**PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF**

**STERLITE PROJECTS LIMITED**

(Regd.Office: 96, Garden Reach Road, Kolkata- 700 023)

This Public Announcement ("PA") is being issued by Sumedha Fiscal Services Limited, ("SFSL" or "Manager to the Offer") on behalf of Shri Gaurav Kumar Bhandari (hereinafter referred to as "Acquirer") pursuant to and in compliance with Regulation 10 & 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as "Regulations").

1. **The Offer:**

1.1. This offer is being made by Shri Gaurav Kumar Bhandari, residing at No. 266, R.N.V. Extension, 15th Main, 5th Cross, Sadashiva Nagar, Bangalore-560080 to the Equity Shareholders of Sterlite Projects Limited (hereinafter referred to as "Target Company" or "SPL").

1.2. The Acquirer has entered into Share Purchase Agreement dated 12.02.2008 ("SPA" or "Agreement") to acquire in aggregate 2,71,900 (Two Lacs Seventy One Thousand Nine Hundred only) fully Paid-up Equity Shares of Rs. 10/- each representing 27.60% of the subscribed Equity Share Capital and 28.41% of voting Share Capital of SPL with Mr. Sharad Khaitan, s/o Late Gopal Khaitan, residing at 4 Queens park, Ballygunge, Kolkata-700019, acting for self and other individuals/companies as their Constituted Attorney ("promoter Shareholders") {hereinafter collectively referred to as "Sellers"} at a fixed price of Rs.8.00 per Share ("Negotiated Price") payable in cash ("The Acquisition"). The total consideration for the Equity Shares acquired as mentioned above is Rs 21,75,200/- (Rupees Twenty One Lacs Seventy Five Thousand Two Hundred only).

1.3. The Acquirer is now making this open offer to the Shareholders of SPL (other than the parties to the Agreement) to acquire from them upto 1,97,000 fully Paid-up Equity Shares of Rs.10/- each, representing 20.00 % of the subscribed Equity Share Capital and 20.58% of the voting Share Capital at a price of Rs.10/- per fully Paid-up Equity Share ("Offer Price") payable in cash ("Offer" or "Open Offer") in terms of Regulation 20 of the Regulations. As on the date of this PA, SPL has 27,800 partly Paid-up Equity Shares of Rs.10/- each and the total amount of allotment money in arrear is Rs.1,39,000/- i.e. Rs. 5/- per Share. The Offer Price for partly Paid-up Equity Shares shall be adjusted to the extent unpaid as per Regulation 20(10) of the Regulations.

1.4. The Shares of SPL are listed on Bombay Stock Exchange Limited (BSE), Calcutta Stock Exchange Association Limited (CSE), The Delhi Stock Exchange Association Limited (DSE) and U.P. Stock Exchange Association Limited (UPSE). As the annualised trading turnover is not more than 5% of the total No. of Listed Shares on any stock exchange, the Equity Shares are deemed to be infrequently traded within the meaning of explanation (i) to Regulation 20(5) of the Regulations. Therefore, in accordance with Regulation 20(5) of the Regulations, the Offer Price of Rs. 10/- per fully paid Equity Share is worked out on the following parameters:

| | | | |
|---|---|---|---|
| a) | Negotiated Price under the Agreement | : | Rs. 8.00 per fully paid-up Equity Share |
| b) | Highest Price paid by the Acquirer for acquisition, including by way of allotment in a public or rights or preferential issue during the 26 week period prior to the date of Public Announcement | : | N.A |
| c) | Other parameters | | Based on Audited Accounts for the year ended 31.03.2007 |
| d) | | | |
| | Return on Networth (%) | : | 1.43 |
| | Book Value per Share (Rs.) | : | 8.73 |
| | Earning per Share (Rs.) | : | 0.12 |

| | | | |
|---|---|---|---|
| | Industry Average P/E Multiple – “Jute/Yarn Products”* | : | 11.5 |
| | Offer Price P/E Multiple** | : | 83.33 |

*(Source: Capital Market Journal Vol.XXII/23 Jan 14-27, 2008, Industry – Jute/Yarn Products)

**Offer price/EPS

In view of the above, the Offer price of Rs.10/- per fully Paid-up Equity Share of Rs. 10/- each is justified in terms of Regulation 20 (11).

1.5. The Acquirer presently does not hold any Equity Shares of the Target Company. The Acquirer has not acquired any Equity Shares of the Target Company during the twelve months preceding the date of this PA.

1.6. As on the date of PA, the Manager to the Offer does not hold any Equity Share in the Target Company. They declare and undertake not to deal in the Shares of SPL during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of the Offer.

1.7. For the purpose of this Offer, there are no persons acting in concert as per the Provisions of Regulations 2(1)(e) of the Regulations.

1.8. The Offer is not subject to any minimum level of acceptances from Shareholders and is not a conditional Offer.

1.9. To the extent of the offer size, all the Shares of the Target Company that are validly tendered pursuant to this offer are proposed to be acquired by the Acquirer, subject to the terms and conditions set out herein and the Letter of Offer that would be sent to the Shareholders of the target Company and receipt of the statutory approvals mentioned in point No.5 of the PA.

1.10. This is not a competitive bid.

1.11. The Acquirer has undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfilment or outcome of the Agreement and its related conditions.

1.12. Neither the Acquirer nor the Target Company has been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act, 1992.

1.13. The Offer is not as a result of global acquisition resulting in indirect acquisition of SPL.

1.14. The Acquirer has not entered into any non-compete agreement with the Sellers. There is no non-compete agreement between the Acquirer and the Target Company or any other entity as envisaged under regulation 20(8) of the Regulations.

## 2. Information about the Acquirer:

Shri. Gaurav Kumar Bhandari, aged about 27 years, residing at No. 266, R.N.V. Extension, 15th Main, 5th Cross, Sadashiva Nagar, Bangalore-560080 is having more than 6 years of experience in real estate business and financial activities. His Networth as on 11.02.2008 as certified by Mr. Mukesh Surana, Proprietor of Mukesh Surana & Co. (Membership No.77745) Chartered Accountants, having Office at 8,36$^{th}$ Main, 4$^{th}$ ‘A’ Cross, BTM 1$^{st}$ Stage, Bangalore- 560068.Ph: (080) 31812643, (080) 6686837, email: suranamukesh@yahoo.co.in vide their Certificate dated 11$^{th}$ February, 2008 is Rs.329.17 Lacs.

## 3. Information about the Target Company (“SPL”):

3.1 SPL having its Registered Office at 96, Garden Reach Road, Kolkata- 700 023, was incorporated under the Companies Act, 1956 on the 31$^{st}$ January, 1983. The Company received Certificate of Commencement of Business pursuant to Section 149(3) of the

Companies Act, 1956 on 19th February 1983. SPL came out with initial public offer in the year September, 1983.

3.2 As on the date of this PA, the Authorised Share Capital of SPL is Rs.2,00,00,000/- divided into 20,00,000 Equity Shares of Rs.10/- each fully Paid-up. The Paid-up Equity Share Capital of SPL is Rs. 97,11,000/- comprising of 9,57,200 Equity Shares of Rs. 10/- each fully Paid-up and 27,800 Equity Shares of Rs. 10/- each partly paid to the extent of Rs. 5/- per Share. There are no Shares under lock-in.

3.3 SPL is presently engaged in the activities of trading in jute fibres.

3.4 The Equity Shares of SPL are listed at BSE, CSE, DSE and UPSE. The Shares of the SPL are not admitted as permitted security in any other Stock Exchange. BSE had suspended the trading of the Shares of the Company due to short notice of Book closure related to the year 1997 as per Clause 16 of the listing agreement w.e.f September 1, 1997. Trading of the Shares of the Company on BSE was resumed w.e.f. 29.11.2006 after the suspension having been withdrawn.

3.5 As per the Audited Financial Results of SPL for the year-ended 31.03.2007, the Total Income and Net Profit after Tax of SPL are Rs. 65.84 lacs and Rs. 1.22 lacs, respectively. The networth and Book Value per Share of SPL as on 31.03.2007 are Rs. 84.73/- Lacs and Rs. 8.73/- respectively. The Earning per Share and Return on Networth are Re. 0.12/- and 1.43%, respectively.

**4. Reasons for the Offer and Future Plans about Target Company:**

4.1. The Offer has been made pursuant to Regulation 10 & 12 and other provisions of the Chapter III and in compliance with the Regulations.

4.2. The prime object of the Offer is to acquire substantial acquisition of Shares/voting rights accompanied with the change of control and management of the Company.

4.3. The Acquirer has plans to expand into Real Estates activities mainly in south India. SPL is presently engaged in the trading activities of jute fibers. The Acquirer through SPL intend to invest, incubate in activities viz. Real Estate, Turnkey Projects and other infrastructural jobs and also to reap benefits of corporate opportunities available to companies listed on the stock exchanges having pan India presence.

4.4. The Acquirer does not have any plans to dispose off or otherwise encumber any assets of SPL in the next two years except in the ordinary course of business of SPL and / or for the purposes of restructuring, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of SPL.

4.5. The Acquirer undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the Shareholders of the Target Company and in accordance with and subject to the applicable laws, permissions and consents, if any.

**5. Statutory Approvals/ Other Approvals Required for the Offer:**

5.1. The Offer is subject to the approval from Reserve Bank of India ("RBI"), under the Foreign Exchange Management Act, 1999 ("FEMA"), for acquisition of Equity Shares by the Acquirer from non-resident persons under the offer.

5.2. To the best of knowledge and belief of the Acquirer, as of the date of the PA, other than the above, no statutory approvals are required by them to acquire the Equity Shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. In terms of Regulation 27 of the Regulations, the Acquirer shall not proceed with the Offer in the event that such statutory approvals that are required are refused.

5.3. In case of non receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders as directed by SEBI, in terms of Regulation 22(12) of the Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

5.4. No approval is required from any bank or financial institutions, for this Offer, to the best of the Knowledge of the Acquirer.

**6. Option in Terms of Regulation 21:**

In the event, pursuant to this offer, if the public Shareholding in the Target Company falls below 25% of its outstanding Equity Share Capital, the Acquirer will, in accordance with Regulation 21(2) of the Regulations, facilitate the Target Company to raise the level of public Shareholding to the level specified for continuous listing in the Listing Agreement with the Stock Exchanges within the specified time and in accordance with the prescribed procedure under clause 40A(viii) of the Listing Agreement and in compliance with the Regulations.

**7. Financial Arrangements:**

7.1. The Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of his own sources/Networth and no borrowings from any Bank and/or Financial Institutions are envisaged. Mr. Mukesh Surana, Proprietor of Mukesh Surana & Co. (Membership No.77745) Chartered Accountants, having office at 8,36th Main, 4th 'A' Cross, BTM 1st Stage, Bangalore- 560068. Ph: (080)31812643, (080)6686837, email: suranamukesh@yahoo.co.in have certified vide their Certificate dated 12.02.2008 that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full.

7.2. The total fund requirement for the Offer is Rs. 19,70,000/- (Rupees Nineteen Lacs Seventy Thousand only). In accordance with Regulation 28 of the Regulations, the Acquirer has opened an Escrow Account in Tamilnad Mercantile Bank Limited, 58-D, N.S.Road, Ganesh Market, 2nd Floor, Kolkata-700001 and has made a Cash deposit of Rs. 5,00,000/- (Rupees Five Lacs Only) therein, being more than 25% of the Consideration payable in the Open Offer.

7.3. A lien has been created on the said Escrow Account in favour of the Manager to the offer by the Tamilnad Mercantile Bank Limited. The Manager to the Offer i.e. Sumedha Fiscal Services Limited has been solely authorized by the Acquirer to operate and realise the value of Escrow Account in terms of the Regulations.

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

**8. Other Terms of the Offer:**

8.1. The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those Shareholders of SPL (except the Acquirer and Sellers) whose name appear on the Register of Members and to the beneficial owners of the Shares of the SPL whose names appear on the beneficial records of the respective Depository Participant, at the close of business hours on 29.02.2008 ("Specified Date").

8.2. Shareholders holding Equity Shares in physical form who wish to accept the Offer and tender their Shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) to the Registrar to the Offer, either by hand delivery on Weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e.23.04.2008 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

8.3. The Registrar to the Offer has opened a Special Depository Account with Shree Bahubali International Limited, (Registered with NSDL), styled "Maheshwari Datamatics Pvt. Ltd. – SPL-Open Offer Escrow Account". The DP ID is IN300773 and Client ID is 10235945 Shareholders having their beneficiary account in CDSL has to use Inter depository delivery instruction slip for the purpose of crediting their Shares in favour of the Special Depository Account.

8.4. Beneficial owners and Shareholders holding Shares in the dematerialized Form who wish to tender their Shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the Special Depository Account, to the Registrar to the Offer either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post, on or before the Closing of the Offer, i.e. 23.04.2008, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

8.5. All owners of the Shares, Registered or Unregistered (except the Acquirer and Sellers) who own the Shares any time prior to the Closing 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 of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original Share Certificate(s), valid Transfer Deeds and the original Contract Note issued by the Broker through whom they acquired their Shares. No indemnity is required from unregistered owners.

8.6. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Registered Folio Number, Share Certificate Numbers, Distinctive Numbers, Number of Shares held, Number of Shares offered, along with documents as mentioned in above point 8.5 so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. 23.04.2008, in case of beneficial owners, they may send the 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, DP Name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Registrar to the Offer, on or before the Closing of the Offer, i.e. 23.04.2008.

8.7. The Letter of Offer along with the form of acceptance would also be available in SEBI's website at ***www.sebi.gov.in***. and the Eligible persons to the Offer may download the form of acceptance from the website as one of the alternatives available to them for applying in the offer.

8.8. Shareholders who have sent their Shares for dematerialisation need to ensure that the process of getting Shares dematerialised is completed well in time so that the credit in the Escrow Account should be received on or before the closure of the Offer, else the application would be rejected.

8.9. The Registrar to the Offer will hold in trust the Share Certificates, Shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form/s on behalf of the Shareholders of SPL who has accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted Shares/Share Certificates are despatched/returned.

8.10 Share Certificates, Transfer Forms and other documents in respect of Shares not accepted under the Offer, if any, will be returned by Registered Post at the Shareholders' / unregistered owners' sole risk to the sole/first Shareholder. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

8.11. In case the Shares tendered in the Offer by the Shareholders of SPL are more than the Shares to be acquired under the Offer, the acquisition of the Shares from each Shareholder will be as per the provision of regulation 21(6) of the Regulations on a proportionate basis. The marketable lot for both physical and demat Shares is 1(One). The rejected Applications / Documents will be sent by Registered Post. As the Shares of the Target Company are compulsorily traded in dematerialized form, therefore minimum acceptable / marketable lot will be one Share.

8.12 The payment of acquisition of Shares will be made by the Acquirer in cash through a crossed Demand Draft/Pay Order to the Equity Shareholders of SPL whose Equity Share certificates and other documents are found in order and accepted by the Acquirer, with in 15 Days from the date of Closing of the Offer.

8.13. In terms of regulation 22(5A) of the Regulations, Shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing date by submitting the required documents, so as to reach the Registrar to the Offer on or before 18.04.2008. The withdrawal option can be exercised by submitting the Form of Withdrawal enclosed with Letter of Offer. In case of non-receipt of Form of Withdrawal, the withdrawal can be exercised by making it on plain paper along with the details as mentioned in the point 8.6 above. The Shares withdrawn by the Shareholders, if any, would be returned by Registered Post.

8.14. A Schedule of some of the major activities in respect of the Offer is given below:

| **Activities** | **Date** | **Day** |
|---|---|---|
| Specified Date (for the purpose of determining the name of Shareholders to whom the Letter of Offer will be sent) | 29.02.2008 | Friday |
| Last Date for a Competitive Bid, if any | 08.03.2008 | Saturday |
| Date by which the Letter of Offer to be Dispatched to the Shareholders | 29.03.2008 | Saturday |
| Date of Opening of the Offer | 04.04.2008 | Friday |
| Last date for revising the Offer Price/ Number of Shares | 11.04.2008 | Friday |
| Last date for Withdrawal of Acceptance by Shareholders who has accepted the Offer | 18.04.2008 | Friday |
| Date of Closing of the Offer | 23.04.2008 | Wednesday |
| Date by which communicating acceptance /rejection and payment of consideration for accepted Shares / dispatch of Share Certificate in case of rejection | 07.05.2008 | Wednesday |

## 9. General

9.1. Shareholders who has accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto 18.04.2008 i.e. three working days prior to the date of Closure of the Offer.

9.2. If there is any upward revision in the Offer Price up to seven working days prior to the date of Closure of the Offer i.e 11.04.2008 or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same Newspapers where this original Public Announcement appeared and such revised Offer Price would be payable to all the Shareholders who has tendered their Shares any time during the Offer and accepted under the Offer.

**9.3. If there is a Competitive Bid:**

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

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

9.4. The Acquirer, the Sellers and SPL has not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any other Regulations made under the SEBI Act.

9.5. Pursuant to regulation 13 of the Regulations, the Acquirer has appointed **Sumedha Fiscal Services Limited,** as Manager to the Offer.

9.6. The Acquirer has appointed Maheshwari Datamatics Private Limited, as the Registrar to the Offer, having office at 6, Mangoe Lane, 2nd Floor, Kolkata- 700 001 E-mail: **mdpl@cal.vsnl.net.in**. The Contact Person is Mr. S. Rajagopal.

9.7. The Acquirer accepts full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirer laid down in the Regulations.

9.8. This Public Announcement will be available on SEBI's website at *www.sebi.gov.in*.

9.9. For further details, please refer to the Letter of Offer & Form of Acceptance.

**Issued by Manager to the Offer on behalf of the Acquirer:**

**SUMEDHA FISCAL SERVICES LIMITED**
SEBI REGN NO:INM000008753
(Contact Person: Mr. Deb Kumar Sett )
8B, Middleton Street, Geetanjali, 6A,
Kolkata-700 071
Phone No : (033) 2229 8936/6758/3237
Fax : (033) 2226 4140/2265 5830
Email: kolkata@sumedhafiscal.com

**Advisor to the Transaction**

**VC CORPORATE ADVISORS PRIVATE LIMITED**
(Contact Person: Mr. Tanmay Kumar Saha)
31, Ganesh Chandra Avenue ', 2nd Floor,
Suite No –2C , Kolkata – 700 013
Phone No: (033) 2225-3940/ 3941,
Fax: (033) 2225-3941
E-mail: mail@vccorporate.com

Place: Kolkata
Date: 16.02.2008