

Public Announcement to the Shareholders of

VARDHMAN HOLDINGS LIMITED

(Registered Office: Chandigarh Road, Ludhiana- 141010)

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS

This Public Announcement ("PA") is being issued by Sobhagya Capital Options Limited (hereinafter referred to as "SCOL" or the "Manager to the Offer") for and on behalf of Pradeep Mercantile Company Private Limited (hereinafter referred to as the "Acquirer" or "PMCPCL") (Registered office: Vardhman Complex, Chandigarh Road, Ludhiana- 141010) to the shareholders of Vardhman Holdings Limited (hereinafter referred to as the "Target" or "VHL") (Registered office: Chandigarh Road, Ludhiana- 141010) pursuant to and in compliance with, amongst others, Regulation 11 (2A) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto [hereinafter referred to as "SEBI (SAST) Regulations" or the "Regulations"].

1. The Offer

- 1.1 The Acquirer, as a part of the Promoter Group of the Target, is desirous of consolidating its holding in the Target, while ensuring that the public shareholding in the Target does not fall below 25%, the minimum level of public shareholding required to be maintained under the Listing Agreements entered into by the Target with the Bombay Stock Exchange Limited ("BSE"), and National Stock Exchange of India Limited ("NSE"). Therefore, pursuant to Regulation 11 (2A) and other applicable provisions of the Regulations, the Acquirer is making an Open Offer (hereinafter referred to as the "Offer" or the "Open Offer") to the shareholders of the Target to acquire up to 252,163 fully paid up equity shares of Rs. 10/- each of the Target ("Shares"), representing 7.9% of the total paid-up equity share capital of the Target as on the date of this PA. Upon completion of the Offer, assuming full acceptances to the Offer, the Promoter Group along with the Acquirer will hold 2,393,652 shares in the Target representing 75.00% of the fully paid-up equity share capital of the Target.
- 1.2 The present promoter of the Target is Mr. Shri Paul Oswal and the promoter's shareholding in the Target is held by the Acquirer along with other promoter group entities. Such other promoter group entities are Vardhman Textiles Limited, Ramaniya Finance & Investment Company Limited, Flamingo Finance & Investment Company Limited, Santon Finance & Investment Company Limited, Srestha Holdings Limited, VTL Investments Limited, Devakar Investment & Trading Company Private Limited, Anklesh Investments Private Limited, Marshall Investment & Trading Company Private Limited, Plaza Trading Company Private Limited, Syracuse Investment & Trading Company Private Limited, Mahavir Spinning Mills Private Limited, Adinath Investment & Trading Company, Adinath Syndicate, Amber Syndicate, Paras Syndicate, Eastern Trading Company, Northern Trading Company, Shri Paul & Sons (HUF), Mr. Shri Paul Oswal, Mrs. Shakun Oswal, Mr. Sachit Jain, Mrs. Suchita Jain, Ms. Soumya Jain and Ms. Sagrika Jain (hereinafter collectively referred to as "Promoter Group" or "PG"). The Acquirer is a part of the Promoter Group of the Target. The Promoter Group's shareholding in the Target is 2,141,489 shares equivalent to 67.10% of the fully paid up equity share capital of the Target as on the date of this PA.
- 1.3 There is no Person acting in concert (hereinafter referred to as "PAC" or "PACs") with the Acquirer in relation to this Open Offer. All purchases in this Open Offer will be made by the Acquirer only.
- 1.4 The Offer is being made at a price of Rs. 223.00 (Rupees Two hundred and twenty-three only) for each Share (the "Offer Price"), to be paid in cash, in accordance with the provisions of the Regulations and subject to the terms and conditions mentioned in this PA and the terms and conditions that will be set out in the Letter of Offer in relation to the Offer (the "Letter of Offer") to be subsequently mailed to all shareholders as on the Specified Date (specified herein below). The Target does not have any partly paid up equity shares or other instruments convertible into shares of the Target at a future date.
- 1.5 As on the date of this PA, the Acquirer holds 120 equity shares of Rs. 10/- each, representing 0.004% of the fully paid up equity share capital of the Target. The Acquirer has not acquired any shares in the Target during the twelve months period prior to the date of this PA.
- 1.6 As on the date of this PA, the Promoter Group of the Target holds 2,141,489 equity shares of Rs. 10/- each, representing 67.10% of the fully paid up equity share capital of the Target. The PG has acquired 159,464 equity shares constituting 5.00% of the fully paid up equity share capital of the Target, under the creeping acquisition provisions under proviso to sub-regulation (2) of regulation 11 of the SEBI (SAST) Regulations during the Financial Year 2008-09 at the maximum acquisition price per share of Rs. 129.12 and at an average acquisition price per share of Rs. 120.43. Inter-se transfer under proviso to sub-regulation (1)(e) of regulation 3 of the SEBI (SAST) Regulations of 189,000 equity shares of the Target amongst the PG was also made during Financial Year 2008-09. The PG has not sold any shares in the Target during the twelve months period prior to the date of this PA.
- 1.7 The Manager to the Offer does not hold any share of the Target as on the date of this PA.
- 1.8 The Shares of the Target are listed on the BSE and NSE. The annualised trading turnover in the shares of the Target on BSE and NSE, based on trading volume during the period March 01, 2009 to August 31, 2009 (six calendar months preceding the month in which the PA is made), is as given below:

Stock Exchange	Shares Traded (March 01, 2009- August 31, 2009)	Total Listed Shares	Annualised Trading Turnover (in % of the total Shares listed)
BSE	68,430	3,191,536	4.29
NSE	105,559	3,191,536	6.61

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

- 1.9 The Offer Price of Rs. 223.00 (Rupees Two hundred and twenty-three only) per fully paid equity Share is justified in terms of Regulation 20 (4) of the Regulations being the highest of the following:
- | S. No. | Particulars | Price per share
(in Rupees only) |
|--------|--|-------------------------------------|
| 1. | The Negotiated Price | Not Applicable |
| 2. | Highest Price paid by the Acquirer, if any for acquisition including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of Public Announcement. | Not Applicable |
| 3. | The Average of the weekly high and low of the closing prices of the Shares on NSE during the 26 weeks preceding the date of Public Announcement. | 167.36 |
| 4. | The Average of the daily high and low prices of the Shares on NSE during the 2 weeks preceding the date of Public Announcement. | 216.15 |
- (Source: www.nseindia.com, www.bseindia.com)
- 1.10 This Offer is pursuant to the Acquirer's desire to consolidate its holding in the Target under Regulation 11 (2A) of the Regulations. The Offer is not pursuant to any agreement entered into by the Acquirer with any person to acquire any Share in the Target, which would have triggered the requirement to make a PA of an Open Offer under the Regulations.
- 1.11 The Offer is not conditional upon any minimum level of acceptance by the shareholders.
- 1.12 In case the number of Shares tendered for sale by the shareholders are more than the Shares agreed to be acquired by the Acquirer under the Offer, the Acquirer shall accept the offers received from the shareholders on a proportionate basis as per regulation 21 (6) of the Regulations 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.
- 1.13 In compliance with Regulation 20 (7) of the Regulations, the Acquirer and/ or PG shall not, during the Offer Period, acquire any additional Shares in the Open market or through negotiation or in any other manner otherwise than under this Offer.

2 Information about the Acquirer and the Promoter Group (PG) of the Target

2.1 Information about the Acquirer: Pradeep Mercantile Company Private Limited ("PMCPCL")

PMCPCL was incorporated under the Companies Act, 1956 on March 31, 1987. PMCPCL is registered as a Non-Banking Financial Company with the Reserve Bank of India (hereinafter referred to as the "RBI") vide its registration no. 06.00043 dated March 09, 1998. The registered and corporate office of PMCPCL is located at Vardhman Complex, Chandigarh Road, Ludhiana- 141010, Tel No.: +91 161 6701406, Fax No.: +91 161 5013336.

- 2.1.1 The main business activity of PMCPCL is Investing and Financing. The securities of PMCPCL are not listed on any stock exchange.
- 2.1.2 The Promoter of PMCPCL is Mr. Shri Paul Oswal. The equity shares of the PMCPCL are held by a) Mr. Shri Paul Oswal; b) Shri Paul & Sons (HUF) and; c) Syracuse Investment & Trading Company Private Limited, of which b) and c) are controlled by Mr. Shri Paul Oswal.
- 2.1.3 PMCPCL is a part of the Promoter Group of the Target.
- 2.1.4 The brief details of the Board of Directors of PMCPCL are as follows:

S. No.	Name (Designation)	Qualification
1.	Mr. Shri Paul Oswal (Director)	Masters Degree in Commerce
2.	Mrs. Shakun Oswal (Director)	Graduate
3.	Mr. Sachit Jain (Director)	Electrical Engineer & Master in Business Administration
4.	Mrs. Suchita Jain (Director)	Masters Degree in Commerce

- 2.1.5 The financial highlights of PMCPCL are as follows:

(Figures in Rupees Lacs.)

Particulars	12 Months period ending March 31		
	2009	2008	2007
Total Income	0.26	0.72	0.95
Profit/(Loss) After Tax	(0.41)	(0.89)	0.25
Paid up Share Capital	44.56	44.56	44.56
Reserves & Surplus (excluding Revaluation Reserves)	85.95	86.35	87.25
Total Shareholder's Equity (Net Worth)	130.33	130.55	131.27
Earning Per Share (Rupees per share)	Nil	Nil	0.06
Return on Net Worth (in %)	Nil	Nil	0.19
Book Value (Rupees Per Share)	29.69	29.74	29.91

(Source: Annual Reports March 31, 2009, 2008 and 2007)

2.2 Information about the Promoter Group of The Target

Promoter Group of the Target comprises of corporate entities and non-corporate entities. A few of the corporate entities are NBFCs registered with the RBI.

- 2.2.1 Corporate entities registered with the RBI as NBFC and also listed with Delhi Stock Exchange Limited are Ramaniya Finance & Investment Company Limited, Flamingo Finance & Investment Company Limited and Santon Finance & Investment Company Limited. The main business activity of these Companies is Investing and Financing.
- 2.2.2 Other corporate entities forming part of the Promoter Group, registered with the RBI as NBFC and not listed at any stock exchange are Srestha Holdings Limited, Devakar Investment & Trading Company Private Limited, Anklesh Investments Private Limited, Marshall Investment & Trading Company Private Limited, Plaza Trading Company Private Limited, Syracuse Investment & Trading Company Private Limited, VTL Investments Limited (formerly known as "Vardhman Textiles Limited") and Adinath Investment & Trading Company (a Company incorporated with unlimited liability). The main business activity of all these Companies is Investing and Financing.
- 2.2.3 Other corporate entity forming part of the Promoter Group is Vardhman Textiles Limited (formerly known as "Mahavir Spinning Mills Limited"). The main business activity of Vardhman Textiles Limited is manufacturing of textile products. The equity shares of Vardhman Textiles Limited are listed on BSE and NSE.
- 2.2.4 Other corporate entity not listed on any stock exchange and forming part of the Promoter Group is Mahavir Spinning Mills Private Limited (formerly known as "Vardhman Textile Processors Private Limited"). The main business activity of the said company is trading.
- 2.2.5 Non corporate entities forming part of the Promoter Group comprise of Adinath Syndicate, Amber Syndicate, Paras Syndicate, Eastern Trading Company, Northern Trading Company and Shri Paul & Sons (HUF).

- 2.2.6 Individuals forming part of the Promoter Group are Mr. Shri Paul Oswal, Mrs. Shakun Oswal, Mr. Sachit Jain, Mrs. Suchita Jain, Ms. Soumya Jain and Ms. Sagrika Jain.
- 3 Information about the Target: Vardhman Holdings Limited ("VHL")
- 3.1 VHL is a public listed Company with its registered office at Chandigarh Road, Ludhiana- 141010, Tel. No.: +91 161 2222615, Fax. No.: +91 161 2222447. VHL does not have any subsidiary as on the date of this PA.
- 3.2 The Target was incorporated on December 27, 1962 under the Companies Act, 1956 in the name of Vardhman Spinning and General Mills Limited ("VSGML") with the object of carrying on Textile Business.
- 3.3 Pursuant to the Scheme of Arrangement and Demerger between the Target and Vardhman Textiles Limited (formerly known as "Mahavir Spinning Mills Limited") as sanctioned by the Hon'ble High Court of Punjab and Haryana vide its Order dated March 04, 2005, the textile business of the Target was demerged to Vardhman Textiles Limited with effect from April 01, 2004. Pursuant to the said demerger, the Company was left with assets other than that related to textile business, which mainly comprised of investments in the securities of group companies. The name of VSGML was, therefore, changed from "Vardhman Spinning and General Mills Limited" to "Vardhman Holdings Limited" with effect from March 27, 2006. The object clause of the Memorandum of Association was also amended so as to delete the objects pertaining to textile business and to adopt the objects relating to Financial and Investment activities. The Target is registered as a Non-Banking Financial Company with the RBI vide its registration no. N-06.00587 dated July 20, 2007.
- 3.4 The main business activity of the Target is Investing and Financing.
- 3.5 The paid up share capital of the Target as on March 31, 2009 consists of 3,191,536 fully paid up equity shares of nominal value Rs. 10/- each aggregating to Rs. 31,915,360. There are no partly paid up equity shares in the Target.
- 3.6 Equity Shares of the Target are listed on BSE and NSE.
- 3.7 Based on the audited results for the financial years ended March 31, 2009, 2008 and 2007, the financial highlights of the Target are as follows:

(Figures in Rupees Lacs.)

Particulars	12 Months period ending March 31		
	2009	2008	2007
Total Income	931.15	240.92	1,395.64
Net Profit	807.59	137.56	1,321.42
Paid up Share Capital	319.24	319.24	319.24
Reserves (excluding revaluation reserves)	10,553.85	9,820.93	9,758.33
Total Shareholders' Equity (Net Worth)	10,873.09	10,140.17	10,077.57
Earnings Per Share (Net Profit After Tax divided by the number of issued shares) in Rs.	25.30	4.31	41.40
Return on Net Worth	7.43%	1.36%	13.11%
Book Value (Rupees Per Share)	34.69	317.72	315.76

(Source: Annual Reports March 2009, March 2008 and March 2007)

4 Reasons for the Offer and Future Plans about the Target

- 4.1 The Offer to the shareholders of the Target is made in accordance with Regulation 11 (2A) of the Regulations for consolidating the Promoter Group holding in the Target while ensuring that the public shareholding in the Target does not fall below 25%, the minimum level of public shareholding required to be maintained under the Listing Agreements entered into by the Target with BSE and NSE.
- 4.2 The main business activity of the Target is investing and financing and in order to justify greater commitment and support, the Acquirer (part of the Promoter Group of the Target) wishes to consolidate and enhance its stake in the Target to the extent that the holding of the Promoter Group does not exceed 75.00%.
- 4.3 The Acquirer and the PG presently do not have any plans to dispose off or otherwise encumber any assets of the Target in the following two years from the date of closure of the Offer, except in the ordinary course of business. Further, in the following two years, the Acquirer and the PG undertake not to dispose off or otherwise encumber any assets of the Target (except in the ordinary course of business), without the prior approval of the shareholders. The Target's future policy for disposal of its existing business or assets after the aforesaid period of two years, if any, will be decided by its Board of Directors in accordance with the applicable laws and regulations.

5 Statutory and Other Approvals Required

The Offer is subject to the receipt of the following statutory and regulatory approval(s) and clearances required by the Acquirer to acquire Shares tendered pursuant to the Offer:

- 5.1 The Offer is subject to receiving the necessary approvals, if any, from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the subsequent amendments thereto, for acquiring equity Shares, if tendered by its non-resident shareholders.
- 5.2 As on the date of this PA, to the best of the knowledge of the Acquirer, no other statutory or regulatory approval(s) are required to implement this Offer or acquire the Shares tendered pursuant to this Offer, other than those contemplated above. However, the Offer will be subject to all statutory approval(s) that may be applicable. If any other statutory approvals become applicable, the Offer would be subject to such statutory approval(s). The Acquirer will have a right not to proceed with the Offer in terms of Regulation 27 of the SEBI (SAST) Regulations in the event that any of the statutory approval(s) contemplated above are refused.
- 5.3 Subject to the receipt of statutory and other approval(s), the Acquirer shall complete all procedures relating to the Offer including payment of consideration within a period of 15 days from the Offer Closing Date to those shareholders whose Share certificates and/or other documents are found valid and in order and are approved for acquisition by the Acquirer. In case of delay due to the non-receipt of statutory approval(s), SEBI may, as per Regulation 22 (12) of the Regulations, if satisfied that the non-receipt of approval(s) was not due to the willful default or negligence of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approval(s), grant an extension for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay to the shareholders interest as may be specified by SEBI for any delay beyond 15 days.
- 5.4 However, if the delay occurs on account of the willful default or negligence of the Acquirer in obtaining the requisite approval(s), the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28 (12) of the Regulations.
- 5.5 To the best of the knowledge, the Acquirer does not require any approval(s) from any financial institutions or banks for the Offer.

6 Financial Arrangements for the Offer

- 6.1 The Acquirer has adequate liquid funds available to meet the financial requirements of the Offer in terms of the Regulations and to meet its obligations in full under the Offer and no borrowing from any banks and/or financial institutions is envisaged.
- 6.2 The total funds requirement for the Offer is Rs. 56,232,349 (Rupees Five crores sixty two lacs, thirty two thousand three hundred and forty-nine only), assuming full acceptances of the Offer.
- 6.3 Anil Sanjay & Associates (Mr. Sanjay Aggarwal, Partner, Membership No. 94717), having its office at 157-27, Old Cinema Road, Khanna- 141401, Punjab; Tel. No.: +91 1628 226669, the statutory auditors for the Acquirer, have, vide their certificate dated September 22, 2009, certified that the Acquirer has sufficient ready liquid funds available to fulfill its obligations arising out of the Offer.
- 6.4 The Acquirer has vide a certificate dated September 22, 2009, given an undertaking to the Manager to the Offer to meet its financial obligations under the Offer.
- 6.5 By way of security for performance of the Acquirer's obligations under the Regulations, the Acquirer has created an Escrow Account ("PMCPCL- VHL Open Offer Escrow Account") with the HDFC Bank Limited (Surya Kiran Building, Connaught Place, New Delhi- 110001), and has deposited a sum of Rs. 14,060,000 (Rupees One crore forty lacs, sixty thousand only) in the said Escrow Account Cash, being in excess of 25% of the Offer Size required under Regulation 28 (2) of the Regulations.
- 6.6 SCOL, as Manager to the Offer, has been duly authorized by the Acquirer to realize the value of the Escrow Account in terms of the provisions of the Regulations.
- 6.7 The Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the Regulations as firm financial arrangements are in place to fulfill the obligations under the Regulations.

7 Disclosure in terms of Regulations 21 (2)

- 7.1 Pursuant to this offer, the provisions of Regulation 21 (2) of the Regulations are not attracted.
8. Further Terms of the Offer
- 8.1 The Letter of Offer together with a Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed on or before November 06, 2009 to all shareholders of the Target whose names appear in the Register of Members of the Target and the beneficial owners of the Shares, whose names appear on the beneficial records of the respective depositories, in each case at the close of business hours on October 09, 2009, (the "Specified Date").
- 8.2 The Offer shall open on Wednesday, November 11, 2009 (the "Offer Opening Date") and will remain open until Monday, November 30, 2009 (the "Offer Closing Date").
- 8.3 Shareholders holding Shares in physical form: Shareholders holding shares in physical form and who wish to accept this Offer and tender their Shares will be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and duly signed transfer deed(s) to the Registrar to the Offer, Skyline Financial Services Private Limited, (Address: 246, First Floor, Sant Nagar, East of Kailash, New Delhi- 110065; Tel. No.: +91 11 26292680-82-83; Fax No.: +91 11 26292681; E-mail id: vhl_openoffer@skylinert.com; Contact Person: Mr. Virender Rana) (hereinafter referred to as the "Registrar to the Offer") either by hand delivery on weekdays or by registered post, on or before the Offer Closing Date, i.e. no later than Monday, November 30, 2009 so as to reach the Registrar to the Offer on or before the close of business hours, i.e. no later than 5.30 p.m. in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement.
- 8.4 Shareholders holding shares in dematerialised form: Beneficial Owners who wish to accept this Offer and tender their Shares will be required to send their Form of Acceptance-cum-Acknowledgement to the Registrar to the Offer in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgement, along with a photocopy of the delivery instruction slips in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, in favour of "Skyline- PMCPCL- VHL Open Offer Escrow Account" duly acknowledged by their respective depository participant (the "DP").

The Registrar to the Offer has opened a special depository account with National Securities Depository Limited ("NSDL") called "Skyline- PMCPCL- VHL Open Offer Escrow Account". The Beneficial Owners are requested to fill the following details in the delivery instruction slips for the purpose of crediting their equity shares in the special depository account:

Depository Participant ("DP") Name:	K K Securities Limited
DP Id.:	IN300468
Client Id.:	10076606
Account Name:	Skyline- PMCPCL- VHL Open Offer Escrow Account
Depository:	NSDL

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") shall have to use an inter-depository delivery instruction slips for crediting their equity shares in the special depository account with NSDL.

- 8.5 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting their shares dematerialised is completed well in time so that the credit in the special depository account is received on or before the Offer Closing Date (i.e., no later than Monday, November 30, 2009), else their application would be rejected.
- 8.6 As mentioned above, the Shareholders who wish to avail of and accept the Offer can deliver the Form of Acceptance-cum-Acknowledgement along with all the relevant documents at the collection centre specified below in accordance with the procedure as set out in the Letter of Offer on or before the Offer Closing Date, i.e., no later than Monday, November 30, 2009. The centre mentioned herein below would be open as follows:
Timings: Monday to Saturday: 10.00 a.m. to 5.30 p.m.

Contact Person	Address	Tel. No.	Fax. No.	Mode of Delivery
Mr. Virender Rana	246, First Floor, Sant Nagar, East of Kailash, New Delhi- 110065	+91 11 2629 2680-82-83	+91 11 2629 2681	Registered Post/ Hand Delivery/ Ordinary Post

- 8.7 All owners (registered or unregistered) of shares are eligible to participate in the Offer anytime before the closure of 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 number, together with the original share certificate(s), valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their shares so as to reach the Registrar to the Offer on or before the Offer Closing Date, i.e., no later than Monday, November 30, 2009. No indemnity is required from the unregistered owners.
- 8.8 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, number of Shares held, distinctive numbers, Folio number, number of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the Offer Closing Date, i.e., no later than Monday, November 30, 2009, or 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 slips in "Off-market" mode or counterfoil of the delivery instruction slips in "Off-market" mode, duly acknowledged by the DP, in favour of "Skyline- PMCPCL- VHL Open Offer Escrow Account", so as to reach the Registrar to the Offer, on or before the Offer Closing Date, i.e., no later than Monday, November 30, 2009.
- 8.9 Shareholders can also download the Letter of Offer and Form of Acceptance-cum-Acknowledgement placed on the SEBI website (www.sebi.gov.in) and send in their acceptance by filling the same.
- 8.10 Applications in respect of Shares of the Target that are a subject matter of litigation wherein the shareholders of the Target may be prohibited from transferring the Shares during the pendency of such litigation are liable to be rejected if the directions/ orders permitting transfer of these Shares are not received along with the Shares tendered under the Offer. The Letter of Offer, in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
- 8.11 In accordance with Regulation 22 (5A) of the Regulations, shareholders who have accepted the offer by tendering the requisite documents in terms of this PA and Letter of Offer can withdraw the same up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at the collection centre mentioned above as per the mode of delivery indicated therein on or before Wednesday, November 25, 2009.
- The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.
 - In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:
 - In respect of physical shares: names, address, distinctive numbers, folio number, number of Shares tendered.
 - In respect of dematerialised shares: name, address, number of Shares tendered, DP name, DP ID, beneficiary account number, photocopy of the delivery instruction slips in "Off Market" mode duly acknowledged by the D.P.
 - Shareholders can also download the Form of Withdrawal placed on the SEBI website (www.sebi.gov.in) and send in their withdrawal by filling the same.

- 8.12 The Registrar to the Offer will hold in trust the Shares/Share certificates, Shares lying in credit of the special depository account and the transfer form(s), until the Acquirer completes its obligations under the Offer in accordance with the Regulations.
- 8.13 If the aggregate of the valid responses to the Offer exceeds the Offer size of 252,163 Shares, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the SEBI (SAST) Regulations.
- 8.14 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. Unaccepted Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.
- 8.15 Compliance with tax and other regulatory requirements:
- 8.15.1 While tendering Shares under the Offer, Non-resident Indians (NRIs), Overseas Corporate Bodies (OCBs) and other non-resident shareholders will be required to submit the RBI's approval (specific or general) that they would have obtained for acquiring the Shares of the Target. ***In the event that the previous RBI approval(s) (if any) are not submitted, the Acquirer reserves the right to reject such tendered Shares.***
- 8.15.2 While tendering their Shares under the Offer, NRIs, OCBs 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 the Income Tax Authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.
- 8.15.3 As per the provisions of Section 196D (2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However, the interest payment for delay in payment of consideration, if any, will not be governed by this provision. For interest payments, if any, NRIs, OCBs and other non-resident shareholders will be required to submit a No Objection Certificate or Tax Clearance Certificate ("TCC") or Certificate for Deduction of Tax at Lower Rate from the Income Tax Authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder. In case of resident shareholders, tax will be deducted on the interest component exceeding Rs. 5,000/- at the applicable current prevailing rates. If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such shareholders will be required to submit a No Objection Certificate or Tax Clearance Certificate ("TCC") or Certificate for Deduction of Tax at Lower Rate from the Income Tax Authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer or a self-declaration in form 15G or Form 15H as may be applicable.
- 8.15.4 All resident shareholders would be required to submit their Permanent Account Number ("PAN") for Income Tax purposes, as applicable.
- 8.15.5 Clauses relating to payment of interest will become applicable only if the Acquirer becomes liable to pay interest for delay in release of purchase consideration.

- 8.16 Payment to those shareholders whose Share certificates and/or other documents are found valid and in order and are approved by the Acquirer will be made by way of a crossed account payee cheque/ demand draft/ pay order. The decision regarding the acquisition (in part or full), or rejection of, the Shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired Shares and/ or (ii) Share certificates for any rejected Shares or Shares withdrawn, will be dispatched to the shareholders by registered post or by ordinary post as the case may be [*], at the shareholder's sole risk. Shares held in dematerialised form to the extent not acquired or shares withdrawn will be credited back to the respective beneficiary account with their respective DP as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgement.

[*] Dispatches involving payment of a value in excess of Rs. 1,500/- will be made by registered post at the shareholder's sole risk. All other dispatches will be made by ordinary post at the shareholder's sole risk.

- 8.17 All cheques/ demand drafts/ pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque/ demand draft/ pay order.

- 8.18 The Acquirer reserves the right to withdraw the Offer pursuant to Regulation 27 of the Regulations. Any such withdrawal will be notified in the form of a PA in the same newspapers in which this PA appears.

9. Time schedule for major activities for the Offer

Activity	Date	Day
Public Announcement ("PA") Date	September 25, 2009	Friday
Specified Date (1)	October 09, 2009	Friday
Last date for a competitive bid (if any)	October 16, 2009	Friday
Date by which individual Letters of Offer will be dispatched to the shareholders	November 06, 2009	Friday
Offer Opening Date	November 11, 2009	Wednesday
Last date for revising the Offer Price	November 19, 2009	Thursday
Last date for withdrawal of acceptances by the shareholder	November 25, 2009	Wednesday
Offer Closing Date	November 30, 2009	Monday
Last date of communicating rejection/ acceptance and payment of consideration for accepted tenders	December 15, 2009	Tuesday

- (1) 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 owners (registered or unregistered) of the Shares are eligible to participate in the Offer anytime before the closure of the Offer.

10. General

- 10.1 Pursuant to Regulation 13 of the Regulations, the Acquirer has appointed SCOL as the Manager to the Offer.
- 10.2 If there is any upward revision in the Offer Price before the last date for revision (i.e., Thursday, November 19, 2009) or withdrawal of the Offer, the same would be informed by way of a PA in the same newspapers where this PA appears. If there is any upward revision of the Offer Price by the Acquirer, such upward revision will be payable to all shareholders who have accepted this Offer and tendered their Shares at any time during the tenure of the Offer to the extent their Shares are acquired by the Acquirer.
- 10.3 ***If there is a competitive bid:***
 - The public offers under all the subsisting bids shall close on the same date.***
 - As the Offer Price cannot be revised during the 7 (seven) working days period 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.***
- 10.4 In terms of Regulation 21 (3) of the Regulations, this Offer is being made pursuant to Regulation 11 (2A) of the Regulations which provides for consolidation of holding, while ensuring that the public shareholding of the Target does not fall below 25%, the minimum level permitted by the Listing Agreements.
- 10.5 Please note that all financial data contained in this PA has been rounded off to the nearest Lacs., except where stated otherwise.
- 10.6 The Acquirer or its directors have not 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. Based on the information currently available, the Target has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations made under the SEBI Act.
- 10.7 The Board of Directors of the Acquirer accepts full responsibility for the information contained in this PA. The Acquirer is responsible for fulfillment of obligations under the Regulations.
- 10.8 For further details, shareholders are requested to refer to the Letter of Offer to be sent to the shareholders of the Target and the Form of Acceptance-cum-Acknowledgement.

This Public Announcement will also be available on the SEBI's website (www.sebi.gov.in). Eligible persons to the Offer may also download a copy of Form of Acceptance-cum-Acknowledgement Form, which will be available on the SEBI's website (www.sebi.gov.in) from the Offer opening date i.e. Wednesday, November 11, 2009

Issued by the Manager to the Offer on Behalf of the Acquirer