LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as a shareholder of **Piramyd Retail Limited**. If you require any clarifications about the action to be taken, you may consult your stock-broker or investment consultant or the Manager/ Registrar to the Offer. In case you have recently sold your shares in Piramyd Retail Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

CASH OFFER

by

The Acquirer:

Indiabulls Wholesale Services Limited, ("IBWSL" or "Acquirer")

Regd. Office: E-29, First Floor, Connaught Place, New Delhi - 110001, India
Tel: +91 11 4189 9900 Fax: +91 11 4189 9917

Along with Person Acting in Concert:

Indiabulls Real Estate Limited ("IBREL" or "PAC")

Regd. Office: F- 60, Malhotra Building, Second Floor, Connaught Place, New Delhi - 110001, India
Tel: +91 11 4152 3700; Fax: +91 11 4152 9071

TO ACQUIRE UPTO 40,32,750 FULLY PAID-UP EQUITY SHARES representing 20.16% of the equity voting Share Capital (20.00% of the Fully Diluted Equity Share Capital)

of

Piramyd Retail Limited ("PRL" or "Target Company")

Regd. Office: Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, India
Tel no: +91 22 6615 4870/71/72; Fax no: + 91 22 6615 4817

AT Rs. 74.73/- (RUPEES SEVENTY FOUR AND SEVENTY THREE PAISE ONLY) PER FULLY PAID-UP EQUITY SHARE OF FACE VALUE OF Rs.10/- (RUPEES TEN) EACH.

Pursuant to Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

Attention:

1. The Offer is not conditional upon any minimum level of acceptance.
2. The Offer is subject to the receipt of approval from the Reserve Bank of India ("RBI") for acquiring Shares from non-resident Indians who validly tender their Shares under this Offer, if applicable. The Acquirer will make the necessary applications to and filings with the various authorities to obtain the requisite RBI Approval on behalf of the non resident Shareholders in respect of whom such prior RBI Approval is required.
3. To the best of the Acquirer's knowledge, there are no other statutory approvals required to implement the Offer other than that specified above. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approvals.
4. The Acquirer will have the right to make payment to resident Shareholders and non resident Shareholders in respect of whom no RBI Approval is required and not accept Equity Shares from non resident Shareholders in respect of whom prior RBI approval is required in the event that the aforesaid RBI Approval is refused.
5. In case of delay in the RBI Approval, the Acquirer has the option to make payment to the resident Shareholders and non-resident shareholders in respect of whom no RBI Approval is required who have validly tendered their Equity Shares in the Offer as per the basis of acceptance if any. Also, in the event Offer is oversubscribed, the Registrar will hold in trust the Shares/Share Certificates or Equity Shares held in credit of the special depository account for the resident Shareholders and non resident Shareholders in respect of whom no RBI Approval is required till the approval from RBI is received for acquiring Shares from non-resident Shareholders in respect of whom prior RBI Approval is required.
6. After the receipt of RBI approval, the payment shall be made to the non-resident Shareholders in respect of whom prior RBI Approval is required in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SEBI (SAST) Regulation"). However, in the event that the RBI Approval is refused for one or more Shareholders and if the Offer is oversubscribed, the basis of acceptance will be revised and additional Equity Shares will be accepted

by the Acquirer from resident Shareholders and such other Shareholders, in respect of whom no prior RBI Approval is required and such non resident Shareholders in respect of whom RBI Approval is received and further consideration shall be paid for such accepted shares as per the provisions under Regulation 22(12) of the SEBI (SAST) Regulations.

7. In case of delay in the receipt of the approval of the RBI, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to shareholders who have validly tendered their Shares, 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, provided further that if the Acquirer is diligent in pursuing the RBI approval to the satisfaction of SEBI, the Acquirer will have the option not to pay such interest, subject to concurrence by SEBI. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.
8. Shareholders who have accepted the Offer by tendering the requisite documents in terms of Public Announcement/ Letter of Offer shall have the option to withdraw their acceptance up to Wednesday, March 26, 2008 i.e. 3 (three) working days prior to the date of closure of the Offer viz. Monday, March 31, 2008. Such requests for withdrawal should reach the designated collection centres before 5:00 p.m. on Wednesday, March 26, 2008.
9. If there is an upward revision in the Offer Price or withdrawal of the Offer by the Acquirer prior to or on the last date for revising the Offer Price viz. Thursday, March 20, 2008, you will be informed by way of another public announcement in the same newspapers in which the first Public Announcement was published. The Acquirer shall pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.
10. The Acquirer may withdraw the Offer in accordance with the conditions specified in Regulation 27 of the Takeover Regulations. In the event of such withdrawal, the same would be notified by way of a public announcement in the same newspapers in which the PA was published
11. If the aggregate of the valid responses to the Offer exceeds the Offer size of 40, 32,750 fully paid-up equity shares of PRL (representing 20% of the Post Acquisition Capital of PRL), then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations.
12. This document has not been filed, registered or approved in any jurisdiction outside India. Recipients of this document resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements.
13. **There has been no competitive bid to the Offer.**
14. The procedure for acceptance is set out in Section 9 of this Letter of Offer. A Form of Acceptance-cum-Acknowledgement and Form of Withdrawal are enclosed with this Letter of Offer.

The Public Announcement and this Letter of Offer, Form of Acceptance and Form of Withdrawal are also available on SEBI's Website (www.sebi.gov.in) from the Offer Opening Date viz. March 12, 2008. A copy of the Form of Acceptance may also be obtained from the Registrar to the Offer commencing on the date of the dispatch of the Letter of Offer. All future correspondence, if any should be addressed to the Registrar to the Offer at the address mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Edelweiss Capital Limited Express Tower, 14th Floor, Nariman Point, Mumbai – 400 021, Tel : + 91 22 4086 3535; Fax: + 91 22 2288 2119 Email: prl.openoffer@edelcap.com Contact Person : Mr. Pallav Shah	**Karvy Computershare Private Limited** 17-24 Vithalrao Nagar, Madhapur Hyderabad - 500081. Tel: + 91 40 23431553; Fax No. + 91 40 23431551; Email: murali@karvy.com; Contact Person; Mr. Murali Krishna
OFFER OPENS ON: March 12, 2008	OFFER CLOSES ON: March 31, 2008

(For Schedule of Major Activities of the Offer please refer to the next page)

SCHEDULE OF THE MAJOR ACTIVITES OF THE OFFER:

Activity	Original Schedule (Day & Date)	Revised Schedule (Day & Date)
Public Announcement Date	Sunday, December 09, 2007	Sunday, December 09, 2007
Specified Date *	Monday, December 10, 2007	Monday, December 10, 2007
Last date for a competitive bid	Saturday, December 29, 2007	Saturday, December 29, 2007
Date by which Letter of Offer to be dispatched to shareholders	Wednesday, January 23, 2008	Friday , March 07, 2008
Date of Opening of the Offer	Saturday, February 2, 2008	Wednesday, March 12, 2008
Last date for Revising the Offer price/ number of Shares	Tuesday, February 12, 2008	Thursday, March 20, 2008
Last date for Withdrawing of acceptance from the Offer	Monday, February 18, 2008	Wednesday, March 26, 2008
Last date for Closing of the Offer	Thursday, February 21, 2008	Monday, March 31, 2008
Last date of communicating rejection / acceptance and for dispatch of consideration for acceptance and of Share certificate(s) for the rejected Shares / credit of unaccepted dematerialized Shares.	Friday, March 7, 2008	Tuesday, April 15, 2008

** Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of the shares of PRL (except Acquirer/PACs and Promoters of PRL) are eligible to participate in the Offer anytime before the closure of the Offer.*

RISK FACTORS

Given below are the risks related to the transactions, the Offer and getting associated with the Acquirer.

1. In the event of regulatory approvals not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer may be delayed. Shareholders should note that after the last date for withdrawal of acceptances under the Offer i.e. March 26, 2008, Shareholders who have lodged the Equity Shares will not be able to withdraw them even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed. The tendered Equity Shares and documents will be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

2. In case the numbers of valid acceptances are higher than 40, 32,750 Shares, then the valid tenders would be accepted on a proportionate basis up to a maximum of 40, 32,750 Shares. Hence, there is no certainty that all Shares tendered by the shareholders in the Offer will be accepted, in case there is oversubscription of the Offer.

3. The Offer is subject to the receipt of the approval of the RBI under FEMA and the rules and regulations made there under for acquiring Equity Shares from Non-Resident Shareholders who validly tender their Equity Shares under this Offer. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer will also be subject to such other statutory approvals.

4. The Acquirer will have the right to make payment to the resident Shareholders and non resident Shareholders in respect of whom no RBI Approval is required and not accept Equity Shares from such Non resident Shareholders in respect of whom prior RBI Approval is required in the event of the aforesaid RBI Approval being refused. Further, in case of non receipt of RBI approval and if the offer is oversubscribed, the Acquirer will have the right to reject acceptance of the shares tendered by the non resident Shareholders in respect of whom prior RBI Approval is required and acquire additional Shares from the resident Shareholders and the non resident Shareholders with respect to whom no prior RBI Approval is required. To facilitate this the Registrar will hold in trust the Shares/Share Certificates or Equity Shares held in credit of the special depository account for the resident Shareholders and non resident Shareholders in respect of whom no RBI Approval is required till the approval from RBI is received for acquiring Shares from non-resident Shareholders in respect of whom prior RBI Approval is required.

5. The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the Shareholders will not be able to trade such Equity Shares. During such period there may be fluctuations in the market price of the Equity Shares. Accordingly, the Acquirer makes no assurance with respect to the market price of the Equity Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

6. In the event of oversubscription in the Offer, the acceptance of the Equity Shares tendered will be on a proportionate basis and will be contingent on the level of subscription. However, in the event that the RBI approval is refused for one or more Shareholders in respect of whom prior RBI Approval is required, the basis of acceptance will be revised and additional Equity Shares will be accepted by the Acquirer from resident Shareholders and such non resident Shareholders in respect of whom no prior RBI approval is required or non resident Shareholders in respect of whom RBI Approval is received and further consideration shall be paid for such accepted shares as per the provisions under Regulation 22(12) of the SEBI (SAST) Regulations.

7. The Acquirer makes no assurance with respect to the market price of the Shares of Piramyd Retail Limited, both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether to participate or not to participate in the Offer.

8. The Acquirer makes no assurance with respect to the financial performance of Piramyd Retail Limited.

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

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1. DEFINITION

Acquirer/ IBWSL	Indiabulls Wholesale Services Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
PRL/Target Company	Piramyd Retail Limited
Depository Escrow Account	The depository account opened by Karvy Computershare Private Limited with National Securities Depository Limited (NSDL) account "KCPL Escrow A/C – PRL Open Offer " The DP ID is IN300394 and the beneficiary client ID is 16113075
DP	Depository Participant
Depositories	Collectively NSDL and CDSL
ESOPs	Employee Stock Option granted to certain employees of PRL under various employee stock option plans of the Target Company
Equity Shares	The subscribed and paid up equity share capital of the Target Company is Rs. 20 crores divided into 2.0 crore outstanding equity shares of face value of Rs. 10/- each
FII(s)	Foreign Institutional Investors
Form of Acceptance	Form of Acceptance cum –Acknowledgement
FY	Financial Year
Letter of Offer	This Letter of Offer
Manager/ Manager to the Offer/ Merchant Banker/ Edelweiss	Edelweiss Capital Limited
NRI	Non Resident Indians
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer	This open offer for acquisition of 40,32,750 fully paid-up equity shares of face value of Rs.10/- each, representing 20.16% of equity voting Share Capital (20.00% of the Fully Diluted Voting Capital) at the Offer Price of Rs 74.73/- per Share
Offer Closing Date	Monday, March 31, 2008
Offer Opening Date	Wednesday, March 12, 2008

Offer Price	Rs. 74.73/- (Rupees Seventy Four and Seventy Three Paise only) per Share, payable in cash.
PAC/IBREL	Person Acting in Concert viz. Indiabulls Real Estate Limited
Persons Eligible to Participate in the Offer	The equity shareholders of the Target Company, except the Acquirer/ PAC and parties to the Share Purchase Agreement
Public Announcement/ PA	Announcement of the Offer made by the Acquirer on December 9, 2007
RBI	Reserve Bank of India
Registrar/ Registrar to Offer	Karvy Computershare Private Limited
Rs./INR	Indian National Rupee
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto upto the date of the Public Announcement
Share(s)	Fully paid-up equity shares of face value of Rs. 10/- each of Piramyd Retail Limited
Specified Date	Monday, December, 10, 2007
SPA	The Share Purchase Agreement between the Acquirer on the one hand and Cineline Trading Company Private Limited, Topwave Mercantile Company Private Limited, Oneline Mercantile Company Private Limited, Onestar Mercantile Company Private Limited, MaxPlaza Trading Company Private Limited, Winstar Trading Company Private Limited, Goldspot Trading Company Private Limited, Truetime Trading Company Private Limited and Mr. Nandan Ashok Piramal on the other hand (collectively the "Sellers") signed on December 08, 2007.

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF PIRAMYD RETAIL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER AND PAC OR OF THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL

RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKERTO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRER AND PAC DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER– EDELWEISS CAPITAL LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED DECEMBER 20, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER".

3 DETAILS OF THE OFFER

3.1 Background of the Offer

a) Indiabulls Wholesale Services Limited ("IBWSL" or "Acquirer"), a company incorporated under the Companies Act, 1956 having its registered office at, E-29, First Floor, Connaught Place, New Delhi – 110001 along with Indiabulls Real Estate Limited ("IBREL" or "Person Acting in Concert" or "PAC"), a company incorporated under the Companies Act, 1956 having its registered office at F-60, Malhotra Building, Second Floor, Connaught Place, New Delhi–110001, being the Acquirers within the meaning of Regulation 2(1)(b) of the SEBI (SAST) Regulations, has agreed, vide Share Purchase Agreement dated December 8, 2007 ("SPA"), to acquire 12,783,000 equity shares of face value Rs. 10/- each representing 63.92% of the paid up share capital of Piramyd Retail Limited ("PRL" or "Target Company") being the Target Company as defined in Regulation (2)(1)(o) of the SEBI (SAST) Regulations at a price of Rs. 31.29 per share.

b) The Acquirer along with the PAC is making an open offer to the public shareholders of the Target Company pursuant to Regulations 10 and 12 of the SEBI (SAST) Regulations triggered by an acquisition of more than 15% of the voting rights of the Target Company and a change in the control of the Target Company under the SPA to acquire 40,32,750 paid up equity shares of the Target Company at Rs. 10 each representing 20.16% of the fully paid up equity voting capital (representing 20% of the Fully Diluted Equity Share capital) for cash at a premium of Rs. 64.73 /- (Rupees Sixty Four and Seventy Three Paise Only) per share.

c) The salient features of the SPA entered into between the Acquirer on the one hand and Cineline Trading Company Private Limited, Topwave Mercantile Company Private Limited, Oneline Mercantile Company Private Limited, Onestar Mercantile Company Private Limited, Maxplaza Trading Company Private Limited, Winstar Trading Company Private Limited, Goldspot Trading Company Private Limited, Truetime Trading Company Private Limited and Mr. Nandan Ashok Piramal on the other hand (collectively the "Sellers") (having their address at Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 ; Telephone No(s) +91 22 6615 4870/71/72; Fax no: + 91 22 6615 4817 signed on December 08, 2007 are as under:

   c.1. The Acquirer has agreed to purchase 12,783,000 equity shares (the "**Sale Shares**") representing 63.92% of the issued subscribed and paid up share capital of the Target Company at a price of Rs. 31.29 per share for an aggregate purchase consideration of Rs. 40,00,00,000/- (Rupees Forty Crore Only) (the "**Purchase Price**"). The sale and purchase of the Sale Shares shall be completed on January 1, 2008 or such other date as may be mutually agreed between the Acquirer and the Sellers, being not earlier than the date on which the Acquirer's nominees may be appointed as directors of the Target Company in accordance with Regulation 22(7) of the SEBI (SAST) Regulations (the "**Share Sale Closing Date**").

   The Acquirer has paid the consideration for the Sale Shares to the Sellers on December 14, 2007. The Sellers have placed the Sale Shares in the Depositary Escrow Account and the Sale Shares would be released to the Acquirer upon closure of the Offer in compliance with regulation 22(16) of the SEBI (SAST) Regulations.

Please refer to paragraph 3.1(i), below on the status of compliance under the SEBI (SAST) Regulations in relation to the above.

c.2. The Acquirer has further undertaken to provide the Target Company funding assistance for an loan amount of Rs. 121,25,00,000/- (Rupees One Hundred and Twenty One Crores and Twenty Five Lakhs Only) (the "**Loan**"). The Loan was provided to the Target Company on January 2, 2008 in terms of an inter-corporate loan agreement at arms length between the Acquirer and the Target Company. The Target Company has utilized the Loan to repay an existing debt (principal amount and the interest thereon) of the Target Company owed to ACT Fininvest Limited in two installments; i.e. an amount of Rs.116,25,00,000/- (Rupees One hundred and Sixteen Crores and twenty Five Lakhs Only) which has already been paid by the Target Company on January 2, 2008, and the balance amount of Rs. 5,00,00,000/- (Rupees Five Crores Only) payable April 1, 2008.

The major terms of the funding assistance have been set out in paragraph j) below.

c.3. Pursuant to the SPA, the Sellers have caused the resignation of their nominees and representatives from the Board of Directors of the Target Company on January 02,2008 in accordance with Regulation 22 (7) of the SEBI (SAST) Regulations.

c.4. The SPA contains certain non-compete provisions whereby the Sellers have agreed not to compete with the Target Company for a period of 5 (five) years in the business of retailing in lifestyle, food, healthcare and consumer goods. There is no separate consideration being paid for the non-compete provision.

c.5. In accordance with Clause 4.16.1 (b) of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, the Acquirer has undertaken to continue to hold as locked-in, the locked-in shares of 20% of the Equity Share capital of the Target Company acquired under the SPA from certain promoter Sellers until and including January 27, 2009 being the remaining period of the lock-in as applicable. The transfer of locked-in shares is from the promoter sellers to the Acquirer.

c.6. In accordance with Regulation 22(16) of the SEBI (SAST) Regulations, the Acquirer and the Sellers have undertaken to reverse the sale and purchase of the Equity Shares under the SPA in the event this Offer is not completed in accordance with the SEBI (SAST) Regulations and the same is mandated under applicable law.

d) The total fund requirement for the acquisition of up to 40,32, 750 fully paid Equity Shares of Rs. 10 each at Rs. 74.73/- (Rupees Seventy Four and Seventy Three Paise only) per share is Rs. 30,13,67,408 (Rupees Thirty Crores, Thirteen Lakhs, Sixty Seven Thousand and Four Hundred and Eight Only) ("**Maximum Consideration**").

e) The Acquirer proposes to fund the Offer out of finances provided by the PAC. By way of security for performance of its obligations under the SEBI (SAST) Regulations, a lien ("**Lien**") has been created by HDFC Bank Limited against the fixed deposit of Rs 305,000,000 ("**Fixed Deposit**") standing in the name of the Acquirer for an amount of Rs. 305,000,000/- ("**Escrow Amount**"), in favour of Edelweiss. The Escrow Amount represents more than 25% of the first Rs. 100 crores of the Maximum Consideration and 10% thereafter on the balance of the Maximum Consideration payable under the Offer in accordance with Regulation 28 of the SEBI (SAST) Regulations. The Lien has been created with HDFC Bank Limited, a banking corporation incorporated under the laws of India and having its registered office at HDFC Bank Limited, HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400 013. In accordance with Regulation 28 of the SEBI (SAST) Regulations, Edelweiss has been duly authorized to realize the value of the aforesaid Lien.

f) The Acquirer and the PAC, and their respective directors have not been prohibited by SEBI from dealing in securities in terms of directions issued u/s 11B of the SEBI Act or under any of the regulations made under the SEBI Act. Neither PRL nor its directors have been prohibited by SEBI from dealing in securities in terms of directions issued u/s 11B of the SEBI Act or under any of the regulations made under the SEBI Act. Further the sellers have not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

g) A separate demat account opened a separate demat account with Karvy Stock Broking Ltd (Client ID 40221106 ; DP ID IN302470) has been opened for keeping the Sale Shares in an escrow. The Sale Shares purchased under the SPA have been credited to this demat account on January 02, 2008 and January 07, 2008. In compliance with Regulation 22(16) and 23(6), these shares would be released to the Acquirer only after the Manager to the Offer certifies that the Acquirer has fulfilled all its obligations under the SEBI (SAST) Regulations.

h) The Acquirer and the PACs and their respective directors, do not hold any Equity Shares of the Target Company, nor have they acquired any Equity Shares of the Target Company since the date of the PA or during the 12 months period prior to the date of the PA, except the Sale Shares acquired under the SPA.

i) **Status of Compliance under Regulation 22(16)**

i.1. The Acquirers are entitled to appoint their nominees on the board of directors of the Target Company in accordance with regulation 22(7) of the Regulations since the Escrow Amount is more than 100% of the Maximum Consideration payable to the shareholders assuming full acceptance under the Offer and a period of 21 days have elapsed from the date of PA,.

i.2. Notwithstanding the above, the sale and purchase of the Sale Shares have not been completed till date. As mentioned under the salient features of the SPA in paragraph c.6. above, in case of non-compliance of any provisions of the SEBI (SAST) Regulations, the sale and purchase of the Sale Shares will not be effected and SPA shall not be acted upon by the Sellers or the Acquirer in terns of regulation 22(16).

j) **Inter Corporate Deposit agreement dated January 2, 2008**

j.1. The Acquirer has in consideration of its business interests in the Target Company agreed to lend such amounts from time to time subject to a maximum sum of Rs 1,21,25,00,000/- as an unsecured loan (the "**Loan**") under a loan agreement dated January 2, 2008 (the "**Inter Corporate Deposit Agreement**"). The repayment of the existing debt to ACT Fininvest Limited was a separate and distinct transaction from the sale and purchase of the Sale Shares and, hence, the same would not affect the negotiated price paid by the Acquirer to the Sellers. Relevant terms and conditions under the Inter Corporate Deposit Agreement are as under:

j.2. **Term**
The initial term of the Inter Corporate Deposit Agreement is a period of one year from the date of the Target Company receiving and realising the amount. However, the term may be enhanced /reduced with the consent of both the parties.

j.3. **Repayment Terms**
The Loan is repayable at the end of one year from the date of Target Company receiving and realising the loan. The Borrower may, at its option, repay such amount of the Loan before the expiration of the Term as it may deem fit.

j.4. **Interest**
The Loan is in the nature of an Inter-Corporate Deposit and shall bear interest rate of 12%.

DETAILS OF THE OFFER

3.2.1 The Public Announcement was published in the following newspapers on December 9, 2007, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	**Language**	**Editions**
Financial Express	English	All

Jansatta	Hindi	All
Navshakti	Marathi	Local

(The Public Announcement is also available at the SEBI website: www.sebi.gov.in)

a) The acquisition of the sale shares of the Target Company pursuant to the SPA exceeds 15% of the voting rights in the Target Company and results in a change of control of the Target Company and therefore triggers an open offer under Regulations 10 and 12 of the SEBI (SAST) Regulations. Consequently, the Acquirer along with the PAC is making an open offer to the public shareholders of the Target Company to acquire upto 40,32,750 equity shares of the Target Company being 20% of the Fully Diluted Voting Capital (as defined in this section, below) of the Target Company ("Offer Share(s)") as on April 15, 2008, being the date which is 15 days from the date of closure of the Offer, as required under Regulation 21(5) of the SEBI (SAST) Regulations. This Offer is being made pursuant to Regulations 10 and 12 of the SEBI (SAST) Regulations, at a price of Rs. 74.73/- per fully paid up Equity Share (the "Offer Price"), payable in cash in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions mentioned hereinafter (the "Offer" or "Open Offer") and the terms and conditions of the Offer are set out in this letter of offer (the "Letter of Offer").

b) Subject to the receipt of regulatory approvals as set out in paragraph VIII and other terms and conditions set out in this Letter of Offer, the Acquirers will acquire Equity Shares up to the extent mentioned in this Letter of Offer.

c) Upon completion of the Offer, assuming full acceptances in the Offer, the Acquirer will hold 1,68,15,750 Equity Shares of the Target Company.

d) This Offer is being made to all the public shareholders of the Target Company and is not conditional on any minimum level of acceptances.

e) In terms of Clause 40A of the Listing Agreement with the BSE and the NSE, the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis. The Acquirer undertakes to ensure compliance with the provisions of Clause 40A of the Listing Agreement. Briefly, process to be followed by the Acquirer to comply with clause 40A is as follows: In the event of the public shareholding falling below the minimum level prescribed under clause 40A, the acquirer would undertake the methods prescribed in sub-clause (viii) of Clause 40A to raise the public shareholding to the minimum level. Currently the acquirer proposes to issue fresh shares to the public through prospectus in terms of sub-clause viii(a). However, the Acquirer may at its discretion and depending on the market conditions at the relevant point in time, change the method to be adopted to raise the public shareholding in accordance with the listing agreement.

f) The Acquirer and the PAC have not acquired nor been allotted any equity shares of the Target Company save and except that the Acquirer has undertaken to purchase 1,27,83,000 Equity Shares in terms of the SPA as mentioned in Para 3.1 above. As at the date of the PA, neither the Acquirer nor the PAC holds any Equity Shares of the Target Company. The respective directors of the Acquirer and PAC have not acquired any Equity Shares in the Target Company at a price above the offer price of Rs. 74.73 (Rupees Seventy Four and Seventy Three Paise Only) per share, including by way of allotment in public or rights issue or by way of preferential allotment by the Target Company during the 26-week period prior to the date of the Public Announcement.

g) The Equity Shares of the Target Company will 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 offer declared thereof.

3.2.2 As of the date hereof, the subscribed and paid up Equity Share capital of the Target Company is Rs. 20 crores divided into 2.0 crore outstanding equity shares ("Equity Shares") of face value of Rs. 10/- each. Additionally, there are 1,63,750 (Employee Stock Options ("ESOP") vested and exercisable as on date. On exercising of the ESOPs the fully diluted voting capital of the target company will increase to Rs 201,637,500 divided into 20,163,750 equity shares of Rs 10/- each ("Fully Diluted Voting Capital").

3.2.3 Other than the outstanding ESOPs, there are no other instruments outstanding partly paid up shares convertible into equity shares of the Target Company at a future

3.2.4 The Acquirer and the PAC and their respective directors have not acquired any Shares of the Target Company after the date of the PA.

3.2.5 The Offer is not conditional on any minimum level of acceptance by the share holders of the Target Company.

3.2.6 There have been no competitive bids to the Offer.

3.3 OBJECT OF THE OFFER

3.3.1 The Acquirer proposes to focus on the development and expansion of the existing business of PRL as well as identify and cause PRL to diversify into new areas of growth.

3.3.2 The objects of the Acquirer include inter alia to carry on the business of manufacturing and trading and retail business in India through retail formats like hyper markets, super markets, mega stores/discount stores etc.

3.3.3 The PAC is currently engaged in the business of real estate development. The object of the acquisition is to expand the business horizon and to diversify into different business activities where synergies can be identified with their current line of business. IBREL's main business is that of project management, construction services, investment advisory and development of commercial, IT-ITES parks, malls, residential, SEZ, infrastructure and hotels/resorts.

3.3.4 The current acquisition will help the acquirer for expansion into retail/ mall development across India with specific focus on second tier cities.

4 BACKGROUND OF ACQUIRER AND PACS

4.1 Indiabulls Wholesale Services Limited

4.1.1 Indiabulls Wholesale Services Limited, the Acquirer, is a public company incorporated on July 24, 2007 under the Companies Act, 1956 having its registered office at E-29, First Floor, Connaught Place, New Delhi – 110001. Tel no: +91 11 4189 9900; Fax no.: +91 11 4189 9917._IBWSL is part of the Indiabulls group and is a wholly owned subsidiary of IBREL and is promoted by it.

4.1.2 The objects of the Acquirer include inter alia carrying on the business of manufacturing and trading and retail business in India through retail formats like hyper markets, super markets, mega stores/discount stores etc.

4.1.3 As on December 7, 2007, the paid up capital of the Acquirer is Rs. 100,00,00,000 (Rupees Hundred Crores Only).

Shareholding pattern of IBWSL

SR.No.	Name of the Shareholder	No. of Shares held of face value of Rs 10/- each	% to the Total Subscribed Capital
1	Indiabulls Real Estate Limited	9,99,99,994	100
2	Ashok Sharma*	1	-
3	Sanjeev Ranjan*	1	-

4	Vikas Saxena*	1	-
5	Satish Chand*	1	-
6	Somesh Singh*	1	-
7	Tejinderpal Singh Miglani*	1	-
	Total	10,00,00,000	100

* Nominee of Indiabulls Real Estate Limited

There is no agreement between the Acquirer and PAC with respect to the open offer /acquisition of shares.

4.1.4 The equity shares of the Acquirer are not listed on any stock exchange. 4.1.5 The composition of Board of Directors of IBWSL , as on date of the Public Announcement was as under :

Name	**Appointment Date**	**Experience**	**Qualification**	**Residential Address**
Mr. Dimitrius John D'Mello	24th July, 2007	20 Years of experience including experience in construction and real estate industry. He previously worked with Dywidag International GmbH and was associated with the construction of a part of the underground portion of the Delhi Metro Rail Corridor	Bachelor of Commerce, Chartered Accountant	15- Emerald, St. Piusx Colony, Nahur Road, Mulund (West), Mumbai 400 080
Mr. Himanshu Kanubhai Shah	24th July, 2007	16 Years of experience including experience in the business operations, finance, investment and asset management	Bachelor of Commerce, Chartered Accountant, C.W.A. , Diploma in Chartered Financial Analyst	2, Vivek, Liberty Garden, Malad (West), Mumbai – 400 064
Mr. Nihar Devendra Gandhi	24th July, 2007	10 Years of experience in different areas including finance, accounts and operations	Bachelor of Commerce, Chartered Accountants	B- 106, Shubkamna, Mahavir Nagar, Dahanukarwadi, Kandivali (West), Mumbai – 400 067

4.1.6 None of the directors of IBWSL have acquired any share in PRL during the preceding 12 months preceding the Public Announcement.

4.1.7 None of the above directors of IBWSL are on the Board of Directors of PRL.

4.1.8 Chapter II of the SEBI (SAST) Regulations is not applicable to the Acquirer with respect to the Target Company.

4.1.9 Since the Acquirer was incorporated on July 24, 2007, no audited accounts of the company are available. A Limited review of the accounts is available as on 31, October 2007 which is as follows:

(Rs in lacs)

Profit & Loss Statement	**For the period ending October 31, 2007 (unaudited)**
Income from operations	NIL
Other Income	5.08

Total Income	**5.08**
Total Expenditure	94.72
Profit Before Depreciation Interest and Tax	(89.64)
Depreciation	0.84
Interest	NIL
Profit Before Tax	(90.48)
Provision for Tax	NIL
Profit After Tax	(90.48)

Balance Sheet Statement	As at **October 31, 2007**
Sources of funds	
Paid up share capital (Face Value Rs. 10/- per share)	10,000.00
Reserves and Surplus (excluding revaluation reserves)	(90.48)
Net worth	9,909.52
Secured loans	NIL
Unsecured loans	NIL
Total	**9,909.52**
Uses of funds	
Net fixed assets	6.21
Investments	3,962.09
Net current assets	5,941.22
Total Miscellaneous Expenditure Not Written Off	Nil
Total	**9,909.52**

Other Financial Data	**For the period ending November 30, 2007 (unaudited)**
Dividend (%)	NIL
Earning Per Share	(1.28)
Net Worth	9,909.52
Return on Networth %	(0.01)
Book Value Per Share(Rs)	9.91

Note:

(1) Dividend (%) = Dividend paid per equity share / No. of equity shares outstanding at year-end/ Par value per equity share
(2) Earnings per share = Profit after tax (prior to any adjustments) / Weighted Average No. of equity shares outstanding at the end of the year
(3) Return on Net worth (%) = Profit after tax (prior to any adjustments) / Net worth at year-end
(4) Book Value per equity share = Net worth / No. of equity shares outstanding at year end

Limited review have been reviewed/ certified by the statutory auditor of IBREL, M/s Ajay Sardana & Associates.

4.1.10 There were no contingent liabilities in IBWSL as on October 31, 2007.

4.1.11 Significant Accounting Policies:

i. Basis of Accounting:

The financial statements are prepared under the historical cost convention on an accrual basis, in accordance with the generally accepted accounting principals in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

ii. **Use of Estimates:**
The presentation of financial statement in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates and any revision is recognized in the current & future periods.

iii. **Revenue Recognition:**
Dividend income is recognised when the right to receive the dividend is unconditionally established at the balance sheet date.

iv. **Fixed Assets:**
Fixed assets (Tangible & Intangible) are stated at cost, less accumulated depreciation / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

v. **Depreciation/Amortisation:**
Depreciation on fixed assets is provided on the straight-line method at the rates and as per the manner prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on additions / deletions to fixed assets is provided on pro-rata basis from the date the asset is put to use/discarded. Assets costing less than Rs. 5,000 per item are fully depreciated in the year of purchase.

Intangible assets consisting of Software are amortized on a straight line basis over a period of four years from the date when the assets are available for use.

vi. **Impairment of Assets:**
The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

vii. **Investments:**
Investments are classified as long term and current investments. Long term investments are stated at cost and provision for diminution in their value, other than temporary, is made in the accounts. Current investments are stated at lower of cost and fair value. Unquoted current investments in units of mutual funds are valued at the net asset value declared by the mutual fund in respect of each particular scheme.

viii. **Borrowing Cost:**
Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

ix. **Taxes on Income:**
Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations.

Deferred tax resulting from timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more period(s), is quantified at the current rate of tax / substantively enacted tax rates and laws as at the end of financial year.

x. **Fringe Benefits Tax:**
Fringe Benefits Tax has been calculated in accordance with the provisions of the Income tax Act, 1961.

xi. **Foreign Currency Transactions:**

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or expense in the year in which they arise except those arising form investments in non-integral operations.

Exchange differences arising on a monetary item that in substance forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

xii. **Provisions, Contingent Liabilities and Contingent Assets:**
Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

xiii. **Preliminary Expenses:**
Preliminary Expenses are written off in the year of incorporation

PERSONS ACTING IN CONCERT:

INDIABULLS REAL ESTATE LIMITED ("IBREL")

4.2.1 Indiabulls Real Estate Limited is a public company incorporated on April 04, 2006 under the Companies Act, 1956 having its registered office at F 60, Malhotra Building, Second Floor, Connaught Place, New Delhi – 110001. The Telephone number is: +91 11 4152 3700 and the Fax number is +91 11 4152 9071. The corporate office of IBREL is located at S.P. Center, 'C' Wing, 41-44 Minoo Desai Marg, Near Radio Club, Colaba, Mumbai – 400 005. Telephone number is: +91 22 31895555 and Fax Number is: +91 22 67430522. IBREL is the holding company of the Acquirer, IBWSL. The main business of Indiabulls Real Estate Limited is project management, construction services, investment advisory and development of commercial, IT-ITES parks, malls, residential, SEZ, infrastructure and hotels/resorts. The shares of IBREL are listed on the Bombay Stock Exchange Limited (the "BSE") and the National Stock Exchange of India Limited (the "NSE:). The Global Depository Receipts (the "GDRs") of the company are listed on Luxembourg Stock Exchange. The promoters of IBREL are Mr. Sameer Gehlaut, Mr. Saurabh Mittal and Mr. Rajiv Rattan.

4.2.2 Indiabulls Real Estate Limited, a company incorporated under the laws of India (IBREL), was reorganized by way of a demerger (the "Demerger") pursuant to a scheme of arrangement under the Companies Act, 1956 (the "Scheme"), *inter alia,* between Indiabulls Financial Services Limited (IBFSL) and the Company. The Demerger and the Scheme were approved by the High Court of Delhi by an order dated 24 November 2006. The appointed or effective date of the Demerger was 1 May 2006. Pursuant to the Scheme, the assets, liabilities and investments of IBFSL's undertaking in relation to construction-development of real estate and infrastructure projects as more particularly described in the Scheme (the "Real Estate Undertaking") was demerged to IBREL with effect from the Appointed Date (as defined in the Scheme). Under the terms of the Scheme, each registered holder of shares in IBFSL as at 9 January, 2007 (the "Record Date") received one IBREL share of par value Rs. 2 for every IBFSL share held by such holder

4.2.3 Shareholding pattern – as on December 07, 2007

SR.No.	Shareholder's Category	No. of Shares held	% to the Total Subscribed Capital
A	**PROMOTERS [A]**	6,51,16,685	27.14
B	**PERSONS ACTING IN CONCERT**		
	TOTAL [B]		
	Total Shareholding of Promoter and Promoter Group	6,51,16,685	27.14
C	**Foreign** **Individuals –NRI**	NIL	
D	**Public Shareholding**		
	Institutions		
	Financial Institutions / Mutual Funds	20,92,034	0.87
	Banks	44,250	0.02
	Central / State Governments	NIL	
	Venture Capital Funds	NIL	
	Insurance Companies	NIL	
	Foreign Institutional Investors	10,68,18,679	44.53
	Non- Institutions		
	Bodies Corporate	76,42,366	3.19
	Individuals	82,39,682	3.43
	Trust	-	-
	Clearing Member [NSDL/CDSL]	14,25,657	0.59
	NRIs	6,04,566	0.25
	OCBs	59,81,065	2.49
	GDRs – Equity shares under lying	2,74,70,082	11.45
	Other Foreign entities	1,45,00,000	6.04
	TOTAL : [D]	17,48,18,381	72.86

	Grand Total [A+B+C+D]	23,99,35,066	100.00

4.2.4 The business is carried out through special purpose vehicles that operate in the real estate sector (the **"Real Estate Affiliates"**). The Company was originally incorporated in India on 4 April 2006 under the Companies Act,1956 as a public limited company and a wholly-owned subsidiary of Indiabulls Financial Services Limited (IBFSL). Effective from 1 May, 2006, the Company demerged from IBFSL pursuant to a scheme of arrangement under the Companies Act between IBFSL and the Company.

4.2.5 The composition of Board of Directors of IBREL, as on date of this Letter of Offer is as under :

Name	Appointment Date	Experience	Qualification	Residential Address
Mr. Sameer Gehlaut (Chairman)	23rd May, 2006	More than 12 years of experience in different areas including financial services, real estate, infrastructure sector	Bachelors Degree in Mechanical Engineering, IIT, Delhi	71A, Maker Tower, "A" Wing, 7th Floor, Cuffee Parade, Mumbai – 400 005
Mr Rajiv Rattan (Director)	4th April, 2006	More than 12 Years of experience in finance and operation processes	Bachelors Degree in Electrical Engineering, IIT, Delhi	B 4/157, Safdarjang Enclave, New Delhi – 110 029
Mr Saurabh Mittal (Director)	23rd May, 2006	More than 12 years of experience in finance and asset management	Bachelors Degree in Electrical Engineering, IIT, Delhi, Degree of Master in Business Administration, Harvard Business School	3, Lucknow Road, New Delhi – 110 054
Mr Narendra Gehlaut (Joint Managing director)	9th January, 2007	More than 13 years of experiencein the construction industry	Graduates In Electrical Engineering, Delhi College of Engineering and Law Graduates, University of Delhi	875, Sector – 17B, Gurgaon, Haryana – 120 001
Mr Vipul Bansal (Joint Managing director)	9th January, 2007	More than 12 years of experience in various fields including starting a private equity fund, co-founding a knowledge and document processing outsourcing company and others	Bachelors Degree in Chemical Engineering, lIT, Delhi.	Flat No. 82, 8th Floor, Maker Tower, 'A' Wing, Cuffe Parade, Mumbai – 400 005
Mr Aishwarya Katoch (Non Executive Director)	23rd May, 2006	More than 16 years of experience in hotel business	Bachelors Degree in Business Administration and Merchandising, American College of Applied Arts. London.	S-43, G.K.- I, New Delhi- 110 048
Mr Shamsher Singh (Non Executive Director)	23rd May, 2006	More than 30 years of experience in banking and academics	Post Graduate Degree in History, St. Stephens College, New Delhi.	96A, East Avenue, Sainik Farms, New Delhi- 110 062

Mr Prem Prakash Mirdha (Non Executive Director)	31st July, 2006	11 years of experience in Merchant Navy and more than 20 years of experience in the business of cement manufacturing and mining	NA	Mirdha Farm, Opposite Mama Ke Dhani, Sirsi Road, Jaipur, Rajasthan – 302 012
Brig. Labh Singh Sitara (Non Executive Director)	9th January, 2007	More than 30 years of experience in the Indian Army	Graduate, Punjab University.	50, New Officers Colony, Patiala, Punjab - 147001
Mr Karan Singh Khera. (Non Executive Director)	23rd May, 2006	More than 30 years of experience in academics	Post Graduate Degree in English.	1408, Urban Estate, Jind, Haryana-1261 02

4.2.6 Of the above following directors of IBREL are on the Board of Directors of PRL (with effect from 2nd January, 2008)

Mr. Sameer Gehlaut
Mr. Rajiv Rattan
Mr. Aisjwarya Katoch
Mr Shamsher Singh
Mr Prem Prakash Mirdha

4.2.7 Mr Karan Singh Khera. No previous acquisitions have been made by IBREL in the Target Company. Therefore, Chapter II of the Regulations are not applicable to the IBREL with respect to the Target Company.

4.2.8 Key audited financial financials of IBREL for a period are as follows. The results for the year ending March 31, 2007 have been audited by the statutory auditors of IBREL, M/s. Ajay Sardana Associates. For the period ending September 30, 2007, a limited review report has been certified by M/s. Ajay Sardana Associates.

(Rs in lacs except where mentioned)

Profit & Loss Statement	**For the period ending September 30, 2007 (unaudited)**	**For the period from April 04, 2007 to March 31, 2007 (audited)**
Income from operations	**1,286.48**	**1,332.50**
Other Income	4,516.92	1,373.08
Total Income	**5,803.40**	**2,705.58**
Total Expenditure	1,722.82	758.04
Profit Before Depreciation Interest and Tax	4,080.58	1,947.54
Depreciation	97.93	71.25
Interest	279.54	11.72
Profit Before Tax	3,703.11	1,864.57
Provision for Tax	718.36	553.15
Profit After Tax	2,984.75	1,311.42

Balance Sheet Statement	**As at September 30, 2007 (unaudited)**	**As at March 31, 2007 (audited)**
Sources of funds		
Paid up share capital	18,352.70	33,217.51
Equity Share Capital	4,598.70	3,593.51

Preference Share Capital	13,754.00	29,624.00
Reserves and Surplus (excluding revaluation reserves)	2,23,534.22	49,576.54
Net worth	2,41,886.92	82,794.05
Secured loans	189,53	92.48
Unsecured loans	151.06	NIL
Total	**2,42,227.51**	**82,886.53**
Uses of funds		
Net fixed assets	1,713.17	1,550.75
Investments	135,729.98	46,702.91
Net current assets	1,04,784.36	34,632.87
Total Miscellaneous Expenditure Not Written Off	NIL	NIL
Total	**2,42,227.51**	**82,886.53**

Other Financial Data	**For the period ending September 30, 2007 (unaudited)**	**For the period from April 04, 2007 to March 31, 2007 (audited)**
Dividend (%)	5	5
Earning Per Share (Diluted)	1.08	0.10
Net Worth	2,41,886.92	82,794.05
Return on Networth %	1.0	1.58
Book Value Per Share(Rs)	105.20	29.59

Note

(1) Dividend (%) = Dividend paid per equity share / No. of equity shares outstanding at year-end/ Par value per equity share
(2) Earnings per share = Profit after tax (prior to any adjustments) / Weighted Average No. of equity shares outstanding at the end of the year
(3) Return on Net worth (%) = Profit after tax (prior to any adjustments) / Net worth at year-end
(4) Book Value per equity share = Net worth / No. of equity shares outstanding at year end

Source: Annual Reports of IBREL for the FY ended March 31, 2007.
Unaudited results have been certified by the management and limited reviews have been certified by the statutory auditor of IBREL.

4.2.9 Major Contingent Liabilities :

Following are the contingent liabilities of IBREL, as on March 31, 2007:

- Rs 60.07 crore on account of estimated amount of contacts remaining to be executed on capital account and not provided for.

4.2.10 Reasons for fall/ rise in total income and PAT of the period 31st March, 2007 and 30th September 2007:

Pursuant to the issue of GDR in the first half of FY 2007-08, the IBREL had surplus funds pending their intended utilization, which had been temporarily invested in liquid investments on which the it earned interest. The interest income on such an investment has resulted in an higher “Other Income” for the Six Months ending September, 2007 as compared to March 31, 2007. This is also reflected in the higher total income and correspondingly PAT.

The reason for the reduction of the paid-up share capital for the period ended September 30, 2007 as compared to the period ended March 31, 2007 is primarily on account of conversion of 115 lakh

Cumulative, redeemable, convertible preference shares of Face Value Rs 138/- each amounting to Rs 15870.00 lakhs into 115 lakh equity shares of face value of Rs. 2/- each.

Further, the reasons for the increase in the reserves and surplus during the same period is on account of share premium from GDR issuance and conversion of Cumulative, redeemable, convertible preference shares to equity shares.

4.2.11 The significant accounting policies of IBREL as per the audited financial statements for the year ended March 31, 2007 are as follows:

1. Basis of Accounting:

   The financial statements are prepared under the historical cost convention on an accrual basis, in accordance with the generally accepted accounting principals in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates:

   The presentation of financial statement in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates and any revision is recognized in the current & future periods.

3. Revenue Recognition:

   - Interest income is recognised on an accrual basis.
   - Income from Advisory Charges/Project Consultancy is recorded on the accrual basis as per the services rendered pursuant to the specific service agreements.
   - Dividend income is recognised when the right to receive the dividend is unconditionally established at the balance sheet date.
   - Interest or dividend income from the temporary investment of excess cash borrowed specifically for the purpose of obtaining a qualifying asset is reduced from the specific borrowing cost incurred and eligible for capitalization as part of the cost of qualifying asset.

4. Fixed Assets:

   Fixed assets (Tangible & Intangible) are stated at cost, less accumulated depreciation / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation

5. Depreciation/Amortisation:

   Depreciation on fixed assets is provided on the straight-line method at the rates and as per the manner prescribed in Schedule XIV of the Companies Act, 1956.

   Depreciation on additions / deletions to fixed assets is provided on pro-rata basis from the date the asset is put to use/discarded. Assets costing less than Rs. 5,000 per item are fully depreciated in the year of purchase.

   Intangible Asset consisting of software are amortised on a straight line basis over a period of four years from the date when the assets are available for use.

6. Investment:

Investments are classified as long term and current investments. Long term investments are stated at cost and provision for diminution in their value, other than temporary, is made in the accounts. Current investments are stated at lower of cost and fair value

7. Retirement Benefits:

Company's contribution to Provident Fund is charged to profit and loss account wherever applicable. Gratuity, leave encashment and other retirement benefits in the form of pension, medical benefits and termination compensation payable to employees is provided on the basis of actuarial valuation as at the Balance Sheet date, except certain subsidiaries, wherein liability for gratuity and leave encashment have been provided based on accrual basis.

8. Land held and / or under development and construction work in progress:

Land and plots are valued at cost or net realizable value whichever is lower.

Internal and external development, construction costs, development/construction materials are valued at cost. Construction work in progress represents the cost incurred in respect of unsold area of Real Estate Development Projects and has been valued at cost

9. Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue

10. Taxes on Income:

Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations.

Deferred tax resulting from timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more period(s), is quantified at the current rate of tax / substantively enacted tax rates and laws as at the end of financial year.

The Fringe Benefit Tax has been calculated in accordance with the provisions of the Income tax Act, 1961.

11. Provisions, Contingent Liabilities and Contingent Assets:

Depending upon facts of each case and after due evaluation of legal aspects, claims against the Company not acknowledged as debt are treated as contingent liabilities. In respect of statutory dues disputed and contested by the Company, contingent liabilities are provided for and disclosed as per original demand without taking into account any interest or penalty that may accrue thereafter

12. Leases

In case of assets taken on operating lease, the lease rentals are charged to the profit and loss account in accordance with Accounting Standard 19 on “Leases” issued by the Institute of Chartered Accountants of India.

Assets taken on finance lease are capitalised in accordance with Accounting Standard - 19 on “Leases” issued by the Institute of Chartered Accountants of India.

13. Foreign Currency Transactions:

a) Initial Recognition Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion
Foreign currency monetary items are reported using the closing rate. Non monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

c) Exchange Differences
Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or expense in the year in which they arise except those arising from investments in non-integral operations.

Exchange differences arising on a monetary item that in substance forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve in the financial statements until the disposal of the net investment, at which time they are recognised as income or as expenses.

14. Preliminary Expenses:

Preliminary Expenses are adjusted against securities premium account net of tax to the extent of balance available and thereafter the balance portion is charged off to the profit and loss account, as incurred.

15. Share Issue Expenses:

Share issue expenses are adjusted against securities premium account to the extent of balance available and thereafter, the balance portion is charged off to the Profit and Loss Account, as incurred.

16. Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

17. Deferred Employee Stock Compensation Cost:

Deferred employee stock compensation cost for stock option are recognized on the basis of generally accepted accounting principles and are measured by the difference between the estimated fair value of the company's shares on stock options grant date and the exercise price to be paid by the option holders. The compensation expense is amortised uniformly over the vesting period of the options. The fair value of options is measured on the basis of an independent valuation performed in respect of stock options granted.

1) There is no change in the accounting policies from the time of incorporation..

4.2.12 Following are the material legal cases involving IBREL.

- By/Against IBREL (and/or entities merged into it)

Criminal Matters	
	NIL
Civil Matters	
	Damages claimed for Rs. 15 Crore by Shree Velan Properties for breach of LOI by IBREL which has been disputed and the matter is subjudice.
Income Tax Matters	
	NIL

4.2.13 IBREL is in full compliance with clause 49 of the Listing Agreement on Corporate Governance. The details of the various committees constituted in furtherance of compliance with Clause 49 are:

- Audit Committee: It comprises of Mr. Shamsher Singh, Mr. Aishwarya Katoch and Mr. Saurabh K. Mittal
- Remuneration/Compensation committee: It comprises of Mr. Aishwarya Katoch, Mr. Prem Prakash Mirdha and Mr. Shamsher Singh
- Shareholders'/Investor Grievance Committee: It comprises of Mr. Aishwarya Katoch, Mr. Sameer Gehlaut and Mr. Rajiv Rattan

4.2.14 IBREL has complied with the provisions of the listing agreements of the stock exchanges and has not been penalized by any of the stock exchanges.

The face value of the equity shares of IBREL is Rs. 2/- and the paid-up capital of IBREL comprises of 24,08,35,066 equity shares of Rs. 2/- each amounting to Rs. 48,16,70,132/- and 99,66,667; 5% non convertible preference shares of Rs. 138/- each amounting to Rs. 1,37,54,00,046. The closing market price of the equity share of IBREL as on December 7, 2007 was Rs 684.55 on the NSE and Rs 687.55 on the BSE. (The current share capital includes 900,000 equity shares allotted on January 23, 2008 on account of ESOS.)

4.2.15 The Compliance Officer for IBREL is Mr. Ravi Telkar - Company Secretary having his Corporate Office at S.P. Centre, C-wing, 41/44, Minoo Desai Road, Near Radio Club, Colaba, Mumbai-400005.

4.2.17 Details of the companies promoted by IBREL:

(Amount in Rs. Lakhs unless specified)

(details for FY 2006-07, except where mentioned separately)

	Name	Date of Incorp.	Nature of Business	Paid Up Equity Capital	Reserves	Total Income	PAT	EPS (Rs.)	NAV (Rs.)
1	Alexander Transport Solutions Limited.	23-Jan-07	Manufacturing & Distribution of High Security Registration Number Plates	5.00	(0.86)	-	(0.86)	(1.73)	8.28
2	Aravali Land Development Private Limited	2-Aug-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.55)	9.44
3	Aravali Properties Private Limited	21-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.56)	9.44
4	Athena Builders And Developers Private Limited	26-Jun-06	Construction & Development of Real Estate	5.00	(0.69)	0.02	(0.69)	(1.38)	8.62
5	Athena Buildwell Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.33)	0.14	(0.33)	(0.65)	9.34
6	Athena Infrastructure Private Limited	2-Aug-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.55)	9.44
7	Athena Land Development Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.33)	0.14	(0.33)	(0.66)	9.34
8	Aurora Builders	22-Jun-06	Construction &	5.00	(0.34)				

	And Developers Private Limited		Development of Real Estate			0.14	(0.34)	(0.68)	9.32
9	Aurora Land Development Private Limited	19-Jul-06	Construction & Development of Real Estate	5.00	(1.02)	0.13	(1.02)	(2.05)	7.96
10	Bridget Builders & Developers Private Limited *	10-Mar-06	Construction & Development of Real Estate	5.00	(6.89)	1,413.2 8	(6.76)	(14.3 0)	(3.78)
11	Ceres Constructions Private Limited	5-Aug-06	Construction & Development of Real Estate	5.00	(0.57)	0.14	(0.57)	(1.15)	8.86
12	Ceres Estate Private Limited	5-Aug-06	Construction & Development of Real Estate	5.00	(0.33)	0.14	(0.33)	(0.66)	9.34
13	Ceres Infrastructure Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.33)	0.11	(0.33)	(0.66)	9.34
14	Ceres Land Development Private Limited	19-Jul-06	Construction & Development of Real Estate	5.00	(0.58)	0.15	(0.58)	(1.17)	8.84
15	Ceres Properties Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.52)	0.03	(0.52)	(1.04)	8.96
16	Diana Buildwell Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.44)	0.14	(0.44)	(0.89)	9.12
17	Diana Infrastructure Private Limited	19-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.56)	9.44
18	Diana Land Development Private Limited	25-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.56)	9.44
19	Fama Builders And Developers Private Limited	28-Jun-06	Construction & Development of Real Estate	5.00	(0.37)	0.17	(0.37)	(0.75)	9.26
20	Fama Buildwell Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.29)	0.14	(0.29)	(0.57)	9.42
21	Fama Construction Private Limited	19-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.56)	9.44
22	Fama Estate Private Limited	7-Jul-06	Construction & Development of Real Estate	5.00	(0.42)	0.01	(0.42)	(0.84)	9.16
23	Fama Infrastructure Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.55)	9.44
24	Fama Land Development Private Limited	8-Aug-06	Construction & Development of Real Estate	5.00	(0.30)	0.13	(0.30)	(0.60)	9.40
25	Fama Properties Private Limited	25-Jun-06	Construction & Development of Real Estate	5.00	(1.55)	-	(1.55)	(3.10)	6.90
26	Flora Land Development Private Limited	5-Aug-06	Construction & Development of Real Estate	5.00	(0.34)	0.14	(0.34)	(0.68)	9.32
27	Foundvest Limited#	5-Dec-06	Investment Advisory Services	0.58	327.44	366.66	327.44	32,74 3.99	5,65 5.52
28	Hermes Builders And Developers Private Limited	22-Jun-06	Construction & Development of Real Estate	5.00	(0.42)	0.01	(0.42)	(0.84)	9.16
29	Hermes Properties Private Limited	26-Jun-06	Construction & Development of Real Estate	5.00	(0.44)	0.01	(0.44)	(0.88)	9.12
30	Indiabulls Buildcon Limited	17-May-06	Construction & Development of Real Estate	51.56	4276.60	221.56	162.27	32.96	839. 44
31	Indiabulls Builders &	1-Jun-06	Construction & Development of Real Estate	5.00	(1.41)	0.11	(1.41)	(2.82)	7.18

	Developers Limited								
32	Indiabulls Builders Limited	17-May-06	Construction & Development of Real Estate	5.00	(4.27)	0.11	(4.27)	(8.53)	1.46
33	Indiabulls Buildwell Limited.	3-Jan-07	Construction & Development of Real Estate	5.00	(1.82)	0.01	(1.82)	(3.64)	6.36
34	Indiabulls Commercial Estate Limited**	20-Feb-06	Construction & Development of Real Estate						
			2005-06	5.00	(1.54)	-	(1.54)	(3.08)	6.92
			2006-07	5.00	(2.91)	-	(1.37)	(2.74)	4.18
35	Indiabulls Commercial Properties Limited.	3-Jan-07	Construction & Development of Real Estate	5.00	(1.82)	0.01	(1.82)	(3.63)	6.36
36	Indiabulls Construction Company Pvt. Limited. %%	15-Jun-06	Construction & Development of Real Estate	5.00	(1.68)	0.11	(1.68)	(3.37)	6.64
37	Indiabulls Constructions Limited	13-Jun-06	Construction & Development of Real Estate	5.00	(3.54)	17.38	(3.54)	(7.08)	2.92
38	Indiabulls Developers Limited	27-May-06	Construction & Development of Real Estate	5.00	(1.59)	0.02	(1.59)	(3.17)	6.82
39	Indiabulls Engineering Limited**	20-Feb-06	Construction & Development of Real Estate						
			2005-06	5.00	(1.56)	-	(1.56)	(3.11)	6.88
			2006-07	5.00	(3.97)	-	(2.41)	(4.82)	2.06
40	Indiabulls Estate Developers Limited.	4-Jan-07	Construction & Development of Real Estate	5.00	(1.32)	0.01	(1.32)	(2.63)	7.36
41	Indiabulls Estate Limited^	16-Aug-05	Construction & Development of Real Estate						
			2005-06	45.50	2117.50	18.91	15.00	4.00	475.38
			2006-07	158.79	7,344.84	14.00	1.08	(14.37)	472.55
42	Indiabulls Home Developers Limited.	4-Jan-07	Construction & Development of Real Estate	5.00	(1.32)	0.01	(1.32)	(2.63)	7.36
43	Indiabulls Hotel Properties Limited	7-Jun-06	Construction & Development of Real Estate	5.00	(1.41)	0.11	(1.41)	(2.82)	7.18
44	Indiabulls Industrial Infrastructure Limited	10-Oct-06	Construction & Development of Real Estate	5.00	(3.22)	0.04	(3.22)	(6.43)	3.56
45	Indiabulls Infracon Limited.	3-Jan-07	Construction & Development of Real Estate	5.00	(1.32)	0.01	(1.32)	(2.64)	7.36
46	Indiabulls Infraestate Limited.	4-Jan-07	Construction & Development of Real Estate	5.00	(1.87)	0.01	(1.87)	(3.75)	6.26
47	Indiabulls Infrastructure Development Limited	6-Jun-06	Development of SEZ	8,161.76	78,107.91	1,626.83	1,110.07	3.36	105.70
48	Indiabulls	21-Nov-05	Construction &						

	Infrastructure Limited ^		Development of Real Estate						
			2005-06	49.00	2,461.55	19.79	11.92	6.03	512.36
			2006-07	173.55	13,037.14	1,881.33	542.14	28.30	761.20
49	Indiabulls Infrastructure Projects Limited**	20-Feb-06	Construction & Development of Real Estate						
			2005-06	5.00	(1.53)	-	(1.53)	(3.06)	6.94
			2006-07	5.00	(3.00)	-	(1.47)	(2.95)	4.00
50	Kenneth Builders and Developers Pvt Limited %	10-Mar-07	Construction & Development of Real Estate	1.00	-(0.27)	-	(0.27)	(2.69)	7.30
51	Indiabulls Infratech Limited.	3-Jan-07	Construction & Development of Real Estate	5.00	(1.32)	0.01	(1.32)	(2.64)	7.36
52	Indiabulls Land Development Limited	19-May-06	Construction & Development of Real Estate	5.00	(1.38)	0.12	(1.38)	(2.77)	7.24
53	Indiabulls Land Holdings Limited**	21-Nov-05	Construction & Development of Real Estate						
			2005-06	5.00	(2.52)	-	(2.52)	(5.05)	4.96
			2006-07	5.00	(5.00)	-	(2.47)	(4.95)	-
54	Indiabulls Lands Limited	19-May-06	Construction & Development of Real Estate	5.00	(1.93)	0.04	(1.93)	(3.86)	6.14
55	Indiabulls Natural Resources Limited	15-May-06	Mining Activities, Oil Exploration and Construction & Development of Real Estate Real Estate	5.00	(1.41)	0.11	(1.41)	(2.81)	7.18
56	Indiabulls Properties Private Limited^	18-Mar-05	Construction & Development of Real Estate						
			2004-05	25.00	80.85	15.13	7.09	3.97	42.34
			2005-06	99.0	7963.39	902.72	557.73	82.53	814.38
			2006-07	286.05	37147.42	-	(469.45)	(28.97)	1308.63
57	Indiabulls Real Estate Company Private Limited^	10-May-05	Construction & Development of Real Estate						
			2005-06	99.0	7556.32	237.80	158.18	47.92	773.26
			2006-07	309.1	32942.59	-	(59.58)	(3.76)	1075.77
58	Indiabulls Realcon Limited.	3-Jan-07	Construction & Development of Real Estate	5.00	(1.32)	0.01	(1.32)	(2.64)	7.36
59	Indiabulls Realtech Limited.	3-Jan-07	Construction & Development of Real Estate	5.00	(1.32)	0.01	(1.32)	(2.63)	7.36

60	Indiabulls Realters Limited.	3-Jan-07	Construction & Development of Real Estate	5.00	(1.32)	0.01	(1.32)	(2.63)	7.36
61	Indiabulls Resources Limited^	20-Feb-06	Mining Activities and Construction & Development of Real Estate Real Estate	200.00					
			2005-06	5.00	(1.56)	-	(1.56)	(3.11)	6.88
			2006-07	5.00	(55.21)	-	(53.65)	(107. 30)	(100. 42)
62	Juventus Builders And Developers Private Limited	26-Jun-06	Construction & Development of Real Estate	5.00	(0.49)	0.06	(0.49)	(0.98)	9.02
63	Juventus Buildwell Private Limited @	20-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.55)	9.44
64	Juventus Constructions Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.44)	0.14	(0.44)	(0.89)	9.12
65	Juventus Estate Private Limited	25-Jul-06	Construction & Development of Real Estate	5.00	(0.39)	0.14	(0.39)	(0.78)	9.22
66	Juventus Infrastructure Private Limited	25-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.56)	9.44
67	Juventus Land Development Private Limited	25-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.56)	9.44
68	Juventus Properties Private Limited	28-Jun-06	Construction & Development of Real Estate	5.00	(0.78)	-	(0.78)	(1.56)	8.44
69	Kailash Buildwell Private Limited	8-Aug-06	Construction & Development of Real Estate	5.00	(0.29)	0.13	(0.29)	(0.59)	9.42
70	Karakoram Buildwell Private Limited	5-Aug-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.55)	9.44
71	Karakoram Developers Private Limited	4-Jul-06	Construction & Development of Real Estate	5.00	(0.42)	0.01	(0.42)	(0.85)	9.16
72	Karakoram Land Development Private Limited	17-Aug-06	Construction & Development of Real Estate	5.00	(0.30)	0.12	(0.30)	(0.61)	9.40
73	Karakoram Properties Private Limited	7-Jul-06	Construction & Development of Real Estate	5.00	(0.43)	0.01	(0.43)	(0.87)	9.14
74	Karakoram Real Estate Company Private Limited	8-Aug-06	Construction & Development of Real Estate	5.00	(0.29)	0.13	(0.29)	(0.59)	9.42
75	Lucina Builders And Developers Pvt Limited	22-Jun-06	Construction & Development of Real Estate	5.00	(0.77)	0.02	(0.77)	(1.55)	8.46
76	Lucina Buildwell Private Limited	25-Jul-05	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.55)	9.44
77	Lucina Constructions Private Limited	25-Jul-06	Construction & Development of Real Estate	5.00	(0.64)	0.13	(0.64)	(1.28)	8.72
78	Lucina Estate Private Limited	19-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.57)	9.44
79	Lucina Infrastructure Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.27)	0.14	(0.27)	(0.53)	9.46
80	Lucina Land Development Private Limited	25-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.55)	9.44

81	Lucina Properties Private Limited	28-Jun-06	Construction & Development of Real Estate	5.00	(0.65)	0.01	(0.65)	(1.52)	8.70
82	Maximus Entertainments Limited.	1-Mar-07	Promoting and Establishing Electronic Gaming	5.00	(0.34)	-	(0.34)	(0.68)	9.32
83	Nav Vahan Autotech Limited.	19-Jan-07	Manufacturing & Distribution of High Security Registration Number Plates	5.00	(0.32)	-	(0.32)	(0.64)	9.36
84	Nilgiri Buildwell Limited	5-May-06	Construction & Development of Real Estate	5.00	(0.59)	-	(0.59)	(1.18)	8.82
85	Nilgiri Commercial Estate Limited	6-May-06	Construction & Development of Real Estate	5.00	(0.37)	0.14	(0.37)	(0.73)	9.26
86	Nilgiri Infraestate Private Limited	15-May-06	Construction & Development of Real Estate	5.00	(0.35)	0.14	(0.35)	(0.69)	9.30
87	Nilgiri Infrasructure Development Limited	5-May-06	Construction & Development of Real Estate	5.00	35.33	196.12	35.33	70.67	80.6 6
88	Nilgiri Infrastructure Limited **	25-Apr-06	Construction & Development of Real Estate	5.00	(2.66)	-	(2.66)	(5.32)	4.68
89	Nilgiri Infrastructure Projects Limited	31-May-06	Construction & Development of Real Estate	5.00	(1.39)	0.08	(1.39)	(2.79)	7.22
90	Nilgiri Land Development Private Limited**	22-Dec-05	Construction & Development of Real Estate						
			2005-06	5.00	(2.22)	-	(2.22)	(4.43)	(5.56)
			2006-07	10.00	(10.56)	-	(8.34)	(16.5 9)	(0.56)
91	Nilgiri Land Holdings Limited**	8-Mar-06	Construction & Development of Real Estate						
			2005-06	5.00	(2.69)	-	(2.69)	(5.38)	4.62
			2006-07	5.00	(4.08)	-	(1.39)	(2.78)	1.84
92	Nilgiri Lands Limited**	20-Feb-06	Construction & Development of Real Estate						
			2005-06	5.00	(1.58)	-	(1.58)	(3.16)	6.84
			2006-07	5.00	(4.77)	-	(3.19)	(6.58)	0.46
93	Nilgiri Resources Limited	15-May-06	Construction & Development of Real Estate	5.00	(1.64)	0.11	(1.64)	(3.28)	6.72
94	Noble Realtors Private Limited	20-May-03	Construction & Development of Real Estate						
			2004-05	1.00	(0.83)	----	(0.10)	(1.03)	1.70
			2005-06	1.00	(0.73)	----	(0.68)	(6.80)	2.70
			2006-07	5.00	(206.88)	-	(206.05)	(809. 57)	(403. 76)
95	Selene Builders And Developers Private Limited	22-Jun-06	Construction & Development of Real Estate	5.00	(0.42)	0.01	(0.42)	(0.84)	9.16
96	Selene Buildwell Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.56)	9.44
97	Selene Constructions	20-Jul-06	Construction & Development of Real Estate	5.00	(0.39)	0.14	(0.39)	(0.79)	9.22

	Private Limited								
98	Selene Estate Private Limited	19-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.56)	9.44
99	Selene Infrastructure Private Limited	21-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.56)	9.44
100	Selene Land Development Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.55)	9.44
101	Selene Properties Private Limited	26/0606	Construction & Development of Real Estate	5.00	(0.52)	0.05	(0.52)	(1.04)	8.96
102	Shivalik Land Development Private Limited	28-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.55)	9.44
103	Shivalik Properties Private Limited	4-Jul-06	Construction & Development of Real Estate	5.00	(1.18)	0.05	(1.18)	(2.37)	7.64
104	Sylvanus Builders And Developers Private Limited	23-Jun-06	Construction & Development of Real Estate	5.00	(2.57)	0.06	(2.57)	(4.93)	4.86
105	Sylvanus Properties Private Limited	25-Jun-06	Construction & Development of Real Estate	5.00	(0.50)	0.05	(0.50)	(1.01)	9.00
106	Triton Builders And Developers Pvt Limited	22-Jun-06	Construction & Development of Real Estate	5.00	(0.79)	0.01	(0.79)	(1.59)	8.42
107	Triton Buildwell Private Limited	19-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.57)	9.44
108	Triton Estate Private Limited	7-Jul-06	Construction & Development of Real Estate	5.00	(0.44)	0.01	(0.44)	(0.87)	9.12
109	Triton Infrastructure Private Limited	8-Aug-06	Construction & Development of Real Estate	5.00	(0.72)	0.12	(0.72)	(1.43)	8.56
110	Triton Land Development Private Limited	20-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.57)	9.44
111	Triton Properties Private Limited	26-Jun-06	Construction & Development of Real Estate	5.00	(0.31)	0.11	(0.31)	(0.63)	9.38
112	Victor Hotel & Motel Limited &	16-Mar-95	Construction & Development of Real Estate						
			2004-05	150.00	(146.87)	35.55	2.93	1.95	2.09
			2005-06	150.00	(147.53)	---------	(0.66)	(0.44)	1.65
			2006-07	150.00	(148.02)	-	(0.49)	(0.33)	1.32
113	Vindhyachal Buildwell Private Limited	19-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.56)	9.44
114	Vindhyachal Developers Private Limited	28-Jun-06	Construction & Development of Real Estate	5.00	(0.42)	0.11	(0.42)	(0.84)	9.16
115	Vindhyachal Infrastructure Private Limited	28-Jul-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.55)	9.44
116	Vindhyachal Land Development Private Limited	5-Aug-06	Construction & Development of Real Estate	5.00	(0.35)	0.07	(0.35)	(0.70)	9.30
117	Zeus Builders And Developers Private Limited	22-Jun-06	Construction & Development of Real Estate	5.00	(0.79)	-	(0.79)	(1.57)	8.42
118	Zeus Buildwell Private Limited	2-Aug-06	Construction & Development of Real Estate	5.00	(0.30)	0.12	(0.30)	(1.57)	9.40
119	Zeus Estate Private Limited	2-Aug-06	Construction & Development of Real Estate	5.00	(0.28)	0.14	(0.28)	(0.55)	9.44

120	Zeus Land Development Private Limited	2-Aug-06	Construction & Development of Real Estate	5.00	(0.33)	0.14	(0.33)	(0.65)	9.34
121	Zeus Properties Private Limited	29-Jun-06	Construction & Development of Real Estate	5.00	(0.35)	0.10	(0.35)	(0.70)	9.30

Note: Financial details for the FY 2006-07 except where mentioned separately.

*	Subsidiary of Indiabulls Infrastructure Limited
#	Subsidiary of Zeus Buildwell Private Limited
@	Subsidiary of Aurora Land Development Private Limited
&	Subsidiary of Diana buildwell Private Limited
**	Subsidiary of Indiabulls Estate Limited
%	Joint Venture
^	These companies were promoted by IBFSL and were demerged to IBREL as part of the Real Estate Undertaking
%%	Name changed to Indiabulls Greenfiled Realities Pvt. Ltd.w.e.f. 18^{th} October, 2007

None of the above companies are sick companies.

4.3 Disclosures in terms of Regulation 16(ix) and (ix a) of the SEBI (SAST) Regulations

4.3.1 The Acquirer and PACs do not have any plans to dispose off or otherwise encumber any assets of PRL in the next two years except in the ordinary course of business of PRL and except to the extent required for the purpose of restructuring and / or rationalization of operations, assets, investments, liabilities or otherwise of PRL. Notwithstanding the above, it will be the responsibility of the board of directors of the Target Company to make appropriate decisions in these matters, in accordance with the requirements of the business of the Target Company.

4.3.2 The Acquirer and PACs undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of PRL except with the prior approval of shareholders of PRL, as required under applicable law.

4.3.3 Further, please refer to paragraph 3.3 of this Letter of Offer.

5 DISCLOSURE UNDER REGULATION 21(2)

a) As per the listing agreement with the Stock Exchanges and in terms of Clause 40A of the Listing Agreement, the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis.

b) In the event the public shareholding falls below the minimum level required as per Clause 40A of the listing agreement as a result of the acquisition of the shares tendered in this Offer (such acquisition being a supervening extraordinary event), the Acquirer Group will take the necessary steps to facilitate compliance of the Target Company with the relevant provisions of the listing agreement and other applicable laws.

6 **BACKGROUND OF THE TARGET COMPANY**

(a) Piramyd Retail Limited was incorporated on March 18, 2005 as a public limited company under the Companies Act, 1956 and has its registered office at Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai. Tel No, +91 22 6615 4870/71/72; Fax no: + 91 22 6615 4

(b) The Target Company is a part of the Ashok Piramal group and undertakes the business of retailing with presence in (i) Lifestyle Retailing ("**LSR**") and (ii) Food, Home and Personal Care ("**FHPC**") Retailing.

(c) As on March 31, 2007, the Target Company had a total of 7 Piramyd Megastores (LSR) and 26 TruMart (FHPC) supermarkets. PRL has presence in the FHPC sector in Mumbai, Pune, Ahmedabad, Nagpur and Jaipur. PRL has has presence in the LSR sector Jaipur, Pune, Ahmedabad, Ludhiana, Delhi and Nagpur.

(d) The Authorised share capital is 2, 10, 00,000 equity shares of Rs 10/- each. Total subscribed and paid up capital of the Target Company as on the date of the Public Announcement is 2,00,00,000 equity shares of Rs. 10 each. There are no partly paid-up equity shares of the Target Company.

(e) The Board of Directors of the Target Company comprises of 9 Directors: Mrs. Urvi Piramal, Mr. Nandan Piramal, Mr. Jaydev Mody, Mr. Harshvardhan Piramal, Mr. Rajeev Piramal, Mr. Homi Aibara, Mr. Berjis Desai, Mr. Mahesh Gupta and Mr. Ranjan Pant.

(f) The equity shares of the Target Company are listed on the BSE and NSE. The closing price of PRL equity shares on December 7, 2007 was Rs. 103.25 on NSE with a market capitalization of Rs. 206.5 Crores. (Source: www.nseindia.com).

(g) The Target Company has granted stock options to its employees under various ESOP Plans, which if exercised would result in the issue of additional 163,750 Equity Shares and the fully diluted voting capital of the target company will increase to Rs 201,637,500 divided into 20,163,750 equity shares of Rs 10/- each.

(h) The Target Company does not have any subsidiary as on the date of this Letter of Offer..

(i) None of the persons having an interest in the Acquirer and PAC is on the Board of Directors of the Target Company.

i.1 The total number of shareholders in the Target Company, as on December 07, 2007 was 19714.

i.2 The share capital structure of the Target Company as on date of Letter of Offer, was as follows:

	On the date of the Letter of Offer		**Post Acquisition**	
Paid up Equity Shares	**No. of Shares/ voting rights**	**% of Shares/ voting rights**	**No. of Shares/ voting rights**	**% of Shares/ voting rights**
Authorised Equity Shares	2,10,00,000	100	2,10,00,000	100
Fully paid up equity shares	2,00,00,000	100	2,00,00,000	100
Partly paid up equity shares	Nil	NIL	NIL	NIL
Total paid up equity shares	2,00,00,000	100	2,00,00,000	100
Total voting rights in Target company	2,00,00,000	100	2,00,00,000	100

i.3 Details of the Changes in share capital of PRL since incorporation and status of compliance with applicable SEBI regulation/ other statutory regulation, are as follows:

Date of allotment	**No of shares issued**	**Cumulative paid up capital (No. of shares)**	**% of Paid-up capital**	**Mode of allotment**	**Identity of allottees (promoters/ ex-promoters/ others)**	**Status of compliance**
18th March, 2005	10,00,000	10,00,000	100	Subscribers to Memorandum	Promoters	NA
8th July, 2005	80,57,700	9057700	88.96%	Fresh Issue to Promoters	Promoters	NA

8th July, 2005	9,27,300	9985000	9.29%	Fresh Issue to Private Corporate Bodies *	Others	NA
2nd September, 2005	6,00,000	10585000	5.67%	Fresh Issue to Bennett, Coleman & Co. Ltd. *	Others	NA
12th September, 2005	3,65,000	10950000	3.33%	Fresh Issue to Individuals *	Others	NA
12th September, 2005	50,000	11000000	0.45%	Fresh Issue to Private Corporate Bodies *	Others	NA
28th November, 2005	90,00,000	20000000	45.00%	Initial Public Offer to the public	Promoters & Others	NA

All changes are pre-listing of the shares of PRL, hence the SEBI(SAST) Regulations were not applicable.

** not related to Promoters and not forming part of the Promoter Group*

i.4 The trading in the shares of PRL has never been suspended on BSE and NSE.

i.5 As on the date of issue of this letter of offer, PRL has granted 163,750 ESOPs to its employees under various employee stock option plans.

i.6 There are no equity linked instruments that are outstanding in the Target Company. etc.

i.7 All applicable clauses of the listing agreement relating to corporate governance, unaudited financial results, secretarial audit, etc. have been complied with by the Target Company. As on date of this letter of offer, no penal action has been taken against PRL by any stock exchanges. PRL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, or any other regulations framed there under.

i.8 The composition of Board of Directors of Piramyd Retail Limited, as on date of the Public Announcement was as under:

Name & Designation	Appointment Date	Experience	Qualification	Residential Address
Mrs. Urvi A. Piramal **Chairperson**	March 18, 2005	She has more than 23 years of experience. As Chairperson of Ashok Piramal Group, she oversees a professionally managed business group.	Bachelor of Science from Bombay University	Piramal House, 61, Pochkhanawala Road Worli, Mumbai 400025
Mr. Nandan A. Piramal – **Vice Chairman**	March 18, 2005	He has more than three years of experience including working for a media company in Ad Production.	BA from University College, London	Piramal House, 61, Pochkhanawala Road Worli, Mumbai 400025
Mr. Jaydev Mody - **Director**	March 28, 2005	He has more than 20 years of experience in the field of real estate development and has been	Graduate in Arts from Bombay University	1st Floor, West Hill, 27 Napean Sea Road, Mumbai

		instrumental in building and developing 'Crossroads', one of the shopping malls in India. He has been instrumental in development of several residential complexes, office complexes and retail destinations in and around Mumbai.		– 400036.
Mr. Harshvardhan A, Piramal - **Director**	March 28, 2005	He has more than 8 years of experience in various fields and he has been involved with Piramal group since 1996	Bachelor of Science from Kings College, London and MBA from London Business School	Piramal House, 61, Pochkhanawala Road Worli, Mumbai 400025
Mr. Rajeev A. Piramal - **Director**	March 28, 2005	He has more than 5 years of experience in various fields	Bachelor in Business Administration from Baldwin Wallace College, Cleveland, USA.	Piramal House, 61, Pochkhanawala Road Worli, Mumbai 400025
Mr. Homi Aibara - **Director**	May 16, 2005	He has more than 28 years of experience in Management Consultancy in areas like hospitality, retail, real estate tourism and others.	Chartered Accountant with a F. C. A. (England and Wales)	Napean Terrace, 25, Napean Sea, Malabar Hill, Mumbai – 400036.
Mr. Berjis Desai - **Director**	May 16, 2005	He has more than 25 Years of experience in different areas including Mergers and Acquisitions, Derivatives, Banking and Financial Laws and International Commercial Arbitration etc.	B. Com, LLB.	740-741, Dadar Parsi Colony, Dadar, Mumbai – 400014.
Mr. Mahesh Gupta - **Director**	January 27, 2006	He has more than 27 years of professional experience finance functions, including treasury, mergers & acquisitions, operational review, strategic planning, direct taxation and Company Law matters, etc	B. Com, L.L.B (Gen)., F.C.A., F. C. S.	402, Ashok House, Beach House CHS, Juhu, Mumbai – 400049.
Mr. Ranjan Pant - **Director**	June 08, 2006	He has more than 35 years of experience in various areas including Global Management Consultancy involving advising companies on Strategy and Change Management. Until 2002, he was a Partner and Vice President at Bain & Company, Inc., Boston, where he led the worldwide Utility Practice. He was also Director, Corporate Business Development at General Electric headquarters in Fairfield	MBA from Wharton School, University of Pennsylvania	10-A, Kasturba Gandhi Marg, New Delhi – 110001.

i.9 The Board of Directors of the Target Company was changed on January 2, 2008 whereon certain representatives of the Acquirer along with new independent directors were appointed to the Board. The current Board of Directors of PRL is as follows:

Name	Appointment Date	Experience	Qualification	Residential Address
Mr. Sameer Gehlaut (Non Executive Director)	2nd January, 2008	More than 12 years of experience in different areas including financial services, real estate, infrastructure sector	Bachelors Degree in Mechanical Engineering, IIT, Delhi	71A, Maker Tower, "A" Wing, 7th Floor, Cuffee Parade, Mumbai – 400 005
Mr Rajiv Rattan (Non Executive Director)	2nd January, 2008	More than 12 Years of experience in finance and operation processes.	Bachelors Degree in Electrical Engineering, IIT, Delhi	B 4/157, Safdarjang Enclave, New Delhi – 110 029
Mr. Ikroop Singh Kehal (Whole Time Director)	2nd January, 2008	More than 9 years experience in various strategic positions. He worked with global corporations and diverse markets on a worldwide basis with special emphasis on new economies of Europe as well as the Asia-Pacific region.	Masters in Business Administration in Marketing and eCommerce	Marathon Next - Gen - ERA - 1, Flat No. 2201, 22nd floor, Opp. Morarji Mill, Off. Ganpatrao Kadam Marg, Lower Parel - 13.
Mr. Udesh Jha (Non Executive Director)	2nd January, 2008	He worked with IBM Business Consulting Services in the US where he helped several Fortune 500 companies re-engineer their Supply Chain operations. Udesh has also worked for Banc of America Securities in New York where he structured cash and synthetic mortgage backed securities for their Sales and Trading group.	Degree from the Indian Institute of Technology, Delhi, and MBA with Highest Honors from the University of Chicago - Graduate School of Business.	Prince Court Bldg, Garden Path Road, 2nd Floor, Colaba, Mumbai-5
Mr. Tarun Tyagi (Non Executive Director)	2nd January, 2008	He worked with Credit Suisse in New York where he traded fixed income derivatives in residential mortgage, commercial mortgage and asset backed securities. He has also worked for Goldman Sachs in New York where he provided strategic investment advice to multi-billion dollar institutional clients such as pension funds, foundations and endowments.	Degree from the Indian Institute of Technology, Delhi, and Business degrees from Columbia University and University of Illinois at Urbana-Champaign.	15, Neelkanth, 62, Worli Hill Estate, Mumbai – 400 018.
Mr Aishwarya Katoch (Non Executive Director)	2nd January, 2008	More than 16 years of experience in hotel business	Bachelors Degree in Business Administration and Merchandising, American College of Applied Arts. London.	S-43, G.K.- I, New Delhi- 110 048

Mr Shamsher Singh (Non Executive Director)	2nd January, 2008	More than 30 years of experience in banking and academics	Post Graduate Degree in History, St. Stephens College, New Delhi.	96A, East Avenue, Sainik Farms, New Delhi- 110 062
Mr Prem Prakash Mirdha (Non Executive Director)	2nd January, 2008	11 years of experience in Merchant Navy and more than 20 years of experience in the business of cement manufacturing and mining	NA	Mirdha Farm, Opposite Mama Ke Dhani, Sirsi Road, Jaipur, Rajasthan – 302 012
Mr Karan Singh Khera. (Non Executive Director)	2nd January, 2008	More than 30 years of experience in academics	Post Graduate Degree in English.	1408, Urban Estate, Jind, Haryana- 1261 02
Ms. Savita Singh (Non Executive Director)	2nd January, 2008	More than 6 years of experience in legal field and particularly on matters relating to Real Estate, Commercial and Corporates Laws.	Postgraduate in English Literature from Kurukshetra University. Law Graduate from Government Law College, Mumbai.	Flat No. 4, Suniti Building, 2nd Floor, Gen. J. Bhosale Marg, Near Mantralaya, Nariman Point, Mumbai – 400 021.

i.10 There has been no merger/demerger, spin off during the last 3 years involving PRL.

i.11 Key audited financials of PRL for the year ending March 31, 2006 and March 31, 2007 and six months ending September 30, 2007, are as follows.

(Rs. In lacs)

Profit & Loss Statement	**For the half year ended September 30, 2007 (Unaudited)**	**For the year ended March 31, 2007 (Audited)**	**For the year ended March 31, 2006 (Audited)**
Income from operations	9043.28	15,403.39	9,383.67
Other Income	8.57	799.53	712.47
Total Income	**9051.85**	**16,202.92**	**10,096.14**
Total Expenditure	12,931.86	19,296.86	10,086.18
Profit Before Depreciation Interest and Tax	(3,880.01)	(3,093.94)	9.96
Depreciation & Amortisation	336.79	599.81	192.29
Interest	687.43	618.78	203.64
Profit Before Tax	(4,567.44)	(4,806.27)	(756.29)
Provision for Tax	24.0	56.68	22.98
Profit After Tax	(4591.44)	(4,780.53)	(747.63)

Balance Sheet Statement	**As at September 30, 2007 (Unaudited)**	**As at March 31, 2007 (Audited)**	**As at March 31, 2006 (Audited)**
Sources of funds			

Paid up share capital	2000.0	2.000.00	2,000.00
Reserves and Surplus (excluding revaluation reserves)	10,655.22	10,653.20	10665.94
Networth	**12655.22**	**12,653.20**	**12665.94**
Secured loans	3,029.71	5,227.05	4,848.01
Unsecured loans	9,890.30	3,866.30	NIL
Total	**25,575.23**	**21,746.55**	**17,513.95**
Uses of funds			
Net fixed assets	9,862.32	9,285.25	9,935.54
Investments		-	166.93
Deferred Tax Asset	114.06	114.06	31.64
Net current assets	5,478.74	6,819.08	6,632.21
Total miscellaneous expenditure not written off	NIL	NIL	NIL
Debit balance in Profit & Loss Account	10,120.11	5,528.16	747.63
Total	**25,575.23**	**21,746.55**	**17,513.95**

Other Financial Data	**For the half year ended September 30, 2007 (Unaudited)**	**For the year ended March 31, 2007 (Audited)**	**For the year ended March 31, 2006 (Audited)**
Dividend (%)	-	-	-
Earning Per Share(Rs)	(22.96)	(23.90)	(7.03)
Return on Networth (%)#	(181.11)	(67.09)	(6.27)
Book Value Per Share- Rs)#	12.68	35.63	59.59

Notes:
(1) Dividend (%) = Dividend paid per equity share / No. of equity shares outstanding at year-end/ Par value per equity share
(2) Earnings per share = Profit after tax (prior to any adjustments) / Weighted Average No. of equity shares outstanding at the end of the year
(3) Return on Net worth (%) = Profit after tax (prior to any adjustments) / Net worth at year-end
(4) Book Value per equity share = Net worth / No. of equity shares outstanding at year end

Source: Annual Reports of PRL for (i) the FY ended March 31, 2007, (ii) the FY ended March 31, 2006 and (iii) The six month financials have been taken from data provided by PRL. Unaudited results have been reviewed/ certified by the statutory auditor of PRL, M/s Haribhakti & Co .

 # Book Value per share and Return on Net worth have been calculated after adjusting the Net worth for the Debit Balance in the Profit and Loss Account

i.12 Following are the contingent liabilities of PRL, as on March 31, 2007:

- Commitments
  - Guarantees given by banks = Rs. 185 lacs
  - Capital Commitments = Rs. 633.75 lacs

i.13 The reasons for fall/rise in total income and PAT in the last two years.

The total income has increased from Rs 9,383.67 lakhs in the FY 2005-06 to Rs. 15,403.39 lakhs in the FY 2006-07. This increase is mainly on account of various investments the company has made for acquiring, maintaining and running various megastores and supermarkets. This heavy investment has resulted in increasing costs for the company thereby leading to a fall in profit.

i.14 The shareholding and voting pattern of PRL prior to and following the proposed acquisition by the Acquirer of Shares validly tendered pursuant to the Offer (assuming full acceptance), is as under:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer.		Shares /voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and Offer. i.e.	
	(A)		**(B)**		**(C)**		**(A)+(B)+(C) = (D)**	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								
1. Parties to agreement, if any	12,915,000	64.58						
2. Promoters other than (a) above	0	0	0	0	0	0	0	
Total 1 (a+b)	12,915,000	64.58					132,000	0.65
(2) Acquirers 1. Main Acquirer 2. PACs	0	0	12,783,000	63.92	40,32,750	20.00	1,68,15,750	83.40
Total 2(a+b)	0	0	12,783,000	63.92	40,32,750 #	20.00	1,68,15,750	83.40
(3) Parties to agreement other than(1) (a) & (2)	0	0	0	0	0	0	0	0
(4) Public (other than parties to agreement, acquirer & PACs)								
1. FIs/MFs/FIIs/Banks, SFIs (indicate names) 2. Others (Indicate the total number of shareholders in "Public category")	7,085,000	35.42	0	0			33,48,000*	16.60*
Total (4)(a+b)	7,085,000	35.42	0	0			33,48,000	16.60
GRAND TOTAL (1+2+3+4)	20,000,000	100	12,783,000	63.92	40,32,750 #	20.00	2,01,63,750	100

Note: # Assuming all the 163,750 outstanding ESOPs are exercised, the total paid-up capital will increase to Rs 201,637,500 divided into 20,163,750 equity shares of Rs 10/- each.
* Includes 132,000 (0.65%) shares held by the promoters would form part of the public shareholding pursuant to the offer.

i.15 The details of the changes in Shareholding of the promoter group as and when it took place

Name of Promoter	Date on which Equity Shares were acquired/ transferred	Nature of payment of consid-eration	Number of Equity Shares	Cumulative number of shares	Percentage Promoter Shareholding consequent to their shareholding	Status of Compliance#
Mr. Nandan A. Piramal	March 18, 2005	Cash	1	1	-	NA
Topwave Mercantile Co. Pvt. Ltd.	March 18, 2005 July 08,2005	Cash Cash	309,100 2,651,233	29,60,333	14.80%	NA
Cineline Trading Co. Pvt. Ltd.	March 18, 2005 July 08,2005	Cash Cash	309,100 2,651,233	29,60,333	14.80%	NA
Oneline Mercantile Co. Pvt. Ltd.	March 18, 2005 July 08,2005	Cash Cash	309,099 2,649,234	29,58,333	14.79%	NA
Onestar Mercantile Co. Pvt. Ltd.	July 08,2005 November 28,2005 January 23, 2007*	Cash Cash Transfer	106,000 694,000 (70,000)	7,30,000	3.65%	NA
Maxplaza Trading Co. Pvt. Ltd.	November 28, 2005	Cash	1,306,000	13,06,000	6.53%	NA
Winstar Trading Co. Pvt. Ltd.	November 28, 2005	Cash	800,000	800,000	4.00%	NA
Truetime Trading Co. Pvt. Ltd.	November 28, 2005	Cash	400,000	400,000	2.00%	NA
Goldspot Trading Co. Pvt. Ltd.	November 28, 2005	Cash	800,000	800,000	4.00%	NA
Total Promoter Group shareholding after the IPO				1,29,85,000	64.93%	
Cineline Trading Co. Pvt. Ltd.	Quarter ended December 31, 2007		29,60,333 (1,32,000)	28,28,333	(0.66)%	NA
Onestar Mercantile Co. Pvt. Ltd.	Quarter ended March 31, 2007		800,000 (70,000)	730,000	(0.35)%	NA

** Shares transferred by way of gift*
 # All changes are pre-listing hence the SEBI(SAST) Regulations were not applicable.

The details of changes in the shareholding of the promoter group after the IPO is as follows:

- Cineline Trading Company Pvt. Ltd. – holding changed from 29,60,333 to 28,28,333 shares, as it sold 1,32,000 equity shares during the quarter ended 31/12/2007.
- Onestar Mercantile Company Pvt. Ltd. – holding changed from 8,00,000 to 7,30,000 shares, as it sold 70,000 equity shares during the quarter ended 31/03/2007.

The total percentage of shares sold in the above transactions were less than 2% of the total paid up share capital of 2,00,00,000 equity shares. Hence the provisions of regulations 7 of SAST are not applicable for the target company.

i.16 PRL was listed on December 6, 2005. Company has complied with requirements in terms of Chapter II of the SEBI (SAST) Regulations.

i.17 PRL is in full compliance with clause 49 of the listing agreement on corporate governance.

The details of the various committees constituted in furtherance of compliance with Clause 49 are:

- Audit Committee: It comprises of Mr. Shamsher Singh, Mr. Aishwarya Katoch and Mr. Tarun Tyagi.
- Remuneration/Compensation committee: It comprises of Mr. Aishwarya Katoch, Mr. Shamsher Singh and Mr. Prem Prakash Mirdha
- Share Allotment, transfer and investor Grievance Committee: It comprises of Mr. Aishwarya Katoch, Mr. Sameer Gehlaut and Mr. Rajiv Rattan

i.18 Terms and Conditions of the loan given by ACT Fininvest Limited to the Target Company and the details of the repayment request are as follows:
ACT Fininvest Limited, a public company, had agreed to grant the Target Company a loan facility; to secure the repayment thereof, the Target Company had executed a demand promissory note in favour of ACT on November 22, 2006 for a maximum amount of Rs 150,00,00,000/- with interest from the date thereof, at 12.25% per annum or such other rate that ACT Fininvest Limited may fix from time to time, payable with monthly / quarterly / yearly rests, for value received. (the "Demand Promissory Note"). The Demand Promissory Note was issued by way of a continuing security for the repayment of all sums remaining unpaid under the loan facilities to be provided by ACT. The Target Company was liable to honour demands under the Demand Promissory Note till the entire amount outstanding including interest payable on the amount disbursed has been extinguished.

ACT has, pursuant to the Demand Promissory Note, been periodically making disbursements between November 23, 2006 and December 3, 2007 to PRL of loan amounts aggregating to a principal amount of Rs. 114,55,30,000/- and constituting, with interest, a net outstanding amount of Rs. 121,25,00,000/- (the "Outstanding Loan Amount").

ACT has vide a demand letter dated December 8, 2007 called upon the Demand Promissory Note for repayment of the Outstanding Loan Amount in two tranches:

- Rs 116,25,00,000/- payable upon completion of the sale by the promoters of the Target to the Acquirer; and
- Rs 5,00,00,000/- payable on April 1, 2008.

i.19 Following are the material legal cases involving PRL. Whilst, the specific consequences in terms of monetary liability and / or penalties against the Target Company have been disclosed below, the same do not specifically impact or impede the instant Offer.

Against PRL

Sr. No.	Suit No./Complaint No./ SCN	Filed By	Filed Against	Issue	Next date of hearing	Remark
Consumer Protection						

1.	FA No. 69/2005	Vijay Misal	PRL's retail store at Nagpur	The consumer filed a complaint before the Consumer District Redressal Forum claiming compensation for the humiliation allegedly caused to him due to the verification conducted by persons-in-charge of the store. The Consumer District Redressal Forum, Nagpur directed PRL to pay the complainant damages amounting to Rs.10, 000 and costs of Rs.1, 000. PRL has filed an appeal against this order before the State Consumer Redressal Forum, Mumbai.	No summons served on us for hearing till date.	No further notice received for final hearing from concerned forum / court at Nagpur
Statutory Notice						
1.	SCN dtd.23.05.2005	Deputy Collector, Government of Gujarat	PRL	Show cause notice issued in relation to the construction of a building by PRL in Ahmedabad in contravention of the land use permissions governing the property on which the building is being constructed. PRL was also directed to provide reasons as to why the building should not be demolished by the appropriate authority.	Not Applicable	PRL has replied to this notice on 27.05.2005 and provided the Deputy Collector, Government of Gujarat with evidence to show that the construction of the building does not violate land use permissions governing the property on which the building was being constructed.
2.	SCN dtd.10.08.2005	Ahmedabad Municipal Corporation	PRL	Show cause notice issued in respect of construction carried out by PRL at Ellisbridge, Plot No.708 and Plot No.4 in the cellar of the building known as Abhijit VI. The Ahmedabad Municipal Corporation has informed PRL that a portion of the premises was constructed at Abhijit VI without requisite statutory permissions. They have	Not Applicable	PRL has demolished the illegally constructed portion and Ahmedabad Municipal Corporation (AMC) has also been informed. No response from AMC on the

				also stated as to why the reference portion should not be demolished.		matter.
Additional Litigations						
1.	Criminal Application Lodging No. 3957 OF 2004	The Assistant Director, Industrial Safety & Health	Mr.K.N.Iyer - erstwhile Director of PRL	The Complainant has alleged that the activities carried on by PRMP at its premises in Simplex Mills, Mumbai qualifies as a "manufacturing activity" and accordingly PRMPL is bound to comply with the provisions of the Factories Act, 1948 in relation to the activities carried out by the PRMPL at Simplex Mills.	Not Applicable	The matter is yet to be taken up for hearing at High Court of Bombay at Mumbai due to other pending matters at the said High Court.
2.		Owner of Nagpur Dharampeth	PRL	The owner of the premises has threatened to increase the Conducting fee midway through the tenure of our Business Conducting Agreement of 2006 or buy out the premises as he intends to sell out the premises to third parties. As such, we have been compelled to file caveats at District Court at Nagpur and Small Cause Court at Nagpur apprehending ex-parte orders of injunction against us by the owner that could jeopardise our continued stay at the said premises. The 2 Caveats have been filed at Nagpur Courts and have since been renewed after the lapse of valid period of 3 months.	Not Applicable	Caveats to be renewed as earlier Caveats have expired
3.	No Case No. has been given by Sole Arbitrator	PRL	Ambience Infrastructure Pvt. Ltd.	An application filed u/s 9 of the Arbitration & Conciliation Act, 1996 before the High Court of Delhi against M/s.Ambience Infrastructure Pvt. Ltd., the propose Lessor (in respect of our proposed store at Ambi Hall at Gurgaon, Haryana) for dispossessing us from the property during the time when we were carrying out the fit-outs.	14/10/2007	The matter was pleaded before the court of Justice Gita Mittal, High Court of Delhi on 09.07.2007 and the court has since passed an ex-parte order of injunction restraining M/s.Ambience Infrastructure

						Pvt. Ltd. from alienating, selling, disposing off the property in question to any third party till disposal of the application. We have to refer the matter to arbitration as agreed by both parties in the Memorandum of Understanding to Lease dated 9th October 2006.On 2nd October, 2007 we received feedback from Ambience that in case we opted from both Ambi Mall and proposed Vasant Kunj Malls we could get proper compensation to mitigate the loss. Conveyed to our Management.

6.28 Name and other details of Compliance Officer: Mr. Vikas Khandelwal– Company Secretary; (with effect from 3rd January, 2008) Regd Office: Peninsula Spenta, Mathuradas Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, India, Tel: 022-67430583; Fax: 022- 22812440; Email:vkhandelwal@indiabulls.com.

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 JUSTIFICATION OF OFFER PRICE

7.1.1 The annualised trading turnover during the preceding six months , prior to the month in which PA was made, ended November 2007 in each of the stock exchanges on which the Equity Shares of PRL are listed is detailed below:

Name of Stock	**Total no. of shares traded during the 6**	**Total No. of listed Shares**	**Annualized Trading**	**Trading Status in terms of SEBI (SAST)**

Exchange	calendar months prior to the month in which PA is made		turnover(as a % to total listed shares)	Regulations
BSE	39,67,941	200,00,000	39.68%	Frequently Traded
NSE	44,88,729	200,00,000	44.89%	Frequently Traded

Source: www.bseindia.com; www.nseindia.com

7.1.2 As the annualized trading turnover (by number of shares) on NSE is more than BSE, the equity shares of PRL are deemed to be most frequently traded on NSE as per the explanation to Regulation 20(5) of the Regulations.

7.1.3 The Offer price of Rs. 74.73 (Rupees Seventy Four and Seventy Three Paise Only) per equity share is justified in terms of Regulation 20(4) of SEBI (SAST) Regulations in view of the following:

Particulars	Price
a) Negotiated Price under the SPA	Rs 31.29/-
b) Highest Price paid by the Acquirer or person acting in concert with him for any acquisition, including by way of allotments in public or rights issue, if any, during 26 weeks period prior to the date of Public Announcement	Not Applicable
c) The average of the weekly High and Low of the closing prices of the shares of the Target Company on the stock exchange where it is most frequently traded, during 26 weeks period preceding the date of the date of Public Announcement	Rs. 62.41 per share
d) The average of the daily High and Low of the prices of the shares of the Target Company on the stock exchange where it is most frequently traded, during the 2 week period preceding the date of the date of Public Announcement	Rs. 74.73 per share

7.1.4 The details of closing prices and volume on NSE for the 26 week period prior to the date of the PA are as under:

Week No.	Week Ended	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
1	Friday, June 15, 2007	64.70	67.45	66.08	92,710
2	Friday, June 22, 2007	65.80	66.65	66.23	92,578
3	Friday, June 29, 2007	63.45	65.60	64.53	88,444
4	Friday, July 6, 2007	64.55	68.00	66.28	1,73,257
5	Friday, July 13, 2007	63.45	65.60	64.53	95,613
6	Friday, July 20, 2007	67.85	70.65	69.25	3,79,526
7	Friday, July 27, 2007	63.80	67.10	65.45	1,21,765
8	Friday, August 3, 2007	61.35	65.75	63.55	1,16,908
9	Friday, August 10, 2007	59.35	62.45	60.90	1,10,773
10	Thursday, August 17, 2007	55.50	59.50	57.50	66.569
11	Friday, August 24, 2007	51.40	56.20	53.80	1,01,757

12	Friday, August 31,,2007	54.35	56.85	55.60	46,408
13	Friday, September 7, 2007	57.10	66.10	61.60	2,39,203
14	Friday, September 14, 2007	63.70	66.65	65.18	2,36,480
15	Friday, September 21, 2007	65.45	66.70	66.08	2,03,787
16	Friday, September 28, 2007	63.70	64.85	64.28	1,38,264
17	Friday, October 5, 2007	60.40	63.70	62.05	87,665
18	Friday, October 12, 2007	57.45	61.05	59.25	1,06,513
19	Friday, October 19, 2007	53.30	58.60	55.95	70,714
20	Friday, October 26, 2007	53.80	57.75	55.78	58,846
21	Friday, November 2, 2007	52.30	56.40	54.35	85,171
22	Friday, November 9, 2007	49.70	51.90	50.80	71,688
23	Friday, November 16, 2007	50.80	67.30	59.05	4,29,254
24	Friday, November 23, 2007	59.05	65.60	62.33	1,90,142
25	Friday, November 30, 2007	59.85	72.10	65.98	9,82,065
26	Friday, December 7, 2007	106.40	90.10	86.33	20,75,964
26 Weeks Average			Rs. 62.79		

(Source: www.nseindia.com)

The average of daily high and low prices of the Equity shares of PRL during the 2 week period preceding the date of the Public Announcement on NSE is given below:

Day	**Date**	**High (Rs.)**	**Low (Rs.)**	**Average (Rs.)**	**Volume (Number of Shares)**
1	Monday, November 26, 2007	61.90	59.05	60.48	5,979
2	Tuesday, November 27, 2007	71.85	56.55	64.20	2,39,587
3	Wednesday, November 28, 2007	78.40	71.00	74.70	5,44,053
4	Thursday, November 29, 2007	76.10	71.05	73.58	1,21,721
5	Friday, November 30, 2007	74.65	68.00	71.35	70,725
6	Monday, December 3, 2007	72.50	68.00	70.25	65,457
7	Tuesday, December 4, 2007	76.40	68.00	72.20	1,88,668
8	Wednesday, December 5, 2007	79.80	74.20	77.00	1,93,338
9	Thursday, December 6, 2007	92.65	78.05	85.35	4,82,422

10	Friday, December 7, 2007	106.40	90.10	98.25	11,46,079
2 Weeks Average				**Rs. 74.73**	

7.1.5 In the opinion of the Manager to the Offer and the Acquirer, the Offer Price is justified in terms of regulations 20(4) and 20(11) of SEBI (SAST) Regulations.

7.1.6 The SPA contains certain non-compete provisions whereby the Sellers have agreed not to compete with the Target Company for a period of 5 (five) years as mentioned in Paragraph 3.1(c). There is no separate consideration being paid for the non-compete obligations of the Sellers.

7.1.7 If the Acquirer acquires Equity Shares after the date of the Public Announcement upto seven working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

7.2 FINANCIAL ARRANGEMENT

a) The total fund requirement for the acquisition of up to 40,32,750 fully paid Equity Shares of Rs. 10 each at Rs. 74.73/- (Rupees Seventy Four and Seventy Three Paise only) per share is Rs. 30,13,67,408 (Rupees Thirty Crores, Thirteen Lakhs, Sixty Seven Thousand and Four Hundred and Eight Only) ("**Maximum Consideration**").

b) The Acquirer proposes to fund the Offer out of finances provided by the PAC. By way of security for performance of its obligations under the SEBI (SAST) Regulations, a lien ("Lien") has been created by HDFC Bank Limited against the fixed deposit of Rs. 305,000,000 ("Fixed Deposit") standing in the name of the Acquirer for an amount of Rs. 305,000,000/- ("Escrow Amount"), in favour of Edelweiss. The Escrow Amount represents more than 100% of the Maximum Consideration payable under the Offer in accordance with Regulation 28 of the SEBI (SAST) Regulations. The Lien has been created with HDFC Bank Limited, a banking corporation incorporated under the laws of India and having its registered office at HDFC Bank Limited, HDFC Bank House, Senapati Bapat Marg, Lower Parel (W), Mumbai – 400 013. In accordance with Regulation 28 of the SEBI (SAST) Regulations, Edelweiss has been duly authorized to realize the value of the aforesaid Lien. Since the Escrow Amount is more than 100% of the Maximum Consideration payable to the shareholders assuming full acceptance under the Offer, the Acquirers are entitled to appoint their nominees on the board of directors of the Target Company after a period of 21 days from the date of PA in accordance with regulation 22(7) of the Regulations. On January 2, 2008, the Acquirer replaced the Board of Directors of PRL with its representatives and new independent directors.

c) The auditor of the Acquirer and PAC, M/s Ajay Sardana Assocaiates (Membership No: 509461) has provided a funds sufficiency certificate vide their letter dated December 08, 2007. (**"Fund Sufficiency Certificate"**) based on the owned funds that the Acquirer and PAC has sufficient means and capability for meeting its obligations under the SEBI (SAST) Regulations. Owned funds comprises of Investments in Mutual Funds of amunt Rs 17 crores and Investment in Fixed Deposits of Rs 688 crores as on February 28th, 2008.

d) The Acquirer and the PAC have vide their letters dated December 08, 2007 confirmed the above arrangement to Edelweiss.

e) In view of the above, Edelweiss is satisfied that firm financial arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations of the Acquirer and PAC.

8 TERMS AND CONDITIONS OF OFFER

8.1 The Offer is not conditional on any minimum level of acceptances.

8.2 The Offer is subject to

a) approvals from the Reserve Bank of India for acquiring Shares from non-resident Indians who validly tender their Shares under this Offer, if applicable. The Acquirer will make the necessary applications to and filings with the various authorities to obtain the requisite RBI Approval on behalf of the non resident Shareholders in respect of whom such prior RBI Approval is required

b) To the best of the Acquirer's knowledge, there are no other statutory approvals required to implement the Offer other than that specified above. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approvals.

8.3 The Acquirer will have the right to make payment to resident Shareholders and non resident Shareholders in respect of whom no RBI Approval is required and not accept Equity Shares from non resident Shareholders in respect of whom prior RBI approval is required in the event that the aforesaid RBI Approval is refused.

8.4 In case of delay in the RBI Approval, the Acquirer has the option to make payment to the resident Shareholders and non-resident shareholders in respect of whom no RBI Approval is required who have validly tendered their Equity Shares in the Offer as per the basis of acceptance if any. Also, in the event Offer is oversubscribed, the Registrar will hold in trust the Shares/Share Certificates or Equity Shares held in credit of the special depository account for the resident Shareholders and non resident Shareholders in respect of whom no RBI Approval is required till the approval from RBI is received for acquiring Shares from non-resident Shareholders in respect of whom prior RBI Approval is required.

8.5 After the receipt of RBI approval, the payment shall be made to the non-resident Shareholders in respect of whom prior RBI Approval is required in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SEBI (SAST) Regulation"). However, in the event that the RBI Approval is refused for one or more Shareholders and if the Offer is oversubscribed, the basis of acceptance will be revised and additional Equity Shares will be accepted by the Acquirer from resident Shareholders and such other Shareholders, in respect of whom no prior RBI Approval is required and such non resident Shareholders in respect of whom RBI Approval is received and further consideration shall be paid for such accepted shares as per the provisions under Regulation 22(12) of the SEBI (SAST) Regulations.

8.6 In case of delay in receipt of any statutory approvals, SEBI has power to grant extension of time to Acquirer and the PAC for payment of consideration to the shareholders subject to Acquirer/PAC agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations, provided further that if the Acquirer is diligent in pursuing the RBI approval to the satisfaction of SEBI, the Acquirer will have the option not to pay such interest, subject to concurrence by SEBI. Further, if the delay occurs on account of willful default by Acquirer and the PAC in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also be applicable.

8.7 Any consents required from Banks and financial Institutions, pursuant to any outstanding loan agreements shall be obtained before the Offer Opening Date.

8.8 The Letter of Offer together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of PRL (except Acquirer and the /PACs and Promoters) whose names appear on the register of members of PRL and to the beneficial owners of the equity shares of PRL, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on December 10, 2007.

8.9 Accidental omission to dispatch this Letter of Offer or the non-receipt or delayed receipt of this Letter of Offer will not invalidate the Offer in any way.

8.10 Any Shares that are subject matter of litigation or are held in abeyance due to pending court cases/ attachment order(s) / restriction from other statutory authorities, wherein the shareholder(s) may be precluded from transferring the Shares during pendency of the said litigation are liable to be rejected in case directions/orders of the Court/relevant statutory authority permitting transfer of 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.

8.11 The acceptance of the Offer made by the Acquirer/PAC is entirely at the discretion of the shareholders of the Target Company. The Acquirer/PAC does not accept any responsibility for the decision of any shareholder to either participate or to not participate in the Offer. The Acquirer will not be responsible in any manner for any loss of Share certificate(s) and Offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard. The acceptance must be unconditional and should be absolute and unqualified.

8.12 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case, the documents / forms submitted are incomplete and / or if they have any defect or modifications, the acceptance is liable to be rejected.

8.13 The Acquirer, along with the PAC will acquire the Shares, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8.14 The instructions and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

8.15 The securities transaction tax will not be applicable to the Equity Shares accepted in the Offer.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

a) Shareholders who wish to tender their equity 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 – Karvy Computershare Pvt Ltd., Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081, Phone 040-23420818 Fax 040-23420814 ("Registrar to the Offer") either by hand delivery on weekdays or by Registered Post, on or before the Close of the Offer, i.e. not later than 1700 hours on March 31, 2008 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement.

b) The Registrar to the Offer – Karvy Computershare Pvt Ltd., has opened a special depository account with NSDL called, "KCPL Escrow A/C – PRL Open Offer". The name of the Depository Participant ("DP") is Karvy Stock Broking Limited, the DP ID is IN300394 and the Client ID is 16113075. Shareholders having their beneficiary account in CDSL have to use the inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.

c) Beneficial owners (holders 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 instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the special depository account to the Registrar to the Offer – Karvy Computershare Pvt Ltd., either by hand delivery on weekdays or by Registered Post, on or before the Close of the Offer, i.e. not later than March 31, 2008 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance Cum Acknowledgement. The credit for the delivered shares should be received in the special depository account on or before close of Offer, i.e. not later than March 31, 2008.

d) The holders of the ESOPs who wish to avail of this Offer would need to exercise the ESOPs, if possible, and deliver the equity shares in accordance with (c) above.

e) The equity shareholders of the Target Company, who wish to avail of and accept the offer, can deliver the Acceptance Form along with all the relevant documents at any of the collection centres below in accordance with the procedure as set out in the Letter of Offer. All the centres mentioned herein below would be open as follows:
(Monday to Friday: 10.00 a.m. to 5.00 p.m. Saturday 10.00a.m. to 1.00 p.m.)

	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax	Mode of delivery
1	Mumbai (Fort)	16-22 Bake House Maharashtra Chamber. Of Commerce. Lane, Opp. MSC Bank, Fort Mumbai – 400 023	Ms. Varija Kotian	022-66382666	022-66331135	Hand Delivery
2	New Delhi	105-108, Arunachal Bldg, 19, Barakhamba Road, Connaught Place, New Delhi 110 001	Mr. S N Jha	011-2332 4401/409	011-23324409	Hand Delivery
3	Ahmedabad	201-203 "Shail", Opp: Madhusudhan House , Behind Girish Cold Drinks, Off CG Road, Ahmedabad - 380 006	Mr. Edward Raphael	079-26420422/26400528	079-26565551	Hand Delivery
4	Chennai	No. 33/1, Venkatraman Street , T Nagar, Chennai - 600017.	Mr. Gunashekhar	044 - 28151793 / 1794 / 4781	044-28153181	Hand Delivery
5	Hyderabad	Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081	Ms. Rinki Sareen	040-23420818	040-23420814	Hand Delivery/ Regd Post
6	Kolkata	49, Jatin Das Road, Nr.Deshpriya Park, Kolkatta 700 029	Mr. Sujit Kundu	033-24644891	033-24644866	Hand Delivery
7	Bangalore	No.59, Skanda, Putana Road, Basavanagudi, Bangalore 560 004	Mr. Kishore	080-26621192	080-26621169	Hand Delivery

9.1.1 For Shares held in physical form:

Registered Shareholders should enclose:

a) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the Share certificates.
b) Original Share certificate(s).
c) Valid share transfer deed / form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with PRL and duly witnessed at the appropriate place. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate/ Notary Public/ Bank Manager under their official seal. The details of buyer should be left blank failing which, the tender will be invalid under the Offer

d) In case of non receipt of the aforesaid documents, but receipt of the original Share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to have been accepted.

Unregistered owners should enclose:

a) Form of Acceptance duly completed and signed in accordance with the instructions contained therein.
b) Original Share certificate(s).
c) Original broker contract note.
d) Valid share transfer deed(s) as received from market. The details of buyer should be left blank failing which, the tender will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders. The details of the buyer will be filled upon verification of the Form of Acceptance & other documents and the same being found valid. All other requirements for valid transfer will be preconditions for acceptance.

9.1.2 For Shares held in dematerialized form:

Beneficial owners should enclose:

a) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.
b) Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by DP in favour of the special depository account (please see below) before the close of business hours on Offer Closing Date. The Registrar to the Offer has opened a special depository account details of which are as follows:

DP Name	Karvy Stock Broking Limited
Beneficiary A/C. No.	16113075
Account Name	KCPL Escrow A/C – PRL Open Offer
Depository	NSDL

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. **Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes of crediting their Shares in favour of the special depository account with NSDL**. In case of non receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to be accepted. The Forms of Acceptance of such demat shares not credited in favour of the special depository account, before the Offer Closing Date will be rejected.

9.1.3 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form of Acceptance is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):

- Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

9.2 The Share certificate(s), share transfer form, Form of Acceptance and other documents, if any should be sent only to the Registrar to the Offer, at the collection centers mentioned in paragraph **They should not be sent to the Manager to the Offer or the Acquirer or the PAC or the Target Company.**

9.3 The minimum marketable lot for the purposes of acceptance, for both physical and demat shares, would be one Share.

9.4 In case of non-receipt of the Letter of Offer / Form of Acceptance / Form of Withdrawal eligible shareholders and unregistered owners (including beneficial owners) may download the same from SEBI's website http://www.sebi.gov.in or obtain a copy of the same by writing to the Registrar to the Offer at the collection centres set out above clearly marking the envelope "Piramyd Retail Limited - Open Offer" by providing suitable documentary evidence of the acquisition of the Shares or make the acceptance on plain paper. Shareholders holding Shares in physical form may send an application to the Registrar to the Offer, stating on plain paper their name, address, folio number, number of Shares held, distinctive numbers, number of Shares offered, bank particulars along with original Share Certificate(s), duly signed & witnessed transfer form(s), on or before the close of the Offer, i.e. by no later than March 31, 2008. Beneficial owners may send an application to the Registrar to the Offer, stating on plain paper their name, address, DP name, DP ID, beneficiary account number, number of Shares held, number of Shares offered, bank particulars, photocopy of the delivery instructions in "Off-market" mode or a counterfoil of the delivery instructions in "Off-market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant, to the collection centres on or before the close of business on the Offer Closing Date , i.e. by no later than March 31, 2008. The acceptance should be signed by all the shareholders as per the registration details available with PRL/ Depositories and should be sent to the Registrar to the Offer in an envelope clearly marked "Piramyd Retail Limited - Open Offer". It may be noted that no indemnity is required from unregistered shareholders.

9.5 In case any person has submitted Shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by shareholder's DP. Such shareholders should ensure that the process of getting the Shares dematerialised is completed well in time so that the credit of the Shares to the special depository account is completed on or before 1300 Hrs on the Offer Closing Date, failing which such an acceptance would be rejected. A copy of delivery instructions acknowledged by the DP in favour of the special depository account should be forwarded to the collection centre where the Form of Acceptance and other documents were tendered, before the close of business on the Offer Closing Date.

9.6 While tendering the shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of PRL. In case the previous RBI approvals are not submitted, the Acquirer reserve the right to reject such shares tendered. While tendering shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961, before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

9.7 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, equity shareholders desirous of withdrawing the acceptance tendered by them in the Offer, may do so up to 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before March 26, 2008.

(i) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.

(ii) In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

- In case of physical shares: Name, Address, Distinctive numbers, Folio number, number of shares tendered/withdrawn; and
- In case of dematerialized shares: Name, Address, number of shares offered/ withdrawn, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off market" mode or

counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

9.8 The Registrar to the Offer will hold in trust the shares/ share certificates, shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of PRL who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted shares/ Share Certificates are dispatched/ returned.

9.9 If the aggregate of the valid responses to the Offer exceeds the Offer size of 40,32,750 fully paid-up equity shares of PRL 20.16% of the equity voting Share Capital (20.00% of the Fully Diluted Equity Share Capital) , then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. As the shares of PRL are compulsorily traded in dematerialized form, therefore minimum acceptance / marketable lot will be one share.

9.10 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. Unaccepted shares held in demat form will be credited back to the beneficial owners depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement. It will be the responsibility of the equity shareholders to ensure that the unaccepted Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.

9.11 Shareholders, who have sent their shares for dematerialization, need to ensure that the process of getting their shares dematerialized is completed well in time so that the credit in the special depository account is received on or before the date of Closure of the Offer, i.e., no later than March 31, 2008, else their application would be rejected.

10 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, Edelweiss Capital limited, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closure:

10.1.1 Certificate of incorporation, Memorandum and Articles of Association of the Indiabulls Wholesale Services Limited (Acquirer), Indiabulls Real Estate Limited (PAC) and Piramyd Retail Limited (Target Company);

10.1.2 A certificate from Chartered Accountant, M/s Ajay Sardana & Associates certifying the adequacy of financial resources with Indiabulls Wholesale Services Limited (Acquirer) and Indiabulls Real Estate Limited (PAC) to fulfil the open offer obligations.

10.1.3 Audited annual reports for the year ending March 31, 2006 and March 31, 2007 and limited review for the six months ended September 30, 2007 for PRL. Limited review for Indiabulls Wholesale Services Limited (Acquirer) for the period ending October 31, 2007 and Audited accounts for Indiabulls Real Estate Limited (PAC) for the period ending March 31, 2007 and limited review for the six months ending September 30, 2007.

10.1.4 A letter from the HDFC Bank confirming the Lien on fixed deposit of Rs. 30,50,00,000/- in the favour of Merchant Banker.

10.1.5 Copy of the SPA dated December 8, 2007, executed between the Acquirer and the Sellers.

10.1.6 A published copy of Public Announcement.

10.1.7 A copy of the agreement into with Depository participant for opening a special depository account for the purpose of the offer.

11 DECLARATION BY ACQUIRER AND PAC

The Acquirer and PAC, represented by its Board of Directors accepts responsibility for the information contained in this Letter of Offer Each of the Acquirer and the PAC will be jointly and severally responsible for ensuring compliance with the SEBI (SAST) Regulations.

Signed on behalf of Acquirer
For and on behalf of Board of

Indiabulls Wholesale Services Limited

Sd/- Himanshu Shah
Director

Indiabulls Real Estate Limited

Sd/- Tarun Tyagi
Chief Financial Officer

Date: March 3, 2008
Place: Mumbai

Encl:
1. Form of Acceptance
2. Form of Withdrawal
3. Transfer deed for shareholders holding shares in physical form

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION OFFER

(Please send this Form with enclosures to the Registrars to the Offer at any of their collection centres as per the mode of delivery mentioned in the Letter of Offer.)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(To be filled in by the shareholder.)

OPEN OFFER TO THE SHAREOLDERS OF PIRMAYD RETAIL LIMITED		
OFFER OPENS ON	:	March 12, 2008
OFFER CLOSES ON	:	March 31, 2008
LAST DAY FOR WITHDRAWL	:	March 26, 2008

From

Status: Resident/Non-Resident

Tel No: Fax No: Email:

To,
Indiabulls Wholesales Services Limited
C/o. Karvy Computershare Private Ltd.
Plot No 17-24,
Vithalrao Nagar,
Madhapur, Hyderabad 500 081

Dear Sirs,

Open offer for acquisition of up to 40,32,750 fully Paid-up Equity Shares of face value of Rs.10/- each, representing 20.16% of the equity voting Share Capital (20.00% of the Fully Diluted Equity Share Capital) of Piramyd Retail Limited ("PRL"/ 'Target Company) at a price of Rs. 74.73/- per fully paid-up equity share

I/We refer to the Public Announcement published on December 09, 2007 and the Letter of Offer dated March 3, 2008 for acquiring the equity shares held by me/us in **Piramyd Retail Limited.**
I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We, hold the following shares in physical form and accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Ledger Folio No.____________________No. of Share Certificate(s)________________________________No. of Shares____________

Sr.No.	Certificate No.	Distinctive No.		No. of Shares
		From	**To**	
			Total	

(In case of insufficient space, please use an additional sheet and authenticate the same)
I/We confirm that the equity shares of **Piramyd Retail Limited** which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.
I/We note and understand that the original share certificate(s) and the valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.
I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures.

SHARES HELD IN DEMAT FORM

I/We hold the following shares in Demat Form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP in respect of my/our equity shares as detailed below:

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

I/We have done an off-market transaction for crediting the shares to "KCPL Escrow A/C – PRL Open Offer" whose particulars are,

DP Name: Karvy Stock Broking Limited	DP ID / Client ID: IN300394 / 16113075

Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in the favour of the special depository account with NSDL.

Enclosures (Please tick as appropriate, if applicable)
- Power of Attorney
- Corporate Authorisation in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories.
- No Objection Certificate & Tax Clearance Certificate under Income Tax Act, 1961, for NRIs/OCBs/Foreign Shareholders as applicable
- Death Certificate/ Succession Certificate
- Others(please specify)____

I/We note and understand that the Shares would lie in the said A/c i.e. KCPL Escrow A/C – PRL Open Offer" until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer to accept the shares so offered, which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and
I/We further authorise the Acquirer to return to me/us, the equity share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof and in the case of dematerialised shares, to the extent not accepted will be released to my Depository Account at my sole risk.
I/We authorise the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by registered post the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.
I/We authorize the Acquirer to accept the Shares so offered or such lesser number of Shares that it may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/ us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.
I/We note and understand that the Shares would lie in the special depository account until the time payment of purchase consideration as mentioned in the Letter of Offer is made.

The Permanent Account Number (PAN) allotted under the Income Tax Act 1961 is as under:

	1ST Shareholder	**2ND Shareholder**	**3RD Shareholder**
PAN			

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form may provide details of bank account of the first/sole shareholder and the consideration payment will be drawn accordingly. For shares that are tendered in electronic form, the bank account details obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars.

Name of Bank		Account No.		Saving/Current/NRE/NRO/others(Please tick)
Address of the Branch				PIN

For NRIs / OCBs / FIIs / Foreign Shareholders
I / We, have enclosed the following documents

- No objection certificate / Tax clearance certificate from the Income Tax Authorities
- RBI approvals for acquiring shares of Flat Products Equipments (India) Limited hereby tendered in the Offer
- Copy of Permanent Account Number / PAN Card

For FII Shareholders :
I / We, confirm that the equity shares of Flat Products Equipments (India) Limited are held by me / us on Investment / Capital Account or Trade Account *(select whichever is applicable in your case)*

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence /incorporation and that you do not have a permanent establishment in India in terms of the Double Taxation Avoidance Agreement (DTAA) entered into between India and your country of residence. In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence.

Yours faithfully,

	Full Name (s) of the Shareholder	**SIGNATURE (S)**
1ST Holder		
2ND Shareholder		
3RD Shareholder		

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

Place: Date :

-- (Tear here) --

Stamp of collection centre

Acknowledgement Slip **Indiabulls Wholesales Services Limited**

C/o Karvy Computershare Private Ltd, Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081
Received from
Mr./Ms./M/s.………………………………………………Address:………………………………………………………………………. ....
Form of Acceptance cum Acknowledgement #..................Number of Share Certificates for ....shares/# Copy of the Delivery Instruction to (DP) for.....................shares

(# Delete whichever is not applicable)

INSTRUCTIONS

1) **In the case of dematerialised shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demat shares not credited in favour of the special depository account, before the closure of the Offer will be rejected.**

2) **Shareholders should enclose the following:-.**
i. For Equity shares held in demat form:-
<u>Beneficial owners should enclose</u>
- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.
ii. For Equity shares held in physical form:-
Registered Shareholders should enclose:
- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- **Original Share Certificate(s).**
- **Valid Share Transfer form(s)** duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Piramyd Retail Limited. and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer. The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates alongwith the duly completed transfer form, the Offer shall be deemed to be accepted.

Unregistered owners should enclose:
- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original broker contract note.
- Valid Share Transfer form(s) as received from the market leaving details of buyer blank. If the same is filled in then the equity share(s) are liable to be rejected.

3 The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer or Piramyd Retail Limited.

4 Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in the favour of the special depository account with NSDL.

5 While tendering Shares under the Offer, NRIs/OCBs/ foreign and other non resident shareholders will be also required to submit the RBI approvals, if any (specific or general) that they would have obtained for acquiring Shares. In case the RBI approvals are not submitted, the Acquirer reserves the right to reject the Shares tendered.
Attention of OCB shareholders desirous of participating in the Offer is drawn to Paragraph 9.6 of the Letter of Offer.

6 Non resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in Piramyd Retail Limited. If, the shares are held under General Permission of RBI the non resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.

7 FIIs are requested to enclose the SEBI Registration letter and RBI general permission letter.

8 Non resident shareholders should enclose No Objection certificate/ Tax Clearance certificate from the Income Tax Authorities under Income-Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will be deducted at marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer. The Acquirer also reserves the right to reject such tenders from non-resident shareholders, where the aforesaid No-Objection Certificate/ Tax Clearance Certificate is not submitted.

9 Shareholders are advised to indicate the bank account details at the appropriate place in the Form of Acceptance-cum-Acknowledgement and the consideration cheque would be made to the bank account of the sole/ first shareholder. The payment would be made at par to all the shareholders.

10 Rejection of Shares
If the Shares are rejected for any of the following reasons, the Shares will be returned to the sole / first named holder(s) along with all the documents received from them at the time of submission. Please note that the following list is not exhaustive.
a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of PRL;
b. The transfer deed is not complete or valid;
c. The number of equity shares mentioned in the Form of Acceptance-cum-Acknowledgement does not tally with the actual physical share certificate(s) submitted or in case of dematerialized shares, the equity shares in the Form of Acceptance-cum-Acknowledgement do not tally with the instruction to the depository participant and the credit received in the special depository account;

d. The relevant documents, as applicable, mentioned above at 2 and in addition at 5, 6 and 7 are not submitted with the Form of Acceptance-cum-Acknowledgement.

The Acquirer also reserves the right to reject such tenders from shareholders, where the relevant documents are not submitted.

11 All documents / remittances sent by or to shareholders will be at their own risk. Shareholders of PRL are advised to adequately safeguard their interests in this regard. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.

12 Neither the Acquirer, the Manager to the Offer, the Registrar to the Offer or PRL will be liable for any delay/loss in transit resulting in delayed receipt/ non-receipt by the Registrar to the Offer of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit your Shares to the special depository account or submission of original physical Share certificates due to inaccurate/incomplete particulars/instructions on your part, or for any other reason.

13 Applicants who cannot hand deliver their documents at the collection centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Karvy Computershare Pvt Ltd., Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081 so as to reach the Registrar to the Offer on or before 5 PM on the Offer Closing Date i.e. March 31, 2008.

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION OFFER

(Please send this Form of withdrawal with enclosures to Registrar at the collection centre where the original Form of Acceptance was tendered)

(To be filled in by the shareholder.)

OPEN OFFER TO THE SHAREOLDERS OF PIRAMYD RETAIL LIMITED		
OFFER OPENS ON	:	March 12, 2008
OFFER CLOSES ON	:	March 31, 2008
LAST DAY FOR WITHDRAWL	:	March 26, 2008
THIS FORM SHOULD BE USED BY SHAREHOLDERS ONLF FOR EXERCISING THE WITHDRAWL OPTION AS PROVIDED IN THE LETTER OF OFFER		

From:
Name:
Address:

Tel No: Fax No: Email:

To,
Indiabulls Wholesales Services Limited
C/o. Karvy Computershare Private Ltd.
Plot No 17-24,
Vithalrao Nagar,
Madhapur, Hyderabad 500 081

Dear Sirs,

Open offer for acquisition of up to 40,32,750 fully Paid-up Equity Shares of face value of Rs.10/- each, representing 20.16% of the equity voting Share Capital (20.00% of the Fully Diluted Equity Share Capital) of Piramyd Retail Limited ("PRL"/ 'Target Company) at a price of Rs. 74.73/- per fully paid-up equity share

Sub: Withdrawal of shares tendered in the caption Offer

I/We refer to the Letter of Offer dated March 3, 2008 for acquiring the Shares held by me/us in **Piramyd Retail Limited.**
I/We, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.
I/We have also read the procedure for withdrawal of Shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.
I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.
I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.
I/ I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal i.e, no later than 1700 hours on March 26, 2008.
I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and also for the non receipt of Shares held in the dematerialised form in the Depository account due to inaccurate/incomplete particulars/instructions.
I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depository from time to time.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Ledger Folio No ________________ No. of Share Certificate(s ______________________________ No. of Shares_______________________________

Sr.No.	Certificate No.	Distinctive No.		No. of Shares
		From	To	
			Total	

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

I/We hold the following Shares in dematerialised Form and had done an off-market transaction for crediting the Shares to the "KCPL Escrow A/C – PRL Open Offer" as per the following particulars:

DP NAME: Karvy Stock Broking Limited	DP ID / Client ID: IN300394 / 16113075

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

The particulars of the account from which my/our Shares have been tendered and the Shares withdrawn are as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares tendered	No. of Shares withdrawn

I/We note that the Shares will be credited back only to that Depository Account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.
I/We confirm that the particulars given above are true and correct.
In case of dematerialised Shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,
Signed and delivered

Signed and delivered	**Full Name (s) of the holder**	**Signature (S)**	**Verified and attested by us. Please affix the stamp of Dp (In case of demat shares)/ Bank (In case of physical shares)**
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

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

Place: Date:

--Tear Along This Line--

Acknowledgement Slip-- Piramyd Retail Limited – Open Offer

Stamp of Collection Centre

Received from Mr./Ms./M/s____

Address____

Physical Shares: Folio No. ______________________Demat Shares: **Client ID___________________;DP ID**

☐ Physical Shares: No of Shares tendered- _______________No of Shares Withdrawn_____________

☐ Demat Shares: No of Shares tendered- _________________No of Shares Withdrawn ____________

(Please √ whichever is applicable)

Signature of the Official________________________________ Date of Receipt____

Note: All future correspondence, if any, in connection with this offer, should be addressed to the Registrar to the Offer

INSTRUCTIONS

1) Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the Collection Centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. no later than 1700 hours on Wednesday, March 26, 2008.

2) Shareholders should enclose the following:-

i. For Equity Shares held in demat form:- Beneficial owners should enclose

a. Duly signed and completed Form of Withdrawal.
b. Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum- acknowledgement in case delivered by Registered A.D.
c. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction (TIFD) in "Off-market" mode, duly acknowledged by the DP.

ii. For Equity Shares held in physical form:- Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
- In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with **Piramyd Retail Limited** and duly witnessed at the appropriate place.

iii. Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

3) The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.

4) The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.

5) The Form of Withdrawal should be sent only to the Registrar to the Offer.

6) In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.

7) Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

8) In case of Shares held in joint names, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.

9) In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

10) In case of bodies corporate, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

11) All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):

a. Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
b. Duly attested power of attorney if any person apart from the shareholder has signed withdrawal form or transfer deed(s).

12) The Form of Withdrawal and other related documents should be submitted at any of the Collection Centers of **Karvy Computershare Private Limited** stated in Letter of Offer.

13) Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Karvy Computershare Pvt Ltd., T K N Complex No.51/2, Vanivilas Road, Opp. National College, Basavanagudi, Bangalore 560 004so as to reach the Registrars on or before the last date of withdrawal i.e. March 26 , 2008

---Tear Here ---

Note: All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your Reference Folio No./DPID/Client ID:

Karvy Computershare Private Ltd
(Unit :Pirmayd Retail Limited – Open Offer)
Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad 500 081
Ph. No. 040-23420818; Fax No. 040-23420814; email: murali@karvy.com