PUBLIC ANNOUNCEMENT FOR EQUITY SHAREHOLDERS OF

INDO GULF INDUSTRIES LIMITED

Registered Office: Flat No. 104, Ground Floor, Buildcon Apartments, 70, Ber Sarai, New Delhi – 110 016, India.

Cash Offer for Acquisition of Equity Shares from Shareholders of Indo Gulf Industries Limited ("IGIL" or "Target")

This Public Announcement ("PA") is being issued by Enam Financial Consultants Private Limited ("Enam"), the Manager to the Offer, on behalf of Balrampur Chini Mills Limited (hereinafter referred to as the "Acquirer" / "BCML") pursuant to regulations 10 and 12 in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "Regulations").

1. The Background to the Offer

1.1 The Acquirer has entered into a Share Purchase Agreement ("SPA") on August 18, 2006 with Dr. S. K. Garg, acting for himself and, through duly authorised power of attorney / letter of authority, for the other shareholders, being his relatives, namely Dr. Avinash Garg, Mr. Deepak Garg, Ms. Anuradha Garg, Ms. Tina Garg, Mr. B.K. Agarwal, Ms. Rekha Agarwal, Mr. N.K. Agarwal, Mr. R.K.Agarwal, Mr. M.K. Garg, Ms. Pratibha Garg, Ms. Monica Garg, Mr. Madhur Garg and Mr. Nitish Garg (hereinafter collectively referred to as "Sellers") for acquisition of 21,76,098 fully paid up equity shares of Rs. 10/- each and 4,58,400 partly paid up equity shares of Rs. 10/- each (Rs. 5/- paid up) (hereinafter collectively referred to as "Transaction Shares") representing 27.54% of total equity share capital and 27.67% of the total voting equity share capital of IGIL, at a price of Rs. 7/- per fully paid up equity share & Rs. 2/- per partly paid up equity share, payable in cash, aggregating to Rs. 1,61,49,486/- ("Purchase Price ").

1.2 Dr. S. K.Garg is original promoter and rest of the sellers are his relatives.

1.3 Pursuant to regulations 10 and 12 of the Regulations, on account of proposed substantial acquisition of equity shares and change in control as a consequence of the SPA referred to in paragraph 1.1, above the Acquirer is required to make an offer to the shareholders of IGIL other than the Sellers to acquire their shares by making a PA in terms of the Regulations.

1.4 None of the Sellers has been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other regulation made under the SEBI Act.

Important clauses of SPA are as follows;

- The Purchase Price for purchase of the 21,76,098 (Twenty one lacs seventy six thousand and ninety eight only) fully paid Equity Shares shall be at price of Rs. 7.00 (Rupees seven only) per Share, and for the 4,58,400 (Four lacs fifty eight thousand four hundred only) partly paid Equity Shares on which presently only Rs. 5.00 per (Rupees five only) share stands paid-up, it shall be at price of Rs. 2.00 (Rupees two only) per Share (with the purchaser taking over the liability of payment of the outstanding call dues thereon to the Company), aggregating to Rs. 1,61,49,486 (Rupees One crore sixty one lacs forty nine thousand four hundred and eighty six only) for the entire Shares (the "Purchase Price").
- The Sellers and the directors of the Company shall as and from the date of this Agreement until Closing, carry on the business of the Company in the ordinary course of business as Trustees for the Purchaser. The Company has simultaneously subscribed its seal on a duplicate of this Agreement signifying its knowledge and consent to this Agreement and acknowledges, confirms and declares that the Board of the Company shall carry out its business until the Closing Date, in trust for the Purchaser.
- At any time after 21 (twenty one) days from the date the Purchaser makes the requisite public announcement for acquisition of Equity Shares of the Company in terms of Regulation 10 of the Takeover Code, the Seller shall be entitled to get the Board of Directors of the Company reconstituted by appointment of such number of additional directors nominated by the Purchaser and/or resignation of such number of the existing directors of the Company as may be mutually agreed. The Sellers shall deliver to the Purchaser effective written resignation letters of all directors of the Company, excepting that of the nominees of the Purchaser appointed as directors of the Company in terms of SPA. Such written resignation letters shall contain a confirmation that the directors have no claim for compensation for loss of office or termination of employment, whether statutory or otherwise; and
- The Purchaser agrees, undertakes and confirms that it shall comply with the provisions of the Takeover Code and in case of non-compliance of any of the provisions of the Takeover Code, this Agreement shall not be acted upon by the Parties.

1.5 As on the date of this PA, the Sellers hold 21,79,918 fully paid up equity shares and 4,61,700 partly paid up equity shares of Rs. 10/- each (Rs. 5/- paid up) in IGIL representing 27.61% of the total equity share capital. The Sellers are selling 21,76,098 fully paid up equity shares of Rs. 10/- each and 4,58,400 partly paid up equity shares out of their holding as mentioned in paragraph 1.1 above.

2. The Offer

2.1 The Acquirer is making an offer to the shareholders (parties to the SPA) of IGIL to acquire 37,15,000 fully paid up equity shares of Rs.10/- each representing 38.83% of the total equity share capital and 47.24 % of total voting equity share capital of IGIL at a price of Rs. 7/- per fully paid-up equity share and such amount payable to partly paid shareholders after deducting amount due in respect of calls in arrears on such shares subject to a minimum of Rs. 2/- per partly paid shares (the "Offer Price") payable in cash in terms of regulations 20 & 21 of the Regulations (the "Offer" or "Open Offer"). The Offer is in accordance with regulation 10 and 12 of the Regulations, consequent to the SPA referred to in paragraph 1.1 above, on account of proposed acquisition of equity shares and change in control of the Target.

2.2 As on the date of this PA, the Acquirer does not hold any equity share of IGIL. The Acquirer has not acquired any equity share of IGIL during the 12 months preceding the date of this PA.

2.3 This is not a Competitive Bid.

2.4 The Offer is not conditional on any minimum level of acceptance.

2.5 The Offer is subject to the terms and condition set out herein and in the Letter of Offer ("LOF") that would be sent to the shareholders of IGIL.

2.6 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 7 of the PA. In terms of regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

3. The Offer Price

3.1 The equity shares of IGIL are listed on Bombay Stock Exchange Limited.(BSE) and The Stock Exchange, Ahmedabad (ASE). Trading in the equity shares of IGIL stand suspended by the BSE. Delhi Stock Exchange vide its letter dated August 11, 2006 has informed IGIL that its equity shares have been delisted w.e.f. July 12, 2004. IGIL vide its letter dated August 18, 2006_has confirmed that there was no trading of its equity shares on ASE since last three years.

The shares have not been traded on the respective stock exchanges during February 2006 to July 2006 (six calendar months preceding the month in which the PA is made) and therefore are infrequently traded within the meaning of regulation 20(5)(i) of the Regulations.

As the equity shares of IGIL are infrequently traded, the offer price for the equity shares of IGIL in terms of regulation 20 (5) of the regulations has been determined after taking into account the following factors:

a.	Negotiated Price under the agreement for acquisition of share or voting rights or deciding to acquire shares or voting rights	Rs.7/- per fully paid up share and Rs. 2/- per partly paid up shares
b.	Highest Price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to date of Public Announcement	N.A.
c.	Higher of the average of the weekly high and low of the closing prices for the equity shares of IGIL for the twenty six weeks or the daily high and low of the prices of IGIL during the two weeks preceding the date of P.A. i.e August 24, 2006 on all stock exchanges	N.A.
d.	Other parameters based on the audited accounts of IGIL for the 15 months period ended September 30, 2005	
(i)	Return on Net worth (%)	-
(ii)	Book Value per Share (Rs)	5.76
(iii)	Earning Per Share (Rs)	-
(iv)	PE ratio	-

Mr. Ajay Agarwal of M/s G.P.Agarwal & Co., Chartered Accountants (M. No. 17643) have vide their report dated August 19, 2006 stated that the shares of IGIL are not traded. Therefore, for the purpose of valuation, market value could not be considered. Further, IGIL had no profits in the last three years, therefore Earning Based Value per share has not been used to determine the offer price. Considering the composition of assets of IGIL, nature of its business, seizure/closure of factories resulting in no business activities for last three years, net assets method is most appropriate method for valuation of equity shares of IGIL.Based on the audited financial for the fifteen months period ended September 30, 2005, the fair value would be Rs.5.76/- per share considering the Net Asset Value of the Target. In view of the above, the Offer Price of Rs. 7/- per equity share based on the net asset value as on September 30, 2005 is justified in terms of regulations 20(4) and 20 (5) of the Regulations.

4. Information on the Acquirer

4.1 BCML is a limited company constituted under the Companies Act, 1956 and incorporated on July 14, 1975. The registered office of BCML is situated at 'FMC Fortuna', 2nd Floor, 234/3A, A.J.C. Bose Road, Kolkata – 700 020.

4.2 The authorised share capital of BCML is Rs. 65,00,00,000/- comprising of 40,00,00,000 equity shares of Re. 1/- each and 25,00,000 preference shares of Rs. 100/- each. Its paid-up capital is Rs. 24,81,54,000/- comprising of 24,81,54,000 equity shares of Re. 1/- each. Shareholding pattern of the acquirer is as follows;

Category of shareholder	Total no. of shares	Total shareholding as a % of total no. of shares
Promoter and Promoter Group	78950890	31.82
Others	169203110	68.18
Totals	248154000	100.00

4.3 BCML is promoted by the Saraogi Group. Names of the Promoter / Persons who are having control is given below :-

Shri K. N. Saraogi
Shri Vivek Saraogi
Smt. Meenakshi Saraogi
Smt. Satyawati Saraogi
Smt. Sumedha Saraogi
Smt. Stuti Dhanuka
Master Karan Saraogi
Miss Avantika Saraogi
M/s. Udaipur Cotton Mills Co. Ltd.
M/s. Meenakshi Mercantiles Ltd.

4.4 BCML is presently engaged in the business of manufacture and sale of sugar, molasses, industrial alcohol, power, bio-fertilizers and other by-products and have experience of more than twenty five years.

Total income of BCML for the twelve months period ended March 31, 2006 was Rs. 124232.98 lacs as compared to the total income of Rs. 85392.09 lacs for the year ended March 31, 2005. Profit after tax for the same periods amounted to Rs. 19395.17 lacs and Rs. 12506.30 lacs respectively. Financial ratios for the twelve months period ended March 31, 2006 are as follows:

Return on Networth - 21.52%, Book Value – Rs. 36.32 per share, EPS- Rs.8.26 per share, P/E ratio – 12.27.

4.5 Shares of BCML are listed on Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Association Ltd. Application for delisting of shares has been made to The Calcutta Stock Exchange Association Ltd. Global Depository Receipts issued by the Company are listed on the Luxembourg Stock Exchange.

4.6 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other regulation made under the SEBI Act.

5. Information on IGIL, The Target

5.1 IGIL was incorporated on March 05, 1981 under the Companies Act, 1956. The company was incorporated under the name Indo Gulf Explosives Limited and subsequently the name of the company has been changed to Indo Gulf Industries Limited w.e.f. September 1, 1994.

5.2 It has its registered office at Flat No. 104, Ground Floor, Buildcon Apartments, 70, Ber Sarai, New Delhi – 110 016, India.

5.3 IGIL is primarily in the business of manufacture and sale of explosives and sugar in the State of U.P., M.P., Orissa and NCT of Delhi, India as per its Memorandum of Association. Currently no operations are carried out in the company.

5.4 The authorised share capital of IGIL is Rs. 20,00,00,000/- divided into 1,97,50,000 equity shares of Rs. 10/- each and 25,000 10% Convertible Cumulative Preference Shares of Rs. 100/- each.

5.5 The present issued share capital of IGIL, as on the date of this PA is Rs.12,76,72,700 divided into 1,27,67,270 Equity Shares of Rs. 10/- each and subscribed and paid up share-capital is Rs. 8,81,80,003/- comprising of 95,67,270 Equity Shares of Rs.10/- each against which a sum of Rs. 74,92,697 is outstanding as calls in arrears. As per the information provided by IGIL the break up of Subscribed and Paid up Equity share capital is as follows;

Subscribed and paid-up Equity Share Capital	No. of Equity Shares (Face Value - Rs. 10/-)	% of Equity Shares
Fully paid-up Equity Shares (a)	78,64,540	82.20
Partly paid-up Equity Shares (b)	17,02,730	17.80
Total Subscribed and paid-up Equity Shares (a+b)	95,67,270	100
Total Voting Rights	78,64,540	82.20

Note: The partly paid-up equity shares do not carry any voting rights as per the Article 67 of the Articles of Association of IGIL as calls have been made on the shares and the calls remain unpaid.

5.6 IGIL has confirmed that it has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the "SEBI Act") or under any other regulation made under the SEBI Act.

5.7 The financial highlights of IGIL are as follows:

(All figures in Rs. Lacs except per share figures)

Particulars	For the year ended 30.06.2003 (Audited)	For the year ended 30.06.2004 (Audited)	For the period ended 30.09.2005 (Audited)
	12 months	12 months	15 months
Paid up Equity Share Capital	961.80	961.80	881.80
Reserves and Surplus (excluding revaluation reserve)	3542.94	3542.94	3522.94
Profit and Loss Account Debit balance	2084.65	2225.72	3881.59
Miscellaneous Expenditure	66.32	66.32	47.28
Sales	102.16	-	1338.55
Other Income	2.75	-	0.03
Increase / decrease in stock	(99.21)	-	(2250.02)
Creditors written back	224.41	250.54	-
Total Income	230.11	250.54	(999.57)
Profit After Tax	(225.66)	(141.07)	(1655.87)
Earning Per Share (Rs.)	-	-	-
Book Value Per Share	2.08	0.69	5.76
Return on Networth (%)	-	-	-

6. Reason for Acquisition and Offer

6.1 The Offer to the shareholders of IGIL, as explained in paragraph 2.1 above, is being made pursuant to Regulation 10 and 12 of the Regulations for substantial acquisition of equity shares of IGIL accompanied by a change in control.

6.2 The Acquirer proposes to acquire the shares of IGIL as a part of BCML's strategy to grow through inorganic route of acquisition. This acquisition of controlling interest in the Company is consistent with BCML's strategy of building a significant presence in the integrated sugar business in India. BCML believes that its skill and experience in the sugar industry combined with its financial and technical strength will enable IGIL to develop further and expand its core operations. Further the location of plant of sugar unit of IGIL being proximate to the plants of Balrampur and Rauzagaon, IGIL would able to crush fully of the available sugarcane in the vicinity to optimise its yield and be made an integral part of the future business plan of BCML. This acquisition will enhance the business potential for BCML and will provide operational flexibility to the entity.

6.3 To the extent required and to optimise the value to all shareholders, the Acquirer may, subject to applicable shareholders' consent, enter into any compromise or arrangement, reconstruction, restructuring, merger/demerger, rationalising and/or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of IGIL. The Board of Directors of IGIL will take appropriate decisions in these matters. The Acquirer does not have any plan to dispose off or otherwise encumber any asset of IGIL in the next two years except in the ordinary course of business of IGIL and except to the extent mentioned above. However, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of IGIL except with the prior approval of the shareholders of IGIL.

7. Statutory/Other Approvals Required for the Offer

7.1 The Offer is subject to the Acquirer obtaining necessary approval from the Reserve Bank of India under Foreign Exchange Management Act, 1999 ("FEMA"), if required.

7.2 The Acquirer will make the above applications, if required, to acquire the shares pursuant to the Offer at an appropriate time.

7.3 There are no other statutory approvals required for the purpose of this Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.

7.4 The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the closure of the Offer.

7.5 In case of delay, due to non-receipt of statutory approvals, as per regulation 22 (12) of the Regulations, SEBI may, if satisfied that the non-receipt of the approvals was not due to wilful default or negligence, grant an extension for the purpose of completion of the Offer provided the Acquirer agrees to pay interest to the shareholders beyond 15 days.

7.6 If the Acquirer fails to obtain the requisite approvals in time due to wilful default or neglect or inaction or non-action on his part, the amount lying in the escrow account shall be forfeited in the manner provided in regulation 28 (12) (e) of the Regulations.

7.7 The Acquirer reserves the rights to withdraw the Offer in the event of the requisite statutory approvals being refused. In the event of withdrawal, a Public Announcement will be made in the same newspapers in which this original Public Announcement is being made.

7.8 The offer is subject to the approval of Citicorp International Finance Corporation, U. S. A. and ICICI Bank Limited.

8. **Delisting Option**

The Offer will not result in public shareholding being reduced to a level below the limit specified in the Listing agreement with the stock exchange for the purpose of listing on continuous basis.

9 Financial Arrangements for the Offer

9.1 The Acquirer has made firm financial arrangements for financing the acquisition of equity shares from internal resources under the Offer in terms of regulation 16 (xiv) of the Regulations.

9.2 The maximum fund requirement for the acquisition of 37,15,000 shares of IGIL at the Offer price of Rs. 7/- per fully paid up equity share, assuming full acceptance of the shares tendered, would be Rs. 2,60,05,000/-.

In accordance with regulation 28 of the Regulations, the Acquirer has made a cash deposit of Rs.2,60,05,000/- (being 100% of the consideration payable under this Offer) in the Escrow Account No. 03222600000099 with Kotak Mahindra Bank Limited, "Apeejay House", 15, Park Street, Kolkata – 700 016. The Manager to the Offer, Enam has been empowered to operate the Escrow Account.

Mr. Ajay Agrawal of M/S. G. P. Agrawal & Co., Chartered Accountants, (Membership no. 17643), have certified vide their letter dated August 19, 2006, that Balrampur Chini Mills Limited has firm and adequate financial arrangements to meet the financial requirements for the open offer in terms of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation 1997.

9.3 Enam, on basis of the above, has satisfied itself that the Acquirer has adequate and firm financial arrangements to implement the Offer in accordance with the Regulations.

10. Other Terms of the Offer

10.1 The Offer will be made to the shareholders of IGIL and the Letter of Offer ("LOF") together with the Form of Acceptance cum Acknowledgement ("FOA"), the Form of Withdrawal ('FOW") and Transfer Deed ("TD") (for shareholders holding shares in physical form) will be mailed to those shareholders of IGIL (except the parties to SPA) whose names appear on the register of members of IGIL,at the close of business hours, August 28, 2006 (the "Specified Date").

Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Offer is subject to terms and conditions set out herein and in the Letter of Offer that would be sent to the shareholders of IGIL as on the Specified Date.

10.2 The Acquirer has appointed C. B. Management Services Private Limited, P – 22, Bondel Road, Kolkata – 700 019 as Registrar to the Offer.

Registrar has set up the following centres to collect the acceptances being tendered in this Offer.

Sl. No.	Place	Name/Address	Phone/Fax	Contact Person(s)
1.	New Delhi	M/S Alok Deepak & Co. F – 26, 1st Floor Opp. Desh Bandhu College Kalkaji, New Delhi – 110 019	Ph: 011-4131 5457 Fax: 011-2621 5227	Mr. Deepak Kapoor
2.	Ahmedabad	M/S V.K. Moondra 301 Sarap Opp. Navjeevan Press Ashram Road Ahmedabad – 380 014	Ph: 079-2754 0550 2754 1589 Fax:079-2676 9402	Mr. V.K. Moondra Mr. Rajendra Shah Mr. Madhoosoodhanan
3.	Bangalore	M/S Saraswati Online Dot Com Soundarya Paramount First Floor 102, 83/87, 5th Cross Maleswaram Bangalore – 560 003	Ph: 080-2334 9689/ 3169	Mr. P. Ganguly
4.	Jaipur	M/S Saraswat (I) Ltd. G-4, Ground Floor Jaipur Tower Opp. All India Radio M.I. Road Jaipur – 302 001	Ph:0141-2363 908 2204 100	Mr. P. Saraswat
5.	Mumbai	Taurus Stock Broking Pvt. Ltd. 305 & 306, Sapphire Arcade M.G. Road, Rajawadi, Ghatkopar (E) Mumbai - 400 077	Ph : 022- 2512 7400 / 2512 9272 Fax: 022 - 2512 1004	Mr. Yogesh Doshi

The documents can be tendered at the above centres between 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturdays. The centres will be closed on Sundays and public holidays.

10.3 All owners of equity shares, registered/unregistered (except the parties to the SPA) are eligible to participate in the Offer anytime before closure of the Offer.

All registered owners can send duly completed FOA, filled and signed in accordance with the instructions contained in the LOF and FOA, to the Registrar to the Offer, C. B. Management Services Private Limited, at the collection centres mentioned in 10.2, before the closure of the Offer i.e. November 6, 2006. No indemnity shall be required from the unregistered shareholders. Further shareholdes tendering partly paid shares should also sent along with the above mentioned document copies of documents evidencing payment of call money, if any. All shares of IGIL are in physical form as no shares of the Company have been dematerialised.

Unregistered owners holding shares in physical form can send their application in writing on plain paper, duly signed and stating Name/Address/No. of shares offered/Share Certificate No.(s)/Distinctive (No).s/Folio (No).s together with the original Share Certificate(s), valid transfer deeds as received from the broker **(Columns meant for transferee / buyer should be kept blank)** to the Registrar to the Offer.

10.4 In case any person has lodged shares of IGIL for transfer and the transfer has not yet been effected, the concerned person may apply on plain paper giving details as stated above along with a transfer deed duly signed (Columns meant for transferee / buyer should be kept blank) and the acknowledgement of the lodgment of shares of transfer. Such person should also instruct IGIL and its Registrar and Transfer Agent to send the transferred share certificate(s) directly to the collection centre as mentioned in 10.2 above. The applicant should ensure that the certificate(s) reach the designated collection centre before the closure of the Offer.

10.5 If the number of shares tendered by the shareholders are more than the Offer size, the acquisition from each shareholder will be as per regulation 21(6) on a proportional basis in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

10.6 The Registrar will hold in trust the share certificates, transfer deeds, FOA on behalf of the shareholders of IGIL who have accepted the Offer, till the Acquirer completes the Offer obligations in accordance with the Regulations.

10.7 Equity shares tendered by the shareholders of IGIL in the Offer shall be free from lien, charges and encumbrances of any kind whatsoever.

Equity shares that are subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of IGIL may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected, unless directions/orders regarding the free transferability of such equity shares are received together with the equity shares tendered under the Offer prior to the date of closure of the Offer.

10.8 The consideration received by shareholders for shares accepted in the Offer will be subject to the capital gains tax applicable as per the Income-tax Act, 1961. Further, the securities transaction tax will not be applicable on shares accepted in this Offer.

10.9 As per the provisions of Section 196D (2) of the Income Tax Act, 1961, and as amended (the "Income Tax Act"), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ("FII") as defined in section 115 AD of the Income Tax Act. However, while tendering their equity shares under the Offer, Non Resident Individuals, Overseas Corporate Bodies and other non-resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders. Non Resident shareholders should also submit copy of the permission received from Reserve Bank of India for acquisition of the shares of Indo Gulf Industries Limited. In case of its non-submission, Acquirer reserves their right to reject the shares tendered in the Offer.

10.10 The Acquirer will purchase the shares from the shareholders of IGIL who have validly tendered the equity shares in the Offer (i.e. equity shares and/or other documents are in order in terms of the Offer) and remit the consideration in respect thereof within 15 days from Offer closure by crossed account payee cheques / demand drafts. Consideration in excess of Rs.1,500/-, unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder/unregistered owner. All dispatches involving payment of a value up to Rs. 1,500/- will be made under certificate of posting at the shareholders' sole risk.

10.11 A schedule of some of the key events in respect of the Offer is given below:

Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	August 28, 2006
Last Date for Competitive Bid	September 14, 2006
Date by which Letter of Offer will be posted to shareholders	October 5, 2006
Date of Opening of the Offer	October 16, 2006
Last date for revising the Offer Price / No. of equity Shares	October 25, 2006
Last date of withdrawal of tendered application by the shareholders	November 1, 2006
Date of Closing of Offer	November 6, 2006
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted Equity Shares / Share Certificate(s) will be dispatched / credited	November 21, 2006

11. General

11.1 In accordance with regulation 22(5A) of the Regulations, the shareholders who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the date of closure of the Offer.

The withdrawal option can be exercised by submitting the FOW. In case of non-receipt of the FOW, the withdrawal option can be exercised by making an application on plain paper, giving the following details:

Name, Address, Folio No.(s), Distinctive No. (s), No. of shares Tendered/Withdrawn.

11.2 If the Acquirer decides to make upward revisions in the Offer Price / Number of equity shares to be acquired, in accordance with regulation 26 of the Regulations, such upward revision will be made not later than October 25, 2006 (seven working days prior to the date of closure of the Offer). Such revisions/amendments would be affected by making a Public Announcement in the same newspapers in which this original Public Announcement is being made.

In case of an upward revision in the Offer price, the revised price will be payable to all the shareholders (who have validly tendered their shares in the Offer period) to the extent of their shares being accepted.

11.3 If there is a competitive bid:

11.3.1 **The public Offer under all the subsisting bids shall close on the same date.**

11.3.2 **As the Offer Price cannot be revised during the 7 working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of shareholders to wait until the commencement of that period to know the final Offer price of each bid and tender their acceptances accordingly.**

11.4 Pursuant to regulation 13 of the Regulations, the Acquirer has appointed Enam Financial Consultants Private Limited, as Manager to the Offer. As on date of PA, the Manager to the Offer does not hold any share in the Target.

11.5 The Acquirer and its Directors severally and jointly accept full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirer as laid down in the Regulations.

11.6 For further details please refer to the Letter of Offer, the Form of Acceptance and the Form of Withdrawal.

11.7 This Public Announcement would also be available on SEBI's website (www.sebi.gov.in). Eligible persons to the Offer may also download a copy of Letter of Offer, Form of Acceptance and the Form of Withdrawal which will be available on SEBI's website at (www.sebi.gov.in) from the Offer opening date i.e.October 16, 2006, and apply on the same.

Registrar to the Offer:

C. B. Management Services Private Limited,
P – 22, Bondel Road, Kolkata – 700 019. Tel. No. + 91 33 2280 6692 – 94, Fax: + 91 33 2287 0263
Email: cbmsl1@cal2.vsnl.net.in, Contact Person: P. Basu

ISSUED BY (Manager to the Offer)

ENAM

Enam Financial Consultants Pvt. Ltd.
801/802 Dalamal Tower, Nariman Point, Mumbai 400 021
Tel.: +91-22-6638 1800 ; Fax: +91-22-2284 6824 ;
Email: expo@enam.com
Contact Person: Sachin K. Chandiwal.

On behalf of the Acquirer:

Balrampur Chini Mills Limited

Date: August 23, 2006
Place: Kolkata

Adfactors 128