PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF TILAKNAGAR INDUSTRIES LTD.

Registered Office: P.O. Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413720

*This Public Announcement ("PA") is being issued by the Manager to the Offer i.e., **D & A Financial Services (P) Limited,** on behalf of the Acquirers, Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar (Hereinafter collectively referred to as "Acquirers") alongwith Persons Acting in Concert (s) Ms. Anupama Arun Dahanukar , Ms. Priyadarshini Arun Dahanukar, M/s Arunoday Investments Pvt. Ltd.. and M/s M L Dahanukar & Co Pvt. Ltd., pursuant to Regulations 11(1) as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "SEBI (SAST) Regulations, 1997") and subsequent amendments thereto.*

1. THE OFFER:

1.1 Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar **,** are the Acquirers in the present offer . The Acquirers form part of the Promoters group of the Target Company.

1.2 The Board of Directors of Tilaknagar Industries Ltd. (Hereinafter referred to as "TI" or "Target Company") in its meeting to be held on August 14, 2009 will consider the proposal to convert 4,170,000 Convertible Warrants and 200,000 Compulsorily Convertible Cumulative Preference Shares (CCPS) in to Equity Shares which were issued on preferential basis in compliance with Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto **("SEBI DIP Guidelines")** of Tilaknagar Industries Ltd. **("Target Company" or "TI"),** having its Registered office at P.O Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413720. The issue of Compulsorily Convertible Cumulative Preference Shares (CCPS) and Convertible Warrants was previously authorized by the meeting of Board of Directors dated February 17, 2009 and May 19, 2009 and vide Extra Ordinary General Meeting of the shareholders of the target Company held on March 16, 2009 and June 18, 2009 respectively. The CCPS were issued at the par value of Rs. 94/- each and compulsorily convertible into equivalent number of Equity Shares of Rs. 10 each at a premium of Rs. 84/- per share within a period of 18 months from the date of allotment and the Warrants were issued at the exercise price of Rs. 92/- per Warrant and convertible into equivalent number of Equity Shares of Rs. 10 each at a premium of Rs. 82/- per share at the option of Warrant holder within a period of 18 months from the date of allotment. The 200,000 CCPS were issued to Mr. Amit Dahanukar and 4,170,000 Warrants were issued to Mrs. Shivani Amit Dahanukar being collectively the promoters of the target Company on preferential basis in accordance with the guidelines for preferential issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto **("SEBI DIP Guidelines").** The aggregate of total consideration payable in cash for the CCPS and Warrants acquired as mentioned above is Rs. 4024.40 lacs (Rupees Four Thousand Twenty Four Lacs and Forty Thousand Only).

By this above acquisition, the Acquirer Mr. Amit Dahanukar will hold in aggregate 2,436,562 number of Equity Shares and Mrs. Shivani Dahanukar will hold in aggregate 4,420,282 number of Equity Shares in the Target Company and the aggregate holdings of the Promoter group will increase from 3,125,841 Equity Shares representing 54.60% (Pre Conversion Capital) to 7,495,841 Equity Shares representing 74.25% (Post Conversion Capital) of the paid-up share capital of the Target Company which result in triggering of SEBI (SAST) Regulations, 1997.

1.3 The Preferential Issue of Compulsorily Convertible Cumulative Preference Shares (CCPS) and Warrants as mentioned at para 1.2 above was duly authorised by a resolution passed by the Board of Directors of the Target Company at its meeting held on February 17, 2009 and May 19, 2009 respectively and by the special resolution under section 81(1A) of the Companies Act, 1956 and other applicable provisions, passed by the shareholders of the Target Company at the Extra Ordinary General Meeting held on March 16, 2009 and June 18, 2009 respectively authorizing the Board of Directors (which include any committee of the Board) of the Target Company to issue and allot the above mentioned CCPS and Convertible Warrants to the Acquirers.

1.4 On receipt of in-principle listing approvals from The Bombay Stock Exchange Limited ("BSE") vide its letter no. DCS/PREF/SR/PRE/2168/08-09 dated March 19, 2009 and DCS/PREF/DMN/PRE/521/09-10 dated July 01, 2009 and pursuant to the receipt of subscription monies from the Acquirers in respect of Compulsorily Convertible Cumulative Preference Shares (CCPS) and Warrants respectively, the Board of Directors of the Target Company allotted 2,00,000 CCPS to Mr. Amit Dahanukar on March 26, 2009 and 4,170,000 Warrants to Mrs. Shivani Amit Dahanukar on July 02, 2009.

1.5 The Acquirers along with PACs intend to make an Open Offer in terms of the SEBI (SAST) Regulations, 1997 to the shareholders of the Target Company to acquire 2,019,014 Equity Shares of Rs. 10/- each representing 20% of post-conversion capital/voting capital of the target Company at a price of Rs. 94.00 (Rupees Ninty Four Only) per fully paid-up Equity Shares ("Offer Price"), payable in cash subject to the terms and conditions mentioned hereinafter, to those shareholders whose names appear on the register of members on Specified Date i.e. September 04, 2009. Pursuant to Regulation 21(5) and meaning of explanation (i) of Regulation 20(11) of SEBI (SAST) Regulations, 1997 the number of shares offered by the acquirers will increase to 6,057,042 and Offer price will be adjusted accordingly i.e Cum Bonus Offer price, in view of Bonus share recommended in the ratio of 2:1 i.e Two Equity Shares for each one Equity Share held by shareholders, the Board of Directors of the Target Company in its meeting held on July 24, 2009. The Bonus issue is subject to approval of shareholders in their extra ordinary general meeting proposed to be held on August, 24, 2009 and other authority if any, in compliance with SEBI Guidelines relating to Bonus Issue. After receipt of approval of shareholders in extra ordinary general meeting proposed to be held on August 24, 2009 and other approvals if any, under the SEBI Guidelines relating to Bonus issue, the number of shares offered will be increased to 6,057,042 and offer price will be adjusted accordingly i.e Cum Bonus Offer price.

1.6 The Equity Shares of "TI" are at present listed at the Bombay Stock Exchange Limited, Mumbai (BSE)

1.7 The annualized trading turnover during the preceeding six calendar months ended January, 2009 i.e six months preceding the date of Board Resolution which authorized the preferential allotment of Compulsorily Convertible Cumulative Preference Share at BSE, where the shares are listed is as follows:

Name of the Stock Exchange	Total number of shares traded during August, 2008 to January 2009	Total number of listed shares	Annualised trading turnover(% of the total listed shares)
BSE	**188,765***	**5,725,068**	**6.59%**

*(Source: www.bseindia.com)

1.8 The annualized trading turnover during the preceding six calendar months ended April, 2009 i.e. six months preceding the date of Board Resolution which authorized the preferential allotment of Warrants at BSE, where the shares are listed is as follows:

Name of the Stock Exchange	Total number of shares traded during November, 2008 to April 2009	Total number of listed share total listed shares)	Annualized trading turnover(% of the
BSE	264,179*	5,725,068	9.23%

*(Source: www.bseindia.com)

1.9 Based on the above information, as the annualized trading turnover is more than 5% of the total number of the listed shares, the Equity Shares are deemed to be frequently traded on BSE as per the data available with BSE (Source: www.bseindia.com) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997. In accordance with Regulation 20(4) and meaning of explanation (ii) of Regulations 20(11) of SEBI (SAST) Regulations, 1997, the Offer price of Rs. 94.00 (Rupees Ninty Four Only) per fully paid up Equity Shares is worked out on the following parameters.

The negotiated price	N.A.
Highest Price paid by the Acquirers by way of allotment in a public or rights or preferential issue during the 26 week period prior to the date of PA.	Rs. 94/-
Higher of (i) to (iv) below : Share price data of TI on BSE, where it is most frequently traded, is as under:	
i. The average of the weekly High and Low of the closing prices of the shares of TI during 26 weeks period preceding the date of board resolution which authorised the Preferential Issue of Compulsorily Convertible Cumulative Preference Share , i.e. February 16, 2009.	Rs 93.45
ii. The average of the daily High and Low of the prices of the shares of TI during 2 weeks period preceding the date of board resolution which authorised the Preferential Issue of Compulsorily Convertible Cumulative Preference Share i.e., February 16, 2009.	Rs 80.62
iii. The average of the weekly High and Low of the closing prices of the shares of TI during 26 weeks period preceding the date of board resolution which authorized the Preferential Issue for Convertible Warrants, i.e. May 18, 2009.	Rs. 92.31
iv. The average of the daily High and Low of the prices of the shares of TI during 2 weeks period preceding the date of board resolution which authorized the Preferential Issue for Convertible Warrant, i.e., May 18, 2009.	Rs. 92.31

Other Financial Parameters	Based on the audited Financial data for the year ended March 31, 2009	Based on the Certified financial data for the quarter ended June 30, 2009*
Return on Net Worth (%)	34.00	18.00
Book Value per share (Rs.)	94.00	98.99
Earning per share (Rs.)	37.11	18.24 (Annualized)
Price Earning Multiple (Market Closing Price : Rs 180.15 on BSE on August 07, 2009)	4.85	9.88

* As certified by Mr. Kaushal Mehta , Partner of M/s Batliboi & Purohit ., Chartered Accountants,(Membership No. 111749), having their office at National Insurance Building, 204, Dadabhoy Naoroji Road, Fort, Mumbai-400001, Tel: 022- 22077941/42 vide their certificate dated 04.08.2009.

In view of the above the offer price of Rs. 94.00 is justified in terms of Regulations 20(4) of the SEBI (SAST) Regulations, 1997. However in terms of meaning of explanation (i) Regulation 20(11), the Offer price will be adjusted accordingly in view of Bonus Issue declared by the both of Directors of Target Company i.e Cum Bonus Offer price.

1.10 The Acquirers have not acquired any Equity Share of TI during the past 12 months prior to the date of this Public Announcement except 200,000 Compulsorily Convertible Cumulative Preference Share and 4,170,000 Warrants Convertible into Equity Share through the Preferential Issues as per the details given in para 1.2 above.

1.11 The Acquirers have not entered into any "Non-Compete Agreement".

1.12 The Manager to the Offer i.e. D & A Financial Services (P) Limited does not hold any shares in the Target Company as on the date of this PA. The Manager to the Offer also declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the Open Offer till the expiry of 15 days from the date of closure of Open Offer.

1.13 The Offer is not subject to any minimum level of acceptance from the shareholders i.e. it is not a Conditional Offer. The Acquirers will accept the Equity Shares of TI those are tendered in valid form in terms of para 1.5 given above.

1.14 The offer is not a Competitive Bid.

2 INFORMATION ABOUT THE ACQUIRERS

2.1 <u>Mr. Amit Dahanukar</u>

2.1.1 Mr. Amit Dahanukar S/o Late Shri Arun Dattatraya Dahanukar R/o 10, Ratnakar 26, Dr B Indrajit Road, Off Narayan Dabholkar Road, Malabar Hills, Mumbai-400006, Tel No 022- 23692676 Fax No. 022-22046904 aged 32 years is a Graduate in Electrical Engineering and holds Master Degree in Engineering Management from Stanford University, U.S.A and is Chairman & Managing Director of the Target Company and provides strategic inputs and vision for ensuring continued success of the target Company.

2.1.2 Mr. H Y Ponkshe (Partner of Ponkshe Kulkarni & Co. Chartered Accountants, (Membership No. 138482) having office at 7, Chaudhari Building, 104, Brahman Society, Naupada, Thane (W), Mumbai-400602 Tel: (022) 25400450 has certified vide his certificate dated August 06, 2009 that the Net Worth of Mr. Amit Dahanukar as on 04.08.2009 is Rs. 6504.73 Lacs and also Certified that Mr. Amit Dahanukar has sufficient means to fulfill his part of obligations under this Offer.

2.1.3 Mr. Amit Dahanukar is holding directorship in M/s Tilaknagar Industries Ltd., which is listed at BSE and also in M L Dahanukar & Co. Pvt. Ltd., Arunoday Investments Pvt. Ltd., Surya Organic & Chemicals (P) Ltd. and Prag Distillery (P) Ltd., which are unlisted Companies.

2.2 <u>Mrs. Shivani Amit Dahanukar</u>

2.2.1 Mrs. Shivani Amit Dahanukar w/o Shri Amit Dahanukar R/o 10, Ratnakar 26, Dr B Indrajit Road, Off Narayan Dabholkar Road, Malabar Hills, Mumbai-400006, Tel No.: Tel No 022- 23692676 Fax No. 022-22046904 aged 31 years is a Law Graduate and holds Master Degree in Business Administration from Stanford University, U.S.A.

2.2.2 Mr. H Y Ponkshe (Partner of Ponkshe Kulkarni & Co. Chartered Accountants, (Membership No. 138482) having office at 7, Chaudhari Building, 104, Brahman Society, Naupada, Thane (W), Mumbai-400602 Tel: (022) 25400450 has certified vide his certificate dated August 06, 2009 that the Net Worth of Mrs. Shivani Amit Dahanukar as on 04.08.2009 is Rs. 4415.21 Lacs and also Certified that Mrs. Shivani Amit Dahanukar has sufficient means to fulfill her part of obligations under this Offer.

2.2.3 Mrs. Shivani Amit Dahanukar is holding directorship in M/s Tilaknagar Industries Ltd., which is listed at BSE and also in M L Dahanukar & Co. Pvt. Ltd., Arunoday Investments Pvt. Ltd., Surya Organic & Chemicals (P) Ltd and Prag Distillery (P) Limited, which are unlisted Companies.

INFORMATION ABOUT THE PERSONS ACTING IN CONCERT (S)

2.3 <u>Ms. Anupama Arun Dahanukar</u>

2.3.1 Ms. Anupama Arun Dahanukar d/o Late Shri Arun Dattatraya Dahanukar R/o 10, Ratnakar 26, Dr B Indrajit Road, Off Narayan Dabholkar Road, Malabar Hills, Mumbai-400006, Tel No.: Tel No 022- 23692676 Fax No. 022-22046904 aged 39 years is sister of Mr. Amit Dahanukar.

2.3.2 Mr. H Y Ponkshe (Partner of Ponkshe Kulkarni & Co. Chartered Accountants, (Membership No. 138482) having office at 7, Chaudhari Building, 104, Brahman Society, Naupada, Thane (W), Mumbai-400602 Tel: (022) 25400450 has certified vide his certificate dated August 06, 2009 that the Net Worth of Ms. Anupama Arun Dahanukar as on 04.08.2009 is Rs. 244.96 Lacs.

2.3.3 Ms. Anupama Arun Dahanukar is not holding directorship in any Company.

2.4 <u>Ms. Priyadarshini Arun Dahanukar.</u>

2.4.1 Ms. Priyadarshini Arun Dahanukar d/o Late Shri Arun Dattatraya Dahanukar R/o 10, Ratnakar 26, Dr B Indrajit Road, Off Narayan Dabholkar Road, Malabar Hills, Mumbai-400006, Tel No.: Tel No 022- 23692676 Fax No. 022-22046904 aged 37 years is sister of Mr. Amit Dahanukar.

2.4.2 Mr. H Y Ponkshe (Partner of Ponkshe Kulkarni & Co. Chartered Accountants, (Membership No. 138482) having office at 7, Chaudhari Building, 104, Brahman Society, Naupada, Thane (W), Mumbai-400602 Tel: (022) 25400450 has certified vide his certificate dated August 06, 2009 that the Net Worth of Ms. Priyadarshini Arun Dahanukar as on 04.08.2009 is Rs. 167.31 Lacs.

2.4.3 Ms. Priyadarshini Arun Dahanukar is not holding directorship in any Company.

2.5 M L Dahanukar & Co. Pvt. Ltd.

2.5.1 M L Dahanukar & Co. Pvt. Ltd. is a private limited Company incorporated with the Registrar of Companies, Bombay vide its certificate of incorporation dated February 06, 1933 under the Indian Companies Act, VII of 1913. The Object of the Company is to cultivate tea, coffee, sugarcane and other produce and to render it marketable. At present the Office of the Company is situated at Industrial Assurance Building, 3rd Floor, Churchgate, Mumbai-400020.

2.5.2 The present directors of the Company are Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar.

2.5.3 The brief financials of M L Dahanukar & Co. Pvt. Ltd are as under.

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2009 (Audited)
Total Income	16.96
Profit After Tax	10.54
Earnings Per Share (EPS)	742.08
Book Value Per Share	4840.14
Net worth	68.73
Return on Networth (in %)	15.34

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of Equity Shares issued; EPS= profit after tax /number of Equity Shares issued.

2.6 Arunoday Investments Pvt. Ltd.

2.6.1 Arunoday Investments Pvt. Ltd. is a private limited Company incorporated with the Registrar of Companies, Bombay vide its certificate of incorporation dated June 19, 1968 under the provisions of Companies Act, 1956. The Company is engaged in the business of finance and investment activities. At present the Office of the Company is situated at Industrial Assurance Building, 3rd Floor, Churchgate, Mumbai-400020.

2.6.2 The present directors of the Company are Mr. Amit Dahanukar and Mrs. Shivani Amit Dahanukar.

2.6.3 The brief financials of Arunoday Investments Pvt. Ltd. are as under.

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2009 (Audited)
Total Income	3.13
Profit After Tax	2.81
Earnings Per Share (EPS)	69.87
Book Value Per Share	1508.82
Net worth	60.70
Return on Net worth (in %)	4.63

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of Equity Shares issued; EPS= profit after tax /number of Equity Shares issued.

3. INFORMATION ABOUT THE TARGET COMPANY

3.1 The Target Company i.e. **TILAKNAGAR INDUSTRIES LTD.; "TI"** was originally incorporated with the Registrar of Companies Bombay vide its certificate of incorporation dated July 29, 1933 under the name Maharashtra Sugar Mills Ltd.. Later on the Company name was changed to Tilaknagar Industries Ltd. vide fresh certificate of incorporation dated August 06, 1993 with the Registrar of Companies, Maharashtra, Bombay. At present the Company has its Registered Office at P.O Tilaknagar, Tal. Shrirampur, Dist. Ahmednagar, Maharashtra-413720 and corporate office at Industrial Assurance Building, 3rd Floor, Churchgate, Mumbai, Maharashtra- 400020. Tel No. 022- 22831716, 22831718; Fax No 022- 22046904.

3.2 As on March 31, 2009, TI has an issued, subscribed and paid-up Equity Share capital of Rs. 1394.94 lacs, consisting of 5,725,068 fully paid Equity Shares of Rs.10/- each and 874,932, 12% Compulsorily Cumulative Preference Share of Rs. 94/- each. There are no partly paid-up shares in the Target Company.

3.3 The Board of Directors of the Target Company comprises of Mr. Amit Dahanukar, Chairman & Managing Director, Mrs. Shivani Amit Dahanukar, Executive Director and the other directors on the Board are Mr. S V Muzumdar, Mr. V B Haribhakti, Dr Vishnu Kanhere, Dr Ravindra Bapat, Mr. P R K Reddy, Mr. C V Bijlani and Mr. Madan Goyal.

3.4 TI has been mainly engaged in the businesses of manufacturing and distribution of Industrial Alcohal, Indian Made foreign Liquor (IMFL). TI is one of the leading players in the Indian Alcoholic Beverage Industry with over 16 brands across a diverge range of price and product segments and an ever growing loyal customer base. It markets its products across a large number of states in India and also exports to western Africa, the Middle East, the far east and Caribbean Countries. The main brand of the Company products comprises of "Senate Royale", "Courrier Napoleon" , "Mansion House" etc.. The Target Company conducts its operations in 24 manufacturing units across India.

3.5 The Equity Shares of "TI" are listed at BSE.

3.6 The brief financials of TI are as under:

(Amount in Rs. Lacs)

Particulars	Year ended March 31, 2009 (Audited)	Quarter ended June 30, 2009 (Certified)*
Total Income	23960.00	5283.82
Profit After Tax	2124.84	285.51
Earnings Per Share (EPS)	37.11	18.24 (Annualized)
Book Value Per Share	94.00	98.99
Networth	6203.89	6489.40
Return on Networth (in %)	34.00	18.00

* As certified by Mr. Kaushal Mehta , Partner of M/s Batliboi & Purohit ., Chartered Accountants,(Membership No. 111749), having their office at National Insurance Building, 204, Dadabhoy Naoroji Road, Fort, Mumbai-400001, Tel: 022- 22077941/42 vide their certificate dated 04.08.2009.

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of Equity Shares issued; EPS= profit after tax /number of Equity Shares issued.

Further information about TI is available at its website: <u>www.tilind.com</u>

4. REASON FOR THE ACQUISITION/OFFER

4.1 This offer is being made pursuant to Regulation 11(1) of the SEBI (SAST) Regulations 1997, consequent upon the conversion of Compulsorily Convertible Cumulative Preference Shares and Convertible Warrants issued on preferential basis in to Equity Shares of TI to the Acquirers as explained in para 1.2 above resulting in triggering of Regulations. The board of TI invited the Acquirers to invest by way of subscription to the CCPS and Warrants convertible in to Equity Shares by way of preferential allotment under section 81(1A) of the Companies Act, 1956 according to and subject to the SEBI (DIP) Guidelines and bring funds so as to partially meet the long term working capital requirements and fund requirements for the ongoing expansion activities of the Company. As a result of the conversion of CCPS and Convertible Warrants in to Equity Shares to be allotted to the Acquirers the aggregate holding of the promoter group also stand increased.

4.2 The Offer to the Public shareholders of TI is for the purpose of acquiring 20% of the post Conversion Capital/Voting Capital of TI.

4.3 The Acquirers at present have no intention to sell, dispose of or otherwise encumber any significant assets of TI in the succeeding two years, except in the ordinary course of business of TI. TI's future policy for disposal of its assets, if any, will be decided by it's Board of Directors, subject to the applicable provisions of the law, and subject to the approval of the shareholders at a General Body Meeting of TI.

5. STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

5.1 The Offer is subject to the approval of Reserve Bank of India (RBI) if any, under the Foreign Exchange Management Act, 1999 for transfer of shares of a Company registered in India by a Non Resident to a person resident in India.

5.2 To the best of knowledge of the Acquirers no approvals from Banks/Financial Institutions are required to make this Offer.

5.3 As on the date of Public Announcement, to the best of the Acquirers' knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

5.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. SEBI has power to grant extension of time to the Acquirers for payment of consideration to the shareholders subject to Acquirers agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of willful default by the Acquirers in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

6 DISCLOSURE IN TERMS OF REGULATION 21(2).

6.1 The Offer (assuming full acceptance) would result in public shareholding in the Target Company being reduced below the minimum level required as per the Listing Agreement entered with the Stock Exchange for the purpose of listing on continuous basis. The Acquirers in terms of the provisions of Clause 40A of the Listing Agreement will facilitate the target Company to raise the level of Public shareholding to the level specified for continuous listing as specified in the listing agreement entered with the stock exchange, within the time period and manner prescribed by the concerned stock exchange so as to maintain the minimum % of public shareholding in the Target Company required for continuous listing.

7 FINANCIAL ARRANGEMENTS

7.1 The Acquirers have adequate resources to meet the financial requirements of the Offer. The Acquirers have made firm arrangement for the financial resources required to complete the Offer in full in accordance with the SEBI (SAST) Regulations, 1997. The acquisition will be financed through internal resources and borrowed funds from domestic sources.

7.2 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 18,97,87,316/- (Rupees Eighteen Crore Ninty Seven Lacs Eighty Seven Thousand Three Hundred and sixteen Only). As per Regulation 28 of SEBI (SAST) Regulations, 1997, Acquirers have **<u>opened an Escrow Account with Development Credit Bank, Barakhamba Road, New Delhi, and have deposited cash of Rs. 4,75,00,000 (Rs. Four Crore and Seventy Five Lacs Only), being more than 25% of the amount required for the Open Offer.</u>**

7.3 Mr. H Y Ponkshe (Partner of Ponkshe Kulkarni & Co. Chartered Accountants, (Membership No. 138482) having office at 7, Chaudhari Building, 104, Brahman Society, Naupada, Thane (W), Mumbai-400602 Tel: (022) 25400450 has certified vide their letter dated 06.08.09 the net worth of the Acquirers. The letter also confirms that the Acquirers have sufficient liquid resources to fulfill their part of the obligations under this Offer.

7.4 The Acquirers have duly empowered M/s D & A Financial Services (P) Limited, Manager to the Offer, to realise the value of the Escrow Account**,** in terms of the SEBI (SAST) Regulations, 1997.

7.5 The Manager to the Offer, M/s D & A Financial Services (P) Limited, hereby confirms that firm arrangements for 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 Offer is not subject to any minimum level of acceptances from shareholders

8.2 Letters of Offer (hereinafter referred to as **"LOO"**) will be dispatched to all the Equity Shareholders of TI, whose names appear in its Register of Members on **Friday, September 04, 2009** the Specified Date, except the Acquirers and PACs.

8.3 The Registrar to the Offer, **Bigshare Services (P) Limited**, has opened a special depository account with National Securities Depository Limited ("NSDL") for receiving Equity Shares during the offer from eligible shareholders who hold Equity Shares in demat form.

8.4 All shareholders of the Target Company, other than the Acquirers and PACs, who own Equity Shares any time before the Closure of the Open Offer, are eligible to participate in the Offer.

8.5 Beneficial owners and **shareholders holding Equity Shares in the physical form**, will be required to send their share certificates, Form of Acceptance cum Acknowledgement and other documents as may be specified in the LOO, to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e. **October 20, 2009.**

8.6 Beneficial owners and **shareholders holding shares in the dematerialised form**, will be required to send their Form of Acceptance cum Acknowledgement and other documents as may be specified in the LOO to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e., **October 20, 2009**, along with a photocopy of the delivery instructions in **"Off market"** mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant (**"DP"**), in favour of **"BSPL Escrow A/c TI- Open Offer" ("Depository Escrow Account")** filled in as per the instructions given below:

DP Name : Citibank N.A; DP ID : IN300054; Client ID : 10037339

Depository : National Securities Depository Limited- ("NSDL")

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use **inter-depository** delivery instruction slip for the purpose of crediting their Equity Shares in favour of the special depository account with NSDL.

8.7 In case of (a) shareholders who have not received the LOO, (b) unregistered shareholders and (c) owner of the Equity Shares who have sent the Equity Shares to the Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of Equity Shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such Equity Shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid Equity Share transfer deeds (one per folio), duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with TI), and witnessed (if possible) by the Notary Public or a Bank Manager or the Member of the stock exchange with membership number, as the case may be, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. **October 20, 2009**.

Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

8.8 In case of shareholders who have not received the LOO and holding Equity Shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of Equity Shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in para **8.6** above, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. **October 20, 2009**. Such Equity Shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

8.9 The following collection centre would be accepting the documents by Hand Delivery /Regd Post/Courier as specified above, both in case of shares in physical and dematerialised form.

Address of the Collection Centre	Contact Person	Phone/Fax / Email
Bigshare Services Private Limited E 2, Ansa Industrial Estate, Saki Vihar Road Saki Naka, Andheri (East), Mumbai- 400072	Mr. Babu Raphael	Phone: 022- 40430200, Fax: 022- 28475207 Email: openoffer@bigshareonline.com

8.10 Shareholders who have sent their Equity Shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Depository Escrow Account should be received on or before 5.00 PM upto the date of Closure of the Offer, i.e. **October 20, 2009,** else the application would be rejected.

8.11 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer upto three working days prior to the date of Closure of the Offer, i.e. **14th October, 2009**. The withdrawal can also be exercised by submitting an application on a plain paper, alongwith the details such as name, address, distinctive nos., folio no., number of Equity Shares tendered, etc.

8.12 The Letter of Offer alongwith the Form of Acceptance cum acknowledgement/ withdrawal would also be available at SEBI's website, *<u>www.sebi.gov.in</u>,* and shareholders can also apply by downloading such forms from the website.

8.13 No indemnity is needed from unregistered shareholders.

8.14 Applications in respect of Equity Shares that are the subject matter of litigation wherein the shareholder(s) may be precluded from transferring the Equity Shares during the pendency of the said litigation are liable to be rejected in case directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Where the number of Equity Shares offered for sale by the shareholders are more than the Equity Shares agreed to be acquired by Acquirers, the Acquirers will accept the offers received from the share holders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of TI is 1{one}Equity Share.

9.2 Shareholders who have offered their Equity Shares would be informed about acceptance or rejection of the Offer within 15 days from the date of Closure of the Offer. The payment to the shareholders whose shares have been accepted, and will be paid by cheque / demand draft / pay order crossed 'Account Payee' only in favour of the first holder of Equity Shares within 15 days from the date of Closure of the Offer. For shares, which are tendered in electronic form, the bank account as obtained from the beneficiary position provided by the Depository will be considered and the payment will be issued with the said bank particulars. In case of acceptance on a proportionate basis, the 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. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owner's depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement and the intimation of the same will be send to the shareholders.

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

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

10. TIME SCHEDULE OF THE OFFER

Schedule of the major activities of the open offer are as under:

ACTIVITY	DAY AND DATE
Public Announcement Date	(Monday) 10th August, 2009
Specified Date(For the purpose of determining the names of shareholders to whom Letter of Offer would send)	(Friday) 4th September, 2009
Last date for a competitive bid	(Monday) 31st August, 2009
Date by which Letter of Offer will be dispatched to the shareholders	(Tuesday) 22nd September, 2009
Offer Opening Date	(Thursday) 01th October, 2009
Last date for revising the offer price/number of shares	(Thursday) 8th October, 2009
Last date for withdrawal by shareholders	(Wednesday)14th October, 2009
Offer Closing Date	(Tuesday) 20th October, 2009
Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be dispatched	(Tuesday) 3rd November, 2009

11. GENERAL CONDITIONS

11.1 Shareholders of TI who accept 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 closing of the offer i.e. **14th October, 2009** in terms of regulation 22(5A) of SEBI (SAST) Regulations 1997.

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

11.3 The intimation of returned shares to the Shareholders will be sent at the address as per the records of TI / Depository as the case may be.

11.4 If there is any upward revision in the Offer Price (in terms of Regulation 26) by the Acquirers till the last day of revision, viz., at any time upto seven working days prior to the date of Closure of the Offer or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the successful shares tendered anytime during the Offer.

11.5 " If there is competitive bid:

11.5.1 The public offers under all the subsisting bids shall close on the same date.

11.5.2 As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids, 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"

11.6 The Acquirers are holding in aggregate 2,486,844 Equity Shares of the Target Company as on the date of this Public Announcement .

11.7 Based on the information available from the Acquirers and the Target Company, Acquirers, PACs and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued U/s 11B of SEBI Act, 1992 or under any other Regulation under the SEBI Act, 1992.

11.8 The Pubic Announcement would also be available at **SEBI's website**, ***<u>www.sebi.gov.in</u>***

11.9 Pursuant to the Regulation 13 of SEBI (SAST) Regulations, 1997, the Acquirers have appointed **M/s D & A Financial Services (P) Limited** as Manager to the Offer and **M/s Bigshare Services (P) Limited** as Registrar to the Offer.

11.10 Wherever necessary the financial figures are rounded off to nearest lac or crore.

11.11 This Public Announcement is being issued on behalf of the Acquirers by the Manager to the Offer, M/s D & A Financial Services (P) Limited.

11.12 The Acquirers Mr. Amit Dahanukar and Mrs. Shivani Dahanukar resident of 10, Ratnakar 26, Dr B Indrajit Road, Off Narayan Dabholkar Road, Malabar Hills, Mumbai-400006 accept full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

Manager to the Offer	Registrar to the Offer
D & A FINANCIAL SERVICES (P) LIMITED 13, Community Centre, East of Kailash, New Delhi - 110065. Tel nos.: 011-26419079/ 26218274; Fax no.: 011 - 26219491; E- mail : dafspl@gmail.com dafsl.investor@gmail.com Contact Person: ***Mr. Priyaranjan*** SEBI Reg. No.: INM000011484	**BIGSHARE SERVICES PRIVATE LIMITED** E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400 072 Tel: +91-22-404 30 200/2847 0652 Fax: +91-22-2847 5207 Website: www.bigshareonline.com E-Mail:openoffer@bigshareonline.com Contact Person : ***Mr. Ashok Shetty*** SEBI Reg. No.: INR000001385

Date : 08.08.2009
Place: New Delhi

Issued on behalf of the Acquirers by Manager to the Offer