LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder(s) of **Scana Color (India) Limited.** If you require any clarifications about the action to be taken, you may consult your Stockbroker or Investment Consultant or Manager or Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and 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.

OPEN OFFER

Pursuant to Regulations 10 and 12 and applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto ("the Regulations").

BY

MR. RAJESH G. MEHTA & MRS. BHAVNA R. MEHTA

(hereinafter referred as "The Acquirers") both residing C-901, Panchsheel Heights, Mahavir Nagar, Kandivali (West), Mumbai – 400 067. Telephone No. (022) 3247 7753; Fax No. (022) 2287 6185.

TO THE SHAREHOLDERS OF SCANA COLOR (INDIA) LIMITED

(hereinafter referred as "SCIL" or "Target Company") having Registered Office at 125, T.V. Industrial Estate, Opp: Hind Cycles, Pandurang Budhakar Marg, Worli, Mumbai – 400 025. Telephone No. (022) 3293 4546; Fax No. (022) 6725 1166.

TO ACQUIRES

Upto 6,00,000 Fully Paid-up Equity Shares of Rs. 10/- each, representing in aggregate upto 20% of the Issued, Subscribed, Paid up and Voting Equity Share Capital for cash, at a price of Rs. 7.30 including an interest of 30 paise @ 10% per annum for the delayed period, per Fully Paid-up Equity Share ("Offer Price").

ATTENTION

1. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer i.e. can withdraw on or before 24th August 2007 (Friday).
2. Should the Acquirers decide to revise the Offer Price upward, such upward revision will be made in accordance with Regulation 26 of the Regulations not later than 17th August 2007 i.e. 7 (seven) working days prior to the offer closing date. If the Offer Price is revised upward, such revised price will be payable to all the shareholders who have accepted this Offer and submitted their shares at any time during the period between the offer opening date and the offer closing date to the extent their shares have been verified and accepted by the Acquirers. Any such upward revision will be announced in the same newspapers in which the Public Announcement has appeared.
3. **There is no competitive bid.**
4. As the offer price cannot be revised during seven working days prior to the closing date of the Offer, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.
5. This Offer is not conditional upon any minimum level of acceptance.
6. The Acquirers reserve the right to withdraw the Offer in terms of Regulation 27 of the Regulations. In the event of such withdrawal, the same would be notified by way of a Public Announcement in the same newspapers where the Public Announcement appeared.
7. At present no statutory approvals are required to implement the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.
8. **A copy of the Public Announcement, Corrigendum to PA and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) are also available on SEBI's website: www.sebi.gov.in.**

MANGER TO THE OFFER	REGISTRAR TO THE OFFER
Aryaman Financial Services Ltd. 62, 6th Floor, B-Wing, Mittal Tower, Nariman Point, Mumbai – 400 021. Tel: 022 – 2284 5716 / 2282 6464 Fax: 022 – 2283 1564 Website: www.afsl.co.in Email : info@afsl.co.in. : aryaman_limited@rediffmail.com Contact Person : Mr. Amit Kumar / Mr. Deepak Biyani	**System Support Services** 209, Shivai Industrial Estate, 89, Andheri – Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072. Tel :022 – 2850 0835 / 3097 4826 Fax: 022 – 2850 1438 Email: sysss72@yahoo.com Contact Person : Mr. Mahendra Mehta / Mr. Zoeb Sutarwala
OFFER OPENS ON: AUGUST 10, 2007 (FRIDAY)	**OFFER CLOSES ON: AUGUST 29, 2007 (WEDNESDAY)**

SCHEDULE OF ACTIVITIES

Activity	Original	Revised
Public Announcement	23.01.2007 (Tuesday)	23.01.2007 (Tuesday)
Specified Date	13.02.2007 (Tuesday)	13.02.2007 (Tuesday)
Last date for a Competitive Bid	12.02.2007 (Monday)	12.02.2007 (Monday)
Date by which Letter of Offer to be posted to the shareholders	26.02.2007 (Monday)	04.08.2007 (Saturday)
Date of Opening of the Offer	09.03.2007 (Friday)	10.08.2007 (Friday)
Last date for revising the Offer Price / Number of Shares	16.03.2007 (Friday)	17.08.2007 (Friday)
Last date for withdrawal of acceptance by the shareholders	22.03.2007 (Thursday)	24.08.2007 (Friday)
Date of Closure of the Offer	28.03.2007 (Wednesday)	29.08.2007 (Wednesday)
Date of communicating the rejection /acceptance and payment of consideration for the acquired shares	12.04.2007 (Thursday)	13.09.2007 (Thursday)

SPECIFIED DATE

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 and all the shareholders of SCIL registered or unregistered, who own the shares at any time prior to the Closure of the Offer (except the Acquirers and the parties to the agreements) are eligible to participate in the Offer.

RISK FACTORS

A. RELATING TO THE OFFER

i. In the event that either (a) there is any litigation leading to stay on the Offer; or (b) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to those SCIL shareholders whose shares have been accepted in the Offer as well as the return of those shares not accepted by the Acquirer may be delayed. The SCIL shares tendered in the Offer will lie to the credit of a designated escrow account until the completion of the Offer formalities.

ii. If the number of SCIL shares assented to the Offer exceeds the Offer size, then the Acquirers shall accept SCIL shares assented to the Offer on a proportionate basis in accordance with Regulation 21 (6) of the SEBI (SAST) Regulations, 1997.

iii. The tendered shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be a fluctuation in the market price of the shares of SCIL. The Acquirers make no assurance with respect to the market price of the shares during / after the Offer.

B. IN ASSOCIATION WITH THE ACQUIRERS

The Acquirers make no assurance with respect to the financial performance of the Target Company. They also make no assurance with respect to the market price of the shares both during the Offer Period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.

The Acquirers do not accept any responsibility for statements made otherwise than in the Letter of Offer/PA/ Corrigendum and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his/her/its own risk.

C. RISK IN THE TRANSACTION

The Share Purchase Agreement (SPA) dated 19th January 2007 contains a clause that it is subject to the provisions of SEBI (SAST) Regulations and in case of non-compliance with any of the provisions of the Regulations, the Sellers or the Acquirers shall not act upon the agreement for such sale.

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

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to “Rs.” are to the reference of Indian Rupees. Throughout this Letter of Offer, all figures have been expressed in Lacs unless otherwise specifically stated. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

ABBREVIATIONS / DEFINITIONS

The following abbreviations / definitions apply throughout this document, unless the context requires otherwise:

Acquirers	Mr. Rajesh G. Mehta and Mrs. Bhavna R. Mehta
ASE	Ahmedabad Stock Exchange Limited, Ahmedabad
BSE	Bombay Stock Exchange Limited, Mumbai
CDSL	Central Depository Services (India) Limited
Corrigendum	Subsequent announcement relating to the PA was made on 02.02.2007 and 27.07.2007 in the same newspapers in which PA was published.
Form Of Acceptance	The form of application cum acknowledgement and authority, which is enclosed with this Letter of Offer.
HSE	Hyderabad Stock Exchange Limited, Hyderabad
H.U.F.	Hindu Undivided Family
LOO	Letter of Offer
Manager To The Offer	Aryaman Financial Services Limited, Mumbai.
NSDL	National Securities Depository Limited
Offer Price	Rs. 7.30/- (Seven rupees and thirty paise only) per share including an interest of 0.30 paise @ 10% per annum for the delayed period from 09.03.2007 to 10.08.2007 for each fully paid-up equity shares payable in cash by cheque / demand draft
PAC	Person Acting in Concert
PAN	Permanent Account Number
Persons Eligible to Participate	All shareholders of SCIL registered and unregistered, who own the shares at any time prior to the Closure of the Offer, except the Acquirers and the parties to the agreement.
Promoters	Rakesh Damani, Nandita Damani, Suchita Damani, Rakesh Damani (H.U.F.), Ashok Kumar Kela, Anshuma Damani, Hari Prasad Birla, Kishan Prasad Birla, Lalita Devi Birla, Prashant Kumar Birla, Shailja Kumari Birla, Uma Kela, Sushila Devi Birla
Public Announcement / PA	Announcement of the Offer issued in newspapers on 23.01.2007 (Tuesday)
Registrar To The Offer	System Support Services, Mumbai.
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 1997 and subsequent amendments thereof.
Sellers	Mrs. Nandita Damani, Mr. Rakesh Damani, Mrs. Suchita Damani, Mr. Rakesh Damani (HUF) and Mr. Rajeev Kumar Jain
Share(s) / SCIL Share(s)	Fully paid up equity share with one vote per equity share of Scana Color (India) Limited, having face value of Rs. 10/- each.
SPA	Share Purchase Agreement
Target Company / SCIL	M/s Scana Color (India) Limited

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1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 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 SCANA COLOR (INDIA) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER M/S. ARYAMAN FINANCIAL SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 5TH FEBRUARY 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1 This Open Offer is being made pursuant to the Regulations 10 and 12 of Chapter III and other applicable provisions in compliance with the Securities and Exchange Board of India, (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof for substantial acquisition of shares and control over the Target Company.

2.1.2 The Open Offer is being made by Mr. Rajesh G. Mehta and Mrs. Bhavna Rajesh Mehta (the “Acquirers”) to the equity shareholders of Scana Color India Limited (hereinafter referred to as the “Target Company”).

2.1.3 The Offer is not as a result of global acquisition resulting in indirect acquisition of Scana Color India Limited.

2.1.4 The Acquirers have entered into Share Purchase Agreement (SPA) dated 19th January 2007 with a Promoter Group of Scana Color India Limited and Mr. Rajeev Kumar Jain whereby Acquirer(s) are going to jointly acquire 6,88,600 fully paid-up equity shares from the Sellers, as detailed herein below:

Name of Acquirers	Name & Address of the Sellers*	No. of Shares Agreed to be Solid by Sellers	% of the Share Capital of the Target Company
Mr. Rajesh G. Mehta Mrs. Bhavna R. Mehta	Mr. Rajeev Kumar Jain 402, Gift House, 940, Prabhadevi Road, Mumbai – 400 025.	3,95,700	13.19
	Mr. Rakesh Damani (HUF) Mr. Rakesh Damani Mrs. Nandita Damani Mrs. Suchita Damani 52, Casa Granade, Little Gibbs Road, Malabar Hills, Mumbai – 400 006.	2,92,900	9.76
	Total	**6,88,600**	**22.95**

* All the four members namely Rakesh Damani (HUF), Rakesh Damani, Nandita Damani and Suchita Damani belong to the Promoter's group and reside at same place.

The salient features of the SPAs are:

(i) Upon the execution of the SPAs, the parties have agreed that:

(a) The Acquirers will pay in cash Rs. 7,91,400 to Mr. Rajeev Kumar Jain and Rs. 5,85,800 to Damani's i.e. aggregating to Rs. 13,77,200/- (Thirteen Lacs Seventy-Seven Thousand Two Hundred only).

(b) The Sellers shall deliver to the Acquirers
- The shares which are held in dematerialized form by Mr. Rajeev Kumar Jain;
- The shares which are held by Damani's partly in dematerialized and partly in physical form;
- The shares under the agreements shall be free from all charges, encumbrances or liens and are not subject to any lock-in period.

(ii) The purchase and sale of shares as contemplated hereinabove shall be completed within 5 working days of the completion of the Open Offer. The completion of the Open Offer is defined as the act of submission of the 45-day final report by the Manager to the Offer, in terms of Regulation 24(7) of the Regulations.

(iii) The payment of money for purchase of the shares shall be effected by the Acquirers to the Sellers by Bankers Cheques within 5 working days of the completion of the public Offer.

(iv) The Acquirers will have an option to reduce the number of shares to be acquired under the SPAs to such extent so as to maintain the minimum specified public shareholding as specified in the in the listing agreement with the exchanges for the purpose of listing on continuous basis but assuming full acceptance of the Offer, the post offer voting capital with the public in the Target Company would not be less than 25% of the voting capital of the Company and hence the terms of Regulation 21(2) and this clause is not applicable.

(v) In case of non-compliance of any provisions of SEBI (SAST) Regulations 1997, the agreements for such sale shall not be acted upon by the Sellers or the Acquirers.

2.1.5 Both the Agreements (SPAs) dated 19th January 2007 are for the purchase of 6,88,600 (Six Lac Eighty Eight Thousand Six Hundred Only) equity shares fully paid up for cash at a price of Rs. 2/- (Rupees Two Only) each. The total consideration for the shares acquired under the agreement amounts to Rs. 13,77,200/- (Rupees Thirteen Lacs Seventy Seven Thousand Two Hundred Only) is payable in cash. The Acquirers to the Sellers shall effect the payment of consideration within 5 days from the Closure of this Offer.

2.1.6 The Share Purchase Agreements (SPAs) dated 19th January 2007 contains a clause that it is subject to the provisions of SEBI (SAST) Regulations and in case of non-compliance with any of the provisions of the Regulations, the Sellers or the Acquirers shall not act upon the agreements for such sale.

2.1.7 As on the date of the Agreement, Mr. Rajesh G. Mehta (Acquirer) holds 4,40,000 share representing 14.67% in the Target Company. These shares were purchased on 31st July 2006 @ Rs. 2/- per share.

2.1.8 As on date, the Manager to the Offer – Aryaman Financial Services Limited does not hold any shares in the Target Company. They declare and undertake that they shall not deal in the shares of Target Company during the period commencing from the date of the appointment as Manager to the Offer till the expiry of 15 days from the date of Closure of the Offer.

2.1.9 The proposed change in control is not through any arrangement.

2.1.10 The Offer is not conditional to any minimum level of the acceptance. The Acquirers will acquire all the equity shares of Scana Color (India) Limited upto 6,00,000 that are tendered in valid form in accordance with the terms and conditions set out here in the Letter of Offer to be sent to the shareholders except Parties to the Agreement. The Acquirers have not purchased any share of SCIL from the date of Public Announcement i.e. 23rd January 2007 till date.

2.1.11 The Acquirers, Target Company and the Sellers/Vendors have not been prohibited by SEBI from dealing in securities in terms of the direction issued u/s 11B of SEBI Act or under any of the Regulation made under the SEBI Act.

2.1.12 The composition of the Board of Directors in SCIL Post-acquisition/Offer shall be determined on completion of all formalities relating to the Offer. The Acquirers shall also have a right to reconstitute the Board of Directors of the Target Company and appoint their own nominee Directors as Directors/Chairman of the Target Company, only after completion of the Offer obligations.

2.1.13 Neither Mr. Rajesh G. Mehta nor Mrs. Bhavna R. Mehta is / are Director(s) in the Target Company.

2.1.14 The acquirers have not entered into any inter-se agreement for the purpose of allocation of the shares received in this offer.

2.1.15 All shares tendered shall be free from lien, charges and encumbrances of any kind, whatsoever.

2.1.16 The Acquirers have not been allotted any equity shares in the Target Company by way of allotment in a Public or Rights or Preferential Issue during the 26-week period prior to the date of the PA.

2.2 Details of the Proposed Offer and SPA

2.2.1 The Public Announcement (PA) was made by the Acquirers on 23rd January 2007 (Tuesday) and subsequent Corrigendum to Public Announcement on 2nd February 2007 (Friday) and 27th July 2007 (Friday) as per Regulation 15(1) of the SEBI (SAST) Regulations in the following newspapers:

The Financial Express (National English Daily)	All Editions
Jansatta (National Hindi Daily)	All Editions
Navshakti (Marathi Daily)	Mumbai Edition

The Public Announcement and the Corrigendum to PA are also available on the SEBI's website: www.sebi.gov.in

2.2.2 The Offer to the equity shareholders of SCIL is to acquire further 6,00,000 fully paid up equity shares representing 20% of the equity voting capital of Scana Color (India) Limited at a price of Rs. 7.30/- (Seven rupees thirty paise only) per share including an interest of 0.30 paise for the delayed period ("Offer Price"). The payment to the shareholders whose shares have been accepted shall be in cash and will be paid by Cheque / Demand Draft.

2.2.3 All the equity shares of the Target Company are fully paid up and there are no partly paid up equity shares in the Target Company. The Acquirers are going to take shares from the Parties to the Agreements (SPAs).

2.2.4 The Acquirers have not entered into any separate non-compete agreement.

2.2.5 The offer is not subject to any minimum level of acceptance. The Acquirers will acquire all the fully paid up equity shares of Scana Color (India) Limited that are validly tendered and accepted in terms of this Offer upto 6,00,000 fully paid equity shares representing 20% of the total paid up and voting capital of the Target Company.

2.2.6 All shares tendered shall be free from lien, charges and encumbrances of any kind, whatsoever.

2.2.7 The Acquirers have not acquired any shares of the Target Company after the date of PA till the date of this Letter of Offer.

2.2.8 Competitive Bid: There is no competitive bid to acquire shares of the Target Company consequent to the PA published on 23rd January 2007.

2.2.9 There is no agreement between the Acquirers with regard to this Offer.

2.2.10 The acquirers have not entered into any inter-se agreement for the purpose of allocation of the shares received in this Offer.

2.3 **Object of the Acquisition / Offer**

The Acquirers have entered into SPAs to acquire 6,88,600 equity shares of Rs. 10/- each of SCIL, representing 22.95% of the issued, subscribed and paid up share capital of SCIL. This acquisition is thus a substantial acquisition of shares along with the voting rights in Scana Color (India) Limited, which will enable the Acquirers to gain control of the Company. As a result of this acquisition, provisions of Regulations 10 & 12 of the Regulations have been attracted. The Acquirers are making an offer to acquire 6,00,000 fully paid equity shares of Rs. 10/- each being 20% of the paid up equity share capital of SCIL in order to comply with the provisions of the Regulations.

The Acquirers visualize that on acquiring substantial shares and taking over control of SCIL, they will be in a position to change the main object of the Company. The Acquirers intend to expand the activity base of the Target Company in order to enter into the new area of business. The Acquirers would change the Object clause of the Company to start activities of manufacturing, trading, commission agency and import & export of Iron & Steel products, subject to necessary approvals. Further, the Acquirers would infuse capital for expanding their operations. Also, the Acquirers are planning to establish a manufacturing unit of Iron & Steel in the state of Maharashtra in future.

The Acquirers currently do not plan to dispose off or otherwise encumber any asset of SCIL in the next 2 years except in the ordinary course of business of the Target Company. The Acquirers undertake not to sell / dispose off or otherwise encumber any substantial asset of SCIL except with the prior approval of the shareholders of the Company.

3. BACKGROUND OF THE ACQUIRERS

3.1 Information About The Acquirers

There are only two Acquirers in the takeover of Scana Color (India) Limited. There is no PAC in this Offer. The Details of the Acquirers are given below:

3.1.1 **Mr. Rajesh G. Mehta**

Mr. Rajesh G. Mehta, aged about 45 years resides at C-901, Panchsheel Heights, Mahavir Nagar, Kandivali (West), Mumbai – 400 067. Phone No.: (022) 3247 7753 Fax No.: (022) 2287 6185.

Mr. Rajesh G. Mehta is a commerce graduate from Mumbai University. He is having knowledge and experience in the field of Iron and Steel industry. He has been dealing in mild sheet plates, hot rolled plates, cold rolled sheets & coils, boiler plates, mild sheet structures, squares, rounds and bars for the past 20 years as a broker and commission agent.

The Net worth of Mr. Rajesh G. Mehta as on March 15, 2007 is Rs. 13,82,274/- (Rupees Thirteen Lacs Eighty-Two Thousand Two Hundred Seventy-Four Only) based on book value and is assessed under PAN-AAFPM9962R and as certified vide certificate dated March 21, 2007 by Mr. Arvind Darji (Membership No. 41748) of M/s. Arvind Darji Associates, Chartered Accountants, having their office at 402 – A, Chandan Chambers, 4th Floor, 138, Modi Street, Mumbai – 400 001. Telephone No.: (022) 6633 1574 / 6654 1574; Fax No. (022) 6725 1166.

3.1.2 **Mrs. Bhavna R. Mehta**

Mrs. Bhavna R. Mehta, aged about 43 years resides at C-901, Panchsheel Heights, Mahavir Nagar, Kandivali (West), Mumbai – 400 067. Telephone No. (022) 3247 7753; Fax No. (022) 2287 6185.

She is an undergraduate and currently carrying her family business of a chemist shop and fashion designing and through experience she has acquired knowledge of accounting and Management Information System (MIS).

The Net worth of Mrs. Bhavna R. Mehta as on March 15, 2007 is Rs. 68,88,523/- (Rupees Sixty-Eight Lacs Eighty-Eight Thousand Five Hundred Twenty-Three Only) based on book value and is assessed under PAN-AAOPM0836E and as certified vide certificate dated March 21, 2007 by M/s. Arvind Darji Associates, Chartered Accountants (Membership No. 41748) having their office at 402 – A, Chandan Chambers, 4th Floor, 138, Modi Street, Mumbai – 400 001. Telephone No.: 6633 1574 / 6654 1574.

3.2 Other Information about the Acquirers

3.2.1 The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the Regulation made under the SEBI Act.

3.2.2 There is no agreement between the Acquirers for the shares to be acquired under the Open Offer.

3.2.3 The Acquirer Mr. Rajesh G. Mehta and Mrs. Bhavna R. Mehta are related to the extent that they are husband and wife.

3.2.4 There is no PAC as per the provisions of Regulation 2(1)(e) of the Regulations.

3.2.5 The Acquirers have not promoted / acquired any company till date.

3.2.6 The Acquirers have not entered into any separate non-compete agreement.

3.2.7 There has been no agreement among the Acquirers as regards the Open Offer.

3.2.8 The Acquirers are not full time Director(s) in any listed company.

3.2.9 The Acquirer, Rajesh G. Mehta have acquired 4,40,000 equity shares representing 14.67% of the Target Company on 31st July 2006 i.e. before the date of Public Announcement at the rate of Rs. 2/- per equity share.

3.2.10 The Acquirer, Mr. Rajesh G. Mehta has complied with all the applicable provisions of Chapter II of the SEBI (SAST) Regulations, 1997 within specified time related to the above acquisition of the equity shares of SCIL.

3.2.11 The Acquirers have not entered into any inter-se agreement for the purpose of allocation of the shares received in this Offer.

3.2.12 The Acquirer(s) and / or their relatives is / are not in the board of SCIL.

3.3 Disclosure in terms of Regulation 16 (ix)

3.3.1 The Acquirers do not have any intention to dispose of or otherwise encumber any assets of Scana Color (India) Limited in the succeeding two years except in the ordinary course of business of the Target Company.

3.3.2 The Acquirers have undertaken not to sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders of SCIL.

3.4 **Future Plans of the Acquirers with regard to the Target Company**

The Acquirers intend to expand the activity base of the Target Company in order to enter into the new area of business. The Acquirers would change the Object clause of the Company to start activities of manufacturing, trading, commission agency and import & export of Iron & Steel products. Further, the Acquirers would infuse capital for expanding their operations. Also, the Acquirers are planning to establish a manufacturing unit of Iron & Steel in the state of Maharashtra in future.

4. OPTION IN TERMS OF REGULATION 21 (2)

Assuming full acceptance of the Offer, the post offer voting capital with the public in the Target Company would not be less than 25% of the voting capital of the Company and hence the terms of Regulation 21(2) is not applicable.

5. BACKGROUND OF TARGET COMPANY

5.1 **Registered Office**

The Registered Office of Scana Color (India) Limited (SCIL) is situated at 125, T.V. Industrial Estate, Opp. Hind Cycles, Pandurang Budhakar Marg, Worli, Mumbai – 400 025. Tel. No.: 022 – 32934546; Fax No.: 022 – 67251166.

5.2 **Brief History and Main Areas of Operations**

Scana Color (India) Limited (SCIL) is a Public Limited Company incorporated on 13th August, 1977 under the name of Laxmankumar Birla Trading Private Limited (No.19837 of 1977-78) from the Registrar of Companies, Maharashtra. The name of the Company was subsequently changed to Laxmankumar Birla Trading Limited (No. 19837/TA) on 16th October 1986 and further converted to Scana Color (India) Limited (No. 19837/TA) on 16th October 1986 and a fresh Certificate of Incorporation was obtained from the Registrar of Companies, Maharashtra. The Registered office of the Company is situated at 125, T.V. Industrial Estate, Opp. Hind Cycles, Pandurang Budhakar Marg, Worli Mumbai – 400 025.

The Company was incorporated with the main objects of carrying on following businesses:

i. in buying, selling, importing, exporting and or as broker or as commission agents or as indentors in fibre, yarn and textiles either manmade or natural and of cotton, jute, hemp, silk, wool, viscose, polyester, acrylic or any other fiburous material in India or anywhere in the world.

ii. on mercantile and / or trading business in chemicals of all types including Sulphuric acid, Caustic soda, Nitrates and such other chemicals, inter radiator of all types, food products, textile, auxiliaries and such other articles of every description and kind.

iii. on mercantile and / or trading business in finished, semi finished products and raw materials connected with consumer and industrial uses. Now the main business of the Company is scanning, processing, designing, digital printing and offset printing.

5.3 The Target Company has manufacturing facilities at its Registered Office only but the present Fixed Assets does not have any market value since these are obsolete and their technology is outdated.

5.4 **Share Capital Structure of Scana Color (India) Limited**

Paid-up Equity Shares of Target Company	**No. of Shares / Voting Rights**	**% of Share / Voting Rights**
Fully Paid-up Equity Shares	30,00,000	100.00
Partly Paid-up Equity Shares	—	—
Total Paid-up Equity Shares	30,00,000	100.00
Total Voting Rights in Target Company	**30,00,000**	**100.00**

Authorised Share Capital of the Company is Rs. 3.25 Crores divided into 32,50,000 equity shares of Rs.10/- each. As on date, the issued and subscribed capital of the Company is Rs. 3.00 Crores divided into 30,00,000 equity shares of Rs. 10/- each. There are no partly paid-up shares in the Company.

There are no partly paid up shares in the Target Company. There are no outstanding convertible instruments (debentures/warrants/ FCDs /PCDs) etc. into equity shares on any later date. There is no share under lock-in period.

5.5 **Build-up capital structure of the Target Company since inception**

Date of Allotment	**No. and % of shares Issued**		**Cumulative Paid-up Capital (Rs)**	**Mode of Allotment**	**Identity of Allottees (Promoters / Ex-promoters/ Others)**	**Status of Compliance**
	No. of Shares	% of Shares				
29-07-1977	20	Negligible	200	Subscriber to MOA Allotment	Allotted to Promoter / Director, Friends and Associates	All compliances are fulfilled.
30-01-1978	9,980	0.33	1,00,000	Cash	Allotted to Promoter/ Director, Friends and Associates	All compliances are fulfilled.
15-02-1982	40,000	1.33	5,00,000	Cash	Allotted to Promoter/ Director, Friends and associates	All compliances are fulfilled.
15-02-1983	21,000	0.70	7,10,000	Cash	Allotted to Promoter/ Director, Friends and Associates	All compliances are fulfilled
30-05-1985	29,000	0.97	10,00,000	Cash	Allotted to Promoter/ Director, Friends and Associates	All compliances are fulfilled.

07-07-1992	1,00,000	3.33	20,00,000	Cash	Allotted to Promoter/ Director, Friends and Associates	All compliances are fulfilled.
02-12-1993	6,00,000	20.00	80,00,000	1:3 Bonus Issue	Allotted to Promoter/ Director, Friends and Associates	All compliances are fulfilled
23-06-1994	7,50,000	25.00	1,55,00,000	Cash	Allotted to Promoter/ Director, Friends and Associates	All compliances are fulfilled.
23-06-1994	14,50,000	48.33	3,00,00,000	Cash	Public Issue	All compliances are fulfilled.

5.6 SCIL is listed on Ahmedabad Stock Exchange Limited, Ahmedabad, (“ASE”), Bombay Stock Exchange Limited (“BSE”) and Hyderabad Stock Exchange Limited, Hyderabad (“HSE”). The trading of the shares of SCIL has not been suspended in any of the above Stock Exchanges at any point of time. No punitive action is taken against the Target Company by any of these stock exchanges where the shares are listed.

5.7 All the issued and subscribed equity shares of SCIL have been listed on ASE, BSE and HSE. The marketable lot for trading of the shares of SCIL in physical mode is 50. The equity shares are traded in the ‘Z’ category. The shares of the Target Company are not traded on the ASE and HSE but are frequently traded on BSE. Out of the total equity shares 51% are in dematerialised form with NSDL (48.57%) and CDSL (2.43%) and remaining 49% are in physical form.

5.8 There is no outstanding instrument in the nature of warrants / fully convertible debentures / partly convertible debentures, etc. convertible into equity shares on any later date. The Target Company also does not have any partly paid equity shares.

5.9 The Target Company has complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997. However, there were delays in the case of 6(2) and 6(4) for the year 1997 by 3688 days each. In the case of 8(3) for the years 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006 and 2007 the delays were by 3343, 2978, 2612, 2247, 1882, 1517, 1151, 786, 421 and 56 days respectively*. There is no delay in compliance with Regulation 7(3) by the Target Company for the year 2005 and 2006.

*The Target Company had complied with these Regulations in time but some errors were found in filed documents, henceforth the Company has complied with these Regulations on June 25, 2007 after rectifying the errors. The above delays in compliance with the said Regulations may attract appropriate action by SEBI.

5.10 The Promoters of Target Company has complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997. However, there were delays in compliance with 6(1) and 6(3) by 3629 days each. In compliance with 8(2) for the year 1998, 1999, 2000, 2001, 2002, 2003 and 2004 the delays were by 3263, 2898, 2532, 2167, 1802, 1437 and 1071 days respectively. These delays were due to not showing “Rak-Nand Trading Pvt. Ltd” (a promoter group company) in the ‘Promoters’ Group’ category. The promoters had sold ‘Rak-Nand Trading Pvt. Ltd.’ in the year 2003 and after that i.e. from the financial year 2003-04 onwards, it was included in the public category. The Promoters complied with the above regulations on 28th March 2007.

Currently, the name of “Rak-Nand Trading Pvt. Ltd.” is changed to “Uniglobal Securities Pvt. Ltd.” and its office is situated at Fernhill House, 2nd Floor; 254,Perin Nariman Street, Fort, Mumbai – 400 001. Tel. No. (022) 6631 4700; Fax No. (022) 2266 6319.

There is no delay in compliance with Regulation 8(2) by the promoters for the financial years 2005 and 2006. The above delays in compliance with the said Regulations may attract appropriate action by SEBI.

The Promoter and Promoter's Group as on Public Announcement:

- Ashok Kumar Kela
- Nandita Damani
- Sushila Devi Birla
- Ansuma Damani
- Hari Prasad Birla
- Kishan Prasad Birla
- Lalita Devi Birla
- Prashant Kumar Birla
- Rakesh Damani
- Rakesh Damani (HUF)
- Shailja K Birla
- Suchita Damani
- Uma Kela

5.11 The major shareholders who have 5% or more shareholding in the Target Company other than Promoters and the Acquirer (Mr. Rajesh G. Mehta) is Mr. Rajeev Kumar Jain. The delay in compliance with 7(1) by Mr. Rajeev Kumar Jain, was for one day only.

5.12 The Target Company has regularly complied with the requirement of Listing Agreement with the respective Stock Exchanges.

5.13 **Details of Directors of Scana Color (India) Limited**
As on the date of the PA the composition of the Board of Directors of SCIL is as follows:

1. Mrs. Nandita Damani
2. Mr. Amish Anantrai Modi
3. Mr. Hemang Narendra Sampat
4. Mr. Rajeev Kumar Jain
5. Mr. Rajendra H Modi

Neither of the above Director(s) is/are representative of the Acquirers nor associated / related with them in any manner. There is no change in director (s) of SCIL from the date of PA till date.

No.	Name & Residential Address	Father's Name	Nation-ality	Date of Birth	Designa-tion	Date of Appoint-ment	Qualification and Experience
1.	Nandita Damani, 52, Casa Grande, Little Gibbs Road, Malabar Hill, Mumbai – 400 006.	Durga Prasad Birla	Indian	21-Sept-47	Managing Director	13-Jul-81	Master in Science, USA; M.Sc (Physics), Mumbai University. Having 30 years experience in the field of processing and printing business. She has been involved with SCIL since the past two decades.
2.	Amish Anantrai Modi B-404, Jyoti Tower, S.V. Road, Opp- Anand Ashram, Kandivali (W) Mumbai – 400 067	Anantrai Modi	Indian	01-Jan-73	Director	25-Nov-06	Higher Secondary (H.S.C).Having 9 years experience in the field of share broking and investments.
3.	Hemang Narendra Sampat 11, Shree Sharda Society, C. Patel Road, Kandivali (E) Mumbai - 400 101.	Narendra Jethabhai Sampat	Indian	31-May-79	Director	25-Nov-06	Higher Secondary (H.S.C).Having 4 years experience in the field of finance and accounting.
4.	Rajeev Kumar Jain 402, Gift House, 940, New Prabhadevi Road, Mumbai – 400 025.	Premchand Jain	Indian	30-Jan-65	Director	14-Mar-05	Chartered Accountant. Having 18 years experience in finance, taxation and marketing.

5.	Rajendra H Modi Flat No.6, Archana CHSL Plot No 45/51, 2nd floor, Tagore Road, Santacruz (w) Mumbai – 400 054	Harkisandas Modi	Indian	22-Jul-61	Director	14-Mar-05	Practicing Chartered Accountant and having more than 20 years experience in the field of Accounts, Audit and Taxation.

5.14 There has not been any merger / demerger or spin-off in Scana Color (India) Limited during the past 3 years. The name of the Company was changed from Laxmankumar Birla Trading Limited (No. 19837/ TA) to Scana Color (India) Limited (No. 19837/TA) on 16th October 1986 and a fresh Certificate of Incorporation was obtained from the Registrar of Companies, Maharashtra.

5.15 **Brief Audited Financial Details of Target Company as on** **(Rs. In Lacs)**

Profit & Loss Account as on	**31/12/2006**	**31/03/2006**	**31/03/2005**	**31/03/2004**
Income from Operations	—	2.48	71.36	80.99
Other Income*	—	0.11	19.52	16.48
Total Income	—	2.59	90.88	97.47
Total Expenditure	2.31	4.09	60.23	85.61
PBDIT	(2.31)	(1.50)	30.65	11.86
Depreciation	5.43	7.79	33.32	35.29
Interest	—	0.26	3.79	8.57
Profit/(Loss) Before Tax	(7.74)	(9.55)	(6.46)	(32.00)
Provision for Tax	—	1.07	8.07	5.14
Profit/(Loss) After Tax	(7.74)	(8.48)	1.61	(26.86)

*Details of Other Income

Particulars	**31/03/2005**	**31/03/2004**
Sundry Credit Balance W/Back	2.36	9.56
Miscellaneous Income (sale of scrap + sales tax set-off)	3.96	3.60
Profit on sale of Assets	13.20	2.96
Interest (Gross)	—	0.36
Total	**19.52**	**16.48**

Balance Sheet as on	**31/12/2006**	**31/03/2006**	**31/03/2005**	**31/03/2004**
Sources of Funds				
Paid-up Share Capital	300.00	300.00	300.00	300.00
Reserves and Surplus	(13.93)	(6.19)	2.29	0.68
Net worth	286.07	293.81	302.29	300.68
Deferred Tax	27.50	27.50	28.57	36.64
Secured Loans	—	—	6.56	37.06
Unsecured Loans	2.95	—	3.07	7.00
Total	**316.52**	**321.31**	**340.49**	**381.38**
Uses of Funds				
Net Fixed Assets	98.31	103.74	111.54	167.78
Investments	0.03	0.03	0.03	0.03
Current Assets Loan and Advances*	218.77	218.93	235.82	228.61
Current Liabilities	0.59	1.40	6.90	15.04
Net Current Assets	218.18	217.53	228.92	213.57
Total	**316.52**	**321.31**	**340.49**	**381.38**

Note: The financial details for the period ended 9 months (as on 31/12/2006) is unaudited but it is duly certified by the Statutory Auditors of the Target Company. SCIL follows Mercantile Accounting Policy approved by Institute of Chartered Accountants of India.

***Details of the current assets, loans and advance**

Particulars	31/12/2006	31/03/2006
Advance Recoverable in Cash or Kind or for Value to be Received	5.27	8.79
Deposits	4.35	4.35
Advance to Suppliers	0.81	—
Sundry Debtors	199.48	203.94
Cash & Bank Balance	8.85	1.86
Total	**218.76**	**218.94**

Other Financial Data	31/12/2006	31/03/2006	31/03/2005	31/03/2004
Dividend (%)	Nil	Nil	Nil	Nil
Return on Net worth (%)	Nil	Nil	0.53	Nil
Book Value Per Share (Rs.)	9.54	9.79	10.08	10.02
Earning Per Share (Rs.)	(0.26)	(0.28)	0.05	(0.89)

Formulae for calculating Accounting Ratios:

EPS = Profit After Tax / Total No. of Outstanding Shares
Networth = (Share Capital + Reserve and Surplus) – Miscellaneous Expenses
Return on Networth = (Profit After Tax / Networth) X 100
Book Value Per Shares = Networth / Total No. of Outstanding Shares

5.16 The unaudited Financial Results for the nine month period ended as on 31st of December 2006 stated above are certified by Statutory Auditors M/s. Arvind Darji Associates, Chartered Accountants (Membership No. 41748) having confirmed vide their certificates dated 23rd January 2007 and having their office at 402 – A, Chandan Chambers, 4th Floor, 138, Modi Street, Mumbai – 400 001. Telephone No.: 66331574 / 66541574.

5.17 **Reason to fall in the Total Income and PAT in the past 3 years**

Obsolescence of Plant and Machinery and competition in the pre-printing business has led to the fall in the total income and PAT of the Target Company in the past three years. Currently, the Target Company is not involved in any business. Hence, income since last financial year is nil till 31/12/2006.

5.18 **Pre and Post offer shareholding pattern in the Target Company**

Shareholders' Category	Shareholding & Voting Rights prior to the Agreement / Acquisition & 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)		Shareholding / Voting Rights after the Acquisition and Offer i.e.	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								
a) Parties to the agreement	2,92,900	9.76	(2,92,900)	(9.76)	--	--	--	--

b) Promoters other than (a) above #	23,100	0.77	—	—	—	—	23,100	0.77
Total 1 (a+b)	**3,16,000**	**10.53**	**(2,92,900)**	**(9.76)**	**—**	**—**	**23,100**	**0.77**
(2) Acquirers								
a) Main Acquirerb)	4,40,000	14.67	6,88,600	22.95	6,00,000	20.00	17,28,600	57.62
b) PACs	—	—	—	—	—	—	—	—
Total 2 (a+b)	**4,40,000**	**14.67**	**6,88,600**	**22.95**	**6,00,000**	**20.00**	**17,28,600**	**57.62**
(3) Parties to agreement other than (1)(a) & (2)	**3,95,700**	**13.19**	**(3,95,700)**	**(13.19)**	**—**	**—**	**—**	**—**
(4) Public (other than parties to agreement, acquirers & PACs)								
a) FIs / MFs / FIIs/Banks, SFIS (indicate names)	1,500	0.05	—	—	(6,00,000)	(20.00)	12,48,300	41.61
b) Others (Indicate the total number of shareholders in Public category)*	18,46,800	61.56	—	—				
Total (4)(a+b)	**18,48,300**	**61.61**	**—**	**—**	**(6,00,000)**	**(20.00)**	**12,48,300**	**41.61**
Grand Total (1+2+3+4)	**30,00,000**	**100.00**	**—**	**—**	**—**	**—**	**30,00,000**	**100.00**

* Number of Shareholders in Public category as on 19th January 2007 is 6517 (Six Thousand Five Hundred and Seventeen only)

These shares will be transferred to the Public Category after the Closure of the Offer. Other Promoters who are not parties in agreement (SPA) are eligible to participate in the Open Offer.

5.19 Change in Shareholding of promoters and position of Compliance

Date of allotment/ Acquisition/Sale	**No. of Shares Issued/ acquired/sold/ reduced**	**Cumulative Share holding (Shares)**	**Mode of allotment/ Acquisition**	**Identity of allottees (e.g.- promoters/ others**	**Status of compliance with SEBI (SAST) Regulations and other Regulations under SEBI Act 1992 & other statutory requirements, as applicable**
On Incorporation	20	20	Subscriber to MoA allotment	Promoters/ Promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable.
From 1978 to 1993	7,99,980	8,00,000	Allotments to promoters on various dates	Promoters / promoter group shareholders	SEBI (SAST) Regulations, 1997, not applicable
23.06.1994	7,50,000	15,50,000	Allotment in the Public issue	Promoters / Promoter group shareholders	SEBI (SAST) Regulations, 1997 not applicable
Sales made between 1995 and 1997	4,04,200 (13.47% of the listed capital)	11,45,800 (38.19% of the listed capital)	Sales	Sale by Promoter to a shareholder in the public category	SEBI (SAST) Regulations 1997 not applicable as it is sale. Reporting under Regulation 7(1A) was not applicable, Reporting requirement under the Regulation 7(1A) not in force at that time.

Purchases made in the year ending March 31, 1998	2800 (0.09% of the listed capital)	11,48,600 (38.28% of the listed capital)	Market Purchases	Promoters / Promoter Group shareholders	SEBI (SAST) Regulations 1997 not applicable since there is no purchase in excess of 2% in a period of 12 months.
Sales made in the year ending March 31, 1998	7300 (0.24% of the listed capital)	11,41,300 (38.04% of the listed capital)	Market Sales	Sale by Promoter to a shareholder in the public category	SEBI (SAST) Regulations 1997 not applicable as it is sale. Reporting under Reg. 7(1A) not applicable. Reporting requirement under the Regulation 7(1A) not in force at that time.
Sales made in the year ending March 31, 1999	100 (0.00% of the listed capital)	11,41,200 (38.04% of the listed capital)	Market Sales	Sale by Promoter to a shareholder in the public category	SEBI (SAST) Regulations 1997 not applicable as it is sale. Reporting under Reg. 7(1A) not applicable since the Regulation was not in force.
Purchases made in the year ending March 31, 2000	10,300 (0.34% of the listed capital)	11,51,500 (38.38% of the listed capital)	Market Purchases	Promoter / Promoter Group Shareholders	SEBI (SAST) Regulations 1997 not applicable as the purchases it is within the limits under Regulation 11(1). Reporting under Reg. 7(1A) not applicable since the Regulation was not in force.
Sales made in the year ending March 31, 2000	1500 (0.05% of the listed capital)	11,50,000 (38.33% of the listed capital)	Market Sales	Sale by promoter to a shareholder in the public category	SEBI (SAST) Regulations 1997 not applicable as it is sale. Reporting under Reg. 7(1A) not applicable since the Regulation was not in force.
Inter-se transfer in year ending March 31, 2001 **(Inter-se transfer on 28/02/2001)**	40,100 (1.34% of the listed capital)	11,50,000 (38.33% of the listed capital)	Inter-se transfer amongst promoter group	Promoter / Promoter Group Shareholders	SEBI (SAST) Regulations 1997 not applicable as the inter-se transfer is within the limits under Regulation 11(1). Reporting under Reg. 7(1A) has not been done, as it was not in force.
Sales made during the year ending March 31, 2001	500 (0.01% of the listed capital)	11,49,500 (38.32% of the listed capital)	Market Sales	Sale by Promoter to a shareholder in the public category	SEBI (SAST) Regulations 1997 not applicable as it is sale. Reporting under Reg. 7(1A) not applicable since the Regulation was not in force.
Inter-se transfer in year ending March 31, 2003 **(Inter-se transfer on 31/03/2003)**	2,21,800 (7.39% of the listed capital)	11,49,500 (38.32% of the listed capital)	Inter-se transfer amongst promoter group	Promoter / Promoter Group Shareholders	SEBI (SAST) Regulations 1997 may not be applicable since the same is inter-se transfer, which is exempted under Reg. 3(e). Not reported 4 days in advance to Stock Exchanges. Not reported to SEBI within 21 days of the transaction. Other conditions satisfied. The transferor and transferee had not complied with Reg. 6 & 8, and the filings were actually done on 25/06/2007. Not Complied with reporting requirement under Regulation 7(1A).

Purchases made in the year ending March 31, 2003	22,000 (0.74% of the listed capital)	11,71,500 (39.05% of the listed capital)	Market Purchases	Promoter / Promoter Group Shareholders	SEBI (SAST) Regulations may not be applicable, since the same, after consideration of the inter-se transfer in the same year is within the limits specified by Regulation 11(1).
Inter-se transfer in year ending March 2004 **(Inter-se transfer on 31/10/2003)**	1,48,000 (4.93% of the listed capital)	11,71,500 (39.05% of the listed capital)	Inter-se Transfer amongst the promoter group	Promoter / Promoter Group Shareholders	SEBI (SAST) Regulations 1997 not applicable as the inter-se transfer is within the limits under Regulation 11(1). Reporting under Reg. 7(1A) has not been done.
Sales made during the year ending March 31, 2004	5000 (0.16% of the listed capital)	11,66,500 (38.89% of the listed capital)	Market Sales	Sale by Promoter to a shareholder in the public category	SEBI (SAST) Regulations 1997 not applicable as it is sale. Reporting under Regulation 7(1A) is not applicable.
Purchases made in the year March 31, 2005	5,300 (0.18% of the listed capital)	11,71,800 (39.07% of the listed capital)	Market Purchases	Promoter / Promoter group shareholders	SEBI (SAST) Regulations 1997 not applicable as the purchases is within the limits under Regulation 11(1). Reporting under Reg. 7(1A) is not required.
Sales made during the year ended March 31, 2005 (Sold on 31/03/2005)	3,96,800 (13.23% of the listed capital)	7,75,000 (25.83% of the listed capital)	Market Sales	Sale by Promoter to a shareholder in the public category	SEBI (SAST) Regulations 1997 not applicable as it is sale. Reporting under Regulation 7(1A) has not been done by the sellers.
Purchases made in the year March 31, 2006	1,200 (0.04% of the listed capital)	7,76,200 (25.87% of the listed capital)	Market Purchases	Promoter / Promoter group shareholders	SEBI (SAST) Regulations 1997 not applicable as the purchases is within the limits under Regulation 11(1). Reporting under Reg. 7(1A) is not required.
Sales made in the year March 31, 2006 (Sold on 14/03/2006)	20,000 (0.67% of the listed capital)	7,56,000 (25.20% of the listed capital)	Market Sales	Sale by Promoter to a shareholder in the public category	SEBI (SAST) Regulations 1997 not applicable as it is sale. Reporting under Regulation 7(1A) is not required.
Sales made in the year March 31, 2007 (Sold on 31/07/2006)	4,40,200 (14.67% of the listed capital)	3,16,000 (10.53% of the listed capital)	Market Sales	Sales made by the Promoters to the present acquirers (4,40,000) and others (200)	SEBI (SAST) Regulations 1997 not applicable as it is sale. Reporting under Regulation 7(1A) has not been done by the sellers.

5.20 **Status of Corporate Governance**

SCIL has complied with the provisions of Corporate Governance applicable to the Company as per Clause 49 of the Listing Agreement with the Stock Exchanges where the shares of the Target Company are listed. There is no pending litigation against SCIL.

5.21 **Compliance Officer**

Mrs. Nandita Damani
125, T.V. Industrial Estate,
Opp. Hind Cycles,
Pandurang Budhakar Marg,
Worli, Mumbai – 400 025
Telephone No.: (022) 3293 4546

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 The equity shares of the Target Company are listed on Bombay Stock Exchange Limited, Mumbai, Hyderabad Stock Exchange Limited, Hyderabad and Ahmedabad Stock Exchange Limited, Ahmedabad.

6.1.2 The Shares of the Company are frequently traded on BSE Ltd. in terms of Explanation (i) to Regulation 20(5) of the Regulations, during the 6 calendar months prior to the month in which the Public announcement was made (i.e. from July 2006 to December 2006) but the shares of the Target Company are not traded on Ahmedabad Stock Exchange and Hyderabad Stock Exchange during the last six months.

Name of the Stock Exchange	Total number of shares traded during the 6 calendar months prior to the month in which PA was made	Total number of Listed Shares	Annualized Trading Turnover (in terms of % to Total Listed Shares)
BSE, Mumbai.	91,700	30,00,000	6.11
HSE, Hyderabad.	—	30,00,000	—
ASE, Ahmedabad.	—	30,00,000	—

(Source: Official website of the BSE, Mumbai – www.bseindia.com)

6.1.2 The Offer Price of Rs. 7/- (Rupees Seven Only) per share is justified in terms of the Regulation 20 (4) of the SEBI (SAST) Regulations, 1997 as it is highest of the followings:

a. The negotiated price is Rs. 2 (Rupees Two) per share as per the Share Purchases Agreements.

b. Highest price paid by the acquirer for acquisition during preceeding twenty-six weeks prior to PA is Rs. 2/- (Rupees Two) per share.

c. The average of weekly high and low of the closing price of the shares of SCIL during 26 weeks preceeding the PA on BSE is set out below:

Week No.	Week Ended	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Rs.)
1	22-Jan-07	7.16	6.28	6.72	46,372.00
2	15-Jan-07	7.00	6.19	6.60	10,075.00
3	08-Jan-07	7.24	5.98	6.61	27,320.00
4	01-Jan-07	5.70	4.94	5.32	23,380.00
5	25-Dec-06	4.75	4.12	4.44	43,413.00

6	18-Dec-06	3.93	3.75	3.84	1,554.00
7	11-Dec-06	3.58	3.10	3.34	2,653.00
8	04-Dec-06	2.96	2.57	2.77	7,698.00
9	27-Nov-06	2.80	2.45	2.63	3,871.00
10	20-Nov-06	2.67	2.42	2.55	5,461.00
11	13-Nov-06	2.50	2.29	2.40	4,711.00
12	06-Nov-06	2.56	2.45	2.51	1,779.00
13	30-Oct-06	2.73	2.47	2.60	3,039.00
14	23-Oct-06	3.48	2.86	3.17	3,723.00
15	16-Oct-06	3.67	3.32	3.50	1,048.00
16	09-Oct-06	4.03	3.83	3.93	1,169.00
17	02-Oct-06	4.24	3.66	3.95	3,618.00
18	25-Sep-06	4.05	3.50	3.78	8,710.00
19	18-Sep-06	4.79	4.25	4.52	49,412.00
20	11-Sep-06	5.00	4.58	4.79	1,918.00
21	04-Sep-06	5.29	4.68	4.99	18,379.00
22	28-Aug-06	5.50	4.76	5.13	12,452.00
23	21-Aug-06	5.95	4.98	5.47	21,163.00
24	14-Aug-06	5.00	4.45	4.73	24,761.00
25	07-Aug-06	4.86	4.00	4.43	59,228.00
26	31-Jul-06	4.20	3.60	3.90	23,294.00
26 Weeks Average Price (Rs.)				**4.18**	

d. The average of daily high and low prices of the shares of SCIL during the 2 weeks preceeding the Public Announcement on BSE as set out below:

Day	End date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Rs.)
1	22-Jan-07	6.85	6.81	6.83	2,736.00
2	19-Jan-07	7.16	6.58	6.87	8,878.00
3	18-Jan-07	6.82	6.28	6.55	18,208.00
4	17-Jan-07	6.50	6.50	6.50	9,750.00
5	16-Jan-07	6.80	6.80	6.80	6,800.00
6	15-Jan-07	6.50	6.19	6.35	3,188.00
7	12-Jan-07	6.51	6.51	6.51	651.00
8	11-Jan-07	6.85	6.85	6.85	137.00
9	10-Jan-07	7.20	7.20	7.20	720.00
10	09-Jan-07	7.00	6.88	6.94	4,146.00
2 Weeks Average Price of Daily High and Low				**6.74**	

As per Regulation 20(4), the Offer Price of Rs. 7/- is justified since it is higher than Rs. 6.74 (higher than average 26 weeks price). The Offer Price is justified by Mr. Arvind Darji of M/s. Arvind Darji Associates, Chartered Accountants (Membership No. 41748) vide their certificate dated 27th January 2007 and having their office at 402 – A, Chandan Chambers, 4th Floor, 138, Modi Street, Mumbai – 400 001. Telephone No.: 6633 1574 / 6654 1574.

6.2 Offer Price as per the provisions of Regulation 20(5): Infrequently traded at ASE and HSE

6.2.1 The negotiated price under the agreement referred to in sub-regulation (1) of Regulation 14 is Rs. 2/- (Rupees Two)

6.2.2 Highest Price paid by the Acquirers twenty-six weeks period prior to Public Announcement is Rs. 2/- (Rupees Two) per share.

6.2.3 In respect of ASE and HSE where the Equity Shares are infrequently traded, the Offer Price is justified by considering the following parameters:

Particulars	As on 31/12/2006	As on 31/03/2006	As on 31/03/2005
Dividend (%)	Nil	Nil	Nil
Return on Net worth (%)	Nil	Nil	0.53
Book Value Per Share (Rs.)	9.54	9.79	10.08
Earning Per Share (Rs.)	(0.26)	(0.28)	0.05

Industry P/E Ratio: There is no other listed company in similar business as SCIL.

6.2.4 As per the provisions of Regulation 20(5), the shares of SCIL is valued by M/s M. Inani & Co. (an independent practicing Chartered Accountants) having office situated at 16, Raja House, 3rd Floor, 18, M. K. Amin Marg, Fort, Mumbai – 400 001. Tel No. (022) 2270 5065, 3103 1447; Email: m_inani@hotmail.com. Mr. Sandeep Maheshwari, (Membership No. 049393) partner of M/s M. Inani & Co. has calculated the Fair Market Value of each Equity Share of SCIL is Rs. 4/- (Rupees Four) vide his certificate dated 13th March 2007.

6.3 There is no non-compete arrangement for payment to any person other than the parties to the agreements.

6.4 Financial Arrangements

6.4.1 The maximum purchase consideration required to be paid by the Acquirers in the case of full acceptance of the Offer is Rs. 42.00 Lacs (Rupees Forty Two Lacs Only) and for SPAs is Rs. 13.772 Lacs aggregating to Rs. 55.772 Lacs (Rupees Fifty-Five Lacs Seventy-Seven Thousand Two Hundred).

6.4.2 Acquirers have provided Bank Guarantees in favour of the Merchant Banker for Rs. 56.00 Lacs (Rupees Fifty-Six Lacs Only) in the denominations of Rs. 7.00 Lacs dated 18th January 2007, Rs. 4.00 Lacs dated 29th January 2007 and Rs. 20.00 Lacs dated 22nd May 2007 from The Jammu and Kashmir Bank Limited, Branch: Mohammad Ali Road, 55, Noor Mahal CHS, Mumbai – 400 003 and another Bank Guarantee of Rs. 25.00 Lacs dated 22nd May 2007 from Oriental Bank of Commerce, Branch: Regional Office (Mumbai South), 141, Maker Tower, F-Wing, Cuffe Parade, Mumbai – 400 005 towards ESCROW A/C i.e. more than 100% of the total consideration payable.

6.4.3 Further to the Bank Guarantees, the Acquirers have deposited Rs. 45,000 (Rupees Forty Five Thousand Only) in cash, representing more than 1% of the total consideration under Open Offer with State Bank of India, Branch: Nariman Point, Mumbai – 400 021 as required under Regulation 28(10) of SEBI (SAST) Regulations, 1997 as and by way of security for fulfillment of the obligations under the Regulations by the Acquirers.

6.4.4 The Acquirers have adequate and firm financial resources to meet the financial requirements of the Offer in terms of Regulation 16(xiv). The sources of funds are through internal resources of the Acquirers. No borrowing from Bank / Financial Institution is being made for the purpose. All the funds would be domestic and no foreign funds will be utilized.

6.4.5 M/s. Arvind Darji Associates, Chartered Accountants (Membership No. 41748), having their office at 402 – A, Chandan Chambers, 4th Floor, 138, Modi Street, Mumbai – 400 001. Telephone No.: 6633 1574 / 6654 1574, have confirmed vide their certificates dated 26th March 2007, that sufficient resources are available with the Acquirers to fulfill its obligations under the Offer.

6.4.6 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the Regulations. The Manager to the Offer confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational Terms and Conditions

7.1.1 The Offer is being made in compliance with the provisions of Regulations 10 and 12 and other applicable provisions of the Regulations for the purpose of substantial acquisition of equity shares accompanied with change in control and Management of SCIL.

7.1.2 The acceptance of the Offer is entirely at the discretion of the equity shareholders of SCIL and each shareholder (except Acquirers and Sellers) of SCIL holding fully paid-up equity shares to whom this Offer is being made is free to offer his shareholding in SCIL, in whole or in part while accepting the Offer.

7.1.3 Accidental omission to despatch this Letter of Offer or any further communication to any person to whom this Offer is made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.

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

7.1.5 The acceptance of the Offer must be unconditional and should be sent in the attached Form of Acceptance alongwith the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at any of the collection centres mentioned in para 8.1 under "Procedure for Acceptance and Settlement" on or before 29th August 2007. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.

7.1.6 The Offer is not subject to any minimum level of acceptance. The Acquirers will acquire all the fully paid up equity shares of SCIL that are validly tendered and accepted in terms of this Offer upto 6,00,000 fully paid-up equity shares of Rs. 10/- each representing 20% of the paid up and voting capital of the Company. Thus, the Acquirers will proceed with the Offer even if they are unable to obtain acceptance to the full extent of the equity shares of SCIL for which this Offer is made.

7.1.7 The shares tendered under this Offer should be free from any charge, lien or encumbrances of any kind whatsoever.

7.1.8 The Acquirers will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The equity shareholders of SCIL are advised to adequately safeguard their interest in this regard.

7.1.9 Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer i.e. upto 24th August 2007.

7.1.10 If the aggregate of the valid responses to the Offer exceeds 6,00,000 fully paid up equity shares, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations in such a way that acquisition from a shareholder shall not be less than the market lot or the entire holding, if it is less than the market lot. The equity shares of SCIL are currently traded both in dematerialised and physical mode. The market lot of the shares is 50 in case of physical mode. In view of acceptance of minimum marketable lots, the total number of shares accepted may marginally exceed the offer size.

7.1.11 The Acquirers reserve the right to withdraw the Offer pursuant to Regulation 27 of the Regulations. Any such withdrawal will be notified in the form of an Announcement in the same newspapers in which the Public Announcement had appeared.

7.2 **Locked in Shares**

There are no shares of SCIL that are "locked-in" as per SEBI guidelines.

7.3 **Eligibility for Accepting the Offer**

The Offer is made to all the equity shareholders (except Acquirers and Sellers) of SCIL whether registered or not who own the fully paid shares anytime prior to the closure of the offer. However, the Letter of Offer is being mailed to those shareholders whose names appear on the Register of Members of SCIL at the close of business hours on the Specified Date i.e. Tuesday, 13th February, 2007. Shareholders (except Acquirers and Sellers) holding fully paid shares of SCIL any time prior to the closure of the Offer are eligible to tender their shares in terms of this Offer.

7.4 Statutory Approvals

7.4.1 To the knowledge of the Acquirers no statutory approvals are required to acquire the shares that may be tendered pursuant to the Offer**.** If any other statutory approvals become applicable at a later date, the Offer would be subject to such statutory approvals. In case the statutory approvals are not obtained, the Acquirers will not proceed with the Offer.

7.4.2 Subject to the receipt of statutory approvals, the Acquirers shall complete all procedures relating to the Offer including payment of consideration within a period of 15 days from the Closure of the Offer to those shareholders whose share certificates and / or other documents are found valid and in order and are approved for acquisition by the Acquirers. In case of delay in receipt of any statutory approval, if any, SEBI has the power to grant extension of time to Acquirers for payment of consideration to the shareholders subject to Acquirers agreeing to pay interest as directed by SEBI under Regulation 22(12). If the delay occurs due to the wilful default of the Acquirers in obtaining the requisite approvals, Regulation 22(13) will become applicable.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1 The Name and address of the collection center of the **Registrar to the Offer**, for the purpose of the Offer is as follows: -

REGISTRAR TO THE OFFER	MODE OF DELIVERY	BUSINESS HOURS
System Support Services 209, Shivai Industrial Estate, 89, Andheri – Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072. Tel:022-2850 0835; Fax:022-2850 1438 Email: sysss72@yahoo.com Contact Person: Mr. Mahendra Mehta / Mr. Zeob Sutarwala	Registered Post and / or Hand Delivery	Monday to Friday 10.00 A.M. to 5.30 P.M. Saturday 10.00 A.M. to 2.00 P.M. (Excluding Bank holidays)

8.2 Shareholders who wish to tender the shares will be required to send the Form of Acceptance cum Acknowledgement duly completed and signed by all the shareholders, Original Share Certificate (s) and Transfer Deed (s) duly signed in case of Joint Holdings in the same order as per the specimen signatures lodged with SCIL and witnessed (if possible by a Notary Public or Bank Manager or Member of Stock Exchange with membership number) to the Registrar to the Offer, either by hand delivery during normal business hours or by Registered Post on or before the Closure of the Offer i.e. 29th August 2007 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement. In case the shares stand in the name of a sole shareholder who is deceased, notarized copy of the legal representative obtained from a competent court.

8.3 The shareholders shall not send their shares or other relevant document to Manager to the Offer, the Acquirers or the Target Company. All the documents should be sent to the Registrar to the Offer.

8.4 All owners of shares, registered or unregistered (except the Acquirers and the parties to the agreement), who own the shares at any time prior to the closure of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares Offered, Distinctive Numbers, Folio No., together with the Original Share Certificate(s), valid Transfer Deed(s) and a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners. There is a marketable lot of 50 shares for the shares of SCIL if it is in the physical form.

8.5 In case the shares tendered in the Open Offer are more than the shares agreed to be acquired by the Acquirers, the Acquirers shall accept all valid applications received from the shareholders of the Company on a proportionate basis ensuring that it does not result in odd lots.

8.6 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners sole risk to the sole/ first shareholder.

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

8.8 Beneficial owners (holders of shares in dematerialized form) who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgment along with the photocopy of the delivery instruction in “Off-market” mode or counter foil of 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, **System Support Services**; 209,Shivai Industrial Estate; 89, Andheri – Kurla Road; Sakinaka; Andheri (East), Mumbai – 400 072 either by hand delivery on weekdays or by Registered Post on or before the Closure of the Offer, i.e. not later than 29th August 2007 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgment. The credit for the delivered shares should be received in the Special Depository Account on or before Closure of the Offer, i.e., not later than 29th August 2007.

8.9 The shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to 3 (three) working days prior to the date of the Closure of the Offer, i.e. on or before 24th August 2007, in terms of Regulation 22(5A).

8.10 The withdrawal option can be exercised by submitting the Form of withdrawal so as to reach the Registrar to the Offer on or before 24th August 2007.

8.11 In case of Non-receipt of the Form of withdrawal, the withdrawal option can be exercised by making an application on a plain paper along with the following details:

a) In case of Physical shares: Name, Address, Number of shares tendered / withdrawn.
b) In case of Dematerialised shares: Name, Address, Number of shares tendered / withdrawn, DP Name, DP ID, Beneficiary account number and photo copy of delivery instructions in “off market” mode or counter foil of the delivery instructions in “off market” mode duly acknowledged by DP in favour of the Depository Escrow account.

Depository Escrow A/c – “System Support Services A/c SCIL Open Offer”
Account No. - 10008095
DP Name – The Dhanalakshmi Bank Ltd.
DP ID Number – IN302687

8.12 Intimation of withdrawal of returned shares to the shareholders will be at the address as per records of SCIL.

8.13 In case of partial withdrawal of tendered shares, if original share certificates are required to be split, the same will be returned on receipt of share certificates from SCIL.

8.14 Partial withdrawal of tendered shares can be done only by registered shareholders. In case of partial withdrawal, earlier form of acceptance will stand revised to that effect.

8.15 Unaccepted or withdrawn Share Certificate(s), Transfer Form (s) and other documents, if any, will be returned by Registered Post, to the sole/first named holder/unregistered owner at their own risk.

8.16 Payment of consideration will be made by crossed account payee cheque/demand draft and sent by registered post, to those shareholders/unregistered owners at their own risk, whose shares/share certificates and other documents are found in order and accepted by the Acquirers. In case of joint registered holders, cheque/ demand draft will be drawn in the name of the sole/first named holder/unregistered owner and will be sent to him/her. It is desirable that shareholders provide bank details in the form of acceptance, so that the same can be incorporated in the cheque/demand draft.

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

THE DOCUMENTS SHOULD BE SENT ONLY TO THE REGISTRAR TO THE OFFER.

The shareholders also have an option to download the form of acceptance from SEBI's website (www.sebi.gov.in) and apply in the same.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at Registered Office of Target Company – 125, T.V. Industrial Estate, Opp. Hind Cycles, Pandurang Budhakar Marg, Worli, Mumbai - 400 025. Tel. No.: 022 – 3293 4546; Fax No. 022 – 6725 1166 between 11.00 a.m. and 3.00 p.m. on any business day during the Open Offer period.

9.1 Memorandum of Association & Articles of Association (including Certificate of Incorporation) of Scana Color (India) Limited.

9.2 A published copy of the Public Announcement made on 23rd January 2007 and subsequent corrigendum to the PA published on 2nd February 2007 and 27th July 2007 in the newspapers.

9.3 Copies of Audited accounts and Annual Reports of SCIL as at 31st March 2004, 31st March 2005, 31st March 2006 and a certified copy of Profit and Loss Account and Balance sheet for nine months ended as on 31st December 2006.

9.4 The Net worth certificate of the Acquirers as on 15th March 2007 from the Chartered Accountant dated 21st March 2007 by M/s. Arvind Darji Associates, Chartered Accountants (Membership No. 41748), having their office at 402 – A, Chandan Chambers, 4th Floor, 138, Modi Street, Mumbai– 400 001. Telephone No.: 66331574 / 66541574.

9.5 The copies of Auditors certificate stating availability of adequate financial resources with the Acquirers of vide certificate dated March 26, 2007 by M/s. Arvind Darji Associates, Chartered Accountants (Membership No. 41748), having their office at 402 – A, Chandan Chambers, 4th Floor, 138, Modi Street, Mumbai– 400 001. Telephone No.: 66331574 / 66541574, certifying the adequacy of financial resources of the Acquirer to fulfill the Offer obligations.

9.6 The copies of Bank Guarantees to meet the total obligations of the Open Offer and SPAs i.e. Rs. 56 Lacs (in the denominations of Rs. 7.00 Lacs dated 18th January 2007, Rs. 4.00 Lacs dated 29th January 2007, Rs. 20.00 Lacs dated 22nd May 2007) from The Jammu and Kashmir Bank Limited, Branch: Mohammad Ali Road, 55, Noor Mahal CHS, Mumbai – 400 003 and another Bank Guarantee of Rs. 25.00 Lacs dated 22nd May 2007 from Oriental Bank of Commerce, Branch: Regional Office (Mumbai South), 141, Maker Tower, F-Wing, Cuffe Parade, Mumbai – 400 005 towards the Escrow amount in favour of the Manager to the Offer i.e. Aryaman Financial Services Ltd.

9.7 Copies of the Share Purchase Agreements (SPAs) dated 19th January 2007.

9.8 A copy of Consent Letter from the Registrar of the Offer to act as the Registrar to the Offer.

9.9 A copy of Offer Price justified as per Regulation 20(4), by Mr. Arvind Darji of M/s. Arvind Darji Associates, Chartered Accountants (Membership No. 41748) having confirmed vide their certificate dated 27th January 2007 and having their office at 402 – A, Chandan Chambers, 4th Floor, 138, Modi Street, Mumbai – 400 001. Telephone No.: 6633 1574 / 6654 1574.

9.10 A copy of valuation of shares as per the provisions of Regulation 20(5), valued by M/s M. Inani & Co. (an independent practicing Chartered Accountants) having office situated at 16, Raja House, 3rd Floor, 18, M. K. Amin Marg, Fort, Mumbai – 400 001. Tel No. 022- 2270 5065, 31031447; Email: m_inani@hotmail.com. Mr. Sandeep Maheshwari, (Membership No. 049393) partner of M/s M. Inani & Co. has calculated the Fair Market Value of each Equity Share of SCIL is Rs. 4/- (Rupees Four) vide his certificate dated 13th March 2007.

9.11 A letter from SEBI having letter no. CFD/DCR/TO/AK/99069/2007 dated July 19, 2007.

10. DECLARATION

10.1 The Acquirers having made all reasonable inquiries, accept responsibility for, and confirm that this Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

10.2 Both of the Acquirers would be jointly and severally, responsible for ensuring compliance with the Regulations.

10.3 We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956 and SEBI Substantial Acquisition of Shares and Takeover) Regulations 1997.

Signed by:

Sd/-
Mr. Rajesh G. Mehta

Sd/-
Mrs. Bhavna R. Mehta

Date: July 30, 2007
Place: Mumbai.

Enclosures: (1) Form of Acceptance cum Acknowledgement
(2) Form of Withdrawal
(3) Transfer Deed

Tear along this line

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)

OFFER OPENS ON: 10/08/2007
OFFER CLOSES ON: 29/08/2007

From:

Folio No./DP ID No./Client ID No:________________________________ Sr. No:___________________________

Name ____

Address ____

____

No. of Shares Held ____

Tel. No: _________________________ Fax No: ______________________E-Mail: ________________________________

To,

System Support Services

209, Shivai Industrial Estate, 89, Andheri – Kurla Road,

Sakinaka, Andheri (East), Mumbai – 400 072.

Tel: 022-2850 0835; Fax: 022-2850 1438; Email: sysss72@yahoo.com

Sub.: Open Offer for purchase of 6,00,000 equity shares of SCIL representing 20% of the Equity Voting Capital at a price of Rs. 7.30 (Seven rupees thirty paise only) including an interest of 30 paise @ 10% p.a. for the delayed period per share by Mr. Rajesh G. Mehta and Mrs. Bhavana R. Mehta (hereinafter referred to as 'Acquirers')

Dear Sir,

I/We refer to the Letter of Offer dated 28/07/2007 for acquiring the equity shares held by me/us in SCIL.

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

FOR SHARES HELD IN PHYSICAL FORM:

I/We accepts the Offer and encloses the original share certificate (s) and duly signed transfer deed (s) in respect of my/our shares as detailed below:

Sr. No.	Certificate No.	Distinctive No(s)		No. of Shares
		From	To	
Total Number of Equity Shares				

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

- Tear along this line -

Acknowledgement Slip

Folio No./DP ID No./Client ID No ____________________________

Serial No. ____

Received from Mr. / Ms. __________________________________

Address: ____

____

Number of certificate(s) enclosed ______ Certificate Number(s) _______

Total number of share(s) enclosed _______________

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer

Note : All future correspondence, if any should be addressed to Registrar to the Offer at the address mentioned behind in this form. The documents referred to above should be sent to any of the collection centers mentioned overleaf.

I/We note and understand that the original share certificate(s) and valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers pay the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

I/We note and understand that the Shares would lie in the Escrow Account until the time the Acquirers make payment of purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the equity shares of SCIL, which are being tendered herewith by me/us under the Offer, are free from lien, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirers to accept the shares so Offered which they may decide to accept in consultation with the Registrar to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, equity share certificate(s) in respect of which the Offer is not found valid/not accepted, specifying the reasons thereof.

I/We authorize the Acquirers or the Registrar to the Offer to send by Registered Post (under UCP if less than Rs. 1,500/-) the draft /cheque in settlement of the amount to the sole/first holder at the address mentioned below:

Yours faithfully,

Signed and Delivered:

	FULL NAME(S)	SIGNATURE (S)
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Note: In case of joint holdings, all holders must sign. A corporation / Company must affix its common seal.

Address of First/Sole Shareholder

____

____

Place:

Date:

So as to avoid fraudulent encashment in transit, shareholder(s) may provide details of bank account of the first / sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank ____ Branch ____

Account Number ____ Savings/Current/Others_____________________ _____

(Please Specify)_________________________

Business Hours: Monday to Friday: 10.00 a.m. to 5.30 p.m.; Saturdays: 10.00 a.m. to 2.00 p.m.
Holidays: Sundays and Bank Holidays

- Tear along this line -

All queries in this regard to be addressed to the Registrar to the Offer quoting your Folio No.

System Support Services
209, Shivai Industrial Estate,
89, Andheri – Kurla Road,
Sakinaka, Andheri (East),
Mumbai – 400 072.
Tel.: 022-2850 0835; Fax: 022-2850 1438
Email: sysss72@yahoo.com

Tear along this line

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to this Offer any time upto three working days prior to the date of closure of Offer. In case you wish to withdraw your acceptance please use this form.	**OFFER SCHEDULE** **OFFER OPENS ON: 10/08/2007** **LAST DATE OF WITHDRAWAL: 24/08/2007** **OFFER CLOSES ON: 29/08/2007**

From:

Folio No./DP ID No./Client ID No:________________________________ Sr. No:___________________________

Name ____

Address ____

____

No. of Shares Held ____

Tel. No: _________________________ Fax No: ______________________E-Mail: ________________________________

To,

System Support Services
209, Shivai Industrial Estate,
89, Andheri – Kurla Road,
Sakinaka, Andheri (East)
Mumbai – 400 072.
Tel: 022-2850 0835; Fax: 022-2850 1438
Email: sysss72@yahoo.com

Sub.: Open Offer for purchase of 6,00,000 fully paid up equity shares of SCIL representing 20% of the Equity Voting Capital at a price of Rs. 7.30 (Seven rupees thirty paise only) including an interest of 30 paise @ 10% p.a. for the delayed period per share by Mr. Rajesh G. Mehta and Mrs. Bhavana R. Mehta (hereinafter referred to as 'Acquirers')

Dear Sir,

I/We refer to the Letter of Offer dated 28/07/2007 for acquiring the equity shares held by me/us in SCIL.

I/We, the undersigned, have read the Letter of Offer and accept unconditionally its contents including the terms and conditions as mentioned therein.

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions as mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our equity shares from the Offer and I/We further authorize the Acquirers 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 equity shares from the Offer, no claim or liability shall lie against the Acquirers/Manager to the Offer/Registrar to the Offer.

I/We note that this form of withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal 24th August 2007.

- Tear along this line -

Acknowledgement Slip

Folio No./DP ID No./Client ID No ____________________________

Serial No. ____

Received from Mr. / Ms. ___________________________________

Address: ____

____

Form of withdrawal in respect of ______________Number of Shares

Certificates representing ____________________ Number of Shares

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer

I/We note that the Acquirers/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the equity shares and also for non-receipt of equity shares due to inaccurate/incomplete particulars/instructions.

I/We also note that and understand that the original share certificate(s), Share transfer deeds(s) and equity shares only on completion of verification of the documents, signatures carried out by the Registrar.
The particulars of tendered original share certificate(s) and duly signed transfer deed(s) and the shares we withdraw are detailed below.

Folio No./DP ID No/Client ID No……………………………………..

(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

Sr. No.	**Certificate No.**	**Distinctive No(s)**		No. of Equity Shares
		From	To	
	Tendered			
1)				
2)				
3)				
	Withdrawn			
1)				
2)				
3)				
Total Number of Equity Shares				

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed(s) will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirers to reject the shares so offered which it may decide in consultation with Registrar to the Offer and in terms of the Letter of Offer.

Yours faithfully,

Signed (……………….)

	FULL NAME(S)	**SIGNATURE (S)**
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Address of First/Sole Shareholder

Place:
Date:

Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.

- Tear along this line -

All queries in this regard to be addressed to the Registrar to the Offer quoting your Folio No.

System Support Services
209, Shivai Industrial Estate,
89, Andheri – Kurla Road,
Sakinaka, Andheri (East),
Mumbai – 400 072.
Tel.: 022-2850 0835; Fax: 022-2850 1438
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