**Public Announcement**

**FOR THE ATTENTION OF THE SHAREHOLDERS OF**

**M/s. Pan Packaging Industries Limited**

**(Registered Office – Riizvi Niketan, Shop no. 4, Gopi Tank Road, Mahim, Mumbai 400 016)**

This Public Announcement ("PA") is being issued by Khandwala Securities Limited "KSL" or the "Manager to the Offer", on behalf of, M/s KDS CORPORATION PRIVATE LIMITED for the purpose of this open offer (hereinafter referred to as the "Acquirer") to the fully paid Equity Shareholders of M/s. M/s. Pan Packaging Industries Limited (herein after referred to as "PPIL" or the "Company" or the "Target Company", pursuant to provisions of Regulations 10, 11(1) and 12 and in compliance with the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "Regulations") and subsequent amendments thereto.

**1. The Offer**

a. This offer (the "Offer") is being made by **M/s KDS CORPORATION PRIVATE LIMITED.** For the purpose of this open offer no other person is acting in concert with the Acquirer for the Offer.

b On 15th October 2005 the Acquirer have through their duly constituted Attorney holder Mr. Manoj Ahuja entered into a Share Purchase Agreement (the "SPA") with Mr. Kantilal B. Shah, Mr. Bhimji J. Shah, Mr. Rasiklal B. Shah, K. B. Shah HUF and R. B. Shah HUF, residing at Mahim (A-4, Mili CHS, T. H. Kataria Marg, Mahim, Mumbai 400 016, who are the promoters of the Target Company (herein after referred to as the "Promoter Sellers") and also acquired on the same day on Spot Delivery Basis from them, subject to what is stated in paragraph herein after appearing, 10,46,300 (Ten Lakhs Forty Six Thousand and Three Hundred Only) fully paid-up equity shares representing 19.34% of the total paid-up equity share capital of M/s M/s. Pan Packaging Industries Limited, a company incorporated under the Companies Act, 1956 and having its registered office at – Riizvi Niketan, Shop no. 4, Gopi Tank Road, Mahim, Mumbai 400 016, Maharastra (Target Company) at a price of Rs. 10.00 (Rupees Ten Only) per fully paid-up equity shares of the Target Company payable in cash (herein after referred to as the "Negotiated Price"). The total consideration for the equity shares acquired as mentioned above is Rs. 1,04,63,000 (Rupees One Crore Four Lakhs Sixty Three Thousand only) and that triggered the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The acquirer had acquired 10,46,300 Shares of Pan Packaging Industries from the following promoters through the Share Purchase Agreement are as given below:

| Name of the Promoter Seller | Shares acquired under the SPA by M/s. KDS Corporation Pvt. Ltd. | Total No. of Shares to be sold by the Each Promoter Seller |
|---|---|---|
| Mr. Bhimji J. Shah | 4,00,000 | 4,00,000 |
| Mr. Kantilal B. Shah | 4,00,000 | 4,00,000 |
| Mr. Rasiklal B. Shah | 2,16,300 | 2,16,300 |
| K. B. Shah HUF | 15,000 | 15,000 |
| R. B. Shah HUF | 15,000 | 15,000 |
| **Total No. of Shares to be Acquired by each Acquirer** | **10,46,300** | **10,46,300** |

The summary of the major terms of the SPA is as follows:

- The Acquirer shall comply with all the obligation of an acquirer under the SEBI Takeover Code and in case of non-compliance with the provision of the SEBI Takeover Code; this SPA shall not be acted upon by the parties.

- The Acquirer shall bear the stamp duty payable on the transfer of shares.

- Upon the Acquirer acquiring the shares, the Sellers shall cooperate with the Acquirer in restructuring the Board of Directors of the Company.

c The Acquirer are now making Open Offer in terms of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 to the fully paid equity shareholders of the PPIL to acquire 10,82,020 equity shares representing 20% of the total equity shares capital of the Company of the Target Company at a price of Rs. 12.80/- per equity share payable in cash (the "Offer Price").The individual Acquirer shall acquire such shares in the following numbers:

| Name of the Acquirer | Number of shares of Target Company to be acquired |
|---|---|
| M/s. KDS Corporation Private Limited | 10,82,020 |
| **Total:** | **10,82,020** |

d The Offer is not subject to any minimum level of acceptance from the Shareholders of the Company i.e. it is not a conditional offer.

e Other then Acquirer there are no Persons acting in concert (PACs) under this offer.

f The Acquirer have acquired 10,46,300 equity shares of Rs. 10/- each representing 19.34% of the total paid up equity share capital of the Company of the PPIL during the 12 months period prior to the date of PA at the price of Rs. 10/-

g As on the date of this PA, the Acquirer holds 10,46,300 fully paid equity shares in PPIL representing 19.34% of the total equity share capital and 19.34% of the total voting capital of the Company which was acquired as mentioned in para 1(b) above.

h. This is not a competitive bid.

i The offer is not as a result of Global Acquisition resulting in indirect acquisition of Target Company.

j The Manager to the Offer i.e. Khandwala Securities 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 offer till the expiry of 15 days from the date of closure of offer.

k. This PA is being issued in The Free Press Journal - English Daily (All Editions), Navshakti - Marathi Daily (Mumbai) and Prathakal – Hindi Daily (All Editions) as per the Regulation 15(1) of the Regulations.

**2. The Offer Price**

Justification of Offer Price

a The equity shares of the Company are listed on The Stock Exchange, Mumbai (“BSE”) and The Stock Exchange, Ahmedabad (“ASE”).

b The equity shares of the Company are frequently traded on BSE and not traded on ASE during the preceding six months i.e. from 1st April 2005 to 30th September 2005, prior to the month in which this PA is required to be made.

c The annualized trading turnover based on the trading volume in the Shares of PPIL on each of the above mentioned stock exchanges during April 2005 to September 2005 is as under: The details of the trading volume on BSE and ASE during last 6 months are as follows:

| Stock Exchanges | Total Number of Shares Traded during the preceding six calendar months ended on 30th September 2005 | Total No. of listed shares prior to PA | Annualized trading turnover as a % of total number of listed shares |
|---|---|---|---|
| BSE | 10,31,271 | 54,01,100 | 19.06% |
| ASE | Nil | Nil | Nil |
| **Total** | **10,31,271** | **54,01,100** | **19.06%** |

In accordance with regulation 20(4) and 20(5) of the takeover regulation, the offer price of Rs. 12.80/- per share is higher of the following. Equity shares of PPIL are deemed to be frequently traded on BSE, as the annualized trading turnover constitutes more than 5% of the total number of listed shares in terms of Explanation (i) of Regulation 20(5) of SEBI Takeover Regulations. However, equity shares of PPIL are infrequently traded on ASE, as the annualized trading turnover constitutes less than 5% of the total number of listed shares in terms of Explanation (i) of Regulation 20(5) of SEBI Takeover Regulations.

| | |
|---|---|
| 1. Negotiated price<br><br>2. Highest price paid by the Acquirer for acquisition including a public or right or a preferential issue during the period of 26 weeks prior to PA<br><br>3. Other parameters | Rs. 10.00<br><br>Rs. 10.00 |
| **3.1 Summary of prices of the shares during the 26 week and 2 week periods preceding the Public Announcement date** | |
| 3.1.1 The average of weekly high and low of the closing prices during the 26 weeks on BSE | Rs. 9.62 |
| 3.1.2 The average of weekly high and low of the closing prices during the 2 weeks on BSE | Rs. 12.75 |
| 3.2 Period : as on | 30th September 2005 |
| 3.2.1 Return on Net Worth | 0.09% |
| 3.2.2 Earning Per Share (Rs.) | 0.009 |
| 3.2.3 Book Value (Rs.) | Rs. 10.65 |
| 3.2.4 Industry Price Earning Ratio* | 16.80 |

* Source: Capital Market Magazine

The above working is certified by Mr. K. L. Joshi, (Membership no. 36163) a partner of M/s L. D. Joshi & Co., Chartered Accountant, having their office at 2G, Court, Chamber, 2nd Floor, 35, New Marine Lines, Mumbai 400 001 (Telephone No. (022) 2200 3058 vide their certificate dated 30th September 2005.

e Based on the above information, in the opinion of the Manager to the Offer, the Offer Price is Rs. 12.80/- per share is being justified in terms of Regulation 20 (5) of the Takeover Regulations.

**3. Information about Acquirer**

M/s. KDS Corporation Private Limited (KDS)

i) KDS is a company incorporated on 25th September 2003 under the Companies Act, 1956, having its registered office at SCO 12-13, SECTOR 9-D, CHANDIGARH.

ii) The promoters and the directors of KDS are Mr. Kanwar Deep Singh, Mrs. Harpreet Kaur and Mr. Manoj Ahuja.

iii) KDS is pursuing the business of Computer Software product, software development services, data processing, data management call center and all other things relating to computer software.

iv) The financial details of KDS as on 31st March 2005 are as follows: The Authorised Share Capital is Rs. 500 Lakhs divided into 50,00,000 equity shares of Rs. 10/- each. The Issued, subscribed and paid up capital is Rs. 1 Lakh divided into 10,000 equity shares of Rs. 10/- each. There are no calls in arrears. The shares of the company are not listed on any Stock Exchange. There is no operating income for the year ending 31st March 2005.

The present paid up Equity share capital is Rs. 250 Lakhs. As per the unaudited results as on 30th September 2005 of KDS, the Authorised Share capital is 500 Lakhs and Issued, Subscribed and Paid-up share capital is Rs. 250 Lakhs divided into 25,00,000 equity shares of Rs. 10/- each. As on the same date the total income and the profit after tax are Rs. 33.01 Lakhs and Rs. 33 Lakhs respectively. The Equity share capital, Reserve and surplus and the earning per shares are Rs. 250 Lakhs, Rs. 32.57 Lakhs and Rs. 2.64 per share respectively. The return on net worth and the book value of KDS are Rs. 11.66% and Rs 11.17 per share respectively. The net worth of KDS is Rs. 2,79,24,190.

v) Mr. Anil Sharma, Partner of M/s S. K. Bansal & Company, Chartered Accountants (Membership no. 86815) having their office at 3193, Sector 28 – D, Chandigarh (Telephone No. (0172) 2657202) have certified vide their certificate dated 17th October 2005 that the net worth of the KDS is Rs. 2,79,24,190 (Rupees Two Crores Seventy Nine Lakhs Twenty Four Thousand One Hundred Ninety Only) as on 30th September 2005.

### 4. Information of the Target Company - (M/s. Pan Packaging Industries Limited)

a M/s. Pan Packaging Industries Limited is a Public Limited Company having its Registered Office at Riizvi Niketan, Shop no. 4, Gopi Tank Road, Mahim, Mumbai 400 016.

b The Company was originally incorporated on 3rd March 1983 as Private Limited. On 25th April 1995 constitution of the company was changed from Pvt. Ltd. to Ltd. The company had been promoted by Mr. Bhimji Jivraj Shah, Mr. Kantilal Bhimji Shah and Mr. Rasiklal Bhimji Shah. The present Directors of the Company are Mr. Kantilal Bhimji Shah, Mr. Rasiklal Bhimji Shah, Dr. S. K. Kar, Dr. Virendra Singh, and Mr. Lalit D. Joshi, Nominee, GSFC.

c The Authorised Share Capital of the Company as on the date of PA is Rs. 6,00,00,000 divided in to 60,00,000 equity shares of Rs. 10/- each . The issued, subscribed and paid up share capital is Rs. 5,41,01,000/- comprising 54,10,100 fully paid-up equity shares of Rs. 10/- each. The Equity Shares of the Company are listed on The Stock Exchange, Mumbai (BSE) and the Stock Exchange, Ahmedabad (ASE).

d The Target Company is engaged in the business of trading, manufacturing, selling, import and export of packages including card board packing, polythene packing, pillow packing, plastic packing, containers etc.

f. The total income of the Company for the year ended 31st March 2005 was Rs. 18.31 Lakhs and net profit of Rs. 0.63 Lakhs. The net worth of the Company was Rs. 576.12 Lakhs as on 31st March 2005. The book value per share as on 31st March 2005 was Rs. 10.65. The earning per share is Rs. 0.01 and return on net worth being 1.09%. As per the unaudited statements, the total income of the Company for the six months ended on 30th September 2005 was Rs. 11.80 Lakhs and net profit of Rs. 0.53 Lakhs. The net worth of the Company was Rs. 576.65 Lakhs as on 30th September 2005.

### 5. Reason for Acquisition, Offer and Future Plans about Target Company.

This Offer is being made pursuant to provisions of Regulation 10, 11(1) and 12 and in compliance with the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "Regulations") and subsequent amendments thereto to the Public Shareholders for the purpose of acquisition of 20% of the total equity capital and 20.00% of the voting capital of the Company. After the proposed offer and transfer of shares so acquired under para 1 (b) above, the Acquirer will achieve substantial acquisition of shares and voting rights accompanied with change in control and management of the Target Company.

The Acquirer have entered into SPA on 15th October 2005 and acquired on Spot Delivery basis 10,46,300 (Ten Lakhs Forty Six Thousand and Three Hundred only) fully paid-up equity shares representing 19.34% of the total paid-up equity share capital and 19.34% of the total voting equity share capital of PPIL from the Promoter Sellers. After the said transaction the total holding of the Acquirer in the PPIL is amounting to 19.33% of the total voting equity share capital of PPIL and that resulted in triggering the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

The Management of Acquirer by virtue of their managerial and administrative expertise intend to enter in to manufacturing of packaging material in large scale by taking management control through acquisition of shares of Target Company.

The Acquirer do not have any intention to dispose of or otherwise encumber any assets of the Company in the near future from the date of the closure of the offer, except in the ordinary course of business with the prior approval of the shareholder of the Company.

### 6. Statutory Approvals

a No Objection Certificate from Gujarat State Financial Corporation (GSFC) dated 5th October 2005, has been obtained from where company is having loan facility. Other than that company does not have to obtain approval from any other Bank / Financial Institution for the purpose of this Offer, to the best of the knowledge of the Acquirer.

b No statutory approvals are required to the best of the knowledge of the Acquirer to acquire the shares that may be tendered pursuant to the Offer.

c If any other statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals.

d. Subject to the receipt of statutory approval, the Acquirer shall complete all procedure relating to the Offer including payment of consideration within a period of 31 days from the Offer Closing Date to those shareholders whose share certificates and / or other documents are found valid and in order and are approved for acquisition by the Acquirer. In case of delay in receipt of any statutory approval, if any, SEBI has power to grant extension of time to the Acquirer for the payment of the consideration to the shareholders subject to the Acquirer agreeing to pay interest as directed by SEBI under Regulation 22(12). If the delay occurs due to willful default of the Acquirer in obtaining the requisites approval, if any, Regulation 22(13) will become applicable.

## 7. Delisting option to the Acquirer

The Public Shareholding shall not reduce to a level below the limit specified in the Listing Agreement with the stock exchanges for the purpose of listing on continuous basis as consequences of the Offer. Hence the provisions of Regulation 21(3) do not apply.

## 8. Financial Arrangements

a Acquirer have adequate and firm financial arrangements in terms of Regulation 16(xiv) out of their normal financial resources and other assets to fulfill the obligations under the open offer. No borrowings from Bank/ Financial Institution are being made for the purpose. The funds to be utilized shall be domestic and not any foreign funds.

The maximum purchase consideration payable by Acquirer in case of full acceptance of offer i.e. 10,82,020 fully equity shares is Rs. 10/- at a price of Rs. 12.80/- per equity share (the "Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter.

The Acquirer has created an Escrow Account in the form of Deposit of Rs. 35,00,000/- (being more than 25 % of the consideration payable) with HDFC Bank Ltd., Sector 8, Chandigarh.

The Manager to the Offer has been duly authorized by the Acquirer vide his letter dated 15th October 2005 to realize the value of escrow account in terms of the Regulation.

Mr. Anil Sharma, Partner of M/s S. K. Bansal & Company, Chartered Accountants (Membership no. 86815) having their office at 3193, Sector 28-D, Chandigarh (Telephone No. (0172) 2657202) have certified vide their certificate dated 17th October 2005 that **sufficient** resources are available with the Acquirer to fulfill its obligations under the Offer.

Manager to the Offer is satisfied that firm arrangements through verifiable means are in place and the Acquirer have adequate financial resources to meet the obligation under the offer.

## 9. Other Terms of the Offer

The Letter of Offer together with the Form of Acceptance cum Acknowledgement shall be mailed to the shareholders of the Company (except to the Acquirer) whose names appear on the Register of Members of the Company and to the beneficial owners of the shares of the Company whose name appear on the beneficial records of the respective depository at the close of the business on Friday, 28th October 2005 (“Specified Date”)

Sharepro Services (India) Private Limited having their office at Sattam Estate, Above Bank of Baroda, Cardinal Gracious Road Chakala, Andheri (East), Mumbai 400 099 is acting as the Registrar to the Offer (“Registrar”) and they will be opening a Special Depositary Account under the name and style of “PPIL-Escrow Demat A/c” with Stock Holding Corporation of India Limited, Shyam Kamal, B – Wing, 1st Floor, Opp. Vile Parle Railway Station, Vile Parle (East), Mumbai 400 057, (Tele No. (022) 2616 1092 / Fax (022) 2616 1101) who is acting as Depository Participant and registered with NSDL and CDSL. Relevant details viz, DP ID, Client ID, etc. will be disclosed in the Letter of Offer to be mailed to the shareholders of the Company.

Beneficial Owners and shareholders holding shares in dematerialized form, will be required to send their Form of Acceptance Cum Acknowledgement to the Registrar to the offer either by hand delivery during normal business hours or by registered post on or before the close of the Offer i.e. Monday, 16th January 2006, along with photocopy of the delivery instructions in “Off Market” mode or counter foil of the delivery instruction in “Off Market” mode, duly acknowledged by the Depository Participant (“DP”) in favour of “PPIL– Escrow Demat A/c” .

In addition to the above-mentioned address, the equity shareholders of the Target Company who wish to avail of and accept the offer can also deliver the Acceptance Cum Acknowledgment Form along with all the relevant documents at the collection centers in accordance with the procedure as set out in the Letter of Offer. The centers mentioned herein below would be open as follows:

`

| Address | Contact Persons | Mode of Delivery | Phone No. | Fax | E-mail ID |
|---|---|---|---|---|---|
| Sattam Estate, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099 | Mrs. Indira Karkare | Registered Post / Hand Delivery | 022 – 2832 9828 / 2821 5168 / 2821 5991 | 022 – 2837 5645 | sharepro@vsnl.com |

Shareholders holding their shares in physical form and who wish to tender their fully paid shares will be required to send the Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and Transfer Deed(s) duly signed, to the Registrar to the Offer at the address given above, either by hand delivery during normal business hours Monday to Friday 11.00 a.m. to 4.00 p.m. (excluding Saturday, Sunday and Bank Holidays) or by Registered Post on or before the close of the offer i.e. 16th January 2006 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement in an envelope subscribing the same with “PPIL – Escrow A/c”.

All owners of fully paid-up equity shares registered or unregistered and the beneficial owners of the shares (except the Acquirer) who own the shares at any time prior to the closure of the offer are eligible to participate in the offer. Unregistered owners / shareholders who have not received Letter of Offer can send their application in writing, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered to, Distinctive Numbers, Folio No., together with documents stated above so as to reach the Registrar to the Offer on or before Monday, 16th January 2006. In case of unregistered owners, the same should be accompanied by a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

Shareholders holding shares in dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Registrar’s special depository account should be received on or before the date of closure of offer i.e. 16th January 2005, else the application would be rejected.

In case of non-receipt of Letter Of Offer, eligible person may send their acceptance to the Registrar to the Offer on a plain paper stating the name, address, no. Shares held, distinctive no., folio no., no. of shares offered, along with documents as mentioned above, so as to reach to the Registrar to the Offer at the above address on or before the close of the Offer i.e. Monday, 16th January 2006 .

In case on non-receipt of Letter of offer, the eligible person may obtain the copy of the same from the Registrar to the Offer by providing suitable documentary evidence to that effect. Such shareholders may also down load the Form of Acceptance Cum Acknowledgement from the website of SEBI i.e. http://http://www.sebi.gov.in/ which will be made available from the opening of the Offer.

The Registrar to the Offer will hold in trust the shares, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company, who have accepted the offer, until the cheques / drafts for the consideration and / or the unaccepted shares/ share certificates are dispatched/ returned.

Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners’ sole risk to the sole / first shareholder. Shareholders whose shares are held in dematerialized form to the extent not accepted will be intimated by post for the non acceptance.

Shares, if any, that are subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these shares are not received together with the shares tendered under the offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

In case the shares tendered in the open offer are more than the shares agreed to be acquired by the Acquirer, the Acquirer shall accept all valid application received from the shareholders 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 dose not result in non-marketable lots.

Acquirer is confident of completing all the formalities pertaining to the acquisition of the said shares, within 31 days from the date of closure of this Offer including payment of consideration to the shareholders who have accepted the Offer and for the purpose open a Special account as provided under Regulation 29.

Provided that where the Acquirer is unable to make payment to the shareholders who have accepted the offer before the said period of 31 days due to non-receipt of requisite statutory approval, if any, the SEBI may, if satisfied that non-receipt of requisites statutory approval was not due to any willful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the application for such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond 31 days, as may be specified by the SEBI from time to time.

In accordance with Regulation 22(5) (A) of the Regulations, shareholders who have tendered requisite documents in terms of Public Announcement and Letter of Offer shall have option to withdraw acceptance tendered upto 3 working days prior to the offer closing date. The withdrawal option can be exercised by submitting the form of withdrawal (separately enclosed with the Letter of Offer) and the copy of acknowledgment received from the Registrar to the Offer while tendering the acceptance together with following details

- In case of physical share: name, address, distinctive no. folio no., no. of shares tendered / withdrawn

- In case of dematerialized shares: name, address, no. shares tendered / withdrawn, DP name, DP ID, Beneficiary Account No., photo copy for delivery instruction in “Off Market” mode or counter foil of the delivery instruction in “Off Market” mode, duly acknowledged by the DP in favour of the depository escrow account.

In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making an application on the plain paper along with the details mentioned above.

**10. Schedule of Activities pertaining to the Offer:**

| ACTIVITY | DAY & DATE |
|---|---|
| Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent) | Friday, 28th October 2005 |
| Last date for Competitive Bid | Tuesday, 15th November 2005 |
| Date by which Letter of Offer to be posted to the shareholders. | Friday, 16th December 2005 |
| Date of Opening of the Offer | Monday, 26th December 2005 |
| Last date for revising the offer price / Number of shares | Tuesday, 3rd January 2006 |
| Last date up to which shareholders may withdraw | Monday, 9th January 2006 |
| Date of Closure of the Offer | Monday, 16th January 2006 |
| Date by which acceptance/ rejection would be communicated and the corresponding payment for the acquired shares and/ or the unaccepted shares/ share certificates will be dispatched/ credited. | On or before Tuesday, 14th February 2006 |

**11. General Conditions**

Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of the closure of the offer i.e. Monday, 16th January 2006 by filling the withdrawal form attached herewith. The withdrawal form is also available in the SEBI website (http://www.sebi.gov.in/)

The Acquirer can revise the price upwards upto 7 working days prior to the date of closure of the offer i.e Monday, 16th January 2006, and revision, if any, in the offer price would appear in The Free Press Journal (English) – All Editions, Navshakti, Marathi, Mumbai edition and and Prathakal – Hindi Daily (All Editions) and same price would be paid to all shareholders who tender their shares in the offer.

Pursuant to Regulation 13 of the Regulations, The Acquirer have appointed Khandwala Securities Limited as Manager to the Offer and the Manager to the offer issues this Public Announcement on behalf of the Acquirer.

If there is competitive bids:

(i) The public offer under all the subsisting bids shall close on the same date.

(ii) As the offer price cannot be revised during 7 working days prior to the closing date of the offers/ bids, it would be 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 acceptance accordingly.

(iii) The Acquirer and the Company are not prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B of SEBI Act.

(iv) The Acquirer accepts full responsibility for the information contained in this Announcement and also for the obligations of the Acquirer as laid down in SEBI Takeover Regulations and subsequent amendments made thereto.

(v) For further details please refer to the Letter of Offer and the Form of Acceptance cum Acknowledgement. This Public Announcement and the Letter of Offer together with Form of Acceptance cum Acknowledgement would also available on SEBI's website at http://www.sebi.gov.in// Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement from the said website from the offer opening Date i.e. Monday, 26th December 2005 and apply in the same.

| | |
|---|---|
| **Issued by:**<br><br>Manager To The Offer<br><br>Khandwala Securities Limited<br><br>Contact: Mr. Ajay Puri,<br><br>Head – Investment Banking<br><br>Vikas Building, Ground Floor, Green Street, Fort,<br><br>Mumbai 400 023<br><br>Tel.: (022) 22642300<br><br>Fax: (022) 22615172<br><br>Email: ajaypuri@kslindia.com | **Registrar to the Offer**<br><br>Sharepro Services (India) Pvt. Limited<br><br>**Contact: Mrs. Indira Karkare**<br><br>Sattam Estate,<br><br>Above Bank of Baroda, Cardinal Gracious Road, Chakala,<br><br>Andheri (East),<br><br>Mumbai 400 099<br><br>Tel No.:(022)- 2832 9828 / 2821 5168 /2821 5991<br><br>Fax No. (022) 2837 5646<br><br>E-mail: sharepro@vsnl.com |

For and On behalf of the Acquirer

Date: 18th October 2005

Place: Mumbai

**M/s.KDS Corporation Private Limited**