Public Announcement
For the attention of the Shareholders of
Sangam (India) Limited

Registered Office: Pur Road, Bhilwara 311 001, Rajasthan, India

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS OF Sangam (India) Limited ("the Target" or "SIL")

This Public Announcement is being issued by Enam Financial Consultants Pvt. Ltd. ("Enam" or the "Manager to the Offer"), on behalf of India Advantage Fund I (hereinafter referred to as "IAF I"), Swastik Coal Corporation (India) Limited (hereinafter referred to as "Swastik") (IAF I and Swastik hereinafter collectively referred to as "the Acquirers") , India Advantage Fund II (hereinafter referred to as "IAF II") and Thamiraparani Investment Private Limited (hereinafter referred to as "Thamiraparani") (IAF II and Thamiraparani hereinafter collectively referred to as "the PACs") pursuant to regulations 10, in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("the Regulations").

1 Background to the Offer

1.1 The Board of Directors of the Target has issued and allotted on preferential basis

(i) 69,64,646 equity shares of Rs. 10/- each for cash at a price of Rs. 46.70/- including premium of Rs. 36.70/- per share aggregating Rs. 32,52,48,968 & 21,41,326 warrants convertible at the option of the holder into equity shares of Rs 10/- each at the rate of 1 equity share for every warrant at a price of Rs. 46.70/- including premium of Rs. 36.70/- per share to the IAF I

(ii) 2,14,132 equity shares of Rs. 10/- each for cash at a price of Rs. 46.70/- including premium of Rs. 36.70/- per share aggregating Rs. 99,99,964 to Swastik

(iii) 32,11,991 warrants convertible at the option of the holder into equity shares of Rs 10/- each at the rate of 1 equity share for every warrant at a price of Rs. 46.70/- including premium of Rs. 36.70/- per share to the existing promoters

(iv) 9,88,950 warrants convertible at the option of the holder into equity shares of Rs 10/- each at the rate of 1 equity share for every warrant at a price of Rs. 46.70/- including premium of Rs. 36.70/- per share to Pinky Exhibitors Pvt. Ltd

The above-mentioned preferential issue has been done in accordance with the guidelines for Preferential Issue of SEBI (Disclosure and Investor Protection) Guidelines, 2000 and the subsequent amendments thereto ("Guidelines"). The Preferential Issue has been duly authorised by a resolution passed by the Board of Directors of the Target at its meeting held on June 27, 2005 and by the special resolution under section 81(IA) of the Companies Act, 1956 and other applicable provisions passed by the shareholders of the Target at the duly constituted Annual General Meeting ("AGM") held on July 26, 2005 authorising the Board of Directors of the Target to issue and allot the above equity shares.

Pursuant to the subscription received from IAF I, Swastik, the existing promoters and Pinky Exhibitors Pvt. Ltd, the Board of Directors of the Target allotted 7,178,778 equity shares & 634,267 warrants to IAF I, Swastik, the existing promoters and Pinky Exhibitors Pvt. Ltd on August 6, 2005. The said equity shares & warrants will be subject to "lock-in" as per the aforementioned Guidelines. IAF I, the existing promoters and Pinky Exhibitors Pvt. Ltd on August 6, 2005 had paid an amount of Rs. 4.67/- per warrant as an advance towards the Warrant Price aggregating Rs 29,618,387 as prescribed under Section 13.1.2.3 of Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000. Out of the 2,141,326 warrants issued to IAF I, IAF I shall exercise 1,070,663 on or before 9 months from the date of allotment. The balance 1,070,663 warrants are exercisable at any time within a period of 18 months from the date of allotment of the warrants. The warrants issued to the existing promoters and Pinky Exhibitors Pvt. Ltd. are exercisable at any time within a period of 18 months from the date of allotment of the warrants.

- Pursuant to regulation 10 of the Regulations consequent to the Preferential Issue referred to in paragraph 1.1, on account of proposed substantial acquisition of equity shares and without change in control/management, the Acquirers and the PACs are required to make an offer to the shareholders of the Target to acquire their shares by making a PA in terms of the Regulations. ·
- A Subscription Agreement ("SA") dated August 6, 2005 was simultaneously entered into among the IAF I, Swastik, the existing promoters of the Target and the Target.
- Prior to the aforementioned Preferential Issue the Acquirers and PACs did not hold any shares of the Target. Upon the allotment of 6,964,646 equity shares, IAF I holds 6,964,646 equity shares representing 21.88% of the post preferential fully paid-up equity share capital of the Target and upon the allotment of 214,132 equity shares, Swastik holds 214,132 equity shares representing 0.67% of the post preferential fully paid-up equity share capital of the Target.

1.2 The main provisions of the SA are the followings:

- IAF I shall convert 1,070,663 Warrants into Equity Shares of SIL on or before nine months from the date of allotment of the said Warrants.
- IAF I is only a financial investor and non-management shareholder
- The Promoters undertake not to tender any of their Shares for sale in the open offer.
- Unless otherwise agreed between the IAF I and the Promoters, the strength of the Board of Directors of SIL shall be 8 (Eight) Directors. IAF I shall have the right to appoint two Directors. ·
- Any action with respect to the certain Fundamental Issues shall require affirmative vote of SIL. Such Fundamental Issues include Amendments or any proposal to amend the Memorandum or Articles of Association, Acquisition of shares or assets of other businesses, creation of joint ventures / partnership/subsidiaries, mergers, de-mergers and consolidations, The employment and change in terms of employment of any personnel whose annual remuneration is in excess of Rs. 3 (Three) Mn.,
- Approval of, or amendment to the annual business plan or budget.

1.3 As on the date of this PA, the Promoters hold 1,03,10,682 equity shares representing 32.39 % of the fully paid-up equity capital of the Target and constituting 35.43 % of the post preferential fully paid-up equity capital assuming the entire warrants being converted into equity shares of the of the Target.

2. The Offer

2.1 The Acquirers and the PACs are making an offer to the shareholders (other than Acquirers, PACs and Promoters of SIL) of SIL to acquire 63,65,846 fully paid-up Equity Shares of Rs. 10/- each of SIL ("Equity Shares"), representing 20% of the outstanding voting equity share capital (post Preferential Issue) of SIL, at a price of Rs. 47.10 per fully paid-up Equity Share (the "Offer Price") payable in cash in accordance with regulation 10 of the Regulations, consequent to the Preferential Issue referred to in paragraph 1.1 above, on account of proposed substantial acquisition of equity shares and without change in control/management. There are no partly paid-up shares of SIL.

- The proposed plan of acquisition of Equity Shares tendered in the offer is as under:
- First 3,182,923 Equity Shares tendered in the offer will be acquired by Thamiraparani. ·
- Next 1,776,858 Equity Shares tendered in the offer will be acquired by IAF II. ·

The balance 1,406,065 Equity Shares tendered in the offer will be acquired by Swastik.

2.2 As on the date of this PA, the Acquirers and the PACs do not hold any equity share of SIL except through the Preferential Issue as stated above. The Acquirers and the PACs have not acquired any equity share of SIL during the 12 months preceding the date of this PA other than the above-mentioned Preferential Allotment.

2.3 For the purpose of this Offer, IAF II and Thamiraparani are the PACs with IAF I and Swastik.

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

2.5 This is not a Competitive Bid.

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

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

3. The Offer Price

3.1 The Equity Shares of SIL are listed on the National Stock Exchange of India Limited ("NSE"), The Stock Exchange Mumbai ("BSE") and Jaipur Stock Exchange ("JSE").

3.2 The annualized trading turnover in the shares of SIL in each of the above mentioned Stock Exchanges based on trading volume during February 2005 to July 2005 (six calendar months preceding the month in which the PA is made) is as given below:

Stock Exchange	Total No. of Shares traded during 6 calendar months preceding the month in which the PA is made	Total No. of Listed Shares	Annualized Trading Turnover (as % of Total Shares Listed)
NSE	16121085	24650452	130.80%
BSE	13852870	24650452	112.39%
JSE	Nil	24650452	Nil

(Source: www.bseindia.com & www.nseindia.com)

The equity shares of the Company are frequently traded on NSE and BSE and infrequently traded on JSE for the past six months in terms of explanation (i) to Regulation 20 (5) of the Regulations.

3.3 In accordance with regulations 20(4) & 20(5) of the Regulations, the Offer Price of Rs. 47.10/- per share is higher than any of the following:

a.	Negotiated Price under the agreement for acquisition of share or voting rights or deciding to acquire shares or voting rights	Not applicable
b.	Highest Price paid by the Acquirers/PACs for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to August 11, 2005 (i.e. the date of Public Announcement)	Rs 46.70
c.	The highest of the average of the weekly high and low the closing prices for the equity shares of SIL for the 26 week period and the average of the daily high and low prices of the equity shares during the 2 week period prior to June 27, 2005 i.e. the date of the Board Resolution authorizing the Preferential Issue at NSE	Rs. 47.10
d.	Other Parameters based on the audited accounts of SIL for financial year ended on March 31, 2005	
(i)	Return on Networth (%)	18.46
(ii)	Book Value per Share (Rs)	30.86
(iii)	Earning Per Share (Rs)	5.46
(iv)	PE ratio	8.63

The Company is classified by Capital Market as operating in Industry segment "Textile Processing". The Industry segment "Textile Processing" has an industry PE of 9.7 (Source: Capital Market Volume XX/11 dated August 1-14). The Company is the niche segment of manufacturing P/V dyed yarn while the Textile Processing Industry segment covered by the Capital Market consists of companies, which are primarily cotton based textile maker, operating in integrated textile spinning, weaving and other high value added end products in the textile segment. Since the business parameters of the Company are different from that of "Textile Processing" industry in general the Industry PE is not a strict comparable for the Company's PE.

Considering the decision of Hon'ble Supreme Court of India in the case of Hindustan Lever Employee Union Vs Hindustan Lever Limited, 1995, (83 Com case 30) and precedences where weighted average has been used the Value Per Share on a weighted basis, the value of shares of the Target, based on audited financial for the year 2004-05; would be Rs. 31.31 per share (as per CCI formula), considering the Net Asset Value of the Target of Rs. 30.93 per share, the Earning Based Value per share (PECV) of Rs. 31.69.

Hence the offer price of Rs. 47.10 per share offered by IAF I, Swastik, IAF II and Thamiraparani to the shareholders of the Target under the proposed open offer is justified.

4 Information on the Acquirers and the PACs

4.1 India Advantage Fund I ("IAF I")

4.1.1 IAF I was setup in-terms of the Indenture of Trust dated October 4, 2002, between Western India Trustee & Executor Company Limited and ICICI Venture Funds Management Company Limited. The Indenture of Trust was executed in the state of Tamil Nadu. IAF I is constituted under the provisions of the Indian Trust Act, 1882. The Fund is managed by ICICI Venture Funds Management Company Limited. The office of IAF I is located at III Floor, Raheja Plaza, 17, Commissariat Road, Bangalore 560 025, Tel : +91-80-25583861; Fax:+91-80-25580741

4.1.2 IAF I is currently engaged in the activities of investing in equity, quasi-equity and equity related instruments issued by companies, industrial and commercial undertakings. IAF I is registered with the Securities and Exchange Board of India as Venture Capital Fund. Various banks and institutions including ICICI Bank Ltd have contributed to the Fund. IAF I is not listed on any stock exchange in India or abroad.

4.1.3 Both of IAF I and IAF II are managed by ICICI Venture Funds Management Company Limited..

4.1.4 The financial highlights of IAF I are as follows:

All figures in Rs. Mn except per unit figure

For the period ended March 31*	2003	2004	2005
Months	12	12	12
Total Income	3.76	13.13	33.86
Profit after Tax	(15.77)	(71.23)	(266.00)
Capital	556.26	576.26	480.41
Net Asset Value Per Unit (Rs. Per Unit)	97.16	84.90	116.46

*Certified by Mr. U. Vishwas Rao (Membership No. 209873) of Adithya and Vishwas & Co, Chartered Accountants vide certificate dated August 5, 2005

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

4.2 Swastik Coal Corporation (India) Limited ("Swastik")

4.2.1 Swastik Coal Corporation (India) Limited has been promoted by Mr. Vishnu Prasad Bindal and is a group company of Swastik group based at Indore. Its registered office is at 109, Sneh Nagar, Indore. It was originally incorporated as Jainam Enterprises Private Limited under the Companies Act, 1956 on August 28, 1995. The name was changed to Bindal Coal Sales Private Limited on January 2, 2002. Subsequently the name was changed to Swastik Coal Corporation (India) Private Limited on April 16, 2004. On May 7, 2004 Swastik Coal Corporation (India) Private Limited was converted to a public limited company and the name was changed to Swastik Coal Corporation (India) Limited.

The authorized share capital of Swastik is Rs.50,000,000 divided into 5,000,000 equity shares of Rs. 10/- each. Its issued capital is Rs. 81,22,000 divided into 8,12,200 equity shares of Rs. 10/- each and its paid up capital is Rs. 6,618,000 divided into 752,000 shares paid up at 8 Rs. per share and 60,200 shares fully paid up. The entire issued capital of Swastik is held by the promoters and their friends and relatives.

4.2.2 Swastik has its registered office at 109, Sneh Nagar, Indore.Tel.: +91-731-2515521; Fax: +91-731-2515524.

4.2.3 The main objects of Swastik are to carry on the business of manufacturers, contractors, subcontractors, Engineers, consultants, fabricators (Civil, Mechanical, Electrical or otherwise) and to carry out contract, execute, supervise, maintain and remodel in any part of India or in any part of the world, works and conveniences or otherwise assist or take part in maintenance, development, working, control and management thereof and to acquire contracts, permits, licenses and quota rights from Govt of India, State Govt. or such Government or semi Government corporations, companies, firms or local authorities.

Currently they are engaged in the business of trading and transportation of coal.

4.2.4 Shares of Swastik are not listed on any stock exchange.

4.2.5 The audited financial highlights of Swastik are as follows:

All figures in Rs. Mn except per share figures

Particulars (Year ended March 31*)	2005 (Limited reviewed)	2004# (Audited)	2003# (Audited)
Months	12	12	12
Equity Share Capital	6.62	0.10	0.10
Reserves and surplus(excluding revaluation reserves, misc. exp. not written off and deferred tax liability)	22.46	0.16	(0.04)
Total Income	230.47	10.51	0.03
Profit after Tax	1.13	0.19	(0.02)
Earnings per share (EPS) Rs.	1.39	188.23	N.A.
Book Value per share (BV) Rs.	27.8	256.86	62.73
Return on Networth (RONW) (%)	3.83	69.31	N.A.

*Certified by Mr. Krishnan Garg (Membership No. 76194) of Krishnan Garg & Co., Chartered Accountants vide certificate dated July 29, 2005

Equity Share Capital of Rs. 100 as face value

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

4.3 India Advantage Fund II ("IAF II")

4.3.1 IAF II was setup in-terms of the Indenture of Trust dated October 4, 2002, between Western India Trustee & Executor Company Limited and ICICI Venture Funds Management Company Limited. The Indenture of Trust was executed in the state of Tamil Nadu. IAF II is constituted under the provisions of the Indian Trust Act, 1882. The Fund is managed by ICICI Venture Funds Management Company Limited. The office of IAF II is located at III Floor, Raheja Plaza, 17, Commissariat Road, Bangalore 560 025, Tel : +91-80-25583861; Fax:+91-80-25580741

4.3.2 IAF II is currently engaged in the activities of investing in equity, quasi-equity and equity related instruments issued by companies, industrial and commercial undertakings. IAF II is not registered with the Securities and Exchange Board of India. Various banks and institutions including ICICI Bank Ltd have contributed to the Fund. IAF II is not listed on any stock exchange in India or abroad.

4.3.3 Both of IAF I and IAF II are managed by ICICI Venture Funds Management Company Limited.

4.3.4 The financial highlights of IAF II are as follows:

All figures in Rs. Mn except per unit figure

For the period ended March 31*	2004	2005
Months	14	12
Total Income	38.55	87.36
Profit after Tax	(8.87)	11.71
Capital	1,728.76	2,178.41
Net Asset Value Per Unit (Rs. Per Unit)	99.49	148.76

*Certified by Mr. U. Vishwas Rao (Membership No. 209873) of Adithya and Vishwas & Co, Chartered Accountants vide certificate dated August 5, 2005

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

4.4 Thamiraparani Investments Private Limited ("Thamiraparani")

4.4.1 Thamiraparani is a non deposit taking Non-Banking Finance Company ("NBFC") registered with the Reserve Bank of India ("RBI"). Its registration number is B-07.00674 dated January 10, 2002. Its main objects are to carry on business as an investment company and underwriter.

4.4.2 Thamiraparani was incorporated as a Private Limited Company on October 11, 1993. It became a Public Limited Company on August 22, 1995 and reconverted into a Private Limited Company on February 21, 2002.

4.4.3 The authorized share capital of Thamiraparani is Rs. 51,500,000 divided into 5,150,000 equity shares of Rs.10/- each. Its issued and paid-up capital is Rs. 37,500,000 divided into 3,750,000 equity shares of Rs. 10/- each. The entire issued capital of Thamiraparani is held by the promoters, SS Investments, a partnership firm.

4.4.4 The office of Thamiraparani is located at Ground Floor, Shristi Cresendo, Lady Desika Road, Mylapore, Chennai 600 004, Tel. No.: +91-44-5525-6885 Fax. No.: +91-44-2461-2657

4.4.5 The financial highlights of Thamiraparani

All figures in Rs. Mn except per share figures

Particulars (Year ended March 31*)	2004 (Audited)	2003 (Audited)
Months	12	12
Equity Share Capital	37.50	37.50
Reserves and surplus(excluding revaluation reserves, misc. exp. not written off and deferred tax liability)	-	-
Total Income	0.08	7.80
Profit after Tax	(0.45)	0.84
Earnings per share (EPS) Rs.	-	0.22
Book Value per share (BV) Rs.	9.23	9.45
Return on Networth (RONW) (%)	-	2.38

**Certified by Mr Narayan D Jaju (Membership No. 101922) of Kothawade and Laddha Chartered Accountants vide certificate dated August 9, 2005*

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

5 Sangam India Limited ("SIL" or "the Target")

5.1 SIL, having its registered office at Pur Road, Bhilwara 311 001, Rajasthan, India, was originally incorporated as Arun Synthetics Pvt Ltd on December 29, 1984 under the Companies Act, 1956. On December 23, 1991, it was converted to a public limited company. Subsequently, the name was changed to Sangam India Limited under the Companies Act, 1956 with effect from April 1, 1992.

5.2 SIL's core business is manufacturing and marketing of synthetic blended yarns and fabrics. SIL has facilities to manufacture P/V dyed yarn and weaving facilities. .

5.3 The issued and subscribed Equity Share Capital of SIL as on the date of this PA comprises of 31,829,230 fully paid-up Equity Shares of Rs. 10/- each aggregating Rs. 3,18.29 Mn. There are no partly paid-up Equity Shares of SIL as at the date of this PA.

5.4 Further, SIL has 5,200,000 10% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each aggregating Rs 52.00 Mn.

5.5 The Equity Shares of SIL are listed on National Stock Exchange of India Limited ("NSE"), The Stock Exchange, Mumbai ("BSE") and Jaipur Stock Exchange ("JSE").

5.6 The financial highlights of SIL are as given below:

All figures in Rs. Mn except per share figures

For the period ended March 31*	2003	2004	2005
Months	12	12	12
Total Income	2,029.58	2,718.69	2,951.61
Profit After Tax	75.69	120.64	140.49
Paid up Equity share capital	164.36	246.51	246.51#
Reserves and Surplus (excluding revaluation reserves and misc. exp. not written off)	449.95	609.03	738.89
Earning Per Share (Rs. Per share)	4.21	5.86	5.46
Return on Networth (%)	16.65	18.07	18.46
Book Value Per Share (Rs. Per share)	27.65	27.09	30.86

*Certificate dated August 8, 2005 by Ms. Deepa Rathi (Membership No. 104808) of R. Kabra & Co. Chartered Accountants

#Paid-up Equity Capital of Sangam as on the date of this PA as mentioned in para 5.3 is different from that of as on March 31, 2005 on account of preferential issue of Equity Shares made on August 6, 2005 as mentioned in para 1.1

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

6 Rationale for the Acquisition and Offer

6.1 This Offer to the shareholders of SIL is made pursuant to regulation 10 of the Regulations consequent to the Preferential Issue of equity shares to the Acquirers as explained in paragraph 1.1 above and for substantial acquisition of equity shares without change in control or management.

6.2 SIL made the preferential issue to augment its long term resources to meet capital expenditure / working capital requirements.

6.3 Since the investment by the Acquirers and PACs in SIL is in the nature of financial investment in the ordinary course of business, the Acquirers/PACs do not have any plan to dispose off or otherwise encumber any asset of SIL in the next two years except in the ordinary course of business. Further, since there will not be any change in control or management of SIL consequent to the aforementioned acquisition, the Acquirers/PACs presently do not have any future plans for SIL. However, the Acquirers/PACs undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of SIL except with the prior approval of the shareholders of SIL and in accordance with and subject to applicable laws, permissions and consents, if any.

7 Statutory Approvals and Other Approvals for the Offer

7.1 The Offer is subject to the Acquirers and the PACs obtaining the approval of the RBI under FEMA, if any, for acquiring and transferring the Equity Shares held by non-resident shareholders who tendered in this Offer. The necessary application will be made by the Acquirers and the PACs in this regard.

7.2 As of the date of this PA, to the best of the knowledge of the Acquirers and the PACs there are no other statutory approvals required to implement the Offer other than those indicated in this PA. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirers and the PACs will not proceed with the Offer in the event that such statutory approvals are not obtained.

7.3 In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of the time required for payment under the Offer provided that the Acquirers and the PACs agree to pay interest in accordance with regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirers/PACs in obtaining the requisite approvals, regulation 22(13) of the Regulations will also become applicable.

8 Funding Arrangement for the Offer

8.1 The Acquirers/PACs have made firm financial arrangements for financing the acquisition of equity shares under the Offer, in terms of regulation 16 (xiv) of the Regulations.

8.2 The maximum purchase consideration payable by the Acquirers and the PACs in the case of full acceptance of the Offer (i.e. 63,65,846 fully paid-up Equity Shares of SIL at the rate of Rs. 47.10/- per Equity Share) would be Rs. 299,831,347. A lien on 5,003,076.753 (Five million three thousand seventy six point seven fifty three) units of Prudential ICICI Liquid Plan Institutional Plus Growth Option has been marked in favour of Enam Financial Consultants Pvt Ltd, Manager to the Offer, by IAF II, in terms of regulation 28(4)(c) of the Regulations. The total value of such units as on the date of PA exceeds the escrow amount stipulated under regulation 28(2).

The Acquirers and PACs have also made a cash deposit of Rs. 2,998,314 (being 1% of purchase consideration payable under this Offer) in the Escrow Account with UTI Bank Limited No. 9 M. G. Road,Bangalore 560001; with a lien in favour of the Manager to the Offer.

The Manager to the Offer is authorised to realise the value of the escrow in terms of the Regulations.

8.3 The Acquirers and PACs have made firm financial arrangements for the Maximum Consideration by way of resources including cash and marketable securities. M/s Kothawade & Laddha, Chartered Accountants signing partner Mr Narayan D Jaju having membership no. 101922, contact no +91-22-2581-0492, have confirmed vide their letter dated August 9, 2005 that the Acquirers and PACs have made the firm arrangements for meeting their obligations under the Regulations.

8.4 The Manager to the Offer on the basis of the above has satisfied itself that the Acquirers and the PACs have the ability to implement the Offer in accordance with the Regulations and amendments thereto as firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

9 Other Terms of the Offer

9.1 The Offer is not subject to any minimum level of acceptance The Offer will be made to the shareholders of SIL and the Letter of Offer ("LOO") together with the Form of Acceptance cum Acknowledgement ("FOA"), the Form of Withdrawal ('FOW") and Transfer Deed ("TD") (for shareholders holding shares in physical form) will be mailed to those shareholders of SIL, other than Acquirers, PACs and promoters of SIL, whose names appear on the Register of Members of SIL and the beneficial owners of the shares whose names appear on the beneficial records of the respective share depositories, at the close of business hours of August 11, 2005 (the "Specified Date").

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

9.2 The Acquirer has appointed Bigshare Services Pvt. Ltd. ("Bigshare") as Registrar to the Offer.

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

Name & Address of Collection Centers	Contact Person	Mode of Delivery	Telephone No.	Fax No.
Mumbai Bigshare Services Pvt Ltd, E/2, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Andheri E, Mumbai 400072	Mr. V Kumaresan	Post/Hand	022-28470652 022-28470653	022-28475207
Delhi Bigshare Services Pvt Ltd, 39-A Humayun Pur, Near La Mode Shop Safdarjung Enclave, New Delhi -110029	Mr. Sashikumar	Hand	011-26171495 09811894403	011-51410591
Bhilwara Bigshare Services Pvt Ltd, Shop No. 8, Hanuman Complex, Kumbha Circle Road, Near Gupta Hospital, Azad Nagar, Bhilwara	Mr. Santlal Mallah	Hand	01482-243610	01482-242386
Calcutta Bigshare Services Pvt Ltd, 196 A-G, Arabinda Sarani, Kolkata 700004	Mr. Bhaskar/ Mr. Manish Biswas	Hand	033-25333706 09830050737	033-24551077
Chennai Bigshare Services Pvt Ltd, No. 7-A, Laxman Nagar, East Main Road, Chennai 600082	Mr. B. Srinivas	Hand	044-26711949 09840109859	044-25507845

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

9.3 All owners of equity shares, demat/physical, registered/unregistered (except the Acquirers, PACs and Promoters) are eligible to participate in the Offer anytime before closure of the Offer.

All registered owners except the Acquirers, PACs and Promoters can send duly completed FOA, filled and signed in accordance with the instructions contained in the LOF and FOA, to the Registrar to the Offer, Bigshare, at the collection centres mentioned in 9.2, before the closure of the Offer i.e. October 24, 2005. No indemnity shall be required from the unregistered shareholders.

9.4 Bigshare has opened a special depository account with following details

DP Name	IDBI Bank Ltd
DP ID	IL 300450
Client ID	13078275
Account Name	Bigshare Services Pvt Ltd Escrow A/C for Sangam India Ltd Open Offer
Depository	NSDL

9.5 The shareholders tendering shares in demat form should ensure the credit of shares in favor of the special depository account mentioned above, before the close of business October 24, 2005.

FOA in respect of dematerialized equity shares not credited to the above special depository account before the closure of Offer is liable to be rejected. Beneficial owners are therefore requested to tender the delivery instructions at least 2 working days prior to the date of closure of the Offer.

Shareholders having their beneficiary account in Central Depository Services Limited ("CDSL") have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favor of the above mentioned special depository account.

9.6 The shareholders tendering equity shares of SIL in the dematerialised form, will be required to send the FOA along with counterfoil/photocopy of the delivery instructions (in "Off-market" mode) in favor of special depository account mentioned above, duly acknowledged by the Depository Participant ("DP"), to the Registrar either by hand delivery or by registered post on or before the closure of the Offer.

For shareholders of SIL holding physical certificates and who wish to accept the Offer and tender their shares will be required to send the FOA together with the share certificate (s) and transfer deed(s) to the Registrar.

9.7 In case of non-receipt of the LOO/FOA, the eligible persons may download the same from SEBI website or obtain a copy of the same by writing to Bighsare at any of the collection centers clearly marking the envelope "SIL - Open Offer" or make an application on a plain paper duly signed and stating Name/Address/No. of shares offered/DP Name/DP ID/ together with the counterfoil/photocopy of the delivery instructions in "off market" in favor of special depository account mentioned above, duly acknowledged by the Depository Participant ("DP").

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

9.8 In case any person has lodged shares of SIL for transfer and the transfer has not yet been effected, the concerned person may apply on plain paper giving details as stated above along with a transfer deed duly signed (Columns meant for transferee / buyer should be kept blank) and the acknowledgement of the lodgment of shares of transfer. Such person should also instruct SIL and its Registrar and Transfer Agent to send the transferred share certificate(s) directly to the collection center as mentioned in 9.2 above. The applicant should ensure that the certificate(s) reach the designated collection center before the closure of the Offer.

In case any person has lodged shares of SIL for dematerialization and the dematerialization has not yet been effected, the concerned person should send the completed FOA together with the photocopy of the dematerialization request form acknowledged by shareholder's DP. The shareholder should ensure the credit of shares in favor of the special depository account mentioned above, before the closure of the Offer. A copy of the delivery instructions acknowledged by the DP should also be forwarded along with the FOA and other documents.

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

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

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

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

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

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

9.14 The Acquirers & PACs will purchase the shares from the shareholders of SIL who have validly tendered the shares in the Offer (i.e. equity shares and/or other documents are in order in terms of the Offer) and remit the consideration in respect thereof within 15 days from Offer closure by crossed account payee cheques/demand drafts. Consideration in excess of Rs.1,500/-, unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder/unregistered owner. All despatches involving payment of a value up to Rs. 1500/- will be made under certificate of posting at the shareholders' sole risk.

Equity shares held in dematerialised 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 in the FOA.

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

Key Events	Day & Date
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Friday, August 12, 2005
Last Date for Competitive Bid	Thursday, September 01, 2005
Date by which Letter of Offer will be posted to shareholders	Friday, September 23, 2005
Date of Opening of the Offer	Wednesday, October 05, 2005
Last date for revising the Offer Price / No. of equity Shares	Thursday, October 13, 2005
Last date of withdrawal of tendered application by the shareholders of SIL	Wednesday, October 19, 2005
Date of Closing of Offer	Monday, October 24, 2005
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted Equity Shares / Share Certificate(s) will be dispatched / credited	Tuesday, November 08, 2005

10 General

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

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

In case of Demat Shareholders: Name, Address, DP name, DP ID, Beneficiary A/c no., No. of shares Tendered and to be Withdrawn, Counterfoil/Photocopy of the delivery instructions.

In case of Physical Shareholders: Name, Address, Folio No.(s), Distinctive No. (s), No. of shares Tendered/Withdrawn.

10.2 If the Acquirers and the PACs decides to make upward revisions in the Offer Price / Number of equity shares to be acquired, in accordance with regulation 26 of the Regulations, such upward revision will be made not later than October 13, 2005 (seven working days prior to the date of closure of the Offer). Such revisions/amendments would be affected by making a Public Announcement in the same newspapers in which this original Public Announcement is being made.

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

10.3 If there is a competitive bid:

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

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

10.4 Pursuant to regulation 13 of the Regulations, the Acquirers and PACs have appointed ENAM Financial Consultants Pvt. Ltd., as Manager to the Offer. As on date of PA, the Manager to the Offer does not hold any share in the Target.

10.5 IAF I, Swastik, IAF II, Thamiraparani, the respective trustees of IAF I and IAF II and the Directors of Swastik and Thamiraparani severally and jointly accept full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirers as laid down in the Regulations.

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

This Public Announcement would also be available on SEBI's website (www.sebi.gov.in). Eligible persons to the Offer may also download a copy of Letter of Offer, Form of Acceptance and the Form of Withdrawal which will be available on SEBI's website at (www.sebi.gov.in) from the Offer opening date i.e. October 5, 2005, and apply on the same.

Registrar to the Offer:
Bigshare Services Pvt. Ltd. Tel.: +91-22-2847 0744/0652/0653 Fax: +91-22-2847 5207
Email: bigshare@sify.com Contact Person: V. Kumaresan

ISSUED BY
MANAGER TO THE OFFER

ENAM FINANCIAL CONSULTANTS PVT. LTD.
801/ 802 Dalamal Towers, Nariman Point, Mumbai-400 021
Tel.: (+91 22) 5638 1800 Fax: (+91 22) 2284 6824 Email: sangamopenoffer@enam.com
Contact Person: Mr. Santanu Nath Bhaumik

ON BEHALF OF THE ACQUIRERS AND THE PACs

India Advantage Fund I
Registered Office: III Floor, Raheja Plaza, 17, Commissariat Road, Bangalore 560 025,
Tel : +91-80-25583861; Fax:+91-80-25580741

Swastik Coal Corporation (India) Limited
Office: 109, Sneh Nagar, Indore Tel : +91-731-2515521; Fax : +91-731-2515524

India Advantage Fund II
Registered Office: III Floor, Raheja Plaza, 17, Commissariat Road, Bangalore 560 025,
Tel : +91-80-25583861; Fax:+91-80-25580741

Thamiraparani Investments Private Limited
Office: Ground Floor, Shristi Cresendo, Lady Desika Road, Mylapore, Chennai 600 004
Tel : 044-55256885; Fax : 044-24612657

Date: August 10, 2005
Place: Mumbai