Capital + Reserves – Miscellaneous exp.)/ Total no. of shares issued

Earning per share [EPS] = PAT/ total no. of shares issued

Return on networth = PAT/(Share Capital + Reserves – Miscellaneous exp.)

Brief audited financials of Systematik Finvest Pvt. Ltd.

(Amount Rs. In lacs)

Profit & Loss Statement	**As on 30th Sept. 2005 (Certified)***	**Year I 2004-05**	**Year II 2003-04**	**Year III 2002-03**
Income from operations	6.06	58.77	2.08	2.14
Other Income	0.00	2.09	2.96	2.04
Total Income	6.06	60.86	5.04	4.18
Total Expenditure.	0.15	5.42	45.85	4.44
Profit Before Depreciation Interest and Tax	5.91	55.44	(40.81)	(0.27)
Depreciation	0.00	0.00	0.00	0.00
Interest	10.86	0.00	0.00	0.00
Profit Before Tax	(4.95)	55.44	(40.81)	(0.27)
Provision for Tax	0.00	0.00	0.00	0.00
Profit After Tax	(4.95)	55.44	(40.81)	(0.27)

(Amount Rs. In lacs)

Balance Sheet Statement	**As on 30th Sept. 2005 (Certified)***	**Year I 2004-05**	**Year II 2003-04**	**Year III 2002-03**
Sources of funds				
Paid up share capital	150.00	150.00	150.00	150.00
Reserves and Surplus (excluding revaluation reserves)	12.31	17.21	(38.24)	2.57
Networth	162.31	167.21	150.00	152.57
Secured loans	0.00	0.00	0.00	0.00
Unsecured loans	514.95	283.50	267.95	378.00
Total	677.26	450.71	379.71	530.57
Uses of funds				
Net fixed assets	0.00	0.00	0.00	0.00
Investments	426.91	174.06	349.00	332.90
Net current assets	249.20	275.50	29.32	196.05
Total miscellaneous expenditure not written off	1.15	1.15	1.38	1.62
Profit &Loss Account	0.00	0.00	0.00	0.00
Total	677.26	450.71	379.71	530.57

(Amount in Rs.)

Other Financial Data	**Year I 2004-05**	**Year II 2003-04**	**Year III 2002-03**
Dividend (%)	0.00	0.00	0.00
Earning Per Share	3.70	(2.72)	(0.02)
Return on Networth	0.33	(0.37)	(0.002)
Book Value Per Share	11.07	7.36	10.17

Book value = (Share Capital + Reserves – Miscellaneous exp.)/ Total no. of shares issued

Earning per share [EPS] = PAT/ total no. of shares issued

Return on networth = PAT/ (Share Capital + Reserves – Miscellaneous exp.)

*Un -audited financial results as on 30.09.2005 of the Corporate PACs are certified by M/s M.M Dubey & Co., Chartered Accountant (Membership No.30453)

Particulars	Sanjiv Chainani (1)	Mohina Chainani (2)	Surendra Kumar Sethi (3)	Varij Sethi (4)	Indra Sethi (5)	Bela Desai (6)
Name and residential addresses of each individual(s)	19/1, Pushpa Vihar, Colaba Post Office, Mumbai – 400005.	19/1, Pushpa Vihar, Colaba Post Office, Mumbai – 400005.	403, Pleasant Palace Apts., 16 Narayan Dabholkar Road, Mumbai – 400006.	403, Pleasant Palace Apts., 16 Narayan Dabholkar Road, Mumbai – 400006.	403, Pleasant Palace Apts., 16 Narayan Dabholkar Road, Mumbai – 400006.	402, Ganga Niwas, P.M. Road, Vile Parle (East), Mumbai – 400 057.
Relationship, if any existing between them	Family		Family			N.A.
Salient features of the agreement, if any entered between them with regard to the offer/acquisition of shares	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Principal areas of business and relevant experience	Overall experience of around 20 years in corporate finance & advisory activities.	Housewife	Involved in day to day operations of S.B.&T. International Ltd. Responsible for legal and administrative matters of the said Company and having experience of over 40 years.	Responsible for overall management of S.B.&T. International Ltd. as its Managing Director and having experience of around 20 years.	House wife	Overall experience of around 16 years in the field of Corporate & Legal advisory.
Net worth duly certified by a Chartered Accountant	Rs. 189 Lacs as on 31/10/2005 as certified vide certificate dated April 05, 2006 by M/s. Abbas Patel & Co, Chartered Accountants (Membership No. of Mr. Abbas Patel is 34570), having their office at 30, Khatau Bldg., 2nd Floor, 44, Bank Street, Fort, Mumbai 400023, Telephone No. : 26482720.	Rs.76.55 Lacs as on 31/10/2005 as certified vide certificate dated April 05, 2006 by M/s. M.M. Dubey & Co, Chartered Accountants (Membership No. of Mr. M.M. Dubey is 30453), having their office at 40, Nana shankar Seth Smriti, 380/82, J.S.S. Road, Mumbai – 400 002. Telephone No. : 22057172.	Rs.252 Lacs as on 31/10/2005 as certified vide certificate dated April 05, 2006 by M/s. M.M. Dubey & Co, Chartered Accountants (Membership No. of Mr. M.M. Dubey is 30453), having their office at 40, Nana Shankar Seth Smriti, 380/82, J.S.S. Road, Mumbai – 400 002. Telephone No. : 22057172.	340 Lacs as on 31/10/2005 as certified vide certificate dated April 05, 2006 by M/s. M.M. Dubey & Co, Chartered Accountants (Membership No. of Mr. M.M. Dubey is 30453), having their office at 40, Nana Shankar Seth Smriti, 380/82, J.S.S. Road, Mumbai – 400 002. Telephone No. : 22057172.	331 Lacs as on 31/10/2005 as certified vide certificate dated April 05, 2006, by M/s. M.M. Dubey & Co, Chartered Accountants (Membership No. of Mr. M.M. Dubey is 30453), having their office at 40, Nana Shankar Seth Smriti, 380/82, J.S.S. Road, Mumbai – 400 002. Telephone No. : 22057172.	109 Lacs as on 31/10/2005 as certified vide certificate dated April 07, 2006 by M/s. Kalpesh Dharia, Chartered Accountants (Membership No. of Mr. Hitesh Trivedi is 39708), having their office at 21, Velbai Kanji Jadavji Building, 2nd Floor, 29/31, Khadak Street, Masjid Bunder, Mumbai – 400 009. Telephone No.: 2347 5150 / 5633 1008

<table>
<tr><th>Particulars</th><th>Sanjiv Chainani (1)</th><th>Mohina Chainani (2)</th><th>Surendra Kumar Sethi (3)</th><th>Varij Sethi (4)</th><th>Indra Sethi (5)</th><th>Bela Desai (6)</th></tr>
<tr><td>Compliance of applicable provisions of chapter II of SEBI Takeover Regulations</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td></tr>
<tr><td>Positions held on the Board of Directors of any listed company(ies)</td><td>S.B. & T. International Ltd.</td><td>N.A.</td><td>S. B. & T. International Ltd. – Joint Managing Director</td><td>S. B. & T. International Ltd. – Managing Director</td><td>N.A.</td><td>Greycells Entertainment Ltd.</td></tr>
<tr><td>Name of the company (ies) where individual is a full time director, Brief financial of those listed company(ies) where the individual along with persons acting in concert with him, has a controlling stake</td><td>N.A.</td><td>N.A.</td><td colspan="2">- S. B. & T. International Ltd.
Brief financials as on 31.3.2005
<table>
<tr><th>Particulars</th><th>Rs. in lacs</th></tr>
<tr><td>Equity capital, Reserves (excluding revaluation reserves),</td><td>9,608.99</td></tr>
<tr><td>Total Income</td><td>12,680.28</td></tr>
<tr><td>Profit After Tax (PAT)</td><td>96.72</td></tr>
<tr><td>Earnings Per Shares (EPS), Rs.</td><td>0.63</td></tr>
<tr><td>Net Asset Value (NAV)</td><td>9,591.94</td></tr>
</table></td><td>N.A.</td><td>N.A.</td></tr>
</table>

Earning per share [EPS] = PAT/ total no. of shares issued

Net Asset Value = Share Capital + Reserve – Misc. Expenditure

Information in respect of all companies promoted by the acquirer (PACs, if any) for the last three years based on the audited statements as on March 31, 2005

(Rs. in Lacs)

Name of the Company	*SB&T Finance Pvt. Ltd.*			*Systematik Finvest Pvt. Ltd.*			*SB & T Securities Pvt. Ltd*		
Date of incorporation	24/01/1992			29/03/1995			16/08/1994		
Nature of Business	Merchant Banker			Investment Company			Trading Member of National Stock Exchange of India Ltd		
Year	2004-2005	2003-2004	2002-2003	2004-2005	2003-2004	2002-2003	2004-2005	2003-2004	2002-2003
Equity capital, Reserves (excluding revaluation reserves),	618.11	615.04	613.33	167.21	111.76	152.84	548.11	566.83	565.42
Total Income	28.23	23.40	19.37	60.86	5.04	4.18	58.50	70.20	94.78
Profit After Tax (PAT)	3.07	1.70	(10.14)	55.44	(40.81)	(0.27)	(18.72)	1.41	32.24
Earnings Per Shares (EPS), Rs.	0.051	0.00028	0.00	0.37	(0.27)	0.00	(0.039)	0.003	0.067
Net Asset Value (NAV)	618.01	614.68	612.71	166.06	110.38	150.95	548.11	566.57	564.90
Whether the company is a sick industrial company	No			No			No		

Name of the Company	*Sethi Mercantile Pvt. Ltd.**			*SB&T International Ltd.*			*Krisma Investments Pvt. Ltd.*		
Date of incorporation	20/10/2004			14/10/1986			01/03/2001		
Nature of Business	Trading in commodities			100% EOU, Export and manufacturing of studded gold Jewellery.			Investment Company		
Year	2004-2005	2003-2004	2002-2003	2004-2005	2003-2004	2002-2003	2004-2005	2003-2004	2002-2003
Equity capital, Reserves (excluding revaluation reserves),	N.A	N.A	N.A	9608.50	8032.08	7363.63	128.72	121.94	121.36
Total Income	N.A	N.A	N.A	12680.28	11827.54	10621.14	8.21	1.42	1.79
Profit After Tax (PAT)	N.A	N.A	N.A	96.72	866.43	346.08	6.78	0.58	1.42
Earnings Per Shares (EPS), Rs.	N.A	N.A	N.A	0.70	6.42	2.40	0.28	0.02	0.06
Net Asset Value (NAV)	N.A	N.A	N.A	9591.94	8012.20	7329.79	128.37	121.53	120.89
Whether the company is a sick industrial company	No			No			No		

* as the Company was incorporated on 20/10/2004 there are no audited financial statements relating to full operating year. Networth of the Company is Rs. 47.50 Lacs as on 31/10/2005 as certified vide certificate dated April 05, 2006 by M/s. M.M. Dubey & Co, Chartered Accountants (Membership No. of Mr. M.M. Dubey is 30453), having their office at 40, Nana Shankar Seth Smriti, 380/82, J.S.S. Road, Mumbai – 400 002. Telephone No. : 22057172.

3.4. DISCLOSURE IN TERMS OF REGULATION 16 (ix)

1. This Letter of Offer is made under Regulation 10 & 12 of the SEBI (SAST) Regulations, 1997.
2. The Acquirers and PACs do not have any intention to dispose off or otherwise encumber any assets of GEL in the next two years except in the ordinary course of business of GEL. The Acquirers have undertaken not to sell, dispose off or otherwise encumber any substantial asset of GEL except with the prior approval of the shareholders.

3.5 FUTURE PLANS/ STRATEGIES OF THE ACQUIRERS WITH REGARD TO THE TARGET COMPANY.

The Acquirers have been allotted equity shares of GEL and thereby their shareholding in GEL have increased beyond the limits as specified in Chapter III of the SEBI (SAST) Regulations and hence the Acquirers are making this offer as per SEBI (SAST) Regulations.

Mr. Uday Sinh Wala one of the Acquirers is also on the Board of GEL.

With the proposed acquisition of GCPPL, it is proposed to gain from the combined experience of over two decades, of the promoters of GCPPL, across the spectrum of sales & marketing, international & national broadcast management, production sporting events, fiction programming, formatted shows and non fiction programming thereby enabling the Company to expand into project development and execution in the areas of television – licensing, marketing and production, motion pictures production, live broadcast management, airtime and in-films / television sales, youth based marketing, activation and related areas and thereby initiate growth in the business of the target company.

4. DISCLOSURE IN TERMS OF REGULATION 21(3)

The Offer will not result in public shareholding being reduced to less than a level below the limit specified in the Listing Agreement with BSE for the purpose of listing on continuous basis.

5. BACKGROUND OF THE TARGET COMPANY

Greycells Entertainment Limited (GEL) : Registered Office : Bunglow No. 2, Janki Kutir, Juhu, Mumbai- 400 049. Tel. No.: 022 - 26131465 Fax No: 022- 26131491

A. **Greycells Entertainment Limited (GEL)** is a Public Limited Company incorporated on 14.09.1983 under the name of MJP Leasing Limited and obtained the certificate of commencement of business on 19.09.1983 from the Registrar of Companies, Maharashtra. The name of the company was subsequently changed to Concept Productions Limited on 27-02-2003 and a fresh certificate of incorporation was obtained from the Registrar of Companies, Maharashtra. Further the name was changed to Greycells Entertainment Limited and a fresh certificate of incorporation was obtained from the Registrar of Companies, Maharashtra on 21.04.2005.

B. The company was incorporated with the main object of carrying on investment related activities. With the acquisition of the company as per the SEBI (SAST) Regulations, 1997 by M/s Concept Communications Limited in the year 2003, the company entered into the business of production and distribution of films, event management and other related areas. Therefore, consequent upon this acquisition it has become the sole/main activity of the company. Post this, at the request of the Company, the NBFC registration of the Company was cancelled by the Reserve Bank of India. Further, with a view to focus on project development and execution in the areas of television- licensing, marketing and production, motion pictures production, Live broadcast management, sports marketing and consulting, broadcast consulting, Airtime and in-films/ television sales and youth based marketing and activation, the company acquired Grey Cells Communication and Production Pvt. Ltd, a company floated by a group of professionals from the media, (motion picture and television), sports, marketing and advertising fields, and allotted shares on preferential basis to the shareholders of Grey Cells Communication and Production Pvt. Ltd. Subsequently, the name of the company was changed from Concept Productions Limited to Greycells Entertainment Ltd.

C. Authorised Share Capital of the company is Rs. 5.00 crores divided into 50,00,000 equity shares of Rs.10/- each. As on date, the issued and subscribed capital of the company is Rs. 3,09,15,000/- divided into 30,91,500 equity shares of Rs. 10/- each. There are no partly paid up shares in the company.

D. The Company's shares are listed on BSE. The company has complied with all the compliances as per the listing agreement. No punitive action has been taken at any time by the stock exchange.

E. The present directors of GEL are Mr. Uday Sinh Wala, Ms. Bela Desai and Mr. Rajiv Bazaz. Mr. Uday Sinh Wala is the present Acquirer & Ms. Bela Desai is PAC under this open offer.

F. The company had vide its Extra ordinary General Meeting held on March 21, 2005 passed a resolution in terms of Section 81(1A) to issue and allot Equity shares to the existing shareholders of Greycells Communication and Production Pvt. Ltd., in lieu of acquiring Grey Cells Communication and Production Pvt. Ltd. Subsequently the company had allotted 6,50,000 equity shares of Rs. 10/- each at a price of Rs. 20/- each share, to the shareholders of Greycells Communication and Production Pvt. Ltd. BSE had given its "In Principle Approval" for the aforesaid allotment vide its letter no. List/sg/kj/pdk/24(a)/2005 dated 18th October 2005. The allotment of equity shares on preferential basis was delayed for want of the "in-principle approval" from BSE. These shares which were allotted on October 31, 2005 are yet to be listed with BSE. The procedure for the same is under process.

G. The total income of the Company as on 31.03.2005 was Rs. 11.40 lacs with a net profit/ (loss) after tax is (Rs. 14.62 lacs) The net worth of the company was Rs. 1.51 Lacs. The book value per share as on 31.03.2005 was **Rs. 0.63** the earning per share was **Rs. Nil** and return on net worth was **Nil%.**

H. In compliance with Chapter II of the SEBI (SAST) Regulations by the target company, Regulations 6 (2) and 6 (4) for 1997 and 8(3) for 1998, 1999, 2000, 2001 and 2002, the Target Company paid an amount of Rs. 30,000/- to SEBI for compliance with the said regulations under the SEBI Regularization Scheme 2002. No other penalty has been levied on the Company. Post 2002, the company has complied with the compliances under Regulation 8(3) of Chapter II within the specified time. Further the compliance with Chapter II of the SEBI (SAST) Regulations by the promoters and the major shareholders, the same has been duly complied on time for the various periods.

I. Share Capital Structure of GEL

PAID-UP EQUITY SHARES OF TARGET COMPANY	NO. OF SHARES /VOTING RIGHTS	%AGE OF SHARE CAPITAL
Fully paid up shares	30,91,500	100.00
Partly paid up shares	--	--
TOTAL	30,91,500	**100.00**

There are no outstanding convertible instruments (warrants/ FCDs /PCDs) etc.

J. Build up of capital structure of the company as per original allotments made:

Date of allotment	No. and % of shares issued		Cumulative paid up capital	Mode of allotment	Identity of allottees (promoters / ex-promoters/ others)	Status of Compliance
	No. of Shares	%				
05.09.83	700	0.02	7000	cash	Subscribers to the memorandum	All compliances are fulfilled and listed on BSE
23.01.94	239300	7.75	2400000	cash	Promoters and public	All compliances are fulfilled and listed on BSE
31.10.2001	(1550)	(0.05)	2384500	Shares forfeited for non payment of final call money	Public	All compliance made for forfeiture of shares
31.10.2005	2853050	92.28	30915000	6,50,000 shares allotted to acquirers for swapping of shares and balance 22,03,050 allotted to public for cash on preferential basis.	Public and acquirers	Listing procedure under process

K. Board Of Directors

The composition of Board of Directors of GEL as on the date of Public Announcement is as follows:

Name	Residential Address	Experience	Qualifications	Date of Appointment
Mr.Uday Sinh Wala*	31/A, Peace Heaven, St. Andrews Road, Bandra (West), Mumbai - 400050	17 years in entertainment industry.	B.Com.	10.12.04
Ms. Bela Desai*	402, Ganga Nivas, P.M.Road, Vile Parle (E), Mumbai 400 057	15 years in Corporate, legal and Secretarial matters.	B.Com, BGL, ACS	31.10.05
Mr. Rajiv Bazaz	231, Venus Apartments, Cuffe Parade, Mumbai 400005	19 years in International business	B.Com.	29.07.05

*Mr. Uday Sigh Wala is one of the acquirers in the present open offer.

*Ms. Bela Desai is one of the PAC's in the present open offer.

L. Compliance with listing and other statutory requirements:

The compliance with the listing requirement, the Target Company has complied with the listing requirements as and when required and that the shares were not suspended from trading at BSE at any point of time and no punitive actions were taken against the company by the BSE.

6,50,000 equity shares which were allotted by the Company to the Acquirers on 31.10.2005 subsequent to the acquisition of business of Grey Cells Communication and Production Pvt Ltd, are yet to be listed on BSE and the procedure for the same is under process.

M. **Financial Highlights**

i. Profit & Loss Statement :-

(Rs. in Lacs)

PARTICULARS 30/06/2005	For The Period Ended (Audited) (Certified)	Year Ended 31/03/2005 (Audited)	Year Ended 31/03/2004 (Audited)	Year Ended 31/03/2003
Income from Operations	89.51	-	-	-
Other Income	-	11.40	199.57	4.24
Total Income	89.51	11.40	199.57	4.24
Total Expenditure	87.56	17.55	222.36	2.02
PBDIT	1.95	(6.15)	(22.79)	2.22
Depreciation	-	0.003	0.004	0.005
Profit/(Loss) Before Tax	1.95	(6.16)	(22.79)	2.22
Provision for current tax	-	-	-	0.20
Provision / Adjustment for deferred tax	0.62	(8.46)	2.66	1.56
Profit / (Loss) After Tax	1.33	(14.62)	(20.13)	3.58

ii. Balance Sheet Statement:

(Rs. in Lacs)

PARTICULARS	For The Period Ended 30/06/05 (Certified)	Year Ended 31/03/2005 (Audited)	Year Ended 31/03/2004 (Audited)	Year Ended 31/03/2003 (Audited)
Sources of Funds:-				
Paid up Share Capital	*23.88	*23.88	*23.88	*23.88
Share Application Money	**500.35	**492.85	**428.35	**412.45
Reserves & Surplus (excluding revaluation r eserves)	8.81	8.81	8.81	15.23
Secured Loan	-	-	-	-
Unsecured Loan	6.16	6.16	2.96	-
TOTAL	**539.20**	**531.70**	**464.00**	**451.56**
Uses of Funds:-				
Net Fixed Assets	454.84	454.84	224.72	447.52
Deferred Tax Assets	-	-	8.46	5.80
Investments	1.27	1.27	0.90	4.01
Net Current Assets	53.34	44.41	212.95	(9.43)
Total Miscellaneous Expenditure Not Written Off	2.75	2.85	3.26	3.66
Profit & Loss (Dr balance)	27.00	28.33	13.71	-
TOTAL	**539.20**	**531.70**	**464.00**	**451.56**

*** Includes the amount of Rs.3,875/- paid up on 1,550 forfeited equity shares. Excluding this amount, actual paid up share capital is Rs.23.84 lacs.**

iii. Details of monies accepted by the Company from 2003 to 30th June, 2005 :-**

Sr. No.	Name	As on 31/3/2003	Accepted / refunded during the year	As on 31/3/2004	Accepted / refunded during the year	As on 31/12/2004	As on 31/3/2005	As on 30/6/2005
1	Concept Communication Ltd.	11000000	4070000	15070000	-15070000	0	0	0
2	Jusal Trading P Ltd	7200000	0	7200000	4390000	11590000	11590000	11590000
3	S,B & T Finance P Ltd	12250000	-5255000	6995000	-1000000	5995000	5995000	5995000
4	S, B & T Securities P Ltd.	9000000	-9000000	0	0	0	0	0
5	Systematik Finvest P Ltd	1795170	-1795170	0	0	0	0	0
6	Keynote Capitals Ltd.	0	7170000	7170000	-7170000	0	0	0
7	Tanvin Tradefin P Ltd.	0	5400000	5400000	2100000	7500000	7500000	7500000
8	Bela Desai	0	1000000	1000000	2500000	3500000	3500000	3500000
9	Ketan Chokshi	0	0	0	2400000	2400000	2400000	2400000
10	Falguni Chokshi	0	0	0	2400000	2400000	2400000	2400000
11	Vaibhav Zaveri	0	0	0	600000	600000	600000	600000
12	Purvi Zaveri	0	0	0	1000000	1000000	1000000	1000000
13	Ketan P Kamdar	0	0	0	1500000	1500000	1500000	1500000
14	Pravinchandra N Kamdar	0	0	0	1500000	1500000	1500000	1500000
15	Husmati P Kamdar	0	0	0	1500000	1500000	1500000	1500000
16	Tejal K Kamdar	0	0	0	1500000	1500000	1500000	1500000
17	Harshad N Shah	0	0	0	2000000	2000000	2000000	2000000
18	Pramoda H Shah	0	0	0	2000000	2000000	2000000	2000000
19	Vishal H Shah	0	0	0	2000000	2000000	2000000	2000000
20	Bhumish Shah HUF	0	0	0	750000	750000	750000	750000
21	Heena B Shah	0	0	0	750000	750000	750000	750000
22	Abbas Patel	0	0	0	800000	800000	800000	800000
23	Aparna Gandhi	0	0	0	0	0	0	450000
24	Jayesh Shah	0	0	0	0	0	0	300000
	TOTAL	**41245170**	**1589830**	**42835000**	**6450000**	**49285000**	**49285000**	**50035000**

** During the period January, 2003 to March 31, 2005 the erstwhile Management of the Company has accepted un-secured loan from time to time for the business of the Company from persons/entities stated at sr. nos. 1-8. The same has been erroneously reflected as “Share Application Money” in the Audited Balance Sheets of the Company. In view of the proposed issue of Equity Shares on preferential allotment basis sums were accepted from persons 9-24 towards share application money during December 2004 & January 2005. As statutorily required the Company initiated the process of seeking “in principle” approval from the Bombay Stock Exchange Limited (BSE) for issue of Equity Shares on Preferential allotment basis and allotted the Equity shares on 31st October, 2005 on receipt of the approval from BSE vide letter dated 18th October, 2005.

v. ***Other Financial Data :-***

PARTICULARS	AS ON 30.06.2005 (CERTIFIED)	YEAR ENDED 31/03/05 (AUDITED)	YEAR ENDED 31/03/04 (AUDITED)	YEAR ENDED 31/03/03 (AUDITED)
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share (Rs) {(Net Profit / No. of equity shares issued)}	0.56	(6.13)	(8.44)	1.50
Return on Net Worth (%) {(Net Profit / Networth) *100}	0.23	Nil	Nil	0.10
Book Value per Share (Rs) (Face Value:Rs. 10) {(Networth / No. of Shares)}	2.38	0.63	6.55	14.86

[Networth = Total Assets – Intangible Assets - Liabilities] in calculation of Networth, share application money has treated as liabilities and reduced from Total Assets as certified by Ford, Rhodes, Parks & Company , Chartered Accountants. (Mr.– S.B.Prabhu Partner Membership No. 35296)

N. Reasons for Fall/ Rise in total income and PAT for the 2003-2004 and 2004-2005

1. Financial year 2004 v/s 2003

During the financial year 2002-03, the Company changed its name and objects to venture into the businessofproductions and distribution of films and other related areas.

GEL's income for the financial year ended 31st March, 2004 was Rs.199.56 lakhs, compared to Rs.4.24 lakhs in the previous year. The rise in the Income is on account the two ventures of the Company being released during the financial year 2003-04. The total expenditure for the financial year ended 31st March, 2004 was Rs.222.36 lakhs. The Company's ventures were not successful and this has resulted into Net Loss of Rs.20.13 lakhs as compared to a profit after tax (NPAT) of Rs.3.57 lakhs in the previous year.

2. Financial Year 2005 v/s 2004

The Company's Income for the financial year ended 31st March, 2005 was Rs.11.40 lakhs, compared to Rs.199.56 lakhs in the previous year. The Company only generated revenue from a play and therefore leading to a fall in income for the financial year 2004-05. The Company learning from the failure of the two ventures refrained from executing further projects during the year. Therefore the Company incurred Net Loss of Rs.14.62 lakhs as compared to a Net loss of Rs.20.13 lakhs in the previous year. During the last quarter of 2005, the Company has subsequently realigned the business model to line production of Films.

O. Pre and Post offer shareholding pattern of the Target Company is as follows: -

Shareholders Category	Shareholding & Voting rights prior to the preferential allotment (A)		Shareholding & Voting Rights post preferential allotment (B)		Shares & Voting Rights to be acquired in open offer (assuming full acceptances) (C)		Shareholding & Voting Rights after the Preferential allotment and offer (D)	
	No	%	No.	%	No.	%	No.	%
1) Promoter Group								
(a) Promoter	88100*	36.95	*88100	2.85	—	—	—	—
(b) Acquirer	—	—	**650000	21.03	618300	20.00	1268300	41.03
(c) Other Persons Acting in concert	—	—	443700	14.35	—	—	443700	14.35
Total 1(a+b+c)	88100	36.95	1093700	38.23	618300	20.00	1712000	55.38
2) Public (other than parties to agreement, Acquirers)								
a. Fis/MFs/FIIs/Banks, SFIs	—	—	—	—	—	—	—	—
b. Others	150350	63.05	***1909700	61.77	(618300)	(20.00)	1379500	44.62
Total 2 (a+b)	150350	63.05	1909700	61.77	(618300)	(20.00)	1379500	44.62
Total (1+2)	**238450**	**100.00**	**3091500**	**100.00**			**3091500**	**100.00**

* Represent equity holding of Concept Communication Limited the erstwhile promoters.

** shares allotted on preferential basis which are under the lock-in for period of 3 years from 31.10.2005.

*** It includes share allotted on the Preferential Basis to the Persons other than the Acquirers which are under lock-in for period of 1 year from 31.10.2005

Note : Percentage shareholding in column B, C and D is based on the post preferential allotment equity capita of the company.

The Acquirers nor PAC have not acquired any shares of the target company after the Public Announcement till the date of Letter of offer. The Target Company is not a sick Industrial company within the meaning of clause (o) of Sub-Section (I) of Section 3 of the Sick Industries Companies (Special Provision) Act, 1985. The total number of shareholders of the company post preferential allotment are 104 out of which the total number of shareholders in the public category are 94.

P. Details of changes in the shareholding of the promoters

The total shareholding of present promoters i.e. Concept Communication Limited is 88100 equity shares out of which they have acquired 75,250 equity shares from the erstwhile promoters pursuant to the agreement dated 26.12.2002 at cash price of Rs. 20/- per share and the remaining 12850 equity shares have been acquired pursuant to the open offer made to the shareholders on 3.02.2003.

Post acquiring shares on preferential allotment basis, Mr. Uday Sinh Wala and Mrs. Simeron Ghei are the new promoters of the Company. M/s Concept Communication Limited will cease to be promoters of the Company.

Q. For the period from 20/02/1997 to 31/03/2002 , GEL has complied with applicable provisions of Chapter II of SEBI(SAST) Regulations under the SEBI Regularization Scheme, 2002. Since then GEL is in compliance with applicable provisions of Chapter II of SEBI(SAST) Regulations without any delay.

R. Status of Corporate Governance

GEL has complied with the provisions of Corporate Governance applicable to the Company as per clause 49 of the listing agreement with the stock exchange. There are no pending litigations of GEL.

S. Compliance Officer

Mr. Vincent Mascarenhas

Bunglow No. 2, Janki Kutir, Juhu, Mumbai. Tel : 022 26131465, E-mail : vincent@greycellsltd.com

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. JUSTIFICATION OF OFFER PRICE

1. The equity shares of the Target Company are listed on BSE.
2. The Shares of the Company are infrequently traded in terms of Explanation (i) to Regulation 20(5) of the Regulations. The number of shares traded during the preceding 6 calendar months prior to the month in which this Public announcement was made was 50 shares.
3. The details of shares traded during the 6 calendar months prior to the month in which the Public announcement was made (i.e. on 7.11.05) (i.e. from May 2005 to October 2005)

NAME OF THE STOCK EXCHANGE	TOTAL NO. OF SHARES TRADED DURING THE 6 CALENDAR MONTHS PRIOR TO THE MONTH IN WHICH PA WAS MADE	TOTAL NO. OF LISTED SHARES	ANNUALIZED TRADING TURNOVER (IN TERMS OF % TO TOTAL LISTED SHARES)
BSE	50	238450	0.02

4. The offer price of Rs. 20/- per share has been arrived at as per the Regulation 20 (5) of the SEBI Takeover Regulations taking into account the following:
   (i) The negotiated price under the agreement, which in this case is not applicable (Regulation 20 (5) (a)).
   (ii) The Acquirers have been allotted 6,50,000 equity shares of GEL representing 21.03 % of the post issue paid up capital on October 31, 2005 at a price of Rs. 20/- per share on preferential allotment basis. (Regulation 20(5) (b)).
   (iii) Other financial parameters based on the audited results of the Company as on 31.03.2005 such as Book value of **Rs.0.63** per share [Book value = (Share Capital + Reserves – Miscellaneous exp.)/Total no. of shares issued], EPS Rs. **Nil** per share [EPS = PAT/ total no. of shares issued] and Return on Networth **Nil** [Return on networth = PAT/ = (Share Capital + Reserves – Miscellaneous exp.)] (Regulation 20(5)(c))
5. There is no non-compete agreement as on date of Public Announcement.
6. In view of the above, the Offer Price payable under this Offer is in compliance with the SEBI (SAST) Regulations. All other parameters suggest that the price of Rs. 20/- per equity share is just and reasonable in terms of the regulation 20(11) of the SEBI (SAST) Regulations, 1997.
7. The offer price shall not be less than the highest price paid by the Acquirers for any acquisition of the shares of the Target Company from the date of PA up to 7 working days prior to the closure of the offer (May 15, 2006**)**

6.2 FINANCIAL ARRANGEMENTS

1. The Acquirers have adequate and firm financial resources to meet the financial requirements of the offer in terms of Regulation 16(xiv). The sources of funds shall be through internal resources of the Acquirers. No borrowing from Bank/ Financial Institution is being made for the purpose. All the funds will be domestic and no foreign funds will be utilized.
2. In view of the revised schedule of activities, interest payable to the shareholders whose shares are accepted under the open offer works out to Rs.0.60 per share for the delayed period.(i.e. from 03.02.2006 to 13.05.2006 aggregating 110 days) Accordingly the maximum purchase consideration payable by the Acquirers in case of full acceptance of the offer is Rs. 1,27,06,065/- (Rupees One Crore Twenty Seven Lacs Six Thousand Sixty Five Only), inclusive of interest payable. In accordance with the Regulation 28 of the SEBI (SAST) Regulations, 1997, the Acquirers have deposited an amount of Rs. 31.86 lacs (Rs.

Thirty One Lacs Eighty Six Thousand only) towards escrow amount with The Federal Bank Ltd., Fort Branch, Mumbai – 400 001 i.e. more than 25% of the total consideration payable. The same is adequate for payment of interest @ 10% per annum on delayed payments for validly accepted tendered shares beyond February 2, 2006 till the actual date of payment (if any) in terms of Regulations 22(12) of the SEBI (SAST) Regulations. The Manager to the offer has been duly authorized by the Acquirers to realize the value of escrow account in terms of the SEBI (SAST) Regulations.

3. M/s. Anil S Masand & Co, Chartered Accountants, (Membership no. 37245), having their office at 3 Shewa Apartments, 33 – B, 3rd Road, Khar (W), Mumbai – 400 052, Tel. No. 2648270, have confirmed vide their certificate dated 08.12.2005, that sufficient resources are available with the Acquirers to fulfill its obligations under the offer.

4. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the offer in accordance with the Regulations.

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

7. TERMS AND CONDITIONS OF THE OFFER

A. Eligibility for accepting the offer

1. This offer is made to all the equity shareholders [except the Acquirers] whose names appear in the register of shareholders on 23-11- 2005 (the Specified Date) and also to those persons who own the shares any time prior to the closure of the offer, but are not the registered shareholder(s).
2. The Acquirers will acquire for cash, Equity Shares of the Target Company to the extent of valid acceptances received under this offer.
3. The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement constitute part of the terms of the offer.
4. In case of non-receipt of the Letter of Offer or in case of owners of shares who have sent them for transfer, eligible persons may send their acceptance to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of shares held, Distinctive Nos., Folio No., No. of shares offered, along with the relevant documents, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e May 15, 2006. Accidental omission to dispatch this document to any person to whom this offer is made or non-receipt of this offer shall not invalidate the offer in any way.
5. Acquirers are confident of completing all the formalities pertaining to the Acquisition of the said shares, within 15 days from the date of closure of this offer including payment of consideration to the shareholders whose have accepted the offer and for the purpose shall open a special account as provided under Regulation 29 of the SEBI (SAST) Regulation. Provided that where the Acquirers are unable to make payment to the shareholders who have accepted the offer before the said period of 15 days due to non-receipt of requisite statutory approvals, the Board may, if satisfied that non-receipt of requisite statutory approvals was not due to any wilful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by the Board from time to time.
6. Each Shareholder of GEL to whom this offer is being made, is free to offer his / her shareholding in whole or in part while accepting this offer.
7. Subject to the conditions governing this offer as mentioned in this offer document, the acceptance of this offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.
8. The Acquirers would be responsible for ensuring compliance with the regulations.
9. The market lot of the shares of the company is 50 shares

B. Locked in Shares

Following equity shares issued by Greycells Entertainment Limited, by way of preferential allotment;

6,11,000 Mr. Uday Sinh Wala

39,000 Ms. Simeron Ghei

2,15,000 M/s.S.B & T Finance Private Limited

1,75,000 Ms. Bela Desai

are subject to lock in for the specified period of 3 years and remaining 18,13,050 equity shares are subject lock in period of 1 year from the date of allotment i.e.31.10.2005 as per SEBI guidelines on Preferential Issue of Shares.

C. Statutory approvals

1. To the knowledge of the Acquirers no statutory approvals are required to acquire the shares that may be tendered pursuant to the Offer**.** If any other statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals. In case the statutory approvals are not obtained, the Acquirer s will not proceed with the Offer.

2. Subject to the receipt of statutory approvals, the Acquirers shall complete all procedures relating to the Offer including payment of consideration within a period of 15 days from the Offer Closing Date to those shareholders whose share certificates and / or other documents are found valid and in order and are approved for acquisition by the Acquirers. In case of delay in receipt of any statutory approval, if any, SEBI has the power to grant extension of time to Acquirers for payment of consideration to the shareholders subject to Acquirers agreeing to pay interest as directed by SEBI under Regulation 22(12). If the delay occurs due to the willful default of the Acquirers in obtaining the requisite approvals, Regulation 22(13) will become applicable

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

1. The Marketable lot for the shares is 50 Shares.
2. Shareholders who wish to tender the shares will be required to send the Form of Acceptance cum Acknowledgement duly completed and signed by all the shareholders, Original Share Certificate (s) and Transfer Deed (s) duly signed in case of Joint Holdings in the same order as per the specimen signatures lodged with GEL and witnessed (if possible by a Notary Public or Bank Manager or Member of Stock Exchange with membership number) to the Registrar to the Offer, either by hand delivery during normal business hours or by Registered Post on or before the close of the offer i.e. in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement. In case the shares stand in the name of a sole shareholder who is deceased, notarized copy of the legal representative obtained from a competent court.
3. The address of the collection centre of the Registrar to the Offer, for the purpose of the offer is as follows: -

Name & Address	Mode of Delivery	Business Hours
REGISTRAR TO THE OFFER **Bigshare Services Private Limited** E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072 Tel : 28473747, 28473474 Fax : 28475207 Email : bigshare@sify.com	**Registered Post and / or Hand delivery**	Monday to Friday 9.30 a.m. to 5.30 p.m. (excluding Bank Holidays) Saturday 9.30 a.m. to 1.30 p.m.

4. All owners of shares, registered or unregistered (except the Acquirers), who own the shares at any time prior to the closure of the offer are eligible to participate in the offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares Offered, Distinctive Numbers, Folio No., together with the Original Share Certificate(s), valid transfer deed(s) and a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

5. The Registrar to the Offer will hold in trust the shares/ share certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of GEL who have accepted the offer, until the cheques / drafts for the consideration and/ or the unaccepted shares/ share certificates are dispatched/ returned.
6. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners sole risk to the sole/ first shareholder.
7. In case the shares tendered in the open offer are more than the shares agreed to be acquired by the Acquirers, the Acquirers shall accept all valid applications received from the shareholders of the company on a Proportionate basis ensuring that it does not result in odd lots.
8. The shareholders desirous of withdrawing their acceptances tendered in the offer can do so up to three working days prior to the date of the closure of the offer, i.e. on or before May 10, 2006, in terms of Regulation 22(5A).
9. The withdrawal option can be exercised by submitting the Form of withdrawal so as to reach the Registrar to the offer on or before May 10, 2006 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 the following details:

   Name, address, distinctive numbers, folio nos., number of shares tendered / withdrawn.
10. Withdrawal of shares will be available only for the share certificates/shares that have been received by the Registrar to the offer.
11. Intimation of withdrawal of returned shares to the shareholders will be at the address as per records of GEL
12. In case of partial withdrawal of tendered shares, if original share certificate are required to be split, the same will be returned on receipt of share certificates from GEL
13. Partial withdrawal of tendered shares can be done only by registered shareholders. In case of partial withdrawal, earlier form of acceptance will stand revised to that effect.
14. Payment of consideration will be made by crossed account payee cheque/demand draft and sent by registered post, to those shareholders/unregistered owners and at their own risk, whose shares/share certificates and other documents are found in order and accepted by the Acquirer. In case of joint registered holders, cheque/demand draft will be drawn in the name of the sole/first named holder/unregistered owner and will be sent to him/her. It is desirable that shareholders provide bank details in the form of acceptance, so that the same can be incorporated in the cheque/demand draft.
15. Unaccepted or withdrawn share certificate(s), transfer form (s) and other documents, if any, will be returned by registered post, to the sole/first named holder/unregistered owner at their own risk.
16. Shares, if any, that are the subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these shares are not received together with the shares tendered under the offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

    THE DOCUMENTS SHOULD BE SENT ONLY TO THE REGISTRAR TO THE OFFER.

    The shareholders also have an option to download the form of acceptance from SEBI's website (www.sebi.gov.in) and apply in the same.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at Bunglow No.2, Janki Kutir, Juhu, Mumbai 400 049 between 11.00 a.m. and 3.00 p.m. during the Offer Period.

1. Memorandum of Association & Articles of Association (including Certificate of Incorporation) of Greycells Entertainment Limited.
2. Published copy of the Public Announcement made on November 7, 2005.
3. Copies of Audited Annual Reports of GEL as at 31.03.2003, 31.03.2004 and 31.03.2005
4. Copy of certified financials of GEL as on 30.6.2005

5. Copies of certificate from Anil S Masand & Co, Chartered Accountants dated 08.12.2005, certifying the adequacy of financial resources of the Acquirers to fulfill the offer obligations and the net worth of the Acquirers.
6. Networth Certificate of the Acquirers certified by M/s Anil S Masand & Co, Chartered Accountants vide certificate dated 08.12.2005
7. Audited financials of SB&T Finance Pvt. Ltd. and Systematik Finvest Pvt. Ltd. for the years ended 31.3.2005, 31.3.2004 and 31.3.2003.
8. Certified financials of SB&T Finance Pvt. Ltd. and Systematik Finvest Pvt. Ltd. as on 30.9 2005
9. Net worth certificate from individual PACs certified by Chartered Accountants
10. Copy of Board resolution of SB&T Finance Pvt. Ltd. and Systematik Finvest Pvt. Ltd. authorizing Mr. Uday Sinh Wala to sign the Letter of Offer on their behalf.
11. Copy of letters from PACs authorizing Mr. Uday Sinh Wala to sign the Letter of Offer on their behalf.
12. Fixed Deposit Receipt from The Federal Bank Limited, Fort Branch towards money kept in the Escrow account and a lien in favor of the Merchant Banker i.e. Aryaman Financial Services Ltd.
13. SEBI Observation Letter.

10. DECLARATION

1. The Acquirers having made all reasonable inquiries, accept responsibility for, and confirm that this letter of offer contains all information with regard to the offer, which is material in the context of the issue, that the information contained in this letter of offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
2. Each of the Acquirers would be severally and jointly responsible for ensuring compliance with the Regulations.
3. We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 have been complied with and no statements in the offer document is contrary to the provisions of Companies Act, 1956 and SEBI Substantial Acquisition of Shares and Takeover) Regulations 1997.

Signed by : For & on behalf of all the PAC by Uday Sinh Wala

Mr. Uday Sinh Wala	S B & T Finance Pvt. Ltd.	Varij Sethi
	Systematik Finvest Pvt.	Ltd. Indra Sethi
	Surendra Kumar Sethi	Sanjiv Chainani
	Mohina Chainani	Bela Desai
Mrs. Simeron Ghei		

Date: April 10, 2006
Place: Mumbai

Enclosures: (1) Form of Acceptance cum Acknowledgement
(2) Form of Withdrawal
(3) Transfer Deed

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

FORM OF ACCEPTANCE- CUM –ACKNOWLEDGEMENT

OFFER OPENS ON April 26, 2006
OFFER CLOSES ON: May 15, 2006

From :-

Folio No.: Sr.No.: No of Shares Held

Tel No: Fax No: E-Mail:

To,

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka, Andheri (East),
Mumbai-400 093

Sub.: Open offer for purchase of 6,18,300 equity shares of GEL representing 20% of the equity voting capital at a price of Rs. 20 /- per share including Rs. 0.60 per share towards interest thereon for the delayed period, in cash by Mr. Uday Sinh Wala and Mrs. Simeron Ghei (hereinafter referred to as 'Acquirers')

Dear Sir,

I/We refer to the Letter of Offer dated April 10, 2006 for acquiring the equity shares held by me/us in GEL.

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

FOR SHARES HELD 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:

Sr. No.	**Certificate**	**Distinctive Nos**		**No of Shares**
		From	**To**	
Total number of equity shares.				

(In case of insufficient space, please use additional sheet and authenticate the same)

- TEAR HERE -

ACKNOWLEDGEMENT SLIP

Folio No..: Serial No.

Received from Mr./Ms. ____________________

Address____________________

Number of certificate(s) enclosed ______ Certificate Number(s) _________

Total number of share(s) enclosed ____________________

Note : All future correspondence, if any should be addressed to Registrar to the offer at the address mentioned behind in this form. The documents referred to above should be sent to any of the collection centers mentioned overleaf.

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer pays 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.

I/We note and understand that the Shares would lie in the Escrow Account until the time the Acquirers makes payment of purchase consideration as mentioned in the Letter of Offer.

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

I/We authorize the Acquirers to accept the shares so offered which it may decide to accept in consultation with the Registrar to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorize the Acquirers or the Registrar to the Offer to send by registered post (under UCP if less than Rs. 1,500/-) the draft/cheque in settlement of the amount to the sole/first holder at the address mentioned below:

Yours faithfully,

Signed and Delivered:

	FULL NAME(S)	**SIGNATURE(S)**
First / Sole Shareholder		
Second Shareholder		
Third Shareholder		

Note : In case of joint holdings, all holders must sign. A corporation must affix its common seal.

Address of
FirstSoleShareholder____

____

____

Place : Date:

So as to avoid fraudulent encashment in transit, shareholder(s) may provide details of bank account of the first / sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank ____ Branch ______________________
Account Number ____ Savings/Current/Others
(Please Specify)____

Business Hours : Mondays to Friday : 9.30 a.m. to 5.30 p.m.
Holidays : Sundays and Bank Holidays

- **TEAR HERE** -

All queries in this regard to be addressed to the Registrar to the Offer quoting your Folio No.

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to this offer any time upto three working days prior to the date of closure of offer. In case you wish to withdraw your acceptance please use this form.	

OFFER SCHEDULE		
OFFER OPENS ON	**:**	**April 26, 2006**
LAST DATE OF WITHDRAWAL	**:**	**May 10, 2006**
OFFER CLOSES ON	**:**	**May 15, 2006**

From:

Tel No. Fax No.: E-mail:

To,

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate,

Sakivihar Road, Saki Naka, Andheri (East),

Mumbai-400 093

Sub.: Open offer for purchase of 6,18,300 equity shares of GEL representing 20% of the equity voting capital at a price of Rs. 20 /- per share alongwith Rs. 0.60 per share towards interest thereon for the delayed period, in cash by Mr. Uday Sinh Wala and Mrs. Simeron Ghei (hereinafter referred to as 'Acquirers')

Dear Sir,

I/We refer to the Letter of Offer dated April 10,2006.for acquiring the equity shares held by me/us in GEL.

I/We, the undersigned, have read the Letter of Offer and accept unconditionally its contents including the terms and conditions as mentioned therein.

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions as mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our equity shares from the Offer and I/We further authorize the Acquirer to return to me/us the tendered equity share certificate(s)/share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our equity shares from the Offer, no claim or liability shall lie against the Acquirer/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 May 10, 2006.

I/We note that the Acquirers/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the equity shares and also for non receipt of equity shares due to inaccurate/incomplete particulars/ instructions.

- TEAR HERE -

ACKNOWLEDGEMENT SLIP

Received from Mr./Ms. ____

Address____

Number of certificate(s) enclosed _____ Certificate Number(s) ________

Form of withdrawal in respect of - No. of Share __________ Certificate

representin No. of Share __________

Note : All future correspondence, if any should be addressed to Registrar to the offer at the address mentioned behind in this form. The documents referred to above should be sent to any of the collection centers mentioned overleaf.

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer

I/We also note that and understand that the original share certificate(s), Share transfer deeds(s) and equity shares only on completion of verification of the documents, signatures carried out by the Registrar.

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

Folio No. :

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

Sr. No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
		From	To	
	Tendered			
1)				
2)				
3)				
	Withdrawn			
1)				
2)				
3)				
	Total number of equity shares			

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

I/We authorise the Acquirers to reject the shares so offered which it may decide in consultation with Registrar to the Offer and in terms of the Letter of Offer.

Yours faithfully,

Signed

	FULL NAME(S)	SIGNATURE(S)
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Address of First/Sole Shareholder

Place:

Date:

Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.

- TEAR HERE -

All queries in this regard to be addressed to the Registrar to the Offer quoting your Folio No.

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