LETTER OF OFFER

" **THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION"**

This Letter of Offer is sent to you as shareholder of **Hindusthan National Glass & Industries Limited.** If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager/Registrar to the Offer. In case you have recently sold your shares of Hindusthan National Glass & Industries Limited, 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 Stock Exchange through whom the said sale was effected.

CASH OFFER ("The Offer")

By

Ace Glass Containers Limited

Regd. Off: 'Guruvar', W-27, Greater Kailash- Part-II, New Delhi 110 048, Tel.: 011-26465806, Fax: 011-26462426

&

C.K. Somany

Residing at 2 Ironside Road, Kolkata 700 019

for purchase of 21,19,664 fully paid equity shares of Rs. 10/- each, representing 19.19 % of the equity capital being the public shareholding of

Hindusthan National Glass & Industries Limited

Regd. Off: 2, Red Cross Place, Kolkata 700 001;Tel: 033-22482341, Fax: 033-22482367

at Rs. 81.28 per Equity Share (Offer Price is Rs. 64.17 per share and balance Rs. 17.11 per share is the interest @ 10% p.a. for the period from 4^{th} February 2003 till actual date of payment i.e 4th October 2005).

1. This Offer is being made by Ace Glass Containers Limited and Mr. C. K. Somany hereinafter jointly referred to as, "Acquirer", in compliance with Regulation 11 (1) and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments as existing on the date of the Public Announcement (except for Regulations pertaining to schedule of activity) (the “SEBI [SAST] Regulations”) and SEBI order no. CO/474/TO/01/2003 dated 28th January 2003.

2. For the purpose of this Offer, the persons belonging to the promoter group are deemed to be Persons acting in Concert (hereinafter referred to as “PAC”) with the Acquirer and the collective shareholding of the Acquirer together with deemed PACs is 80,67,512 equity shares of Rs. 10/- each representing 73.05 % of the voting capital of the Hindusthan National Glass & Industries Limited.

3. The Offer is not subject to any minimum level of acceptance and is not a conditional offer.

4. To the best of the knowledge of the Acquirer, no other statutory approvals are required for the purpose of acquisition of shares under the Offer.

5. The Offer is made at Rs. 81.28 comprising of Offer Price of Rs. 64.17 per equity share of HNG and interest being Rs.17.11 per share (@10% p.a. on the Offer Price from 4th February 2003 until the date of actual payment i.e 4th October 2005, pursuant to the SEBI letter dated 2nd September 2003) to all the eligible persons (all owners of shares, registered or unregistered, of Hindusthan National Glass & Industries Limited other than parties to the MoU and deemed persons acting in concert) who own the shares of HNG anytime before the closure of the Offer and are eligible to participate in the Offer.

6. 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 14th September 2005 (i.e three working days prior to the date of closure of the Offer viz 19th September 2005).

7. The Acquirer is permitted to revise the Offer price upward any time upto 8th September 2005 (i.e seven working days prior to the date of the closure of the Offer viz. 19th September 2005. In the event of such revision, an announcement to this effect will be made in the same newspapers where the original Public Announcement had appeared and the same price would be payable by the Acquirer for all the shares tendered at any time during the Offer and accepted under the Offer. As the Offer price cannot be revised during 7 working days prior to the closing date of the offer/bid, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly.

8. **No competitive bids were made under clause 25(1) of SEBI Regulations, within the stipulated period from the date of Public Announcement.**

9. A copy of the Public Announcement, Corrigendum to Public Announcement and Letter of Offer (including Form of Acceptance cum Acknowledgement and Form of Withdrawal) is available on SEBI's website at www.sebi.gov.in.

MANAGER TO THE OFFER	**REGISTRAR TO THE OFFER**
UTI BANK Solutions for a lifetime	
UTI BANK LIMITED	**MAHESHWARI DATAMATICS PRIVATE LIMITED**
111, Maker Tower "F", Cuffe Parade, Colaba,	6, Mangoe Lane, 2nd Floor,
Mumbai 400 005	Kolkata-700 01
Tel: (022) 22161341 Fax No.(022) 22162467	Ph: (033) 22435029 / 22435809, Fax: (033) 22484787
Email: utibmbd@utibank.co.in	E-mail: mdpl@cal.vsnl.net.in
Contact Person: Mr. Vishal N. Joishar	Contact Person: Mr. S. Rajgopal

Offer Opening Date: 31st August 2005 **Offer Closing Date: 19th September 2005**

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A. SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

The following is the Activity Schedule:

Activity	Original Schedule	Revised Schedule
Public Announcement (PA) dated 13th November 2003	Published on 14th November 2003 (Friday)	Published on 14th November 2003 (Friday)
Corrigendum to Public Announcement	Not Applicable	Published on 25th August 2005 (Thursday)
Specified Date (for the purpose of determining the names of Shareholders to whom the Letter of Offer would be sent)	1st December 2003 (Monday)	26th August 2005 (Friday)
Date by which Letter of Offer to be posted to shareholders	27th December 2003 (Saturday)	27th August 2005 (Saturday)
Date of Opening of the Offer	8th January 2004 (Thursday)	31st August 2005 (Wednesday)
Date of Closure of the Offer	6th February 2004(Friday)	19th September 2005 (Monday)
Last date for a competitive bid	4th December 2003 (Thursday)	4th December 2003 (Thursday)
Last date for revising the Offer price.	28th January 2004(Wednesday)	8th September 2005 (Thursday)
Last date for withdrawal of shares by the shareholders who have submitted their shares in the Offer.	3rd February 2004 (Tuesday)	14th September 2005 (Wednesday)
Last Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired shares and/or the unaccepted shares/ share certificate will be despatched.	6th March 2004 (Saturday)	4th October 2005 (Tuesday)

B. RISK FACTORS

Given below are the risks related to the transaction, the proposed Offer and getting associated with the Acquirer:

(i) In the event of regulatory approvals not being received in a timely manner or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the Schedule of the Major Activities indicated in this Letter of Offer.

(ii) The Acquirer makes no assurance with respect to the market price of the shares during/ after the Offer.

(iii) There is no assurance with respect to the continuation of the past trend in the financial performance of HNG.

(iv) The tendered shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the shares of HNG.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of HNG or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of HNG are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

C. DEFINITIONS/ABBREVIATIONS

AGCL	Ace Glass Containers Limited
Acquirer	Ace Glass Containers Limited and Mr. C.K. Somany
The persons belonging to promoter group and deemed to be persons acting in concert (PACs) with Ace Glass Containers Limited and Mr. C.K. Somany	Mr. Sanjay Somany Mr. Mukul Somany Mr. Bharat Somany Mrs. Sudha Somany Mrs. Amita Somany Mrs. Rashmi Somany Mrs. Jaya Kanoria Noble Enclave & Towers Private Limited Rungamattee Trexim Private Limited. Spotlight Vanijya Limited. Spotme Tracon Private Limited. Topaz Commerce Limited Giri Commercial Co. Private Limited. (since merged with Noble Enclave & Towers Private Limited. w.e.f. 1st April 2003)
BSE	Bombay Stock Exchange Limited
Cash Offer	Rs. 81.28 per fully paid up Equity Share of HNG. (Offer Price is Rs.64.17 and Rs. 17.11 is the interest @ 10% p.a. for the period from 4th February 2003 till date of actual payment i.e.,4th October 2005)
CSE	The Calcutta Stock Exchange Association Limited, Kolkata
CPA	Corrigendum to Public Announcement dated 24th August 2005 published in newspapers on 25th August 2005
DP	Depository Participant
Eligible Persons	All owners of shares, registered or unregistered, of Hindusthan National Glass & Industries Limited other than parties to the MoU and deemed persons acting in concert
FCD	Fully Convertible Debentures
FI	Financial Institution
FOAA	Form of Acceptance cum Acknowledgement accompanying this Letter of Offer
FOW	Form of Withdrawal accompanying this Letter of Offer
HNG /Target Company	Company whose Equity Shares are proposed to be acquired viz. Hindusthan National Glass & Industries Limited
MoU	Memorandum of Understanding dated 7th October 2002 entered into between C.K.Somany group and S.K. Somany group to acquire 8,06,192 equity shares in HNG at a price of Rs.40/- per share, being the price paid by the C.K. Somany group for acquisition of 23,300 equity shares of HNG in August 2002
NRI	Non- Resident Indian
PAC	Person acting in concert
PCD	Partly Convertible Debentures
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
Manager/ Manager to the Offer	UTI Bank Limited
Registrar/Registrar to the Offer	Maheshwari Datamatics Private Limited
PA/ Public Announcement	Announcement of the Offer made by the Acquirer in the dailies, on 14th November 2003.
Offer	Cash Offer being made by the Acquirer to the Shareholders as on specified date of the Target Company.
Offer Price	Rs. 64.17 per Equity Share
Specified Date	26th August 2005
Shares	Equity Shares
EPS	Earnings per Equity Share
Book Value	Book Value of each Equity Share
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (SAST) Regulations,1997/ The Regulations / SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments as existing on the date of the Public Announcement (except for regulations pertaining to schedule of activity)
LOF	Letter of Offer
Reference Date	Date of MOU i.e. 7th October 2002

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE 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 HINDUSTHAN NATIONAL GLASS & INDUSTRIES LIMITED (HNG), THE TARGET COMPANY, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER M/S. UTI BANK LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 25th AUGUST 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER 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

2.1.1(i) In terms of SEBI order no. CO/474/TO/01/2003 dated 28th January 2003, mentioned below is the background of the case:-

a. Hindusthan National Glass & Industries Limited (hereinafter referred to as "HNG"/ "Target Company") was promoted by the Somany family. The Somany family, comprising the groups of Mr. H. L. Somany, Mr. S. K. Somany, Mr. C. K. Somany and Mr. R. K. Somany arrived at a family settlement in the year 1994. As a part of this settlement, around 40% of the then paid-up capital of the Target Company was retained / transferred by other groups to the C. K. Somany group and hence, the ownership rights and management control of the Target company was acquired by the C.K. Somany group, the present promoter group of the Target company from 29th December 1994.

b. In the year 1997, the groups of Mr. H.L. Somany, Mr. S. K. Somany and Mr. R.K. Somany filed a suit before the Hon'ble Calcutta High Court [suit no. 35 of 1997] for purchase of their shareholdings in the Target company by the C. K. Somany group as a result of which the Hon'ble Calcutta High Court vide an interim order dated 4th February, 1997 restrained the C.K. Somany group from dealing in, disposing of or creating any third party rights in respect of a part of their shareholding [14,10,273 equity shares] in the Target company until the disposal of the suit.

c. The C.K. Somany group also approached the Hon'ble Calcutta High Court and obtained a similar order of injunction dated 25th February 1997 against the groups of Mr. H. L. Somany, Mr. S. K. Somany and Mr. R. K. Somany restraining them from selling, transferring or pledging any of the 29,70,926 equity shares of the Target company held by them and their relatives and associates, being the subject matter of the aforesaid suit until disposal of the suit. The suit is pending before the Hon'ble Calcutta High Court.

d. In August 2002 some of the relatives of the three groups, but not parties to the suit, offered and sold their holding in HNG being 23300 equity shares to C.K. Somany group at a price of Rs. 40/- per share.

e. The S. K. Somany group, one of the petitioners in the aforesaid Civil Suit No. 35 of 1997 holding 8,56,192 equity shares in the Target company offered to sell 8,06,192 equity shares in the Target company to the C. K. Somany group vide their letter dated 22nd August 2002 at a price to be mutually agreed upon and subject to the C.K. Somany group getting the said order dated 25th February 1997 vacated to the extent of 8,06,192 equity shares held by the S. K. Somany group.

f. The Hon'ble Calcutta High Court vide its order dated 13th September 2002 modified its earlier order dated 25th February, 1997, thus permitting the C. K. Somany group to acquire 8,06,912 equity shares of the Target company held by the S. K. Somany group.

Subsequent to the receipt of the copy of the aforesaid order of the Hon'ble Calcutta High Court, the C.K. Somany group entered into a Memorandum of Understanding [MOU] dated 7th October 2002 with the S.K. Somany group to acquire 8,06,192 equity shares in HNG at a price of Rs.40/- per share, being the price paid by the C.K. Somany group for acquisition of 23,300 equity shares of HNG in August 2002.

2.1.1(ii) The shareholders are required to take the note of the following:

a. The groups of Mr. H. L. Somany, Mr. S. K. Somany & Mr. R. K. Somany [being the plaintiffs] filed a suit with the Hon'ble Calcutta High Court for specific performance of an unsigned agreement dated 5th August 1994 allegedly entered into by the four Somany brothers for purchase of about 40% shares in HNG by the C.K. Somany group from the plaintiffs at a price of Rs.267/- per share. It was alleged by the plaintiffs that while the plaintiffs have complied with all their obligations under the agreement and had permitted the C.K. Somany group to acquire the majority shareholding in HNG and establish control over the company, the C.K. Somany group had failed to purchase the balance 29,70,926 shares in HNG at a rate of Rs. 267/- within 30th September 1996.

b. A counter claim was filed by C.K. Somany group in the said suit seeking specific performance under the said family settlement in respect of sale and transfer of 3,40,000 equity shares in HNG held by R.K. Somany group in favour of C.K. Somany group at Rs. 15/- per share, being the market price prevailing on 28th February 1995 on the grounds that the similar number of shares i.e. 3,40,000 equity shares each were transferred by the groups of H.L. Somany and S. K. Somany in favour of C.K. Somany group on 28th February 1995 at a price of Rs.15/- per share as part of the aforesaid family settlement.

c. In the counter claim C.K. Somany group also claimed that under the family settlement C.K. Somany group had a right of pre-emption over the entire balance shares held by the other three groups and by filing the suit the three groups have evinced an intention to sell their shares in HNG and accordingly C.K. Somany group also claimed that the said three groups be directed to sell and transfer the balance 26,30,926 equity shares of HNG to C.K. Somany group at the rate of Rs.40/- per share being the market price thereof on the date of filing of the suit i.e. 4th February 1997. The suit is pending before the Hon'ble Calcutta High Court.

d. In August 2002, some of the relatives of the three groups, but not parties to the suit, offered and sold their holding in HNG being 23,300 equity shares to C.K. Somany group at a price of Rs. 40/- per share. Thereafter, S.K. Somany group (who held 8,56,192 shares in HNG) also offered to sell 8,06,192 equity shares to C.K. Somany group and upon applications filed by C.K. Somany group, the Hon'ble Calcutta High Court modified the earlier restraint orders and granted leave to C.K. Somany group to purchase and acquire such shares at a price of Rs. 40/- per share.

2.1.2 Prior to entering into the aforesaid MoU with the S. K. Somany group, the Acquirer made an application to SEBI under Regulation 4(2) of SEBI(SAST) Regulations on 14th September 2002, seeking exemption from the compliance of Regulations 12, 14, 15, 16, 18, 21, 22(3), 22(4), 22(5) and 22(8) for making a public announcement to the shareholders of HNG for the (then) proposed acquisition. The said application sought exemption from the procedural formalities of making an open offer under SEBI (SAST) Regulations, contending that due to the operation of the aforesaid restraint order of Hon'ble Calcutta High Court, the groups of R.K. Somany and H.L. Somany, being majority public shareholders, will not be eligible to participate in the open offer and as such, the offer can be made only to remaining 136 public shareholders holding 0.65% of the equity share capital of HNG and such offer would impose unjustifiable costs and efforts on the Acquirer especially in view of small number [136] of shareholders without yielding any corresponding benefits to the shareholders, whose rights and interests are sought to be protected by making individual offers. In order to protect the interest of public shareholders, the Acquirer proposed to make individual offers to the 136 public shareholders, by sending individual letters of offer by registered post and at a price which shall not be less than the negotiated price paid by the Acquirer for aforesaid acquisition of shares from S. K. Somany group and the pricing shall be in accordance with the provisions of the erstwhile Regulation 20(3) of SEBI (SAST) Regulations.

The aforesaid exemption application was forwarded to the Takeover Panel and vide its report dated 17th October 2002 the Takeover Panel recommended grant of exemption from the requirements of making an open offer, subject to the Acquirer making individual offers to each of remaining shareholders at a price determined in accordance with SEBI (SAST) Regulations.

The SEBI Chairman ordered a personal hearing in terms of Regulation 4(6) of SEBI (SAST) Regulations. The SEBI Chairman vide his order dated 28th January 2003 rejected the exemption application and directed the Acquirer to make an open offer in compliance with Regulation 11(1) of SEBI (SAST) Regulation alongwith the provisions of Chapter III of the SEBI (SAST) Regulation.

The Acquirer, vide letter dated 17th May 2003 and 21st July 2003 submitted to SEBI that no open offer can be made to the H.L. Somany group and R.K. Somany group in view of the Civil Suit No. 35 of 1997 pending before the Hon'ble Calcutta High Court regarding their shareholding in HNG.

SEBI, vide their letter dated 2nd September 2003, advised the Acquirer to make an open offer in compliance with Regulation 11(1) of SEBI (SAST) Regulation, to all public shareholders including the groups of H.L. Somany and R.K. Somany, whose shareholdings in HNG is under a restraint Order of Hon'ble Calcutta High Court. The Acquirer was further directed to pay interest @ 10% p. a. on the offer price from 4th February 2003 till the actual date of payment of consideration to the shareholders.

2.1.3 Ace Glass Containers Limited (AGCL) and Mr. C. K. Somany (hereinafter jointly referred to as "Acquirer") are part of the promoter group of HNG. Mr. C.K. Somany holds 7,28,610 equity shares of Rs. 10/- each representing 6.60% of the paid-up capital of the Target Company whereas AGCL does not hold any shares of the Target Company as on the date of CPA. Pursuant to the MoU dated 7th October 2002 entered into between the C.K. Somany group and the S.K. Somany group the shares alongwith duly executed transfer deeds have been delivered to AGCL. The Acquirer alongwith the other persons in the promoter group are holding 80,67,512 fully paid equity shares of Rs.10/- each, representing 73.05% of the paid-up equity capital of HNG. The details of the persons belonging to the promoter group and who are persons deemed to be Acting in Concert with the Acquirer are as follows:

No	Name	No. of shares	Percentage of shares
1	Spotlight Vanijya Limited	11,23,035	10.17%
2	Noble Enclave & Towers Private Limited*	11,14,441	10.08%
3	Topaz Commerce Limited	9,19,648	8.33%
4	Mr. Sanjay Somany[$]	8,67,556	7.86%
5	Rungamattee Trexim Private Limited	8,53,352	7.73%
6	Spotme Tracon Private Limited	8,53,351	7.73%
7	Mr. Mukul Somany	7,88,555	7.14%
8	Mrs. Sudha Somany[#]	3,09,964	2.81%
9	Mrs. Rashmi Somany	2,59,000	2.35%
10	Mrs. Amita Somany	1,80,000	1.63%
11	Mrs. Jaya Kanoria	70,000	0.63%
12	Mr. Bharat Somany	-	-
	Total	**73,38,902**	**66.46%**

*post merger of Giri Commercial Co. Private Limited w.e.f. 1st April 2003.
[#] includes 6,000 shares held as Trustee of Bharat Somany Trust
[$] includes 1,44,960 shares held Mr. Sanjay Somany as guardian of Mr. Bharat Somany, pending transfer.

2.1.4 The Acquirer is making this Open Offer in compliance with SEBI Letter no. CFD/DCR/RC/TO/47418/05 dated 19th August 2005 and Regulation 11 (1) of SEBI (SAST) Regulations, and SEBI order no. CO/474/TO/01/2003 dated 28th January 2003.

However, this Offer is being made without prejudice to the rights of the Acquirer in the aforesaid civil suit no. 35 of 1997 to purchase 3,40,000 equity shares of R.K. Somany group in HNG at a price of Rs.15/- per share and 17,98,734 equity shares held by plaintiffs in the said suit in HNG at a price of Rs.40/- per share and accordingly, participation of the two of the plaintiffs viz. H L Somany group and R K Somany group, in the present Offer will be subject to the decision of Hon'ble Calcutta High Court in the said civil suit. It is pertinent to note that by reason of the interim order dated 25th February 1997, the plaintiffs in the said suit, holding 21,38,734 equity shares in HNG continue to be restrained from selling, transferring or pledging such shares in HNG.

2.1.5 On 7th October 2002, Mr. C.K. Somany on behalf of the C.K. Somany group entered into a Memorandum of Understanding (MoU) with S.K. Somany group, the shareholders of HNG, to acquire 8,06,192 (out of 8,56,192 equity shares held by them) fully paid-up Equity Shares of Rs 10/- each representing 7.30% of the issued, subscribed & paid-up equity capital ("the acquisition") for cash at a price of Rs. 40/- (Rupees Forty only) per share ('the negotiated price'). The salient features of the MoU are as given below:

i) The S.K.Somany group to complete the sale transactions of their shares within seven days from the date of signing of the MoU on delivery versus payment basis.
ii) The C.K. Somany group has obtained the permission from the Hon'ble Calcutta High Court to purchase the shares held by the S. K. Somany group which were subject to the Restraint Order.
iii) The purchase of the shares of the S. K. Somany group by C.K. Somany group shall be subject to the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and the C.K. Somany group shall comply with such provisions of the Takeover Code as may be applicable.

The details of the sellers, name and complete address (including phone nos./fax nos.) the number of shares to be sold and shares as percentage to the paid-up capital of HNG are given below:

Sr. No.	Name and Address of Sellers Phone/Fax No.	No. of shares to be sold	% to the paid -up capital of HNG
1	Mr. Arvind Kumar Somany 24, Vaswani Mansion, 5th Floor, Dinshaw Vachha Road, Backbay Reclamation, Mumbai 400 027 Ph: (022) 22826076; Fax (022) 22851173	1,93,000*	1.75%
2	Mrs. Anupama Agarwal Jt: Mr. Surendra Kumar Somany 6 Vaswani Mansion, 1st flr, Dinshaw Vachha Road, Opp. K. C. College, Mumbai 400020 Ph: (022) 22826076; Fax (022) 22851173	1,03,000	0.93%
3	Vicky Investments Limited 58D, Netaji Subhas Road, Room No. 403 Kolkata 700001 Ph: (022) 22826076; Fax (022) 22851173	800	0.01%
4	Mrs. Nandita Patodia Jt: Mr. Surendra Kumar Somany ATL Textiles Limited,4 Shah & Nahar Industrial Estate, Gr. Floor, Dr. E. Moses Road, Nr. Geeta Talkies, Worli Naka, Mumbai Ph: (022) 22826076; Fax (022) 22851173	1,00,000	0.91%
5	Mrs. Nalini Somany Jt: Mr. Surendra Kumar Somany 81, Las Palmas, 20, Little Gibbs Road, Mumbai 400 006 Ph: (022) 22826076; Fax (022) 22851173	1,00,000	0.91%
6	Mrs. Prasann Somany Jt: Mr. Surendra Kumar Somany 81, Las Palmas, 20, Little Gibbs Road, Mumbai 400 006 Ph: (022) 22826076; Fax (022) 22851173	40,000#	0.36%
7	Mr. Surendra Kumar Somany 24, Vaswani Mansion, 5th flr, Opp. K.C. College, Dinshaw Vachha Road, Backbay Reclamation, Mumbai 400 020 Ph: (022) 22826076; Fax (022) 22851173	880	0.01%
8	Simplex Trading & Agencies Limited 81, Las Palmas, 20, Little Gibbs Road, Mumbai 400 006 Ph: (022) 22826076; Fax (022) 22851173	1,48,744	1.35%
9	Mr. Surendra Kumar Somany Jt: Mrs. Nalini Somany 81, Las Palmas, 20, Little Gibbs Road, Mumbai 400 006 Ph: (022) 22826076; Fax (022) 22851173	20,000	0.18%
10	Mr. Surendra Kumar Somany Jt: Mrs. Nalini Somany C/o S.K. Somany HUF 81, Las Palmas, 20, Little Gibbs Road, Mumbai 400 006 Ph: (022) 22826076; Fax (022) 22851173	15,768	0.14%
11	Mrs. Vineeta Kanoria Jt: Mr. Surendra Kumar Somany 3A, Garden Apts., A.K. Khan Road, Worli (Sea Face) North, Mumbai 400025 Ph: (022) 22826076; Fax (022) 22851173	84,000	0.76%
TOTAL		**8,06,192**	**7.30%**

*i) Mr. Arvind Somany was holding 88,000 shares of HNG as father and natural guardian of Ms. Nitya Somany. Hence, in the MoU between C. K. Somany group and S.K. Somany group the holding of Mr. Arvind Somany has been shown as 1,93,000 shares which includes 88,000 shares as aforesaid.

However, as per the details available from the Registrars and the Transfer Agents of the Company these shares were subsequently transmitted in the name of Ms. Nitya Somany on her attaining majority.

ii) As per the MoU the holding of Mr. Arvind Somany has been shown in single name whereas the shares are actually held jointly with Mrs. Prasann Somany.

As per the MoU the holding of Mrs. Prasann Somany of 40,000 Shares has been shown as joint holding with Mr. Surendra Kumar Somany, whereas as per records it is held jointly with Mr. Arvind Kumar Somany.

2.1.6 Based on the information available, neither the Acquirer nor the Sellers nor the Target Company has been prohibited by SEBI from dealing in securities, in terms of directions issued u/s 11 B of SEBI Act or under any of the Regulations made under the SEBI Act.

2.1.7 Mr. C. K. Somany, Mr. Sanjay Somany and Mr. Mukul Somany are on the Board of Directors of HNG. The Acquirer has confirmed that there would be no change in the composition of the Board of Directors of HNG after this Offer, as a result of this Offer.

2.2 **Details of the proposed Offer**

2.2.1 The Public Announcement as per Regulation 15 (1) of the Regulations was made in the following newspapers on 14th November 2003 (Friday):

Newspaper	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Aajkaal	Bengali	Kolkata

The Public Announcement is available on the SEBI's website at www.sebi.gov.in. The Corrigendum to Public Announcement (CPA) dated 24th August 2005 was published in aforesaid newspapers on 25th August 2005 and the same is also available on the SEBI's website at www.sebi.gov.in.

2.2.2 The Public Announcement as required under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 was made on 13th November 2003. A draft Letter of Offer was submitted to SEBI on 27th November 2003. However, SEBI received certain objections regarding the Offer Price set out in the Public Announcement i.e. a price of Rs. 43/- per share (excluding interest), which was arrived at on the basis of valuation report dated 11th November 2003 of M/s. Deloitte Haskins and Sells, Chartered Accountants, who had carried out a valuation of the equity shares of HNG to arrive at a fair value of the said equity shares, after which SEBI directed the Acquirer not to proceed with the Open Offer. Due to this, the Acquirer was unable to proceed with the Open Offer as specified in the Public Announcement dated 13th November 2003. Since the shares were infrequently traded, SEBI appointed M/s Patni & Co., Chartered Accountant firm to conduct a fair valuation of the share of HNG as per SEBI (SAST) Regulations, to determine the fair value. The said valuer arrived at a fair price of Rs.63.50 per share, which was Rs.20.50 higher than the open offer price set out in the Public Announcement. In the same valuation report, the said valuer also considered a price of Rs.64.17 arrived as per the valuation method applied and upheld by the Hon'ble Supreme Court in the case of Hindustan Lever Limited. Subsequently, in April 2005, since further time had passed, the Manager to the Offer appointed M/s T.R. Chadha & Co., Chartered Accountants, as an independent valuer to carry out valuation of shares of HNG. M/s T.R. Chadha & Co., arrived at a price of Rs. 60.04 per share, which was lower than the price arrived at by M/s. Patni & Co., but was higher than the price set out in the Public Announcement.

Since considerable time has passed and with a view to expedite and complete all formalities involved in the matter and bearing the interests of the public shareholders in mind, the Acquirer without prejudice to their rights, has agreed to revise the Offer Price to Rs.64.17 per share, arrived as per the method upheld by the Hon'ble Supreme Court in the case of Hindustan Lever Limited and also being the price higher than the fair price considered by the three valuers. The Acquirer has agreed to adopt the highest possible price and are therefore, offering this price vide Corrigendum to the Public Announcement dated 25th August 2005. The Acquirer has also agreed to pay interest @10% p.a. on the Offer price from 4th February 2003 as contemplated in the Public Announcement until the date of actual payment to all the eligible persons (all owners of shares, registered or unregistered, of HNG other than parties to the MoU and deemed persons acting in concert) who own the shares of HNG anytime before the closure of the Offer and are eligible to participate in the Offer.

2.2.3 The Acquirer is now making this Offer, consequent to the order of SEBI dated 28th January 2003, letter dated 2nd September 2003 and letter no. CFD/DCR/RC/TO/47418/05 dated 19th August 2005 received from SEBI to acquire 21,19,664 fully paid equity shares of Rs. 10/- each, representing 19.19% of the voting equity capital, of the Target Company at a Price of Rs. 81.28 (Rupees Eighty One and Twenty Eight Paise Only) per fully paid up equity share payable in cash, ("Cash Offer"). This includes interest @

10% per annum from 4th February 2003 till 4th October 2005, i.e., the date of actual payment of consideration to the shareholders.

2.2.4 There are no partly paid up shares of HNG.

2.2.5 The Offer is not subject to any minimum level of acceptance and is not a conditional offer.

2.2.6 The Acquirer has not acquired any Equity Shares of HNG after the date of PA and up to the date of LOF.

2.3 Objects of the acquisition/ Offer

The Acquistion is in compliance with Regulation 11 of the SEBI (SAST) Regulations as set out in the Section titled 'Background of the Offer' above. The Target Company is a leading manufacturer of glass bottles in the country. Ace Glass Containers Limited, being in the similar line of business, the acquisition of shares of the Target Company will enable it in consolidating its position in the market. This Offer will also result in consolidation of holding by the promoters of the Target Company.

The Acquirer has no plans in respect of disposing off or otherwise encumbering any assets of the Target Company from the position set out in the Public Announcement. Further, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of HNG except in the ordinary course of business, without the prior approval of shareholders of HNG.

3. BACKGROUND OF THE ACQUIRER.

3.1 **Information about Mr. C.K. Somany**

Mr. C. K. Somany residing at 2, Ironside Road, Kolkata 700 019 belongs to the promoter group of HNG and is also the Chairman (Non- Executive) of the Target Company. He holds a FBIM (London) Degree and a Degree in Glass Plant Instrumentation from Honeywell Brown, Minneapolis, U.S.A. He is an industrialist having an experience of more than 50 years.

Mr. C.K. Somany is currently holding 7,28,610 equity shares of Rs. 10/- each of HNG representing 6.60% of the paid up capital of the Target Company.

The personal Networth, as on 30th June 2003, of Mr. C.K. Somany was Rs.169.02 lacs (Rupees One hundred sixty nine lacs two thousand) and as on 31st March 2005 was Rs.226.20 lacs (Rupees Two hundred twenty six lacs twenty thousand) as certified by Mr. Hemant Kumar Agarwal of M/s Hemant K. Agarwal & Co., Chartered Accountants, 32, Ezra Street (North Block), 9th Floor, Room No. 952, Kolkata 700001, (Ph. No. 033-22218404) Membership No.: 61250 vide certificate dated 16th October 2003 and 28th June 2005, respectively.

The applicable provisions of Chapter II of the Regulations have been complied with by Mr. C. K. Somany.

Mr. C.K. Somany is on the Board of Directors of the following listed companies:

Name of the Company	Position held
Hindusthan National Glass & Industries Limited	Chairman
The West Coast Paper Mills Limited	Director
Topaz Commerce Limited	Director
Spotlight Vanijya Limited	Director

Mr. C. K. Somany is the Executive Chairman of Glass Equipment (India) Limited.

3.2 **Information about Ace Glass Containers Limited (AGCL**)

Ace Glass Containers Limited, is a company incorporated on 22nd April 1994 under the Companies Act, 1956 as a public limited joint venture company between Owens-Illionis Inc., U.S.A [OWI] and Ballarpur Industries Limited in 1994 as Owens – Bilt Limited. In 1998, OWI purchased the entire shareholding of the Company. The name of the Company was subsequently changed to Owens Brockway (India) Limited. In January 2002, the entire shareholding of the Company was acquired equally by HNG and M/s Ceramic Decorators Limited, a C.K. Somany group company and the name of the Company was changed to Ace Glass Containers Limited. The registered office of the Company is at 'Guruvar', W-27, Greater Kailash, Part-II, New Delhi 110 048.

There is no agreement between Acquirer and the persons deemed to be acting in concert.

AGCL is engaged in the business of manufacture of glass containers. The present production facilities of AGCL are located at Pondicherry and Rishikesh [Uttaranchal].

AGCL is a group company of the C.K. Somany group and also forms the part of promoter group of the Target Company.

AGCL is a closely held unlisted company and presently does not hold any shares in the Target Company. Thus, the provisions of Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 are not applicable to AGCL.

AGCL has become a potentially sick company as defined under Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 and hence, AGCL has on 20th November 2002, filed Form C under Regulation 36 of the BIFR Regulations, 1987 with the Board for Industrial & Financial Reconstruction at New Delhi.

Details of Board of Directors of AGCL is as below:

Name & (Address)	Qualification & Experience	Date of Appointment
Mr.J. P. Kasera (Manager) (HNG Colony, Bahadurgarh 124 507, Haryana.)	B.Com (Hons.), F.C.A., F.C.S., 36 years	8th January 2002
Mr. R.L. Khandelia (Panchu Gopal Bhanduri Sarani, P.O. Prabhasnagar, Rishra 712 249, Dist. Hooghly, West Bengal.)	B.Com, A.C.A., 30 Years	8th January 2002
Mr. H.R. Bhandari (116 Kewal Indl. Estate, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.)	B.Com., M.A.(Economics), 42 years	8th January 2002
Mr. R.L. Kapur (Flat No. 1, 8/10, Alipore Park Road, Kolkata 700 027.)	M.A.,LLB, Diploma in Personnel Management, 40 years	8th January 2002
Mr. Arun Kataruka (C-193, Madhuban, New Delhi 110 092.)	B.Sc., 22 years	8th January 2002
Mr. Shreekant Malpani (25A, Citizen Enclave Extn. 14, Rohini, New Delhi 110 085.)	B Com, 26 years	8th January 2002

None of the above Directors are on the Board of HNG.

Brief Audited Financials of AGCL the Acquirer Company for the last four Financial years and certified results for FY 31st March 2005 are given below.

Profit & Loss Statement

(Rs. in lacs.)

Particulars	31.3.2005#	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
	12 months	**12 months**	**12 months**	**12 months**	**12 months**
Income from Operations	18300.87	15913.44	16084.60	14380.90	16461.74
Total Income	19539.09	16965.96	16449.72	14768.20	16954.09
Total Expenditure	15626.21	14492.47	14351.66	17642.03	22153.92
Profit / (Loss) before Depreciation, Interest and Tax	3912.88	2473.49	2098.08	(2873.83)	(5199.83)
Depreciation	1500.88	1087.91	1212.47	1724.16	1618.10
Interest	98.91	54.43	25.46	237.93	171.90
Profit / (Loss) before Tax	2313.09	1331.15	860.15	(4835.92)	(6989.83)
Extraordinary Items	(30.57)	198.06	216.48	1245.24	-
Prior Period Expense / (Income)	1.48	(8.24)	5.09	17.17	(67.44)
Provision for Tax	-	-	-	-	-
Profit/ (Loss) After Tax	2342.18	1141.33	638.58	(6098.33)	(6922.39)

Balance Sheet

(Rs. in lacs)

Particulars as at	31.3.2005#	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Sources of Funds:					
Share Capital	29980.28	29980.28	29980.28	29980.28	29980.28
Reserves & Surplus	17495.84	17495.84	17495.84	17495.84	12449.54
Profit & Loss Account	(23145.50)	(25487.69)	(26629.02)	(27267.59)	(21169.25)
Networth	24330.61	21988.43	20844.84	20204.01	21253.79
Secured Loans	1182.51	621.6	-	-	238.04
Unsecured Loans	496.69	95.53	90.49	67.71	2421.47
TOTAL	**26009.81**	**22705.56**	**20935.33**	**20271.72**	**23913.30**
Uses of Funds:					
Net Fixed Assets	15312.70	15793.59	11576.66	12914.25	14991.79
Investments	2535.76	2414.8	3838.09	425.65	0.65
Net Current Assets	8161.35	4497.17	5520.58	6931.82	8920.86
TOTAL	**26009.81**	**22705.56**	**20935.33**	**20271.72**	**23913.30**

Other Financial Data

Particulars	31.3.2005#	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Dividend (%)	-	-	-	-	-
Earning Per Share (Rs.)	0.78	0.38	0.21	(2.03)	(2.31)
Return on Networth (%)	9.62%	5.19%	3.06%	(30.18)%	(32.57)%
Book Value Per Share (Rs.)	8.12	7.33	6.95	6.74	7.09

* Source: Audited Annual Report
# Source: Unaudited financials results certified by Mr. O.P. Banka of M/s O. P. Banka & Associates, Chartered Accountants, 125, Netaji Subhas Road, 6th Floor, Room No. 69, Kolkata 700001, (Ph. No. 033-22719846) Membership No.: 54980.

Reasons for fall/ rise in Total Income and Profit after Tax for relevant years

The reasons for fall/rise in Total income and PAT for the period 1st April 2001 to 31st March 2005 are as follows:

During the FY 2001-2002, the management and control of the Company was transferred to C.K.Somany group and due to better administration and management, cost reduction, optimum capacity utilisation, and better product mix, losses were reduced from Rs.6922.39 lacs in FY 2000-2001 to Rs. 6098.33 lacs in FY 2001-2002 and in the subsequent years i.e FY 2002-2003, FY 2003-2004 and FY 2004-2005 the Company earned profit of Rs. 638.58 lacs, Rs.1141.33 lacs and Rs.2342.18 lacs, respectively.

The total income was Rs. 14768.20 lLacs and Rs. 16449.72 lacs during the FY 2001-2002 and FY 2002-2003 respectively compared to Rs. 16954.09 lacs during the FY 2000-2001. During the FY 2003-2004, the total income from operations was marginally higher at Rs. 16965.96 lacs as compared to Rs. 16449.72 lacs in the previous year due to modernization cum expansion project involving rebuilding of furnace at Pondicherry Unit undertaken by the Company. Consequent to this modernization program the installed capacity at Ponidicherry Unit increased by 30850 MT per annum basis. This increased capacity has resulted into additional production and higher income at Rs. 19539.09 lacs during the subsequent year i.e. for the FY 2004-2005.

Statement of Significant Accounting Policies of 2003-04 (Source: Annual Report FY 2003-04)

Basis of Accounting
The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statement have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

Fixed Assets
Fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

Expenditure incurred on improvements/modifications of fixed assets that increase the future benefits from the existing assets beyond their previously assessed standard of performance, e.g., increase in capacity/efficiency, are capitalized. All such capitalization, wherever relevant, is followed by de-capitalization of the items replaced.

Insurance spares/ stand by equipments are capitalized as part of mother assets.

Depreciation

Depreciation on fixed assets is provided on the straight-line method at the rates prescribed in Schedule XIV of the Companies Act, 1956, except for the following:

a) Additions to assets on account of foreign exchange fluctuation are amortized over the residual lives of the respective assets.
b) Building on leasehold land is depreciated over the term of the lease.
c) Addition on account of improvements/modifications (refer para 2 above), which become an integral part of the existing asset and either do not have separate identity and/or are not capable of being used after the existing asset is disposed of, are depreciated over the remaining useful lives of the assets (improved/modified) they are attached with.
d) Second hand machines are depreciated over the life based on the life estimated by an outside technical expert.
e) Insurance spares / stand by equipment are depreciated over the remaining useful life of the mother assets.

Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of such investments.

Inventories

Raw materials and stores & spare parts are valued at cost determined on weighted average basis or net realizable value, whichever is lower. Own manufactured moulds used for the manufacture of glass items are recorded at weighted average cost, which includes prime cost, factory and general overheads, and the same are classified as Stores and Spares under inventories. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Work in Process and Finished Goods are valued at the lower of cost and net realizable value. Cost includes direct material cost and appropriate portion of overheads. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs to make the sale.

Provision for obsolescence in inventories is made, wherever required.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- Sale of Goods

  Sale exclude sales tax but includes excise duty. Revenue is recognised when the significant risks and rewards of ownership of goods have passed to the buyer.

- Dividend

  Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet date

Preliminary Expenses

Preliminary expenses are amortized over a period of ten years.

Foreign Currency Transactions

Foreign currency transactions arising during the year are recorded at the exchange rates that are closely approximating the rates prevailing at the dates of the transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the applicable year-end rates.

Exchange differences arising on the settlement of monetary items or on reinstatement of reporting Company's monetary items, other than those relating to fixed assets, at rates different from those at which they were initially recorded during the year, or reported in previous financial statement, are recognised as income or as expenses in the year in which they arise. Exchange differences in respect of liabilities incurred to acquire fixed assets are adjusted to the carrying amount of such assets.

Retirement Benefits
Provident and superannuation fund contributions are accrued in terms of the contracts with the employees.
Gratuity liability under the Payment of Gratuity Act and provision for leave encashment is accrued and provided for on the basis of actuarial valuation made at the end of each financial year by independent actuary, except in respect of employees who have been retrenched, where the same is accounted for on actual basis in terms of contracts with the employees

Lease Rentals
Rentals in respect of assets taken under finance lease upto March 31 2001 are amortized over the total term of the lease (including extended secondary lease term).

Income Tax
Tax expense comprises both current and deferred taxes. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re - assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

Earning Per Share
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid up equity share during the reporting period.
For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilative potential equity shares.

Major contingent Liabilities (Source Annual Report: FY2003-04)

Particulars	Rs in lacs
Claim against the Company not acknowledged as debts	4985.50
Letter of Credit & Guarantee outstanding	694.60
Guarantee given against external Commercial Borrowing taken by Shareholder	1372.20
Bills of exchange discounted under Irrevocable Letter of Credit	5.50

3.3 Background of the deemed PACS.

3.3.1 Mr. Sanjay Somany residing at W-27, Greater Kailash Part–II, New Delhi 110 048 is son of Mr. C.K. Somany. He is an industrialist having experience of more than twenty seven years. Mr.Hemant Kumar Agarwal of M/s Hemant K. Agarwal & Co., Chartered Accountants, 32, Ezra Street (North Block), 9th Floor, Room No. 952, Kolkata 700001, (Ph. No. 033-22218404), Membership No.: 61250 has certified vide certificate dated 16th October 2003 and 28th June 2005 that the Networth of Mr. Sanjay Somany as on 30th June 2003 was Rs. 170.29 lacs and as on 31st March 2005 was Rs.308.50 lacs, respectively. Mr. Sanjay Somany is Managing Director of HNG. Besides the above he is also on the Board of Directors of the following listed companies:

Name of the Company	Position held
Topaz Commerce Limited	Director
Spotlight Vanijya Limited	Director

3.3.2 Mr.Mukul Somany residing at 2, Ironside Road, Kolkata 700 019 is son of Mr. C.K. Somany. He is an industrialist having experience of more than twenty years. Mr. Hemant Kumar Agarwal of M/s Hemant K. Agarwal & Co., Chartered Accountants, 32, Ezra Street (North Block), 9th Floor, Room No. 952, Kolkata 700001, (Ph. No. 033-22218404), Membership No.: 61250 has certified vide certificate dated 16th October 2003 and 28th June 2005 that the Networth of Mr. Mukul Somany as on 30th June 2003 was Rs. 266.72 lacs and as on 31st March 2005 was Rs.409.13 lacs, respectively. Mr. Mukul Somany is Joint Managing Director of HNG. Besides the above he is also on the Board of Directors of the following listed companies:

Name of the Company	Position held
Topaz Commerce Limited	Director
Spotlight Vanijya Limited	Director

3.3.3 Mr. Bharat Somany residing at W-27, Greater Kailash Part–II, New Delhi 110 048 is son of Mr. Sanjay Somany. He is pursuing graduation in Commerce Stream and has also joined HNG Ltd. as Management Trainee since February 2004. Mr. Hemant Kumar Agarwal of M/s Hemant K. Agarwal & Co., Chartered Accountants, 32, Ezra Street (North Block), 9th Floor, Room No. 952, Kolkata 700001, (Ph. No. 033-22218404) Membership No: 61250 has certified vide certificate dated 28th June 2005 that the Networth of Mr. Bharat Somany as on 31st March 2005 was Rs.187.28 lacs. Mr. Bharat Somany is not a Director in any listed company.

3.3.4 Mrs.Sudha Somany residing at 2, Ironside Road, Kolkata 700 019 is wife of Mr. C.K. Somany. She has extensive experience in senior management position as Business Executive for more than eight years. Mr. Hemant Kumar Agarwal of M/s Hemant K. Agarwal & Co., Chartered Accountants, 32, Ezra Street (North Block), 9th Floor, Room No. 952, Kolkata 700001, (Ph. No. 033-22218404), Membership No.: 61250 has certified vide certificate dated 16th October 2003 and 28th June 2005 that the Networth of Mrs. Sudha Somany as on 30th June 2003 was Rs. 99.52 lacs and as on 31st March 2005 was Rs.151.74 lacs, respectively. Mrs. Sudha Somany is Managing Director of Ceramic Decorators Limited. Besides the above she is also on the Board of Directors of the following listed companies:

Name of the Company	Position held
Topaz Commerce Limited	Director
Spotlight Vanijya Limited	Director

3.3.5 Mrs. Amita Somany residing at W-27, Greater Kailash Part–II, New Delhi 110 048 is daughter-in-law of Mr. C.K. Somany and wife of Mr. Sanjay Somany. She is having experience in Senior Management position as Business Executive for more than seven years. Mr. Hemant Kumar Agarwal of M/s Hemant K. Agarwal & Co., Chartered Accountants, 32, Ezra Street (North Block), 9th Floor, Room No. 952, Kolkata 700001, (Ph. No. 033-22218404) Membership No.: 61250 has certified vide certificate dated 16th October 2003 and 28th June 2005 that the Networth of Mrs. Amita Somany as on 30th June 2003 was Rs. 84.93 lacs and as on 31st March 2005 was Rs.117.52 lacs, respectively. Mrs. Amita Somany is Managing Director of Quality Minerals Limited. Besides the above, she is also on the Board of Directors of the following listed companies:

Name of the Company	Position held
Topaz Commerce Limited	Director
Spotlight Vanijya Limited	Director

3.3.6 Mrs. Rashmi Somany residing at 2, Ironside Road, Kolkata 700 019 is daughter-in-law of Mr.C.K. Somany and wife of Mr.Mukul Somany. She has experience in senior management position as Business Executive for more than four years. Mr. Hemant Kumar Agarwal of M/s Hemant K. Agarwal & Co., Chartered Accountants, 32, Ezra Street (North Block), 9th Floor, Room No. 952,Kolkata 700 001, (Ph. No. 033-22218404), Membership No.: 61250 has certified vide certificate dated 16th October 2003 and 28th June 2005 that the Networth of Mrs. Rashmi Somany as on 30th June 2003 was Rs. 98.45 lacs and as on 31st March 2005 was Rs.131.39 lacs, respectively. Mrs. Rashmi Somany is Managing Director of Noble Enclave & Towers Private Limited. Besides the above, she is also on the Board of Directors of the following listed companies:

Name of the Company	Position held
Topaz Commerce Limited	Director
Spotlight Vanijya Limited	Director

3.3.7 Mrs. Jaya Kanoria residing at 41, Las Palmas, 20, Little Gibbs Road, Mumbai - 400 006, is daughter of Mr. C.K. Somany. She is an educationist. Mr. Hemant Kumar Agarwal of M/s Hemant K. Agarwal & Co., Chartered Accountants, 32, Ezra Street (North Block), 9th Floor, Room No. 952,Kolkata 700001, (Ph. No. 033-22218404), Membership No.: 61250 has certified vide certificate dated 16th October 2003 and 28th June 2005 that the Networth of Mrs. Jaya Kanoria as on 30th June 2003 was Rs. 237.04 lacs and as on 31st March 2005 was Rs.296.19 lacs, respectively. Mrs. Jaya Kanoria is not a Director in any listed company.

3.3.8 **Noble Enclave & Towers Private Limited**

Noble Enclave & Towers Private Limited is a company incorporated on 7th May 1991 under the Companies Act, 1956 and having its registered office at 2, Red Cross Place, Kolkata 700 001. The company is engaged in share investment & trading business. Pursuant to a Scheme of Arrangement, Giri Commercial Co. Private Limited was merged with the Company w.e.f. 1st April 2003 vide an Order dated 8th June 2004 passed by the Hon'ble Calcutta High Court.

The persons in control of the company are Mr.C. K. Somany, Mr.Sanjay Somany, Mr.Mukul Somany, Mrs. Sudha Somany, Mrs. Amita Somany and Mrs.Rashmi Somany.

Details of Board of Directors of Noble Enclave & Towers Private Limited are as below:

Name & Address	Qualification & Experience	Date of Joining
Mr. C K Somany* 2, Ironside Road, Kolkata 700 019	I.S.C.; F.B.I.M., 50 years	18th December 1999
Mr. Sanjay Somany* W-27, Greater Kailash Part-II, New Delhi 110 048	B.Com, Diploma in Diesel Engineering, 27 years	17th October 2000 .
Mr. Mukul Somany* 2, Ironside Road, Kolkata 700 019	B.Com(Hons.), 20 years	17th October 2000
Mrs. Sudha Somany 2, Ironside Road, Kolkata 700 019	Matriculation, 8 years	17th October 2000
Mrs. Amita Somany W-27, Greater Kailash Part-II, New Delhi 110 048	M.A., 7 Years	17th October 2000
Mrs. Rashmi Somany 2, Ironside Road, Kolkata 700 019	B.A. (Hons.), 4 years	17th October 2000
Mr. Vijay Shankar Modi 21/1, Ballygunge Place, Kolkata 700 019	FCA; LLB, 34 years	15th November 1996

* Mr. C K Somany, Mr. Sanjay Somany and Mr. Mukul Somany are also on the Board of Directors of HNG.

Financial Highlights:

Profit & Loss Statement

(Rs. in lacs)

Particulars	31.3.2005#	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
	12 months	12 months	12 months	12 months	12 months
Income	313.15	338.34	44.85	39.30	32.58
Total Income	313.15	338.34	44.85	39.30	32.58
Total Expenditure	174.22	310.00	3.35	3.89	0.98
Profit before Depreciation, Interest and Tax	138.93	28.34	41.50	35.41	31.60
Depreciation	2.72	2.87	3.03	3.09	-
Interest & Financial Expenses	3.19	3.58	2.83	1.92	1.57
Profit/(Loss) before Tax	133.02	21.89	35.64	30.40	30.03
Provision for Tax	12.00	6.21	12.71	11.72	10.65
Profit/ (Loss) After Tax	121.02	15.68	22.93	18.68	19.38

Balance Sheet

(Rs. in lacs)

Particulars as at	31.3.2005#	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Sources of funds					
Share Capital	476.66	476.66	337.01	337.01	337.01
Reserves & Surplus	1720.79	1599.89	819.52	797.28	778.60
Networth	2196.45	2076.55	1156.53	1134.29	1115.61
Unsecured Loans	40.20	44.52	42.25	27.47	16.60
Total	**2237.65**	**2121.07**	**1198.78**	**1161.76**	**1132.21**
Uses of funds					
Net Fixed Assets	50.69	53.41	56.28	58.64	61.73
Investments	1269.66	1062.57	507.20	495.43	409.73
Net Current Assets	916.73	1003.93	634.66	606.62	659.25
Total Miscellaneous Expenditure Not Written Off	0.57	1.16	0.64	1.07	1.50
Total	**2237.65**	**2121.07**	**1198.78**	**1161.76**	**1132.21**

Other Financial Data

Particulars	31.3.2005#	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Dividend(%)	--	--	--	--	--
Earnings Per Share (Rs)	2.54	0.33	0.68	0.55	0.58
Return on Networth (%)	5.51%	0.76%	1.98%	1.65%	1.74%
Book Value Per Share (Rs)	46.09	43.54	34.30	33.63	33.06

* Source: Audited Annual Report

Source: Unaudited Financials Certified by Mr. O.P. Banka of M/s O. P. Banka & Associates, Chartered Accountants, 125, Netaji Subhas Road, 6th Floor, Room No. 69 ,Kolkata 700001, (Ph. No. 033-22719846) Membership No.: 54980.

Statement of Significant Accounting Policies of 2003-04 (Source: Annual Report FY. 2003-04)

General
Accounting Policies unless specifically stated to be otherwise are consistent and are in consonance with generally accepted accounting principles.

Accounting Convention and Revenue Recognition
The accounts have been prepared on the basis of historical costs. Both income and expenditure items are recognised on accrual basis.

Investments
Investments are valued at cost and provision for diminution in value is made only if such decline in the opinion of the Management is other than temporary in nature.

Miscellaneous Expenditure
Preliminary Expenses and Amalgamation Expenses have been amortised over a period of five years.

Fixed Assets & Depreciation
Fixed assets are stated at cost of acquisition less depreciation.
Depreciation on fixed assets has been charged on written down value method at the rates and in the manner as prescribed in Schedule XIV of the Companies Act, 1956.

Taxation
In accordance with Accounting Standard 22 "Accounting For Taxes On Income" issued by Institute Of Chartered Accountants of India;

i) The current taxes are determined on the basis of the amount of tax payable on the Taxable income for the year.
ii) The amount of net deferred tax for the timing difference between book profit & tax profit for the year is accounted for using tax rates & law that have been enacted as on the Balance Sheet date. Deferred Tax Assets are not recognised unless there is visual certainty that sufficient future taxable income will be available against which such deferred tax assets will be realized.

Major Contingent liabilities: Noble Enclave & Towers Private Limited does not have any contingent liability.

Reasons for fall/ rise in Total Income and Profit after Tax for relevant years

During the FY 2003-2004 increase in income was due to the merger of two investment companies with the Company. However, the profit after tax was lower during the FY 2003-2004 as compared to FY 2002-2003, due to the increase in expenses and overheads. However, during the FY 2004-2005 Profit after Tax recorded a substantial growth inspite of decline in total income due to reduction in operating expenditure and better returns from investment.

3.3.9 **Rungamattee Trexim Private Limited**

Rungamattee Trexim Private Limited is a company incorporated on 1st December 1993 under the Companies Act, 1956 and having its registered office at 2, Red Cross Place, Kolkata 700 001. The company is engaged in share investment & trading business.

The persons in control of the company are Mr.C.K. Somany, Mr.Mukul Somany, Mrs.Sudha Somany and Mrs. Rashmi Somany.

Details of Board of Directors of Rungamatee Trexim Private Limited is as below:

Name &Address	Qualification & Experience	Date of Joining
Mr. Mukul Somany* 2, Ironside Road, Kolkata 700 019	B.Com(Hons.), 20 years	18th December 1999
Mrs. Rashmi Somany 2, Ironside Road, Kolkata 700 019	B.A. (Hons.), 4 years	25th May 2000
Mr. Vijay Shankar Modi 22/1 Ballygunge Place, Kolkata 700 019	FCA; LLB, 34 years	3rd March 1997

Mr. R K Bihani 117, Netaji Subhas Chandra Bose Road, Kolkata 700 001	B.Com, 33 years	11th September 2000

* Mr. Mukul Somany is also on the Board of Directors of HNG.

Financial Highlights:

Profit & Loss Statement

(Rs. in lacs)

	31.3.2005*	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Particulars	**12 months**	**12 months**	**12 months**	**12 months**	**12 months**
Income from operations	28.39	19.51	28.59	27.25	10.59
Other Income	-	-	-	-	-
Total Income	28.39	19.51	28.59	27.25	10.59
Total Expenditure	1.94	1.00	1.14	0.95	0.85
Profit before Depreciation, interest and tax	26.46	18.51	27.45	26.3	9.74
Depreciation	-	1.39	1.46	1.54	-
Interest & Financial Expenses	1.32	2.48	3.70	3.20	2.51
Profit/(Loss) before tax	25.14	14.64	22.29	21.56	7.23
Provision for Tax	1.52	1.75	8.19	6.73	2.81
Profit/ (Loss) After Tax	23.62	12.89	14.10	14.83	4.42

Balance Sheet

(Rs. in lacs)

Particulars	31.3.2005*	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Sources of funds					
Paid up share capital	188.09	188.09	188.09	188.09	188.09
Reserves and Surplus(excluding Revaluation Reserves)	499.58	476.08	463.30	452.17	437.34
Networth	687.67	664.17	651.39	640.26	625.43
Unsecured Loans	-	31.77	42.58	43.02	27.84
Total	**687.67**	**695.94**	**693.97**	**683.28**	**653.27**
Uses of funds					
Net fixed assets	25.09	26.42	27.81	29.27	30.81
Investments	506.62	566.52	334.00	324.18	324.18
Net current assets	155.96	103.00	331.91	329.03	296.92
Total miscellaneous expenditure not written off	-	-	0.25	0.80	1.36
Total	**687.67**	**695.94**	**693.97**	**683.28**	**653.27**

Other Financial Data

Particulars	31.3.2005*	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Dividend (%)	-	-	-	-	-
Earning Per Share (Rs.)	1.26	0.69	0.75	0.79	0.23
Return on Networth (%)	3.44%	1.94%	2.16%	2.32%	0.71%
Book Value Per Share (Rs.)	36.56	35.31	34.62	34.00	33.18

* Source: Audited Annual Report

Reasons for fall/ rise in Total Income and Profit after Tax for relevant years

During the FY 2003-2004 the loans worth Rs.226.73 lacs granted by the Company were refunded which has resulted in the lower interest income by Rs.18.33 lacs resulting in lower Profit after Tax as compared to the previous FY 2002-2003. However the profit earned on the sale to Shares and dividend income has made up the loss of ‘Interest Income’ to some extent.

The total income and profit increased during the FY 2004-05 due to better return on investments.

Statement of Significant Accounting Policies of 2004-05 (Source: Annual Report FY2004-05)

Accounting Convention
The financial statements have been prepared under the historical cost convention and are in line with the currently applicable laws, generally accepted accounting principles, as well as the guidelines issued by the Institute of Chartered Accountants of India.

Fixed Assets
Fixed Assets are stated at their cost of acquisition including other expenses relating to installation and interest up to the date of putting it into use less depreciation on written down value method as per the rates specified in the Companies Act 1956.

Stock In Trade
- Unquoted Equity Shares are valued at lower of cost and break-up value.
- Quoted Equity Shares are valued at lower of cost and market price.

Revenue Recognition
Revenue and expenses are accounted for on accrual basis. Sale of shares are accounted for as and when the transaction takes place.

Retirement Benefit
As none of the employees has completed the minimum length of service as provided in the Payment of Gratuity Act 1862, no provision for Gratuity is required to be made.

Amortisation of Preliminary Expenses
Preliminary Expenses incurred on or after 1st April 1999 are amortised equally over a period of 5 Financial Years.

Current and Deferred Taxation
Provisions of Accounting Standard (AS-22) on Accounting for Taxes on Income have been considered while preparing the Final Accounts of the Company. No Deferred Tax Provision is required to be made by the Company in the Current Financial year.

Major Contingent liabilities : Rungamattee Trexim Private Limited does not have any contingent liability

3.3.10 **Spotlight Vanijya Limited**

Spotlight Vanijya Limited is a company incorporated on 2nd November, 1981 under the Companies Act, 1956 and having its registered office at 2, Red Cross Place, Kolkata 700 001. The company is engaged in share investment & trading business.
The persons in control of the company are Mr. C.K. Somany, Mr. Sanjay Somany, Mr. Mukul Somany, Mrs. Sudha Somany, Mrs. Amita Somany and Mrs. Rashmi Somany.

Details of Board of Directors of Spotlight Vanijya Limited are as below:

Name & Address	Qualification & Experience	Date of Joining
Mr. C.K.Somany* 2, Ironside Road, Kolkata 700 019	I.S.C., F.B.I.M., 50 years	25th October 2000
Mr. Sanjay Somany * W-27, Greater Kailash Part-II , New Delhi 110048	B.Com, Diploma in Diesel Engineering, 27 years	25th October 2000
Mr. Mukul Somany* 2, Ironside Road, Kolkata 700 019	B.Com(Hons.), 20 years	25th October 2000
Mrs. Sudha Somany 2, Ironside Road, Kolkata 700 019	Matriculation, 8 years	12th June 1986
Mrs. Amita Somany W-27, Greater Kailash Part-II , New Delhi 110048	M.A., 7 Years	25th October 2000
Mrs. Rashmi Somany 2, Ironside Road, Kolkata 700 019	B.A. (Hons.), 4 years	25th October 2000

* Mr. C.K.Somany, Mr. Sanjay Somany and Mr. Mukul Somany are also on the Board of Directors of HNG.

Financial Highlights:

Profit & Loss Statement

(Rs. in lacs)

Particulars	31.3.2005*	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
	12 months	12 months	12 months	12 months	12 months
Income from operations	52.34	29.51	21.20	40.35	34.73
Other Income	-	-	-	-	-
Total Income	52.34	29.51	21.20	40.35	34.73
Total Expenditure	3.91	1.02	6.97	3.37	4.75
Profit/(Loss) before Depreciation, interest and Tax	48.43	28.49	14.23	36.98	29.98
Depreciation	0.11	0.12	0.12	0.13	0.14
Interest & Financial Expenses	-	-	3.64	5.08	6.50
Profit/(Loss) before tax	48.32	28.37	10.47	31.77	23.34
Provision for Tax	10.50	2.70	3.62	1.99	1.35
Profit/ (Loss) After Tax	37.82	25.67	6.85	29.78	21.99

Balance Sheet

(Rs. in lacs)

Particulars as at	31.3.2005*	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Sources of funds					
Paid up share capital	24.00	24.00	24.00	24.00	24.00
Reserves and Surplus (excluding Revaluation Reserves)	445.03	402.94	377.52	370.68	341.30
Networth	469.03	426.94	401.52	394.68	365.30
Unsecured Loans	-	50.00	-	56.68	52.00
Deferred Tax Liability	0.25	0.26	-	0.02	-
Total	469.31	477.20	401.52	451.38	417.30
Uses of funds					
Net fixed assets	1.95	2.05	2.17	2.29	2.43
Investments	464.82	450.17	379.34	381.23	356.17
Net current assets	2.54	24.98	20.01	67.86	58.70
Total	469.31	477.20	401.52	451.38	417.30

Other Financial Data

Particulars	31.3.2005*	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Dividend(%)	--	--	--	--	--
Earnings Per Share (Rs)	15.76	10.69	2.85	12.41	9.16
Return on Networth (%)	8.06%	6.01%	1.70%	7.55%	6.02%
Book Value Per Share (Rs)	195.43	177.89	167.30	164.45	152.21

* Source: Audited Annual Report

Reasons for fall/ rise in Total Income and Profit after Tax for relevant years

During the year FY 2002-2003 the total income declined due to lower return from investments. Further, Company paid interest of Rs.3.64 lacs and made provision of Rs.5.73 lacs for the Non-performing assets resulting in the low profit after tax. Better return on investments in the years FY 2003-2004 and FY 2004-2005 resulted in higher total income and higher profit after tax.

Statement of Significant Accounting Policies of 2004-05 (Source: Annual Report FY2004-05)

Basis of Preparation of financial statements

- The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956, and Non-Banking Financial Companies (Reserve Bank) Directions issued by the Reserve Bank of India so far not inconsistent with the provisions of the Companies Act, 1956.
- The company generally follows mercantile system of accounting and recognizes significant items of income & expenditure on accrual basis.

Fixed Assets

Fixed Assets are stated at cost less depreciation.

Depreciation

Depreciation on fixed assets has been provided under written down value method in accordance with the provisions of Schedule XIV to the Companies Act, 1956.

Investments

- All investments classified as "Long Term" are carried at cost. Diminution in the value is provided for other than temporary in nature and appreciation ignored.
- Brokerage paid for acquisition of securities except in case of PMS accounts are added to the cost, but expenses incurred on getting the securities transferred in company's name are charged to revenue A/c.

Advances, Income Recognition and Provisioning

- Advances in the nature of loans are classified as per the RBI guidelines into performing and non-performing assets.
- Interest Income is recognized in the Profit and Loss Account as it accrues except in the case of non-performing assets which is recognized only when it is actually realised.
- Provisions for non-performing assets is made in conformity with the RBI guidelines.

Taxation

The current charges for income tax is calculated in accordance with the relevant tax regulations applicable to the company.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences that result between profits offered for income tax and the profits as per the financial statements. Deferred tax assets and liabilities are measured as per the rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognized only to the extent there is a reasonable certainty of realization of such assets in the future. Such assets are reviewed as at each Balance Sheet date to reassess realization.

Earning per share

The earning ascertaining the company's EPS comprises the net profit after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding.

Cash Flow Statement

Cash flow is reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing, and investing activities of the company are segregated.

Major Contingent liabilities : Spotlight Vanijya Limited does not have any contingent liability

3.3.11 Spotme Tracon Private Limited

Spotme Tracon Private Limited is a Company incorporated on 6th March, 1995 under the Companies Act, 1956 and having its registered office at 2, Red Cross Place, Kolkata 700 001. The company is engaged in share investment & trading business.

The persons in control of the company are Mr.C.K. Somany, Mr.Sanjay Somany, Mrs.Sudha Somany and Mrs.Amita Somany.

Details of Board of Directors of Spotlight Tracon Private Limited are as follows:

Name & Address	Qualification & Experience	Date of Joining
Mr. Sanjay Somany * W-27, Greater Kailash Part- II , New Delhi 110048	B.Com, Diploma in Diesel Engineering, 27 years	18th December 1999
Mr. Sanjay Kumar Daga 16, Hare Street, 2nd Floor, Kolkata 700001	B.Com, 28 years	16th August 2000
Mrs. Amita Somany W-27, Greater Kailash Part- II ,New Delhi 110048	M.A., 7 Years	16th August 2000
Mrs. Pallavi Kejriwal 13, Gurusaday Road,Kolkata-700019	Higher Secondary, 3 years	15th January 2001
Mr. Bharat Somany W-27, Greater Kailash Part- II,New Delhi 110048	Pursuing Graduation and Under Training, 1 Year	28th January 2005

* Mr. Sanjay Somany is also on the Board of Directors of HNG.

Financial Highlights:

Profit & Loss Statement

(Rs. in lacs)

Particulars	31.3.2005*	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
	12 months	12 months	12 months	12 months	12 months

Income from operations	23.94	8.60	31.25	27.94	7.64
Other Income	-	-	-	-	-
Total Income	23.94	8.60	31.25	27.94	7.64
Total Expenditure	1.00	2.61	0.49	0.48	0.56
Profit before Depreciation, interest and tax	22.94	5.99	30.76	27.46	7.08
Depreciation	-	-	-	-	-
Interest & Financial Expenses	2.98	3.67	5.66	4.94	0.61
Profit/(Loss) before tax	19.96	2.32	25.10	22.52	6.47
Provision for Tax	0.53	-	9.20	6.52	2.52
Profit/ (Loss) After Tax	19.43	2.32	15.90	16.00	3.95

Balance Sheet

(Rs. in lacs)

Particulars as at	31.3.2005	31.3.2004	31.3.2003*	31.3.2002*	31.3.2001*
Sources of funds					
Paid up share capital	187.89	187.89	187.89	187.89	147.90
Reserves and Surplus (excluding Revaluation Reserves)	467.74	447.73	445.41	431.49	255.48
Networth	655.63	635.62	633.30	619.38	403.38
Secured Loans	-	-	-	-	-
Unsecured Loans	26.25	50.49	57.70	58.73	40.65
Total	681.88	686.11	691.00	678.11	444.03
Uses of funds					
Net fixed assets	-	-	-	-	-
Investments	510.62	582.98	335.54	325.72	324.12
Net current assets	171.26	102.93	354.96	351.59	119.06
Total miscellaneous expenditure not written off	-	0.20	0.50	0.80	0.85
Total	681.88	686.11	691.00	678.11	444.03

Other Financial Data

Particulars	**31.3.2005**	**31.3.2004**	**31.3.2003***	**31.3.2002***	**31.3.2001***
Dividend(%)	--	--	--	--	--
Earnings Per Share (Rs)	1.03	0.12	0.85	0.85	0.27
Return on Networth (%)	2.96%	0.37%	2.58%	2.59%	0.98%
Book Value Per Share (Rs)	34.89	33.82	33.68	32.92	27.22

* Source: Audited Annual Report

Reasons for fall/ rise in Total Income and Profit after Tax for relevant years

During the FY 2003-2004, the loans worth Rs. 253.70 lacs granted by the Company were refunded by the borrowers which resulted in the lower Interest income of Rs.24.58 lacs and a loss on the sale of investment for Rs. 2.12 lacs resulted in lower Profit after Tax as compared to the previous FY 2002-2003.

During the FY 2004-2005, total income increased due to higher dividends as well as higher profit on sale of Investments as compared to the previous FY 2003-2004.

Statement of Significant Accounting Policies of 2004-05 (Source: Annual Report FY2004-05)

General
Accounting Policies unless specifically stated to be otherwise are consistent and are in consonance with generally accepted accounting principles.

Accounting Convention and Revenue Recognition
The accounts have been prepared on the basis of historical costs. Both income and expenditure items are recognised on accrual basis.

Investments
Investments are valued at cost (FIFO) and provision for diminution in value is made only if such decline is other than temporary in nature in the opinion of the Management. Investments held under PMS account are valued at cost (weighted average).

Miscellaneous Expenditure
Preliminary Expenses have been amortised over a period of five years.

Taxation
The current charges for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences that result between profits offered for income tax and the profit as per the financial statements. Deferred tax assets and liabilities are measured as per the rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

Major Contingent Liabilities: Contingent liabilities not provided for in respect of Income Tax demand of Rs.36174/- for the Assessment Year 1998-99 pending rectification u/s 154 of the Income Tax Act, 1961.

3.3.12 Topaz Commerce Limited

Topaz Commerce Limited is a company incorporated on 10th June, 1985 under the Companies Act, 1956 and having its registered office at 2, Red Cross Place, Kolkata 700 001. The company is engaged in share investment & trading business.
The persons in control of the company are Mr. C.K. Somany, Mr. Sanjay Somany, Mr. Mukul Somany, Mrs. Sudha Somany, Mrs. Amita Somany and Mrs. Rashmi Somany.

Details of Board of Directors of Topaz Commerce Limited are as follows:

Name & Address	**Qualification & Experience**	**Date of Joining**
Mr. C.K. Somany* 2, Ironside Road, Kolkata – 700 019	I.S.C., F.B.I.M., 50 years	10th July 1998
Mr. Sanjay Somany* W-27, Greater Kailash Part- II, New Delhi 110048	B.Com, Diploma in Diesel Engineering, 27 years	10th July 1998
Mr. Mukul Somany* 2, Ironside Road, Kolkata – 700 019	B.Com(Hons.), 20 years	10th July 1998
Mrs. Sudha Somany 2, Ironside Road, Kolkata 700 019	Matriculation, 8 years	28th October 2000
Mrs. Amita Somany W-27, Greater Kailash Part- II, New Delhi 110048	M.A., 7 Years	28th October 2000
Mrs. Rashmi Somany 2, Ironside Road, Kolkata – 700 019	B.A. (Hons.), 4 years	28th October 2000
Mr. Vijay Shankar Modi 21/1, Ballygunge Place, Kolkata 700019	FCA; LLB, 34 years	27th March 1998

* Mr. C.K. Somany, Mr. Sanjay Somany and Mr. Mukul Somany are also on the Board of Directors of HNG.

Financial Highlights:

Profit & Loss Statement

(Rs. in lacs)

Particulars	**31.3.2005***	**31.3.2004***	**31.3.2003***	**31.3.2002***	**31.3.2001***
	12 months	**12 months**	**12 months**	**12 months**	**12 months**
Income	69.82	22.11	26.20	29.04	29.62
Total Income	69.82	22.11	26.20	29.04	29.62
Total Expenditure	5.66	5.22	0.81	0.9	0.8
Profit before Depreciation, interest and tax	64.160	16.890	25.39	28.140	28.820
Depreciation	-	-	-	-	-
Interest & Financial Expenses	-	-	0.34	-	-
Profit/(Loss) Before Tax	64.16	16.89	25.05	28.14	28.82
Prior Period Expense	0.42	-	-	-	-
Securities Trans. Tax	0.27	-	-	-	-
Income Tax for earlier years	-0.72	0.29	-	-	-
Provision for Tax	10.05	3.57	9.38	8.8	11.4
Profit/ (Loss) After Tax	54.14	13.03	15.67	19.34	17.42

Balance Sheet

(Rs. in lacs)

Particulars as at	31.3.2005*	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Sources of funds					
Share capital	90.62	90.62	80.62	80.62	80.62
Reserves and Surplus (excluding Revaluation Reserves)	697.84	643.7	534.57	518.90	499.56
Networth	788.46	734.32	615.19	599.52	580.18
Secured Loans	-	-	-	-	-
Unsecured Loans	-	22.50	-	-	-
Total	788.46	756.82	615.19	599.52	580.18
Uses of funds					
Net Fixed Assets	-	-	-	-	-
Investments	741.08	751.74	392.65	392.65	305.75
Net Current Assets	46.49	3.89	221.19	205.68	273.04
Miscellaneous Expenditure not w/o	0.89	1.19	1.35	1.19	1.39
Total	788.46	756.82	615.19	599.52	580.18

Other Financial Data

Particulars	31.03.2005*	31.3.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Dividend(%)	-	-	-	-	-
Earnings Per Share (Rs)	5.97	1.44	1.94	2.40	2.16
Return on Networth (%)	6.87%	1.78%	2.55%	3.23%	3.01%
Book Value Per Share (Rs)	86.91	80.90	76.14	74.22	71.79

* Source: Audited Annual Report

Reasons for fall/ rise in Total Income and Profit after Tax for relevant years

During the FY 2003-2004, the loans worth Rs. 217.83 lacs granted by the Company were refunded by the borrowers which resulted in the lower interest income by Rs.13.08 lacs. The Profit after Tax during FY 2003-2004 was also lower as compared to the previous FY 2002-2003 due to donation of Rs. 2.50 lacs and payment of portfolio management fees for Rs 1.14 lacs.

During the FY 2004-2005, the Total Income and Profit after Tax increased due to higher dividend income and profit from the sale of investments, worth of Rs. 68.93 lacs.

Statement of Significant Accounting Policies of 2004-05 (Source: Annual Report FY 2004-05):

Basis Of Accounting
Financial Statements have been prepared under historical cost method and are in line with the currently applicable laws as well as the guidelines issued by the Institute of Chartered Accountants of India.

Recognition Of Income & Expenditure
Income & Expenditure have been accounted on accrual basis except dividend income which is accounted for as and when the same is received or declared.

Investments
Investments are stated at cost. Unrealised gains or losses on investments are not recognized. Diminution in value of shares if any has been considered as temporary in nature.

Preliminary Expenses
These are amortised equally over a period of 10 years.

Segment Reporting
Since the Company is operating in a single line of business i.e. share dealing and investment no segment reporting is being made as defined by Accounting Standard (AS-I7) "Segment reporting" issued by the Institute of Chartered Accountants of India.

Amalgamation Expenses
These are amortised equally over a period of 5 years starting from the year in which the merger has been approved by the Hon'ble High Court.

Prior Period Expenditure
The Company follows the practice of making adjustments in respect of all material transactions pertaining to the period prior to Current Accounting year.

Retirement Benefit
The Company is not liable to pay any gratuity since no employee is there in company.

Major Contingent liabilities: Topaz Commerce Limited does not have any contingent liability

3.3.13 **Giri Commercial Co. Private Limited** (since merged with Noble Enclave & Towers Private Limited pursuant to Hon'ble Calcutta High Court Order dated 8th June 2004) w.e.f. 1st April 2003.

Giri Commercial Co. Private Limited was a company incorporated on 18th February, 1991 under the Companies Act, 1956 and having its registered office at 2, Red Cross Place, Kolkata 700 001. The company was engaged in share investment & trading business.
The persons in control of the company were Mr. C.K. Somany, Mr. Sanjay Somany, Mr. Mukul Somany, Mrs. Sudha Somany, Mrs. Amita Somany and Mrs. Rashmi Somany.

Details of Board of Directors of erstwhile Giri Commercial Co. Pvt. Ltd. were as below:

Name Address	Qualification & Experience	Date of Joining
Mr. C.K. Somany* 2, Ironside Road, Kolkata – 700 019	I.S.C.,F.B.I.M., 50 years	11th January 2000
Mr. Sanjay Somany* W-27, Greater Kailash Part- II, New Delhi 110048	B.Com, Diploma in Diesel Engineering, 27 years	11th January 2000
Mr. Mukul Somany* 2, Ironside Road, Kolkata – 700 019	B.Com(Hons.), 20 years	11th January 2000
Mrs. Sudha Somany 2, Ironside Road, Kolkata – 700 019	Matriculation, 8 years	16th August 2000
Mrs. Amita Somany W-27, Greater Kailash Part- II, New Delhi 110048	M.A., 7 Years	16th August 2000
Mrs. Rashmi Somany 2, Ironside Road, Kolkata – 700 019	B.A. (Hons.), 4 years	16th August 2000

* Mr. C.K. Somany, Mr. Sanjay Somany and Mr. Mukul Somany are also on the Board of Directors of HNG.

Financial Highlights:
Profit & Loss Statement

(Rs. in lacs)

Particulars	Last Audited Period 31.3.2003*	31.3.2002*	31.3.2001*
	12 months	12 months	12 months
Income from operations	1.83	0.91	2.53
Total Income	1.83	0.91	2.53
Total Expenditure	0.47	1.08	0.67
Profit before Depreciation, interest and tax	1.36	(0.18)	0.67
Depreciation	-	-	-
Interest & Financial Expenses	-	-	-
Profit/(Loss) before tax	1.36	(0.18)	1.86
Provision for Tax	0.50	0.00	0.74
Profit/ (Loss) After Tax	0.86	(0.18)	1.12

Balance Sheet

(Rs. in lacs)

Particulars as at	31.3.2003*	31.3.2002*	31.3.2001*
Sources of funds			
Paid up share capital	123.86	123.86	123.86
Reserves and Surplus (excluding Revaluation Reserves)	415.48	414.46	414.63
Networth	539.34	538.32	538.49
Secured Loans	-	-	-
Unsecured Loans	-	-	-

Total	539.34	538.32	538.49
Uses of funds			
Net fixed assets	-	-	-
Investments	34.00	34.00	34.00
Net current assets	504.36	503.01	502.84
Total miscellaneous expenditure not written off	0.96	1.30	1.65
Total	539.33	538.32	538.49

Other Financial Data

Particulars	31.3.2003*	31.3.2002*	31.3.2001*
Dividend(%)	--	--	--
Earnings Per Share (Rs)	0.07	(0.01)	0.09
Return on Networth (%)	0.16%	(0.03%)	0.21%
Book Value Per Share (Rs)	43.47	43.36	43.47

* Source: Audited Annual Report

3.4 The Acquirer and the deemed PACs have not entered into any agreement for acquisition of shares under this Offer.

3.5 Mr. C.K. Somany has vide his letter dated 23rd October 2003 and letter dated 24th August 2005 certified that the applicable provisions of Chapter II of SEBI Takeover Regulations have been complied by him on behalf of the persons belonging to the promoter group and deemed to be acting in concert (PACs) for this Offer.

3.6 **Disclosure in terms of Regulation 16(ix)**

The Acquirer does not have any plans to dispose off or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring or rationalization of assets, investments, liabilities or otherwise of the Target Company. In any case it will be for the Board of the Target company to take appropriate decisions in such matters depending upon the opportunities available to the Target Company.

Further, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of HNG, except with the prior approval of shareholders of HNG.

4. DISCLOSURE IN TERMS OF REGULATION 21(3)

In terms of provisions of Regulation 21(3) of SEBI (SAST) Regulations, 1997, if the public shareholding falls below 10% of the voting capital of the Target Company, the Acquirer will arrange to bring down the promoters' holding to such level as may be prescribed under the listing agreements with the Stock Exchanges.

5. BACKGROUND OF THE TARGET COMPANY

The Target Company is a Public Limited company incorporated under the Indian Companies Act, 1913 on 23rd February, 1946 under the name "Hindusthan National Glass Mfg. Co. Limited" Subsequently, the name was changed to "Hindusthan National Glass & Industries Limited" on 22nd November, 1971. The registered office of the Company is situated at 2, Red Cross Place, Kolkata 700 001.

The Target Company is engaged in the manufacture of glass bottles and containers. The manufacturing facilities of the Company are located at Rishra [West Bengal] and Bahadurgarh [Haryana].

The equity shares of the Target Company are listed on The Calcutta Stock Exchange Association Limited (CSE), and Bombay Stock Exchange Limited (BSE)

5.1 Share Capital Structure of HNG

The equity share capital of HNG is Rs.11,04,35,080/- comprising of 1,10,43,368 fully paid-up shares of Rs. 10/- each and 280 forfeited shares of Rs. 10/- each. There are no partly paid-up shares of the Target Company.

Paid Up Equity Shares of the Target Company	No. of Shares/ voting rights	% of shares / voting rights
Fully paid up Equity Sharess	1,10,43,368	100%
Partly paid up Equity Shares	-	-
Total Paid up Equity Shares	1,10,43,368	100%
Total voting rights in HNG	1,10,43,368	100%

There are no outstanding convertible instruments (warrants/FCDs/PCDs) of the Target Company as on the date of this Letter of Offer.

5.2 The capital structure of the company since inception and the disclosure status of compliance with applicable provisions of SEBI (SAST) Regulations/other applicable Regulations under the SEBI Act 1992 and other statutory requirements as applicable is as under:-

Year of allotment	No. of Shares Issued		Cumulative Paidup Capital Rs.		Total Paid up Capital Rs.	Mode of Allotment	Identity of Allottees*	Status of Compliance
	Equity	Preference	Equity	Preference				
	(F.V. Rs. 10/-)	(F.V. Rs. 100/-)	Rs.	Rs.	Rs.			
On Incorporation	100	-	1000	-		Original issue	Subscribers to MOA & AOA	Complied
1946-1953	89900	5000	900000	500000	1400000	Further Issue	Promoters	Complied
1957-1958	35000	7500	1250000	1250000	2500000	Further Issue	Promoters	Complied
1961-1962	100000	-	2250000	1250000	3500000	Further Issue	Promoters	Complied
1962-1963	90000	-	3150000	1250000	4400000	Bonus Issue	Existing Shareholders	Complied
1962-1963	100000	-	4150000	1250000	5400000	Further Issue	Existing Shareholders	Complied
1963-1964	83000	-	4980000	1250000	6230000	Bonus Issue	Existing Shareholders	Complied
1966-1967	199200	-	6972000	1250000	8222000	Bonus Issue	Existing Shareholders	Complied
1967-1968	-	(7500)	6972000	500000	7472000	Redemption	N.A.	Complied
1989-1990	697200	-	13944000	500000	14444000	Bonus Issue	Existing Shareholders	Complied
1992-1993	-	(5000)	13944000	-	13944000	Redemption	N.A.	Complied
1993-1994	4740960	-	61353600	-	61353600	Bonus Issue	Existing Shareholders	Complied
1995-1996	1227072	-	73624320	-	73624320	Right Issue;1:5	Existing Sh.holders & Others	Complied
1999-2000	3681216	-	110436480	-	110436480	Right Issue;1:2	Existing Sh.holders & Others	Complied
2001-2002	(280)		110433680	-	110433680	Forfeited shares	N.A.	Complied
F.V. - Face Value								
* Promoters include Ex-Promoters; MOA & AOA – Memorandum and Articles of Association								

5.3 Compliance of Chapter II of Regulations/ Listing Agreement

The Target Company did not comply with the reporting formalities within the due dates under the applicable provisions of Chapter II of the SEBI Regulations till the year 2002. However, as informed by the Target Company, it has filed required papers with CSE and BSE under SEBI (Regularisation Scheme) 2002. As informed by the Target Company, for the year 2003, 2004 and 2005 it has complied with the applicable provisions of Chapter II within the time specified in the Regulations.

HNG is in compliance with the listing agreement as on the date of the Corrigendum to Public Announcement and no punitive action has been initiated by the Stock Exchanges where its shares are listed.

5.4 As on the date of CPA and the LOF, the Board of Directors of HNG is constituted as under:

Name	Designation	Residential Address
Mr. C.K.Somany	Chairman [Non- Executive]	2, Ironside Road, Kolkata – 700019
Mr. Sanjay Somany	Managing Director	W-27, Greater Kailash Part–II, New Delhi – 110 048

Mr. Mukul Somany	Jt. Managing Director	2, Ironside Road, Kolkata – 700019
Mr. Kishore Bhimani	Non-executive Director	12/4, Sunny Park Apartments, 6, Sunny Park, Kolkata – 700019
Mr. R.K.Daga	Independent Director	8, South End Park, Kolkata – 700029
Mr. Sujit Bhattacharya	Independent Director	52-C, Ballygunge Circular Road, Kolkata – 700019
Mr. Dipankar Chatterji	Independent Director	2/1, Nazar Ali Lane, Kolkata – 700019
Mr.S.K. Bangur	Independent Director	16, Alipore Road, Kolkata – 700027
Mr. Supriya Gupta	Independent Director	18/1 Dover Place, Garcha 1st Lane, Kolkata 700019
Mr. I. K. Saha	Independent Director	58/1, Ballygunge Circular Road, Flat: 22B, Saptaparni, Kolkata-700 019

Note:

1. Mr. R.L.Gaggar resigned from the Board of Directors of the Company with effect from 29th January 2004.
2. Mr. I.K.Saha was appointed as an Additional Director by the Board of Director at its meeting held on 26th June 2004 and appointed as a Director by the Shareholders of the Company at their 58th Annual General Meeting held on 29th September 2004.
3. Mr. R.K.Mintri ceased to be Director of the Company with effect from 29th September 2004.

Mr. C. K. Somany was first appointed as a Director of HNG on 1st April, 1970. Subsequently, he was appointed as Wholetime Director and later as Managing Director of the Company. He was the Managing Director of the Company upto 30th September 2000. On 1st October 2000 he relinquished the position of Managing Director of the Company but continued to be the Director and Chairman of the Company, liable to retire by rotation and was reappointed as Director by a resolution passed in the general meeting of the Company held on 29th September 2004. As per Regulation 22(9) of the Regulations, Mr. C.K.Somany has excused himself and has not participated in any matters concerning or relating to the Offer including any preparatory steps leading to the Offer.

5.5 There has been no merger/demerger, spin off during the last three years of the Target Company.

5.6 Brief Audited Financials of HNG, the Target Company, for the last five financial years are given below:

Profit & Loss Statement

Rs. in lacs

Particulars	31.3.2005*	31.03.2004*	31.3.2003*	31.3.2002*	31.3.2001*
	12 months	12 months	12 months	12 months	12 months
Income from operations (Sales Less Excise duty)	40888.49	37691.26	25935.31	24419.60	20118.25
Other Income	930.61	476.36	566.58	395.33	236.75
Increase / (Decrease) in Stock	1617.38	(1327.57)	546.47	(69.46)	(648.65)
Total Income	43436.48	36840.05	27048.36	24745.47	19706.35
Total Expenditure	35877.11	29693.46	23152.25	20680.98	16593.16
Profit before Depreciation, interest and Tax	7559.37	7146.59	3896.11	4064.49	3113.19
Depreciation (after adjusting for revaluation)	2522.99	2143.96	1734.81	1193.88	1238.98
Interest & Financial Expenses	1111.21	1174.76	1401.65	1389.23	717.46
Profit/(Loss) before tax	3925.17	3827.87	759.65	1481.38	1156.75
Provision for tax	774.47	1611.45	447.62	728.82	98.00
Profit/ (Loss) After tax	3150.70	2216.42	312.03	752.56	1058.75

Balance Sheet

Rs. in lacs

Particulars as at	31.3.2005*	31.03.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Sources of funds					
Paid up share capital	1104.35	1104.35	1104.35	1104.35	1104.35
Reserves and Surplus (excluding Revaluation Reserves)	12704.25	9641.89	7512.67	7262.93	7884.61
Revaluation Reserves	4608.43	5000.36	5280.66	5609.18	5925.52
Networth	13808.60	10746.24	8617.02	8367.28	8988.96
Secured Loans	15724.65	12939.96	12647.31	11335.60	10170.74
Unsecured Loans	5250.96	2848.54	5287.93	2557.02	4158.46
Deferred Tax Liability	4016.99	3550.18	2237.81	1860.79	-
Total	43409.63	35085.28	34070.73	29729.87	29243.68
Uses of funds					
Net fixed assets	31402.72	26371.95	24716.07	20950.57	21312.85
Investments	80.77	96.43	101.04	101.04	85.94
Net current assets	11926.14	8616.90	9171.74	8678.26	7844.89
Total miscellaneous expenditure not written off	-	-	81.88	-	-
Total	43409.63	35085.28	34070.73	29729.87	29243.68

Other Financial Data

Particulars	31.3.2005*	31.03.2004*	31.3.2003*	31.3.2002*	31.3.2001*
Dividend(%)	7%^	7%	5%	5%	5%
Earnings Per Share (Rs)	28.53	20.07	2.83	6.81	9.59
Return on Networth (%)	22.82	20.63	3.66	8.99%	11.78%
Book Value Per Share (Rs)	125.04	97.31	77.29	75.77	81.40

* Source: Audited Annual Report

^ Proposed by the Board of Directors of Target Company.

Reasons for fall/ rise in Total Income and Profit after Tax for relevant years

During the year FY 2001-2002, the turnover recorded a growth of 21%. However, profit after tax registered negative growth on account of lower realisation and higher overheads.

During the year FY 2002-2003, operating profit and profit after tax registered a negative growth due to switching the operations of all the furnaces at Bahadurgarh from Natural Gas to Furnace Oil due to which power and fuel cost during the year had gone up by Rs. 1900 lacs and loss of production due to shut down of Furnace No. III for rebuild resulting into total loss of production of 2000 MT (approx.) and on account of higher provision of depreciation for the year mainly on account of modernisation and expansion at Bahadurgarh plant.

During the FY 2003-2004 total income and profit after tax grew to Rs. 36840.05 lacs and Rs 2216.42 lacs, respectively. The performance and profitability of the Company improved due to increase in production, better realisation as a result of improved market conditions and reduction in finance cost and optimal use of working capital.

During the year FY 2004-2005 total income grew to Rs. 45436.48 lacs and profits after tax increased to Rs. 3150.70 lacs mainly due to discount of Rs. 619.24 lacs received on early payment of sales tax deferred loan, lower provision of tax and resumption of supplies of Natural Gas at Bahadurgarh.

Statement of Significant Accounting Policies of 2004-05 (Source: Annual Report FY2004-05):

Accounting Convention

The accounts, except in respect of certain Fixed Assets, which are stated on revalued amounts, have been prepared on the basis of the historical cost and on the accounting principles of a going concern.

Use of Estimates

The preparation of financial Statements require management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the Balance Sheet date and the reported amounts of income and expenses during the year. Difference between the actual results and the estimates are recognised in the year in which the results are known/ materialised.

Fixed Assets

Fixed Assets are stated at cost of acquisition or cost of construction or at revalued amounts wherever such assets have been revalued.

Depreciation and Amortisation

- Tangible Assets
    - i) Depreciation has been provided at the rates specified under Schedule XIV to the Companies Act, 1956 on assets installed/acquired upto 31st March, 1990 on written down value method and in respect of additions thereafter on straight line method.
    - ii) Certain Plant and Machinery have been considered as continuous process plant as defined under Schedule XIV to the Companies Act, 1956 on the basis of technical evaluation.
    - iii) Depreciation on increase in value of Fixed Assets due to revaluation is provided on the basis of remaining useful life as estimated by the valuer on the straight line method and is transferred from Revaluation Reserve to Profit and loss Account.
    - iv) Depreciation on incremental cost arising on account of exchange difference is amortised over the remaining life of the assets.
- Intangible Assets
    - i) Computer Softwares are amortised over a period of three years.

Impairment

Fixed Assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognised, whenever the carrying amounts of assets belonging to Cash Generating Unit (CGU) exceeds recoverable amount. The recoverable amount is the greater of assets net selling price or its value in use. In assessing the value in use, the estimated future cash flows from the use of assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss/reversal thereof is adjusted to the carrying value or the respective assets, which in case of CGU, are allocated to its assets on a prorata basis.

Investments

Long Term Investments are stated at cost, less provision for diminution in value other than temporary, if any. Current Investments are valued at cost or market price whichever is lower.

Inventories

Inventories are valued at the lower of cost or estimated net realisable value. In respect of Raw Materials, Stores, Spare Parts, Fuel, Building and Packing Materials the cost include the expenses incurred for procuring the same. The cost is determined on the weighted average basis.

In respect of Finished Goods and Work-in-Process the cost include manufacturing expenses and appropriate portion of overheads.

Machinery Spares whose use is expected to be irregular and can be used with an item of Fixed Assets are valued at cost or below cost.

Foreign Exchange Transactions

Transaction in foreign currencies are accounted for at the exchange rate prevailing on the date of the transaction. Foreign currency monetary assets and liabilities at the year-end are translated using closing exchange rates. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transaction during the year are recognised as income or expenses and are adjusted to the profit and loss account, except in cases (a) where such liabilities and/or transactions relate to fixed assets/ projects and these were entered into before 1-4-2004; (b) fixed assets acquired from a country outside India, in which case, these are adjusted to the cost of respective fixed assets. Incase of forward foreign exchange contracts exchange difference are dealt in the profit and loss account over the life of the contract except those relating to acquiring the fixed assets from a country outside India, in which case the differences are adjusted to carrying cost of the fixed assets.

Revenue Recognition

- All Expenses and Incomes are accounted for on mercantile basis except otherwise stated.
- Income from Export Incentives is recognised on the basis of certainties as to its utilisation and related realisation.
- Sales are inclusive of Packing Charges and Excise Duty but exclusive of Rebates, Discounts and Claims, etc.

CENVAT Credit
Cenvat Credit on Fixed Assets is set off with the cost of the assets. Other Cenvat Credit availed is adjusted with the cost of purchases of Raw Material or Stores as the case may be.

Retirement Benefits
Liability in respect of Gratuity payable to employees as per Payment of Gratuity Act, 1972 is provided on actuarial valuation basis and is funded with insurance company.

Liability for Leave Encashment payable to employees at the time of retirement is provided based on actuarial valuation.

Research and Development
Revenue Expenditure on Research and Development is charged to the Profit and Loss Account in the year in which it is incurred. Capital Expenditure on Research and Development is treated as addition to Fixed Assets.

Subsidies and Grants
Cash Subsidy related to Fixed Assets to the extent received is being credited directly to Capital Reserve and apportioned to General Reserve over the life of the assets. Other Government grants including incentives, duty drawback etc. are credited to Profit and Loss Account or deducted from the related expenses.

Borrowing Cost
Borrowing cost that are attributable to the acquisition/construction of Fixed Assets are capitalised as part of the cost of respective assets. Other borrowing costs are recognised as an expense in the year in which they are incurred.

Income Tax
Provision for Tax is made for both Current and Deferred Taxes. Current Tax is provided on the taxable income using the applicable tax rates and tax laws. Deferred Tax assets and liabilities arising on account of timing difference, which are capable of reversal in subsequent periods are recognised using tax rates and tax laws, which have been enacted or substantively enacted.

Provisions, Contingent Liabilities and Contingent Assets
Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial statements. Contingent Liabilities, if material are disclosed by way of notes.

Major Contingent Liabilities

Particulars	**FY 2004-05 Rs. in lacs**
a) Outstanding Bank Guarantees	1208.51
b) Outstation Cheques/Bills Discounted with Banks (Since realised)	137.78
c) Excise Duty demand/show cause notices issued against which the Company has preferred appeals/replies	865.45
d) Claim for increased price of land acquired at Bahadurgarh by the then Punjab Government and given to the Company against which the claimants have preferred an appeal in the Supreme Court against the Order of the High Court	0.30
e) Amount of duty against Export Obligation in respect of exemption availed against Advance Licence Scheme	9.48
f) Claims against the Company not acknowledged as debt.	16.13

5.7 Pre and Post-Offer shareholding pattern of the Target Company as on the date of LOF is given in the following table:

Shareholders Category	**Shareholding & Voting rights prior to the agreement/ acquisition and Offer (A)**		**Shares/voting rights agreed to be acquired which triggered the Regulations (B)**		**Shares/Voting rights to be acquired in open Offer (Assuming full acceptances) (C)**		**Shareholding/ voting rights after the acquisition and Offer i.e. (A) + (B) +(C)**	
		%		%		%		%
1. Promoter group								
a. Parties to agreement, if any	Nil	--	Nil	--	Nil	-	Nil	-

b. Promoters other than (a) above	7338902	66.46	Nil	--	Nil	--	7338902	66.46
c Acquirer - C. K. Somany - AGCL	 728610 Nil	 6.60 --	 -- 806192	 -- 7.30	2119664	19.19	3654466	33.09
Total 1 (a+ b+c)	**8067512**	**73.06**	**806192**	**7.30**	**2119664**	**19.19**	**10993368**	**99.55**
2. PACs, if any	N.A.	--	N.A.	--	N.A.	--	N.A.	--
3. Parties to agreement other than 1a. & 2	**856192**	**7.75**	**---**	**--**	**N.A.**	**--**	**50000**	**0.45**
4. Public* (other than parties to agreement, Acquirer & deemed PACs)								
a. R.K.Somany group$	1227952	11.12	Nil	--	Nil	--	Nil	--
b. H.L.Somany group$	860782	7.80	Nil	--	Nil	--	Nil	--
c. Other	30930	0.27	Nil	--	Nil	--	Nil	--
Total 4(a +b +c)	**2119664**	**19.19**	**Nil**	**--**	**Nil**	**--**	**Nil**	**--**
Grand Total (1+2+3+4)	**11043368**	**100**	**806192**	**7.30**	**2169664**	**19.19**	**11043368**	**100**

Note: The above figures are based on the information provided by Target Company and Acquirer. The total number of shareholders in the public category as on 29th July 2005 was 255.

$ The shares from the above mentioned groups shall be accepted by the Acquirer in the Open Offer subject to the vacation of injunction order of the Hon'ble Calcutta High Court.

5.8 The name and details of Compliance Officer is as under:

Mr. Manoj S. Maheshwari, Vice President (Finance) & Secretary, Hindusthan National Glass & Ind. Limited, 2, Red Cross Place, Kolkata 7000 001 ; Ph: (033) 2248-2341 to 2344 ; Fax: (033) 2248-2367 ; e-mail: hngkol@hngil.com

5.9 The Target Company is a public limited company and its shares are listed at BSE and CSE. It has duly complied with all provisions under clause 49 of the Listing Agreement relating to corporate governance.

5.10 There has been no substantial change in the promoters' holding in the Target Company since the compliance with the provisions of the SEBI [SAST] Regulations/other applicable regulations under the SEBI Act and other statutory requirements.

The Target Company was incorporated in the year 1946 and as part of family settlement in 1994, the ownership rights and management control was acquired by C.K.Somany group. Post applicability of SEBI [SAST] Regulations, the change in Promoters shareholding in the Target Company is as follows:

Details of acquisition by C.K. Somany Group	**Add/Less**	**Shares**	**%**	**Date as on**	**SEBI Compliance**	**Compliance under other Regulation**
Before Family Settlement		581328	9.48%	Before Aug 1994		N.A
Acquisition Pursuant to Family Settlement	2552794	3134122	51.08%	Aug 94 - June 95	*	N.A
Purchased From a Shareholder	220	3134342	51.09%	30.03.1995	N.A	N.A
Acquisition Pursuant to Rights Issue 1995	1224292	4358634	59.20%	29.05.1995	N.A	Complied with Companies Act
Received As Gift in favour of Minor	220	4358854	59.20%	24.04.1997	N.A	N.A
Acquisition pursuant to the Amalgamation in 1999	13000	4371854	59.38%	31.07.1999	Exempted	Complied with Companies Act
Persons ceased to be Acting in concert	-1000	4370854	59.37%	1999	N.A	N.A
Acquisition Pursuant to Rights issue 1999	3241762	7612616	68.93%	25.02.2000	Exempted	Complied with Companies Act

Acquisition from S. K. Somany Group (Rights Shares –2001)	431596	8044212	72.84%	12.11.2001	Complied	N.A
Acquisition from relatives of Mr. H.L.Somany & others in 2002	23300	8067512	73.05%	06.09.2002	Complied	N.A

*of 25,52,794 shares 18,72,794 transferred on 29.12.1994; 280000 on 01.03.1995 and 40,0,000 on 8.03.1995 of the above 18,72,794 were acquired in Aug - Sept 1994 i.e. before the takeover code was announced by SEBI in 1994 and balance 6,80,000 shares were interse transfer of shares within the then promoter group.

5.11 The details of pending litigations against the Target Company are as follows:

Sr. No.	Details of Litigation	Amount (Rs. in Lacs)	Forum
1	Sales Tax related	50.31	West Bengal Commercial Taxes Appellate & Revisional Board
2	Sales Tax related	6.31	High Court at Kolkata
3	Excise related	549.81	Commissionarate
4	Excise related	113.98	High Court at Delhi
5	Excise related	75.31	Supreme Court
6	Property Tax related	2.67	High Court at Delhi
7	Money claim against the Company	28.90	High Court at Delhi
8	Money claim against the Company	3.59	High Court at Mumbai

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS:

6.1 Justification of Offer Price

6.1.1 The shares of HNG are listed on The Calcutta Stock Exchange Association Limited (CSE) and Bombay Stock Exchange Limited (BSE). The shares are not traded under the permitted category on any Stock Exchange.

6.1.2 The equity shares of the company were infrequently traded on CSE and BSE in terms of explanation (i) to Regulations 20(5) of the SEBI (SAST) Regulations, 1997 as on the reference date i.e. 7th October 2002. HNG has certified that it has complied with all requirements under the Listing Agreement with CSE and BSE.

Name of Stock Exchange	Total no. of shares traded during the 6 calendar months prior to the month in which PA was to be made (April - Sept. 2002) **(a)**	Total no. of shares traded during six calendar months prior to the month in which Public Annoucement was issued (from May 2003 To October 2003 **(b)**	Total no. of listed shares as on the date of PA and Letter of Offer.	Annualized Trading turnover (in terms of % to total listed shares)	
				(a)	**(b)**
The Calcutta Stock Exchange Association Limited	Nil	Nil	11043368	Nil	Nil
Bombay Stock Exchange Limited	719	1877	11043368	0.006%	0.016%

Source: respective Stock Exchanges.

The Offer price is determined in accordance with Regulation 20 (5) as follows:

6.1.3 a. The Negotiated price in terms of the MoU entered into on 7th October,2002 is Rs. 40/-

b. Acquirer has not acquired shares of HNG during the 26 week period prior to the date of the Public Announcement and Corrigendum to the Public Announcement by way of allotment in a public or rights or preferential issue.

c. As per the audited results for the financial year 2001-2002 and 2002-2003, the other parameters of HNG are as follows:

Particulars	**As on 31.3.2002**	**As on 31.3.2003**
Earnings per share (Rs.)	6.81	2.83
Return on Networth (%)	5%	2%
Book Value (Rs.)	75.77	77.29

The Industry Price Earning Ratio in which the Target Company operates is 20.9*(source: Capital Market dated November 10-23, 2003, Sector: Glass and Glass Products).

As per the data mentioned in the said journal, the industry "glass and glass products" covers 12 companies. Of the said 12 companies, six companies are loss making, hence have a negative P/E Ratio and the other 3 companies have minimal profits. Thus, the industry composite P/E ratio of 20.9 is calculated based on P/E ratio of only 3 profit making companies ignoring the other 9 companies for reasons stated above. In view of this, the industry P/E of 20.9 is not the correct indicator of the industry.

M/s. Deloitte Haskins and Sells, Chartered Accountants, Park Plaza, South Block, Flat No. 4A, 4th Floor, 71, Park Street, Kolkata 700 016 had carried out a valuation of the equity shares of HNG Ltd. to arrive at a fair value of the said equity shares. As per their Report dated 11th November 2003, valuation per share was Rs. 43.02.

M/s Patni & Co., Chartered Accountants, 9, India Exchange Place, 4th Floor, Room No.7, Kolkata: 700 001 had also carried out a valuation of the equity shares of HNG to arrive at a fair value of the said equity shares. As per their Valuation Report dated 20th March 2004, fair price per share of HNG is Rs.63.50. M/s Patni & Co had also considered a price of Rs.64.17 per share arrived as per the method upheld by the Hon'ble Supreme Court in the case of Hindustan Lever Limited but had concluded that the price of Rs.63.50 would be the fair price.

Subsequently, the Manager to the Offer, appointed M/s T.R. Chadha & Co., Chartered Accountants, 106 Nirman Kendra, Dr. E Moses Road, Mahalakshmi, Mumbai 400 011 as an independent valuer, in view of the time that has passed since the earlier valuation. As per their valuation Report the valuation per share of HNG is Rs.60.04.

The Acquirer has adopted Rs.64.17 per share arrived as per the method which was upheld by the Hon'ble Supreme Court in the case of Hindustan Lever Limited and also higher than the fair price considered by the three valuers in respective valuations conducted on the shares of the Target Company and interest @10% p.a. on the Offer price from 4th February 2003 as contemplated in the Public Announcement until the date of actual payment to all the eligible persons (all owners of shares, registered or unregistered, of HNG other than parties to the MoU and deemed persons acting in concert) who own the shares of HNG anytime before the closure of the Offer and are eligible to participate in the Offer.

Based on the above, the Cash Offer Price is fixed at Rs.64.17 plus interest @10% p.a. on the Offer Price from 4th February 2003 as contemplated in the Public Announcement until the date of actual payment to all the eligible persons (all owners of shares, registered or unregistered, of HNG other than parties to the MoU and deemed persons acting in concert) who own the shares of HNG anytime before the closure of the Offer and are eligible to participate in the Offer.

Thus, in the opinion of the Manager to the Offer and Acquirer the Offer price is justified in terms of Regulation 20 of the SAST Regulations.

d. The Acquirer has not acquired shares of HNG during the 12 months period prior to the date of Public Announcement.

6.1.4 If the Acquirer acquires the shares after the date of the Public Announcement and upto seven working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisitions shall be payable for all acceptances received under this Offer.

6.2 Financial Arrangements

The Acquirer has adequate resources to meet the financial requirements of the Offer in terms of Regulation 16 (xiv) of the SEBI (SAST) Regulations. The Acquirer proposes to implement this Offer by liquidating part of its current investment.

The total amount of funds required to implement the Offer, assuming full acceptance and payment of interest shall be Rs. 17,22,86,290/-. As required pursuant to the SEBI (SAST) Regulations, 25% of the total consideration i.e Rs. 4,30,71,572/- has been arranged by the Acquirer by way of (i) Lien in favour of the Manager to the Offer, UTI Bank Limited on 10,46,500 units of JM Income Fund - Growth held by them. The NAV of each of these units as on 19th August 2005 was Rs.27.4277 and thus the aggregate value being Rs.2,87,03,088/- (ii) Bank Guarantee in favour of the Manager to the Offer for Rs. 1,60,00,000/-. Thus, the Acquirer has arranged for Rs. 4,47,30,088/- with a margin of approximately 3.79% over and above the requisite amount of Rs. 4,30,71,572/-. In case of any shortfall in meeting the 25% requirement as per SEBI Guidelines, the Manager to the Offer undertakes to make good any such deficit. The Acquirer has also deposited with ABN Amro Bank N.V,Azimganj House,7 Camac street, Kolkata 700 017 a sum of Rs. 18,17,000/- being in excess of 1% of the total consideration payable under the Open Offer assuming full acceptance and a lien is marked on it in favour of the Manager to the Offer.

The said Bank Guarantee is dated 10th August 2005 issued by HDFC Bank Limited having its Registered Office at HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 from its branch at Central Plaza, 2/6, Sarat Bose Road, Kolkata 700 025. As required under SEBI (SAST) Regulations the Bank Guarantee is valid till 20 days after the closure of the Offer.

The Acquirer has duly authorized UTI Bank Limited - Manager to the Offer to realise the value of approved securities in terms of the SEBI (SAST) Regulations.Further, the Manager to the Offer shall ensure that the securities in the escrow account shall not be returned till completion of all obligations

Mr. O P Banka of M/s O P Banka & Associates, Chartered Accountants, 125, N. S. Road, 6th Floor, Room No. 69, Kolkata 700 001, (Ph. No. 033-22719846), Membership No.: 54980 has certified vide certificate dated 22nd August 2005 that the Acquirer have sufficient resources to meet all required financial obligations under the Offer. Based on this, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer as firm financial arrangement through verifiable means is in place to fulfill the Offer obligations in accordance with SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

The Acquirer had made a Public Announcement published on 14th November 2003 and a Corrigendum to Public Announcement published on 25th August 2005. The Offer is being made to all the shareholders of the Company except to the parties to the MoU and the persons deemed to be Acting in Concert, irrespective of whether they are registered or non-registered shareholders. The Letter of Offer (LOF) together with the Form of Acceptance cum Acknowledgement (FOAA), specifying the detailed terms and conditions of the Offer, will be despatched to the fully paid Equity Shareholders, whose name appear in the Register of Members of HNG at the close of normal business hours on Friday, 26th August 2005 (being the specified date). All the shareholders who own fully paid up shares of HNG at any time before the closure of the Offer are eligible to participate in this Offer. Accidental omission to despatch this Letter of Offer, non-receipt or delayed receipt of this Letter of Offer will not invalidate this Offer in any way.

To the best of the knowledge of the Acquirer, as on the date of the PA and this Corrigendum to the Public Announcement, no other statutory approvals are required, for the purpose of acquisition of shares under the open Offer.

In case of non receipt of any approvals, SEBI may, if satisfied that non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of Regulation 22(12) of SEBI (SAST) Regulations, 1997.

The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Company. The Acquirer will not be responsible in any manner for any loss of share certificate(s) and Offer acceptance documents during transit and the shareholders of the Company are advised to adequately safeguard their interest in this regard .

The Acquirer shall acquire the shares under the MOU upon fulfillment of all obligations as certified by the Manager to the Offer.

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

There are no locked-in-shares of the Target Company.

Shareholders who wish to tender the shares should submit documents in accordance with the procedures specified in Section 8 of the Letter of Offer and the Form of Acceptance cum Acknowledgement.

The shareholder shall have the option to withdraw acceptance tendered by him upto three working days prior to the date of closure of the Offer. Shareholders who wish to withdraw their shares should submit documents in accordance with the procedures specified in Section 8 of the Letter of Offer and the Form of Withdrawal.

The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement and Form of Withdrawal constitute an integral part of this Offer.

Equity Shares tendered under this Offer should be free from any charge, lien or encumbrance.

If there is upward revision in the Offer price by the Acquirer till the last date of upward revision i.e. 8th September 2005 the same would be informed by way of Public Announcement in the same newspapers where the original Public Announcement had appeared and the same price would be payable by the Acquirer for all the shares tendered at any time during the Offer and accepted under the Offer.

No competitive bids were made under clause 25(1) of SEBI Regulations, within the stipulated period from the date of Public Announcement.

As the Offer price cannot be revised during 7 working days prior to the closing date of the offer/bid, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly.

Statutory Approvals

- No approval is required to be obtained from Bank/Financial Institution for the Offer.
- As on the date of this PA, to the best of the knowledge of the Acquirer, no other statutory approvals and/or consents are required to implement this Offer.
- However, the Offer would be subject to all such statutory approvals as may be required and/or may subsequently become necessary to acquire at any later date.
- The Acquirer shall complete all procedures relating to the Offer within a period of 30 days from the closure of the Offer. In terms of Regulation 22(12) of the SEBI (SAST) Regulations, in the case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to the Acquirer agreeing to pay interest for the delayed period to the shareholders as directed by SEBI. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of SEBI (SAST) Regulation will also become applicable.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1 **SHAREHOLDERS** of HNG, who wish to avail this Offer should forward the under mentioned documents by hand delivery or by registered post to the Registrar to the Offer, Maheshwari Datamatics Private Ltd at :

Address	Contact Person & E-mail ID	Phone Nos.	Fax Nos.	Mode of Delivery
Maheshwari Datamatics Private Limited 6, Mangoe Lane, 2nd Floor, Kolkata-700 01	Mr. S. Rajgopal E-mail: mdpl@cal.vsnl.net.in	(033) 22435029 / 22435809	(033) 22484787	Registered Post or Hand Delivery

so as to reach the Registrars on or before 19th September 2005 (the Offer Closure Date) on Monday to Friday between 10.00 am and 5.00 pm and on Saturday between 10.00 am and 1.00 pm. In the case of demat shares, the Registrar is not bound to accept equity shares which have not yet been credited to the Escrow Depository Participant (DP) as on the date of closure of the Offer, i.e. 19th September 2005. Please note that all other requirements for valid transfer will be pre-condition for valid acceptance.

For equity shares held in physical form

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/ all shareholders whose names appear on the share certificates (in case of joint holdings) in the same order in which their names appear in the Register of Members.
- Original Share Certificate(s).
- Valid Share Transfer Deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with HNG and duly witnessed at the appropriate place by a Notary or Bank Manager or Member of Stock Exchange under their seal of office and membership number. The Transfer Deed should be left blank, excepting the signatures as mentioned above.
- Documents mentioned in para 8.2 for the NRI shareholders.

For equity shares held in demat form

Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/all shareholders whose names appear (in case of joint holdings) in the same order in which their names appear in their beneficiary account. The Form of Acceptance has to be tendered by the beneficial holder of shares only.

- A photocopy of the Delivery Instruction Slip duly acknowledged by the DP filled as per the instructions given hereunder:
- The Beneficial Owners who hold shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the escrow account shown hereunder.

  - The Delivery Instructions to be given to the DP should be in "For Off Market Trade" mode only. For each
  - Delivery Instruction the Beneficial Owner should submit a separate Form of Acceptance.
  - A special depository account in NSDL have been opened with Shree Bahubali International Limited in the name and style of **'Maheshwari Datamatics Private Limited Escrow A/C HNGI Open Offer**'. The details of the special depository account are as under:

DP Name	Shree Bahubali International Limited
DP ID	IN 300773
Client ID	10146422

  - Shareholders having their beneficiary account in Central Depository Services Limited ("CDSL") have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the depository account with NSDL.

- Documents mentioned in para 8.2 for NRI shareholders.

In case of non-receipt of the aforesaid documents, but receipt of the shares in the Depository Escrow Account, the Offer shall be deemed to be accepted. Shareholders should ensure that the credit for the delivered shares should be received in the Depository Escrow Account on or before the Closure of the Offer (i.e. 19th September 2005). The above documents should not be sent to Acquirer or to HNG or to the Manager to the Offer. The same should be sent to the Registrar to the Offer only.

8.1A **UNREGISTERED** shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by the person accepting the Offer.
- Original Share Certificates
- Valid Share Transfer form(s) as received from the market. The details of buyer should be left blank, failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be pre-condition for valid acceptance.
- Original contract note issued by the broker through whom the shares were acquired.
- Valid share transfer deed(s) duly executed by them.
- No indemnity is required from the unregistered shareholders.

Owners of shares who have tendered their shares for transfer should enclose:

- Form of Acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein by the person accepting the Offer.
- Copy of the letter sent to HNG for transfer of shares.
- Valid share transfer deed(s).

Shareholders who have sent their equity share certificates for dematerialisation should enclose

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained there in by the sole/joint equity shareholders whose names appear on the equity share certificate and in the same order in which their name(s) appears in the Register of Members and as per the specimen signature lodged with HNG.

- A copy of the demateriliasation request form duly acknowledged by the equity shareholders' depository participants.

Such equity shareholders should ensure that the credit of their equity shares tendered under Offer to the special depository account is made on or before the date of closing of the Offer, otherwise the same are liable to be rejected. Alternatively, if the equity shares sent for dematerialization are yet to be processed by the equity shareholders' depository participants, the equity shareholders can withdraw their dematerialization request and tender the equity share certificates in the Offer.

8.2 Non Resident shareholder(s)

Non Resident shareholder(s) should also enclose copy of the permission received from RBI for the shares held by them in HNG and No-Objection Certificate/Tax Clearance Certificate from the Income Tax Authorities under Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid No-Objection Certificate/Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at marginal rate as may be applicable to the category of the shareholder, on entire consideration amount payable to such shareholders.

8.3 All the above mentioned documents should be sent only to the Registrars to the Offer at their addresses mentioned above only and NOT to the Acquirer or Target Company or the Manager to the Offer.

8.4 **Procedure for acceptance of the Offer by shareholders who do not receive the Letter Of Offer.**

8.4.1 In case of non-receipt of the Letter of Offer, the eligible persons may send their consent 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 documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e 19th September 2005. The equity shareholders of HNG, who wish to avail of and accept the Offer, can deliver the Form of Acceptance cum Acknowledgement with all the relevant documents to the Registrar to the Offer at the collection centres.

8.4.2 In case of beneficial owners, they may send the 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, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in “off-market” mode or counterfoil of the delivery instruction in “offmarket” mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the close of the Offer i.e. 19th September 2005.

Eligible persons can download a copy of the Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal, which is placed on SEBI's website at **http://www.sebi.gov.in/** and send in their acceptance by filling the same. Such shareholders must send a covering letter alongwith the above mentioned details stating the acceptance of the Offer on the terms and conditions set out in the Letter of Offer.

8.5 Payment of consideration

8.5.1 The payment for consideration to those shareholders whose equity share certificates are and/or other documents are found valid and in order by the Acquirer, will be through a crossed account payee cheque/demand draft/pay order. The intimation regarding the acquisition (in part or full) or rejection of shares tendered by the shareholders in acceptance of this Offer and the corresponding payment for the acquired shares and/or share Certificates for the rejected shares will be despatched to the shareholders by registered post or by ordinary post as the case may be at the shareholder's sole risk.

In case of dematerialised equity shares, the equity shares would reside in the special account as mentioned above. The Registrar to the Offer will debit the special depository account to the extent of payment of consideration made by the Acquirer and his instructions for the credit to the beneficial account of the Acquirer. The shares held in demat form to the extent not accepted or withdrawn will be credited back to the beneficial owner's depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement/Form of Withdrawal.

Note: Despatches involving payment of value in excess of Rs. 1500/- will be made by registered post at the shareholder's sole risk. All other despatches will be made by ordinary post at the shareholder's sole risk.

8.5.2 All the cheques/demand drafts will be drawn in the in the name of the first holder, in case of joint holders. In case of unregistered owner of shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the Form of Acceptance cum Acknowledgement for incorporation in the cheque/demand draft.

8.6 The Registrars 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 HNG who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted shares/ share certificates are dispatched/returned.

8.7 Procedure for withdrawing of acceptance tendered

8.7.1 The shareholders who are desirous of withdrawing their acceptance tendered in the Offer, can do so up to three working days prior to the date of closure of the Offer i.e 19th September 2005. The withdrawal option can be exercised by submitting the following documents so as to reach the Registrar to the Offer on or before 14th September 2005.

- Duly signed and completed Form of Withdrawal.
- Copy of the submitted Form of Acceptance cum Acknowledgment/plain paper application and the acknowledgment slip.
- In case of shares in demat form, photocopy of the delivery instructions in "off-market" mode or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP.
- In case of partial withdrawal of physical shares, valid share transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per the specimen signatures registered with HNG and duly witnessed at the appropriate places for the shares which are not withdrawn.

8.7.2 The withdrawn shares would be returned to the shareholders by registered post.

8.7.3 In case of non receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper mentioning the details

- In case of physical shares: Name, Address, number of shares, distinctive numbers, Folio number, number of shares tendered/ withdrawn.
- In case of dematerialised shares: Name, Address, number of shares tendered/ withdrawn, DP name, DP ID, Beneficiary Account number and a photocopy of the delivery instruction in "off-market" mode duly acknowledged by the DP in favour of the Depository Escrow Account.

Alternatively, shareholders can download the Form of Withdrawal placed on SEBI's website at **http://www.sebi.gov.in/** and send their withdrawal by filling the same.

9. DOCUMENTS FOR INSPECTION

Copies of the following Material documents shall be available during the Offer period for inspection at the Office of the Manager to the Offer at the address mentioned elsewhere in the Offer Document from 10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m. on any working day.

1. Copy of the MoU dated 7th October 2002 entered into by the C.K. Somany group and the S.K. Somany group.
2. Certificate of Incorporation and Memorandum & Articles of Association of Ace Glass Containers Limited.
3. Certificate from Mr. Hemant Agarwal of M/s Hemant K. Agarwal & Co. Chartered Accountants, dated 16th October 2003 and 28th June 2005 certifying the Networth of Mr. C. K. Somany.
4. Certificate from Mr. O.P. Banka of M/s O. P. Banka & Associates, Chartered Accountants, dated 16th October 2003 and 25th June 2005 certifying that AGCL (Acquirer) has adequate resources to fulfill the obligations under this Offer.
5. Audited Annual Accounts of Ace Glass Containers Limited for the FY ended 31.03.04, 31.03.2003, 31.03.2002, 31.03.2001 and certificate from Mr. O.P. Banka of M/s O.P Banka and Associates Chartered Accountants, certifying the Unaudited (provisional) results for the FY ended 31.03.2005.
6. Audited Annual Accounts of HNG for the FY ended 31.03.2005, 31.03.2004, 31.03.2003, 31.03.2002 and 31.03.2001.
7. Copy of Bank Guarantee dated 10th August 2005 executed by HDFC Bank Limited having its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 and from its branch at Central Plaza, Sharat Boze Road, Kolkata. in favour of the Manager to the Offer.
8. Published copy of the Public Announcement which appeared on 14th November 2003 and Corrigendum to Public Announcement dated 24th August 2005 which appeared on 25th August 2005 .
9. Certificate of Incorporation, Memorandum and Articles of Association of Noble Enclave & Towers Private Limited, Rungamattee Trexim Private Limited, Spotlight Vanijya Limited, Spotme Tracon Private Limited, Topaz Commerce Limited and Giri Commercial Co. Private Limited
10. Annual Reports of Rungamattee Trexim Private Limited, Spotlight Vanijya Limited, Spotme Tracon Private Limited and Topaz Commerce Limited for the years ended 31.03.2005, 31.03.2004, 31.03.2003, 31.03.2002 and 31.03.2001. Annual Reports of the Noble Enclave & Towers Private Limited for the years ended 31.03.2004, 31.03.2003, 31.03.2002, 31.03.2001 and Unaudited (provisional) results for the years ended 31.03.2005. Annual Reports of the Giri Commercial Co. Private Limited for the years ended 31.03.2003, 31.03.2002 and 31.03.2001.
11. A copy of Client Master List of special depository account for the purpose of the Offer.
12. SEBI Chairman Order No. CO/474/TO/01/2003 dated 28th January 2003 and copy of SEBI letter no. DCR/RC/16582/03 dated 2nd September 2003
13. Copy of letter from ABN Amro Bank confirming deposit of Rs. 18,17,000/- towards requirement of minimum of 1% of the total consideration with a lien in favour of the Manager to the issue.
14. Copy of SEBI letter no. CFD/DCR/RC/TO/47418/05 dated 19th August 2005.

10. DECLARATION BY THE ACQUIRER

1. The Acquirer, Mr. C.K. Somany and Ace Glass Containers Limited and its Directors jointly and severally accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal and also for the obligations of the Acquirer and the deemed Persons Acting in Concert as laid down in the Regulations and subsequent amendments made thereto.

2. The Acquirer is solely responsible for ensuring compliance with the Regulations.

3. All information contained in this document is as on the date of Corrigendum to Public Announcement unless stated otherwise.

By Order of the Board of Directors
For **Ace Glass Containers Limited**

Sd/	Sd/-
Director	**C. K. Somany**

Place: Kolkata
Date: 25th August 2005

Enclosures:
a. Form of Acceptance cum Acknowledgement
b. Form of Withdrawal
c. Transfer Deed(s) for shareholders holding physical shares

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to the Registrar to the Offer at their address mentioned in the Instructions. All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER
Opens on: 31^{st} August 2005
Closes on: 19^{th} September 2005
Last date of Withdrawal : 14^{th} September 2005

From,

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

To,
MAHESHWARI DATAMATICS PRIVATE LIMITED,
6, Mangoe Lane, 2nd Floor,
Kolkata-700 01

Dear Sirs,

Sub: Open Offer for purchase of 2119664 equity shares of Hindusthan National Glass & Industries Limited (HNG) representing 19.19% of its equity capital, at a price of Rs. 81.28 (including interest) per fully paid up equity share for cash by Ace Glass Containers Limited and Mr. C.K. Somany

I/We refer to the letter of Offer dated 25th August 2005 for acquiring the equity shares held by me/us in HNG.

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

SHARES IN PHYSICAL FORM

I/We, hold shares in physical form, 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.	**Ledger Folio No.**	**Certificate No.**	**Distinctive Nos.**		**No. of shares**
			From	**To**	
Total number of equity shares					

(please attach an additional sheet of paper and authenticate the same if the above space is insufficient).

SHARES IN DEMAT FORM

I/We, hold shares in dematerialized form, accept the Offer and enclose photocopy of the delivery instructions favouring special depository account duly acknowledged by DP in respect of my/our equity shares as detailed below.

DP Name	**DP ID**	**Client ID**	**No. of Shares**	**Name of Beneficiary(ies)**

I/We have done an off market transaction for crediting the Equity Shares to the Depository Account with NSDL named as " **Maheshwari Datamatics Private Limited Escrow A/C HNGI Open Offer**", whose particulars are:

DP Name: Shree Bahubali International Limited. , DP ID Number: IN 300773, Client ID Number: 10146422
Enclosures (Please tick the appropriate box)

Power of Attorney	
RBI permission obtained by Non Resident Indian	

No Objection Certificate/Tax Clearance Certificate Under Income-tax Act, 1961, for Non-resident shareholders as applicable.	
Death Certificate/ Succession Certificate	
Corporate authorization in case of Companies along with the Board Resolution and specimen signatures of authorised signatories	
Others (please specify)	

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

I/We note and understand that I/We shall have the option to withdraw the acceptance tendered by me/us upto three working days prior to the date of closure of the Offer.

I/We note and understand that the original share certificate(s) and valid share transfer deed and shares lying in the special depository account 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 Acquirer will pay the purchase consideration only after verification of the documents and signatures.

I/We have done an off-market transaction for crediting the shares to the special depository account for which necessary instruction have been given to my DP.

I/We authorise the Acquirer 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 Acquirer to credit back shares held in demat form to the extent not accepted, to the beneficiary account with the respective depository participant as per the details given above.

I/We authorise the Acquirer or the Manager/Registrar to the Offer to send by registered post the demand draft/pay order, in settlement of the amount to the sole/first holder at the address mentioned above.

Yours faithfully,

Signed and delivered:

	Full Name(s) of the holders	**Signature**
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings all holders must sign. A Corporation must affix its rubber stamp

Place:
Date:

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

Name of the Bank			
Branch		City	
Account Number		Savings/Current/(Others: please specify)	

The permanent account number (PAN/GIR number) allotted under the Income Tax Act, 1961 is as under:

	1st shareholder	2nd shareholder	3rd shareholder
PAN/GIR No.			

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Acknowledgement slip

Received from Mr./Ms./Ms.________________________Folio No./DP ID/Client ID/ SR No. __________
Address____
____
Number of certificates enclosed ______________ Total number of Equity Shares enclosed
Signature of Official______________________________Date of Receipt____________________

Note: All future correspondence, if any, should be addressed to Registrar to the Offer: Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2nd Floor, Kolkata-700 001 Ph: (033) 22435029 / 22435809; Fax: (033) 22484787 E-mail mdpl@cal.vsnl.net.in, Contact Person: Mr.S.Rajgopal.

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling this Form of Acceptance cum Acknowledgement.
2. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Equity Shareholders of HNG. Each equity shareholder of HNG to whom this Offer is being made is free to offer his equity shareholding in HNG in whole or in part while accepting the Offer.
3. In case of joint holdings, all the holders whose names appear on the Equity Share Certificate or in the beneficiary account must sign this Form of Acceptance cum Acknowledgement in the same order in which these names appears on the register of members/beneficial account and as per the specimen signature(s) lodged with HNG or the beneficial owners depository participant
4. In case of dematerialised shares, a photocopy of the delivery instruction in the "off market" mode duly attested by the DP of the shareholder as specified in Section 8 of the Letter of Offer should be enclosed. Beneficial owners are advised to tender the delivery instructions at least two working days prior to the closure of the Offer, so that the credit may be received in the special depository account.
5. In case of physical Equity Shares the enclosed transfer deed should be duly signed as transferors by all shareholders in the same order and as per specimen signatures lodged with HNG and should be duly witnessed at the appropriate place. The Transfer Deed should be left blank, excepting the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar Authority holding a Public Office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferors' bank. PLEASE DO NOT FILL UP ANY DETAILS ON THE TRANSFER FORM. Relevant Equity Share Certificates must be annexed.
6. The shareholders of HNG who have sent their equity share certificates for dematerialisation should submit their form of acceptance and other documents, as applicable along with a copy of the dematerialisation request form duly acknowledged by their DP,
7. In case of bodies corporate, proper corporate authorization should be enclosed.
8. Persons who own Equity Shares (as on the Specified Date or otherwise) but are not the registered holders of such Equity Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrars to the Offer together with the original contract note issued by the broker, the Equity Share Certificate(s) and valid transfer deed(s) and other relevant documents. In case, the Equity Share Certificate(s) and transfer deed(s) are lodged with HNG for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgement or receipt by HNG.

Shareholders of HNG, who wish to avail this Offer should forward the relevant documents, by registered post with acknowledgement due or by hand delivery to the Registrar to the Offer, Maheshwari Datamatics Private Limited. at their address mentioned below, so as to reach the Registrar to the Offer on or before 19th September 2005.

Address	Contact Person	Phone Nos.	Fax Nos.	E-mail ID
Maheshwari Datamatics Private Limited, 6, Mangoe Lane, 2nd Floor, Kolkata-700 001	Mr.S.Rajgopal	(033) 22435029/ 22435809	(033) 22484787	mdpl@cal.vsnl.net.in

The Equity Shares can be tendered at the above address between Monday to Friday from 10.00 a.m. to 5.00 p.m. and on Saturday from 10.00 a.m. to 1.00 p.m. The center will remain closed on Sundays and any other Public Holidays. No document should be sent to the Acquirer or HNG or Manager to the Offer.

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to the Registrar to the Offer at their address mentioned below. All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER
Opens on: 31st August 2005
Closes on: 19th September 2005
Last date of Withdrawal: 14th September 2005

From,

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

To,
MAHESHWARI DATAMATICS PRIVATE LIMITED,
6, Mangoe Lane, 2nd Floor,
Kolkata-700 01

Dear Sirs,

Sub: Open Offer for purchase of 2119664 equity shares of Hindusthan National Glass & Industries Limited (HNG) representing 19.19% of its equity capital, at a price of Rs. 81.28 (including interest) per fully paid up equity share for cash by Ace Glass Containers Limited and Mr. C.K. Somany

I/We refer to the letter of Offer dated 25th August 2005 for acquiring the shares held by me/us in HNG.

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

I/We have tendered the following shares in Physical/Dematerialised form in terms of the letter of Offer.

SHARES IN PHYSICAL FORM

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

(please attach an additional sheet of paper and authenticate the same if the above space is insufficient).

SHARES IN DEMAT FORM

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

I/We have tendered the Shares in the Offer and had done an off-market transaction for crediting the Shares to the "**Maheshwari Datamatics Private Limited Escrow A/C HNGI Open Offer**'", as per the following particulars:-

DP ID: IN 300773
DP Name: Shree Bahubali International Limited
Client ID Number: 10146422

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP.

I/We hereby consent unconditionally and irrevocably to withdraw_________ shares from the Offer and I/We further authorise 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 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 as per the mode of delivery indicated in the Letter of Offer on or before the last date of withdrawal.

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

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

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

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

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

Yours faithfully,
Signed and delivered:

Signed and delivered	Full Name(s)	Signature(s)	Verified and Attested by us. Please affix the stamp of DP (in case of demat Shares)/Bank (in case of physical Shares)
1st Shareholder			`
2nd Shareholder			
3rd Shareholder			

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

Place:
Date:
---Tear along this line--

Acknowledgement slip

Received from Mr./Ms.____
Address____
____
Number of shares to be withdrawn_________________________

- Form of Withdrawal
- Copy of the submitted FOAA/Plain paper application & acknowledgement slip
- Copy of Delivery Instruction to (DP)
- Share transfer form

Signature of Official ______________________________Date of Receipt____________________

Note: All future correspondence, if any, should be addressed to Registrar to the Offer: MAHESHWARI DATAMATICS PRIVATE LIMITED, 6, Mangoe Lane, 2nd Floor, Kolkata-700 001 Tel. No. (033) 2243-5029/2243-5809 Fax: (033) 22484787 Email:mdpl@cal.vsnl.net.in Contact Person Mr. S. Rajgopal

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling this Form of Withdrawal.
2. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer as per the mode of delivery indicated therein on or before the last date of withdrawal.
3. The withdrawal of Shares will be available only for the Share certificates/ Shares that have been received by the Registrar to the Offer/Special Depository Escrow Account.
4. In case of joint holdings, all the holders whose names appears on the Equity Share Certificate or in the beneficiary account must sign this Form of Withdrawal in the same order in which these names appears on the register of members/beneficial account and as per the specimen signature(s) lodged with HNG or the beneficial owners' depository participant.
5. Shareholders should enclose the following documents:
   - Duly signed and completed form of withdrawal.
   - Copy of the submitted form of Acceptance cum Acknowledgement / Plain paper application and the acknowledgement slip.
   - In case of shares in demat form, photocopy of the delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off- market" mode, duly acknowledged by the DP.
   - In case of partial withdrawal of physical shares, valid share transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per the specimen signatures registered with HNG and duly witnessed at the appropriate places for the shares which are not withdrawn.
6. In case of bodies corporate, proper corporate authorization should be enclosed.
7. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to the Registered Shareholders.
8. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
9. The intimation of returned shares to the shareholders will be at the address as per the records of the Target Company / Depository as the case may be.
10. Shareholders of HNG, who wish to withdraw their acceptance should forward the relevant documents, by registered post with acknowledgement due or by hand delivery to the Registrar to the Offer, Maheshwari Datamatics Private Limited at their address mentioned below, so as to reach the Registrar to the Offer on or before 14th September 2005

Address	Contact Person	Phone Nos.	Fax Nos.	E-mail ID
Maheshwari Datamatics Private Limited 6, Mangoe Lane, 2nd Floor, Kolkata-700 001	Mr.S.Rajgopal	(033) 22435029 / 22435809	(033) 22484787	mdpl@cal.vsnl.net.in

Request for withdrawal The Equity Shares can be tendered at the above address between Monday to Friday from 10.00 am to 5.00 pm and on Saturday from 10.00 am to 1.00 pm The center will remain closed on Sundays and any other Public Holidays. No document should be sent to the Acquirer or HNG or Manager to the Offer.