PUBLIC ANNOUNCEMENT FOR ATTENTION OF THE EQUITY SHAREHOLDERS OF NOVA IRON & STEEL LIMITED

(Registered Office at Village Dagori, Tehsil Belha, Distt. Bilaspur – 495224 (Chattisgharh)

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS OF "*Nova* Iron and Steel Limited (*hereinafter referred to as the* "Target Company" or "NISL")

This Public Announcement ("**PA**") is being issued by Master Capital Services Ltd (hereinafter referred to as the "**Manager to the Offer**" or **"MCSL**") on behalf of **Bhushan Power & Steel Limited** (hereinafter referred to as the "**Acquirer**" or "**BPSL**") pursuant to Regulation 10 and 12, and as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as "**the Regulations**"/ "**SEBI (SAST) Regulations**").

1. THE OFFER

1.1 This **cash offer** for acquisition of 3,01,16,240 equity shares of NISL @ Rs. 14.00 per share (hereinafter referred as **Offer**) is being made by the Acquirer, a company incorporated under the Companies Act, 1956, having its Registered Office at 4th floor, Tolstoy house 15-17, Tolstoy Marg, Connaught Place, New Delhi-110 001, in compliance with the Regulations 10 and 12 of the Regulations. The prime objective of the Offer by the Acquirer is of substantial acquisition of shares and voting rights accompanied with management control of the Target Company.

1.2 The Acquirer has entered into a **Share Purchase Agreement (SPA)** on 10.06.2011 to acquire 1,70,59,000 (One crore seventy lacs fifty nine thousand) fully paid up equity shares of face value Rs.10/- each, representing 11.33% of the total paid up equity share/voting capital of Target Company (referred as "**Sale Shares**") from Mr. Rajender Kumar Gambhir and Mr. G.K. Gambhir (referred to as the "**Sellers"**), representing main promoters of Target Company, at a price of Rs. 13.00 each (Rupees thirteen only). All the 1,70,59,000 Sale Shares are under lock-in period upto 27.06.2013 and shall continue to remain under lock-in till 27.06.2013 in the hands of the Acquirer (new promoter) in accordance with regulation 79 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

1.3 The existing holding of the Acquirer in the Target Company before the said SPA was 2,24,00,000 shares i.e. 14.88% of the total paid up capital of the Target Company. Therefore said SPA for acquisition of additional 11.33% of voting capital of Target Company has triggered the Regulation 10 and since the Acquirer is acquiring the control of the Target Company also, this offer is being made under regulation 10 and 12 of the SEBI (SAST) Regulations.

1.4 As on the date of Public Announcement, due to further acquisition by Acquirer during the Offer Period (i.e. after entering into the said SPA) the Acquirer owns 7,61,97,200 share (i.e. 50.61%) of the Target Company (except Sale Shares under SPA) as per details at para 1.9 below.

The total direct and indirect holding of the Acquirer, including the acquisition through SPA is 9,32,56,200 fully paid equity shares, representing 61.94% of voting capital of the Target Company.

1.5 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

1.6 The Acquirer is making an Offer to the public shareholders of Target Company (other than the parties to the SPA) to acquire up to 3,01,16,240 fully paid-up equity shares of Rs.10/- each of Target Company representing 20% of the total outstanding voting equity share capital of Target Company, at a price of Rs. 14.00 per fully paid-up equity share, payable in cash in terms of Regulations 20 and 21 of the Regulations.

1.7 The important features of the SPA are laid down as under:

a. That the Sellers have agreed to sell 1,70,59,000 Equity Shares of the Target Company to the Acquirer @ Rs. 13.00 (Rupees thirteen only) per fully paid share of face value of Rs. 10/- payable in cash aggregating to Rs.22,17,67,000/- (Rupees twenty two crores seventeen lacs sixty seven thousands only). The Consideration shall be paid by the Acquirer to Sellers after the completion of obligation of Acquirer under Offer and Sale Shares alongwith the transfer deeds shall be handed over by the Sellers to the Acquirer simultaneously.

b. That the Acquirer and Sellers shall comply with all the requirements of SEBI (SAST) Regulations.
c. That in case of non-compliance of any provisions of the SEBI (SAST) Regulations, the SPA shall not be acted upon by the Acquirer or the Sellers.
d. That the Acquirer after depositing 100% of the consideration of the Public Offer in Escrow Account can under the provisions of Regulation 22(7) of SEBI (SAST) Regulations get its director(s) appointed on the Board of Directors after 21 days of Public Announcement and assume control.
e. That between the date of signing of the SPA (i.e. 10.06.2011) and the date on which the Acquirer assumes control, the Sellers have agreed to certain covenants as per SPA.
f. That the Sellers have indemnified and shall keep harmless and indemnified the Acquirer of and from any action, proceeding, claim, demand, loss, damage, costs, charges and expenses which the NISL/Acquirer may suffer or incur as a result of breach of the representations and undertakings or covenants given by the Sellers or any liability arising out of the liabilities mentioned in the schedules of SPA.

Notwithstanding anything contained in the SPA, including the termination clause, the obligations of the Acquirer under the Public Offer shall remain as per the provisions of SEBI (SAST) Regulations, 1997 as amended upto date.

1.8 The shares of the Target Company are listed at BSE, NSE, ASE, DSE, CSE and MSE. Presently the shares are suspended at NSE and there is no trading at ASE, DSE, CSE and MSE. Based on the information available for the relevant periods (source www.bseindia.com) 96,17,407 equity shares of the Target Company were traded during the period December, 2010 to May, 2011 representing to 12.41% of the total listed capital. Accordingly as per the explanation (i) to Regulation 20(5) of SEBI (SAST) Regulations, the shares are not infrequently traded at BSE.

1.9 The Offer price of Rs. 14.00 (Rupees fourteen only) per equity share is justified in terms of Regulation 20(4) and 20(5) of the SEBI (SAST) Regulations, being the highest of the following:

Sr. No.	Acquisition	% of voting capital	Acquisition Cost per Equity Share (Rs.)
a)	Spot purchase of 1,50,000 equity shares of Target Company on 08.06.2011 in physical form (12510 shares from Mrs. Shanti Devi, 10 shares from Mr. Vikram Gambhir, 10 shares from Ms. Natasha Gambhir and 1,37,470 from Nova Corporation Limited).	0.10	12.00
b)	Purchase of 2,22,50,000 equity shares of Target Company on 08.06.2011 through Block deal from BSE trading platform from following Promoters		
	15,00,000 shares from Mrs. Veena Gambhir	1.00	11.88
	10,00,000 shares from Mrs. Sunita Gambhir	0.66	11.88
	1,97,50,000 from M/s Nova Corporation Ltd.	13.12	11.69

c)	Negotiated price payable under SPA dated 10.06.2011	11.33	13.00
d)	Acquisition during the Offer Period after the SPA dated 10.06.2011		
i)	Indirect acquisition of 4,15,11,000 equity shares of Target Company by way of Spot Share Purchase, through an agreement with all shareholders of Ambey Steel & Power Private Limited for acquiring 100% shares of Ambey Steel & Power Private Limited (one of the promoters of Target Company) on 11.06.2011	27.57	13.50 #
ii)	Purchase of 67,00,000 equity shares of Target Company on 13.06.2011 through Block deal from BSE trading platform from following Promoters		
	35,00,000 shares from Mr. R. K. Gambhir	2.32	13.80
	32,00,000 shares from Mr. G.K. Gambhir	2.13	14.00
iii)	Purchase of 55,86,200 equity shares of Target Company on 13.06.2011 through Block deal from BSE trading platform from following public shareholders :		
	30,81,200 shares from M/s S.M. Infotel Private Limited	2.05	14.00
	11,66,300 shares from Core Buldwell Private Limited	0.77	13.55
	13,38,700 shares from Tridev Burobuild Private Limited	0.89	13.78
e)	Highest price paid by the Acquirer or persons acting in concert with him for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of Public Announcement**,** (other than a to d above).		N.A.
f)	The average of the weekly high and low of the closing prices of the shares of the Target Company as quoted on the Stock Exchange, where shares of the Company are most frequently traded during the twenty-six weeks preceding the date of public announcement		Rs. 9.44
g)	The average of the daily high and low of the prices of the shares as quoted on the stock exchange where shares of the company are most frequently traded during the two weeks preceding the date of public announcement		Rs. 11.08
h)	Other parameters as required under Regulation 20(5)	Audited Financial for the period ended 30.06.2010	Financial for the eight months period ended 28.02.2011
i)	- Return on Networth (%) (annualized)	-17.39	-14.40

ii)	- Book Value per share (Rs.) (annualized)	2.72	3.18
iii)	- Earning Per Share (EPS) (annualized)	-0.47	-0.46
iv)	- Price Earning multiple (with reference to Offer price of Rs.14.00 per share)	N.A.	N.A.
v)	*- The Industry Average Price Earning Multiple		9.53

Calculated on the net worth of Ambey Steel & Power Private Limited duly certified by the Auditors vide their certificate dated 11.06.2011
* Source : Ace Equity (Accord Fintech Company)

In view of the above the Price of Rs. 14.00 per share is justified as per Regulations.

1.10 The Offer is not a competitive bid.

1.11 The Shares shall be acquired by the Acquirer free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offers declared with respect thereto.

1.12 The Acquirer has undertaken to comply with the SEBI (SAST) Regulations and complete the offer formalities irrespective of the compliance or fulfillment or outcome of SPA and its related conditions.

1.13 In the event of any further acquisition of Equity Shares by the Acquirer, at a price higher than the Offer Price, the offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, the acquirer shall not be acquiring any equity shares of "Target Company" during the period of 7 working days, prior to the date of closure of the Offer.

1.14 There are no persons representing the Acquirer on the Board of Target Company as on the date of PA. However, the Acquirer shall get its Directors appointed on the "Board of Directors" of Target Company after a period of 21 days from the date of the PA in terms of Regulation 22(7) of SEBI (SAST), Regulations, 1997 and assume control.

1.15 The Manager to the Open Offer i.e. Master Capital Services Limited does not hold any shares in the Target Company as on the date of PA. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the Open Offer till the expiry of 15 days from the date of closure of this Open Offer.

1.16 The Offer is not subject to any minimum level of acceptance from the shareholders i.e. it is not a Conditional Offer.

1.17 There is no non-compete Agreement between the Target Company and Acquirer.

2. INFORMATION ABOUT THE ACQUIRER

2.1 **BPSL** was incorporated on February 22, 1999 as a public limited company and its company identification number ("**CIN**") is U27100DL1999PLC108350. It has its registered office at 4th Floor, Tolstoy House 15-17, Tolstoy Marg, Connaught Place, New Delhi-110 001 Tel: + 91–11-30451000 Fax: + 91-11-23712737, Contact person Mr. R.K. Gupta, President & Company Secretary, email - rkguptacs@yahoo.co.in.

2.2 Mr. Sanjay Singal, Chairman and Managing Director, is the main promoter of BPSL. Mr. Singal, aged 51 years, has successfully implemented, modernized and expanded the steel projects at Chandigarh, Kolkata, Derabassi (Punjab) and Orissa. Mr. Singal, a visionary, believes in long term planning and has brought the company to new heights.

2.3 The main objects of BPSL are manufacturing, trading and exports of Iron & Steel Products and generation and distribution of power.
Today, BPSL is one of the leading manufacturer of processed steel in India with the annual turnover of over Rs.5000 crores.

BPSL has manufacturing facilities at Chandigarh, Dera Bassi (Punjab), Kolkata and Orissa in India for Cold Rolling, Galvanizing, Pipes and Alloy & Non-Alloy Steel Products, HR Products, with aggregate capacity of 52,30,000 MTPA and 376 MW of Power Generation.

2.4 The issued and subscribed and paid up equity share capital of the BPSL is Rs. 1,36,05,16,650 consisting of 13,60,51,665 equity shares of Rs. 10.00 each.

2.5 The shares of BPSL are not listed on any Stock Exchange.

2.6 Brief financials details of BPSL for the year period ended 31.03.2010 and 31.12.2010 are as follows:

(Rs. In Lakhs)

Particulars	Financial Year ended March 31, 2010 (audited)	Financial period from April 1, 2010 to December 31, 2010 (Unaudited)
Total Income	4,06,456.68	3,21,953.31
Profit after Tax	25,560.47	29,818.23
Paid up Share Capital	13,605.17	13,605.17
Share Application Money	**57,390.00**	**78,035.00**
Net Worth	2,18,216.31	2,48,034.54
Earning Per Share (Rs.)	18.79	29.22
Return on Networth (%)	11.71	16.03
Book Value Per Share (Rs.)	231.00	182.31
The above figures are based on financials certified by Mr. R.K. Mehra (Membership No. 06102), Partner of M/s Mehra Goel & Co., Chartered Accountants (Firm Regd. No. 000517N) being statutory Auditors having their office at 505, Chiranjiv Towers, Nehru Place, New Delhi, Tel :011-26419527, Fax : 011-26217981 Email Id : mg@mehragoelco.com vide their certificate dated 13.06.2011.		

2.7 As on the date of PA, the Board of Directors of BPSL consist of Sh. Sanjay Singal, Smt. Aarti Singal, Sh. Melwyn Rego, Sh. Anil S. Supanekar, Sh. R. P. Goyal, Sh. H. C. Verma, Sh. R. N. Yadav, Sh. R. D. Batra, Sh. Dinesh Kumar Behal and Sh. Jimmy Mahtani

2.8 The Acquirer has complied with the provisions of Chapter II of SEBI (SAST) Regulations, 1997 in respect of shares acquired by it as mentioned at para 1.4 of this PA.

2.9 There is no person acting in concert with the Acquirer.

2.10 Necessary approvals for the Offer required from Financial Institutions/Banks of the Acquirer shall be obtained by the Acquirer. Non receipt of such approvals shall not stop the Acquirer from making this Offer.

2.11 Previous Offer by Acquirer :

The Acquirer along with some PACs made Public Announcement on 06.02.2009 of voluntary offer under SEBI(SAST) for acquisition of 26% voting capital of Orissa Sponge Iron & Steel Limited. Two competitive bids were made under Regulation 25 of SEBI (SAST) Regulations, by Mounteverest Trading & Investment Ltd. and Bhushan Energy Limited respectively during the Offer Period. The SEBI had vide its letter dated November 1, 2010 directed the Acquirers to open the offer. Further, SEBI had vide letter dated November 4, 2010, had also advised Bhushan Energy Limited, one of the other two competitive bidders, to open offer which was stayed by Hon'able High Court of Orissa vide its Order dated December 06, 2010. Subsequently, Acquirer vide letter dated March 14, 2011, submitted amended Letter of Offer to SEBI for its approval. The status of the Offer as informed by the Manager to the Offer, Centrum Capital Limited vide its letter dated June 2, 2011 is as under:

SEBI, vide its ietter dated May 27, 2011 , has inter alia: (i) informed that SEBI is taking steps to move the Hon'able High Court to vacate the Stay Order and have advised the Acquirer to open the offer immediately after vacation of the Stay Order; (ii) advised the Acquirer to pay the interest @10% pa from March 24, 2010 to November 4, 2010 to the shareholders of the Target Company.

Further the manager to the Offer, Centrum Capital Limited, confirmed that (i) they have not received any order from SEBI against the Acquirers with regard to open offer made by the Acquirers to the shareholders of Orissa Sponge and Iron Limited except directions for opening of the offer and payment of interest as stated above; (ii). they have not received any order from SEBI against the promoters of the Acquirers with regard to open offer made by the Acquirers to the shareholders of Orissa Sponge and Iron Limited.

The Acquirer and its Promoters also confirm that they have also not received any directions notice or order from SEBI in regard to the Offer made to the shareholders of Orissa Sponge Iron and Steel Limited. on default or non-compliance of Takeover Regulations. Acquirer has not made any other offer under SEBI(SAST) Regulations in any other company.

2.12 BPSL 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 Regulations made under the SEBI Act.

3. INFORMATION ABOUT THE TARGET COMPANY

3.1 The Target Company was incorporated under the Companies Act, 1956 on 01.05.1989 with the Registrar of Companies, New Delhi, as a Public Limited company under the name Nova Iron and Steel Limited (“Target Company”).

3.2 The Registered Office of the Target Company is situated at Village Dagori, Tehsil Belha, Distt Bilaspur, Chhattisgarh – 495224 (India) (Tel: 91-7752-285206, 285226 Fax: 91-7752-285213, 285224), Email: novairon_2008@rediffmail.com and the Corporate Office of the Target Company is situated at 506, Hemkunt Towers, 98, Nehru Place, New Delhi.

3.3 The Target Company has set up a plant to produce sponge iron with an installed capacity of 1,50,000 MT per annum at Village Dagori, Tehsil Belha, Distt Bilaspur, Chhattisgarh – 495224.

3.4 The issued and subscribed equity share capital as on the date of Public Announcement is Rs. 1,55,00,00,000/- (Rupees one hundred fifty five crores only) comprising of 15,50,00,000 equity shares of Rs. 10/- and paid up capital is Rs. 1,50,58,12,000/- (Rupees one hundred fifty crores fifty eight lacs and twelve thousands only) comprising of 15,05,81,200 equity shares of Rs. 10/-. 44,19,800 shares were forfeited by the Target Company on 05.06.2010. However, forfeiture of 1000 shares was annulled after receipt of representation from Shareholders. The Target Company does not have any partly paid up equity shares.

3.5 The shares of the Target Company are listed at Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), Delhi Stock Exchange Limited (DSE), Ahmedabad Stock Exchange Limited (ASE), Calcutta Stock Exchange Limited (CSE) and Madras Stock Exchange Limited (MSE) (hereinafter collectively referred as “Stock Exchanges”). The trading of the shares remained suspended on the Stock Exchanges due to non compliance of provisions of the listing agreements. The Target Company has made all compliances with the BSE and NSE and trading of shares (except 5,73,00,000 shares allotted on preferential basis on 28.06.2010, which have though been listed) was allowed by BSE on 07.05.2010. Though, all the compliances were made with the NSE also but NSE has not allowed the trading.

The Target Company allotted 5,73,00,000 shares on 28.06.2010 to Mr. R. K. Gambhir, (85,29,500 shares), Mr. G. K. Gambhir (85,29,500 shares) and M/s Ambey Steel and Power Private Limited (4,02,41,000 shares) (Strategic Investor & new Promoter) on preferential basis at a premium of Rs. 2.01 per share (i.e. Rs. 12.01 per fully paid share), after getting exemption under Regulation 4(2) of SEBI (SAST) Regulations, from SEBI vide its order dated 25.11.2009. The Target Company filed compliance report to SEBI on 28.06.2010. Application for listing of fresh shares was submitted to BSE and NSE. BSE vide its letter dated August 09, 2010 listed the share but held back the trading permission, till the listing of shares at NSE. The allotment price was re-computed in terms of Regulation 76 (3) of SEBI (Issue of Capital and Disclosure Requirements), Regulations 2009 and difference of Rs 2 per share has also been paid to the Target Company by the allottees of the said allotted shares on 26.05.2011, 27.05.2011 and 31.05.2011 respectively. The Allottees are holding the new shares in physical form and also the these shares are in lock-in upto 27.06.2013.

The Target Company has filed an application on 02.06.2011 with SEBI for Consent Order for delay in making compliances under Regulation 6 & 8 of SEBI (SAST) Regulations.

The Target Company had applied for delisting of shares vide letter dated 27.10.2010 from NSE and vide letters dated 02.06.2011 from DSE, CSE, ASE and MSE. No reply has yet been received from these Stock Exchanges.

3.6 The Target Company has no convertible instruments, stock options or any other instruments which may result in the issuance of Shares by the Target Company prior to the expiration of 15 days after the closure of the Offer.

3.7 Brief financials of the Target Company based on audited results for the year period ended 30.06.2010 and 28.02.2011are as follows:

(Rs. In Lakhs)

Partiiculars	A on	
	30.06.2010	28.02.2011
	Audited	Unaudited
Total Income	15,621.02	639.43
Profit After Tax	-901.32	-459.96
Paid up Equity Share Capital	15,196.10	15,196.10
Reserves and Surplus (Excluding revaluation reserves)	1151.73	2,297.73
Net Worth	4102.69	4791.17
Earning Per Share	-0.60	-0.31
Return on Networth	-21.97	-9.60
Book Value Per Share	2.72	3.18

The financials have been certified by Mr. Ravi Bhushan Goel (Membership No. 86862), Partner of M/s Antima & Goel Chartered Accountants (Firm Regd. No. 0090621N) being statutory Auditors having their office at A-6, L.G.F. Defence Colony, new Delhi - 110024Tel :011-41553284Email Id : ravigoelca@yahoo.comvide their certificate dated 13.06.2011.

3.8 As on the date of PA, the Board of Directors of Target Company consist of Mr. Rajender Kumar Gambhir, Mr. Sat Pal Maken, Mr. Manickam Ramachandran, Mr. Narsingh Awatar and Mr. Arvind Gupta.

3.9 None of the Directors on the Board represents Acquirer.

3.10 Due to costly technology, changes in Govt. policies, power shortage and various other reasons Target Company suffered unaffordable losses. Due to continuing losses the net worth of the Target Company eroded in year 1998 and the Target Company was registered as sick company with BIFR as per the terms of Sick Industrial Companies (Special Provisions) Act, 1985. However, inspite of wholehearted efforts of the promoters, the Target Company remained a sick unit. The lenders through (lead institution/operating agency) IFCI took the action under Section 13(4) of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security

Interest Act, 2002 (SARFAESI). During the process, with the help of a strategic investor namely Ambey Steel and Power Private Limited (ASPL), the Target Company submitted one time settlement (OTS) proposal to the lenders. The financial institutions and banks with a view to revive the Target Company agreed for one time settlement scheme (OTS) on 25.04.2007 and on making the payment vide assignment deed dated 31.03.2008 the assets alongwith rights thereof were transferred in favour of ASPL. The Target Company came out of the purview of BIFR on account of technicalities after action of IFCI under SARFAESI, However, after induction of funds by the strategic investor, even the net worth of the Target Company became positive.

But, as per Audited Balance Sheet as on 30.06.2010, the networth of the Target Company eroded by more than 50% and Target Company became potentially sick. With the approval of shareholders in the Extraordinary General Meeting held on 03.12.2010 a reference has again been filed with BIFR on 06.12.2010.

3.11 There has been no merger/demerger or spin off involving the Target Company during the last 3 years.

4. REASONS FOR THE ACQUISITION AND OFFER AND FUTURE PLAN ABOUT TARGET COMPANY :

4.1 The Offer is being made in accordance with Regulation 10 and Regulation 12 and the other provisions of Chapter III and in compliance with the Regulations.

4.2 The prime objective of the Offer is to acquire substantial acquisition of shares/voting rights and assume management control of the Target Company.

4.3 The Acquirer is engaged in related business activities and believes that acquisition provides significant synergistic benefits. The strong business background and financials of the Acquirer in the same industry i.e. steel would simultaneously help the Target Company to overcome its financial difficulties & will fortify its strength and enhance its steel manufacturing and power generation capacity.

4.4 As on the date of PA, the Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company, after requisite approval of the shareholders, if required.

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

4.6 The Acquirer is entitled to get its Directors co-opted on the “Board of Directors” of Target Company after a period of twenty one days from the date of Public Announcement, pursuant to Regulation 22(7) of the SEBI(SAST), Regulations, 1997.

5. STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

5.1 The Offer is subject to receiving the necessary approval(s), if any from Reserve Bank of India under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring equity shares tendered by non-resident shareholders, if any.

5.2 As on the date of this PA, to the best of the knowledge of the Acquirer, there are no other statutory approvals and/or consents required, However, the Offer would be subject to all statutory approvals as may be required and/or may subsequently become necessary to acquire at any late date.

5.3 In case of delay in receipt of any statutory approval(s), if any, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Shareholders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations, 1997. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, if any, Regulation 22(13) of the SEBI (SAST) Regulations will become applicable.

6. **OPTIONS TO THE ACQUIRER IN TERMS OF REGULATION 21(2):**

Pursuant to this Offer, the public shareholding of the Target Company may fall below 25% of its equity share capital, in such an event the Acquirer will, in accordance with regulation 21(2) of the SEBI (SAST) Regulations, 1997, facilitate the Target Company to raise the level of Public Shareholding to the level specified for continuous listing requirement in the Listing Agreement with stock exchanges with in the specified time and in accordance with the specified procedure under amended clause 40A of the Listing Agreement and in compliance with SEBI (SAST) Regulations.

7. **FINANCIAL ARRANGEMENTS**

7.1 The Acquirer has made firm financial arrangements for financing the acquisition of Shares under the Offer, in terms of Regulation 16 (xiv) of the Regulations. M/s Amit K Arora & CoChartered Accountants having its office at 421, Sector 9, Panchkula, Tel: 0172-2586067 and membership number 096831have confirmed vide their letter dated 13.06.2011 that the Acquirer has confirmed that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Open Offer".

7.2 The total fund requirement for the acquisition of 3,01,16,240 fully paid-up Equity Shares of Target Company of face value Rs. 10/- each at the Offer price of Rs. 14.00 per equity share, assuming full acceptance of the shares tendered, would be Rs. 42,16,27,360.00. The source of funds is internal accruals & liquid assets and 100% of the funds have been deposited by the Acquirer in the Escrow Account (the "NOVA-BPSL - Escrow Account") opened In accordance with Regulation 28 of the Regulations, under the terms of the Escrow agreement dated 13.06.2011entered into between the Acquirer, the Manager to the Offer and the Escrow Bank (i.e. HDFC Bank Limited).

7.3 The Manager to the Offer has been empowered to operate the escrow account in terms of the Regulations.

7.4 On basis of the above, the Manager to the Offer has satisfied itself that Acquirer has adequate and firm financial arrangements to implement the Offer in accordance with the SEBI (SAST) Regulations.

8. **OTHER TERMS OF THE OFFER.**

8.1 The Offer is not subject to any minimum level of acceptance. The acceptance of the Offer is entirely at the discretion of the shareholders of the Target Company. Each shareholder of the Target Company to whom this Offer is being made, is free to offer his shareholding in Target Company, in whole or in part while accepting the Offer.

8.2 Letter of Offer (hereinafter referred to as "LOO") together with the Form of Acceptance cum Acknowledgement (FOA), Form of Withdrawal and Share Transfer Form (for public shareholders holding Equity Shares in the physical form) is being mailed to those public shareholders of Target Company whose names appear on the register of members of the Target Company (other than parties to the Share Purchase Agreement) and to the beneficial owners of the Equity Shares of Target Company whose names appear as beneficiaries on the beneficial record of the respective Depositories, at the close of business on the Specified Date (i.e. 16.06.2011).

8.3 **M/s Skyline Financial Services Private Limited has been appointed as Registrar to the Offer for the purpose of this Offer.**

8.4 All shareholders of Target Company, other than parties to the Share Purchase Agreement who own equity shares at any time before the Closure of the Offer are eligible to participate in the Offer.

8.5 All the shareholders holding equity shares in physical form, will be required to send their share certificates, Form of Acceptance cum Acknowledgement and other documents as may be specified in the LOO, to the Registrar to the Offer either by Registered Post/Courier or by hand delivery during the business hours on or before the date of closure of the Offer i.e. 29.08.2011.

8.6 Beneficial owners (holder of shares in dematerialized form) who wish to tender their Shares will be required to send their Form of acceptance cum Acknowledgement along with the photocopy of the delivery instructions in “off-market” mode or counterfoil of the delivery instructions in “off-market” mode, duly acknowledged by the DP, in favour of special depository account **Skyline-BPSL-Open Offer -Escrow Account**, created with **National Securities Depository Limited (NSDL)** (Master Capital Services Limited: being DP) to the Registrar to the offer, Skyline Financial Services Private Limited, either by hand delivery on weekdays or by the registered post, so as to reach the Registrar to the offer on or before the closure of the Offer. Share holders having their account in **Central Depository Securities Limited** (CDSL) will in addition have to use an inter-depository instruction slip.

8.7 In case of non-receipt of the LOO/FOA, the eligible persons may download the same from SEBI website or obtain a copy of the same by writing to the Registrar to the Offer, Skyline Financial Services Private Limited, or make an application on a plain paper duly signed and stating Name/Address/No. of shares offered/DP Name/DP ID/ together with the counterfoil/photocopy of the delivery instructions in “off market” in favor of special depository account mentioned above, duly acknowledged by the Depository Participant (“DP”).

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 Registrars to the Offer.

8.8 Shareholder who have sent their Shares for dematerialization need to ensure that the process of getting their shares dematerialized is completed in time for the credit in the special depository account mentioned in paragraph 8.6above, to be received on or before the Offer Closing Dated i.e. no later than 29.08.2011, or else their application will be rejected.

Neither the share certificate(s) nor the Form of Acceptance should be sent to the sellers or Acquirer or the Target Company or the Manager to the Offer.

8.9 The following collection centre would be accepting the documents by Hand Delivery/Regd Post/ Courier, before till the date of the Closure of the Offer on all business days i.e. Monday to Friday between 11.a.m. and 4.00 p.m. and on Saturday from 11.00 a.m. to 2.00 p.m.

Address of the Registrar	**Contact Person**
Skyline Financial Services Private Limited D-153 A, Ist Floor, Okhla Industrial Area, Phase – I, New Delhi-110 020	Mr. Virender Rana Tel.: +91 11 30857575 Fax: +91 11 30857562 Email : virenr@skylinerta.com

8.10 Letter of Offer, Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be also be available on SEBI’s website: www.sebi.gov.in, from the Offer opening date i.e. 10.08.2011.

8.11 No indemnity is required from such unregistered owners.

8.12 If the shares tendered in this Offer by the shareholders of the Target Company are more than the equity shares agreed to be acquired under this Offer, the Acquirer shall accept the offers received from the public shareholders on a proportionate basis as per Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer such that the acquisition from each shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. The marketable lot for the Target Company is 1 (one) Equity Share.

8.13 Shareholders who have offered their equity shares would be informed about acceptance or rejecting of the Offer within 15 days from the date of closure of Offer. The payment to the shareholders, whose shares have been accepted, will be paid by demand draft only in favour of the first holder of equity shares within 15 days from the date of the Closure of the Offer. In case of acceptance on a proportionate basis, the unaccepted share certificates, transfer forms and other documents, if any, will be returned by Regd. Post at the shareholder's/unregistered owner's sole risk to the sole/first shareholder. Unaccepted shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owners in the Form of Acceptance cum Acknowledgement.

8.14 Applications in respect of equity shares of the Target Company that are subject matter of litigation, wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation, are liable to be rejected in case suitable directions / orders to the satisfaction of Acquirer from competent authority regarding these equity shares are not received together with the equity shares tendered under the Offer. The Acquirer at its sole discretion, in such cases, may forward the Letter of Offer to the concerned statutory authorities for further action at their end.

8.15 The Registrar will hold in trust the share certificates, transfer deeds, shares lying in credit of the special depository account, FOA on behalf of the shareholders of Target Company who have accepted the Offer, till the Acquirer completes the Offer obligations in accordance with the Regulations.

8.16 Dispatches Involving payment of a value in excess of Rs. 1500/- (Rupees One Thousand Five Hundred Only) will be made by registered post/speed post at the shareholder's sole risk. In case shareholders residing in any of the centers specified by the SEBI and have opted an option to get payment consideration through electronic transfer of funds by using ECS(Electronic Clearing Service) Direct Credit, RTGS(Real Time Gross Settlement) of NEFT(National Electronic Funds Transfer) as is for time being permitted by the Reserve Bank of India should provide all the necessary bank details including MICR Code or RTGS Code or IFSC Code in form of Acceptance and the payment intimation will be sent to the sole/first named shareholder of the Target Company whose equity shares are accepted by the Acquirer at his address registered with the Target Company. Rejected documents will be sent by registered post/ speed post. All other dispatches will be made by ordinary post at the shareholder's sole risk. All cheques/demand drafts will be crossed account payee and will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners 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 Form of Acceptance for incorporation in the cheque/demand draft.

8.17 Share held in dematerialized form to the extent not acquired or Shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance cum Acknowledgement.

8.18 Compliance with tax and other regulatory requirement shall be detailed in the Letter of Offer.

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

Activity	Date	Day
Public Announcement	June 16, 2011	Thursday
Specified Date* (for the purpose of determining the names of shareholders to whom the Letter of	June 16, 2011	Thursday

Offer would be sent)		
Last Date for Competitive Bid	July 07, 2011	Thursday
Date by which Letter of Offer will reach shareholders	Aug. 01, 2011	Monday
Date of Opening of the Offer	Aug. 10, 2011	Wednesday
Last date for revising the Offer Price / No. of equity Shares	Aug. 22, 2011	Monday
Last date of withdrawal of tendered application by the shareholders of NISL	Aug. 24, 2011	Wednesday
Date of Closure of Offer	Aug. 29, 2011	Monday
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	Sep. 13, 2011	Tuesday

**Specified Date is only for the purpose of determining the names of the public shareholders as on such date to whom Letter of Offer will be sent and all owners (registered or unregistered) of the shares of the Target Company (except Acquirer and Sellers) are eligible to participate in the Offer anytime before the closure of the Offer.*

9. GENERAL CONDITIONS

9.1 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 24.08.2011 i.e. three working days prior to the date of Closure of the Offer, in terms of Regulation 22(5A) of SEBI (SAST) Regulations 1997. The withdrawal option can be exercised by submitting the form of withdrawal. In case of non-receipt of the form of withdrawal, the withdrawal option can be exercised by making an application on plain paper, giving the following details:

In case of Demat Shareholders :	Name, Address, DP name, DP ID, Beneficiary A/c no., No. of shares Tendered/Withdrawn, Counterfoil/Photocopy of the delivery instructions.
In case of Physical Shareholders :	Name, Address, Folio No.(s), Distinctive No. (s), No. of shares Tendered/Withdrawn.

9.2 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 seven working days prior to the date of closure of the Offer. Such revisions/amendments would be effected by making a public announcement in the same newspapers in which this original PA has appeared. 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.

9.3 "**If there is competitive bid**

9.3.1 **The Public Offers under all the subsisting bids shall close on the same date.**

9.3.2 **As the Offer Price cannot be revised during 7 working days prior to the Closing date of the Offers/bids, it would, therefore, be in the Interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly**."

9.4 The Acquirer, in terms of Regulation 27 of Regulation will not proceed with the Open Offer in the event the any applicable statutory approval is refused. Any such withdrawal from the Open Offer by the Acquirer will be notified in the form of a Public Announcement in the same newspaper in which this PA appeared.

9.5 Based on the information available from the Acquirer, Sellers and the Target Company, they have not been prohibited by SEBI from dealing In securities, in terms of direction issued u/s 11 B of SEBI Act or under any other Regulation made under the SEBI Act.

9.6 Pursuant to Regulation 13 of the Regulations, the Acquirer has appointed Master Capital Services Limited, as Manager to the Offer.

9.7 This Public Announcement is being issued on behalf of the Acquirer by the Manager to the Offer i.e. Master Capital Services Limited.

9.8 The Acquirer & Its directors accept full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirer laid down in the Regulations.

9.9 This Public Announcement will be available on SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Letter of Offer along with Form of Acceptance cum Acknowledgment and Form of Withdrawal, which will also be available on SEBI's website from the Offer opening date i.e. 10.08.2011 and apply in the same.

9.10 For further details, please refer to the LOO & Form of Acceptance.

9.11 All the information related to the Target Company in this PA is taken from the information available in the public domain/from the Target Company. Neither the Acquirer nor the Manager to the Offer has independently verified the said information.

Issued by the Manager to the Offer on behalf of Acquirer

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IN MASTER I TRUST

MASTER CAPITAL SERVICES LTD
SCO 22-23, SECTOR 9-D, CHANDIGARH - 160009
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www.mastertrust.co.in
Contact Person: Mr. Bishnu Parsad
Email: bishnu.basyal@mastertrust.co.in

Date : 14.06.2011 Place : Chandigarh