

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as an Equity Shareholder(s) of Apollo Sindhoori Capital Investments Limited ("ASCIL" or the "Target" or the "Target Company"). If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or Manager to the Offer or Registrar to the Offer. In case, you have sold your Equity Shares in Apollo Sindhoori Capital Investments Limited please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal, and Transfer Deed to the purchaser of the Equity Shares or the member of stock exchange through whom the said sale was effected.

Aditya Birla Nuvo Limited ("ABNL" or "Acquirer")

(Registered Office: Indian Rayon Compound, Veraval – 362 266, India.

Tel: + 91 2876-245711 Fax: + 91 2876-243220

Corporate Office: Aditya Birla Center, 'A' Wing, 4th Floor, S.K. Ahire Marg, Worli, Mumbai 400 030.

Tel.: +91 22 24955000 Fax: +91 22 24995821)

Makes a Cash Offer at Rs. 64.08 (Rupees Sixty Four and Eight paise only) per fully paid up equity share to acquire 1,10,80,000 Equity Shares of Re. 1/- each fully paid up representing 20 % of the existing outstanding voting Equity Share Capital of

Apollo Sindhoori Capital Investments Limited ("ASCIL" or "Target" or "Target Company")



(Registered Office: #55, Ali Towers, Greams Road, Chennai – 600 006, India.

Tel: 044 – 39190002, 39190003, Fax: 044 – 28290835, 28293164)

ATTENTION

1. For the purpose of computing the voting percentage, the voting rights as at the expiration of 15 days after the closure of the Offer has been reckoned.
2. The Offer is being made by Aditya Birla Nuvo Limited pursuant to Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SEBI (SAST) Regulations" or "Regulations") and subsequent amendments thereto.
3. The Offer is subject to the Acquirers or the Target Company and/or its Subsidiary obtaining the approvals from the SEBI, BSE, NSE, NSDL and CDSL (in respect of the Company) and MCX, NCDEX, NMCE (in respect of the Subsidiary), for the acquisition of Shares of the Target Company under the Offer and the SPA, in terms of the applicable rules and regulations prescribed by the said authorities. The Offer is also subject to the Acquirer obtaining the approval of RBI under FEMA to acquire shares, if any, from the OCB shareholders. There are no other statutory approvals required for the purpose of this Offer. However, the Offer would be subject to all statutory approvals as may become applicable even at a later date.
4. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to 3 working days (i.e. February 3, 2009) prior to the date of the closure of the Offer (i.e. February 9, 2009).
5. The Acquirer is permitted to revise the Offer Price of Equity Shares/No. of Equity Shares upward any time up to 7 working days prior to the date of the closing of the Offer. If there is any upward revision in the Offer Price of Equity Shares/ No. of Equity Shares by the Acquirer till the last date of revision viz. January 30, 2009 or in case of withdrawal of the Offer, the same would be informed by way of a Public Announcement in the newspapers mentioned in Clause 2.2.4 of this Letter of Offer and the same revised price would be payable by the Acquirer to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirer under the Offer.
6. The Offer is not subject to any minimum level of acceptance by the Public Shareholders.
7. There is no competitive bid.
8. The Public Announcement, this Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) are available on SEBI's web-site (www.sebi.gov.in).
9. The Acquirer will have the right to make payment to resident shareholders and non resident shareholders in respect of whom RBI Approval has been obtained and not accept Equity Shares from OCBs in respect of whom prior RBI approval is required in the event that the aforesaid RBI Approval is refused.
10. In case of delay in such further RBI Approval, the Acquirer has the option to make payment to the resident shareholders and non resident shareholders in respect of whom RBI Approval has been obtained and who have validly tendered their Equity Shares in the Offer as per the basis of acceptance if any. Also, in the event the Offer is oversubscribed, the Registrar will hold in trust the Shares/Share Certificates or Equity Shares held in credit of the special depository account for the resident shareholders and non resident shareholders in respect of whom RBI Approval has been obtained till the approval from RBI is received for acquiring Shares from OCBs in respect of whom RBI Approval is required.
11. After the receipt of RBI approval, the payment shall be made to the OCBs in respect of whom RBI Approval is required in accordance with the provisions of the SEBI (SAST) Regulations. However, in the event that the RBI Approval is refused for one or more shareholders and if the Offer is oversubscribed, the basis of acceptance will be revised and additional Equity Shares will be accepted by the Acquirer from resident shareholders and such other shareholders, in respect of whom no prior RBI Approval is required and such non-resident shareholders in respect of whom RBI Approval is received and further consideration shall be paid for such accepted shares as per the provisions under Regulation 22(12) of the SEBI (SAST) Regulations.

12. In case of delay in receipt of the RBI Approval, the Securities Exchange Board of India (“SEBI”) has the power to grant an extension of time to the Acquirer for payment of consideration to those OCBs in respect of whom approval of the RBI is required, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of regulation 22(12) of the SEBI (SAST) Regulations provided further that if the Acquirer is diligent in pursuing the RBI Approval to the satisfaction of SEBI, the Acquirer will have an option not to pay such interest, subject to a concurrence of SEBI. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by 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 the Regulation 28(12) of the SEBI (SAST) Regulations.
13. In case of delay in receipt of other requisite approvals, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the shareholders, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of regulation 22(12) of the SEBI (SAST) Regulations, provided further that if the Acquirer is diligent in pursuing the approvals to the satisfaction of SEBI, the Acquirer will have an option not to pay such interest, subject to the concurrence of SEBI.

| | |
|--|--|
| MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
|  <p>ENAM Securities Pvt. Limited 801/802 Dalamal Towers Nariman Point, Mumbai 400 021 Tel.: +91 – 022 – 6638 1800 Fax.: +91 – 022 – 2284 6824 Email: ascil@enam.com Contact Person: Mr. Sachin K. Chandiwala SEBI Registration No.: INM000006856</p> |  <p>Karvy Computershare Private Limited, Plot no 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081 Tel: (91) – 40-23420815-23 Fax: (91) – 40-23431551 E-mail: murali@karvy.com Contact Person: Mr. M. Murali Krishna</p> |
| OFFER OPENS ON: Tuesday, January 20, 2009 | OFFER CLOSES ON: Monday, February 09, 2009 |

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

| Activity | Day and Date | Revised Day and Date |
|--|------------------------------|----------------------------|
| Public Announcement | Monday, September 01, 2008 | Monday, September 01, 2008 |
| Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)* | Monday, September 01, 2008 | Monday, September 01, 2008 |
| Last date for a Competitive Bid, if any | Monday, September 22, 2008 | Monday, September 22, 2008 |
| Last date by which Letter of Offer will be posted to shareholders of the Target | Thursday, October 16, 2008 | Thursday, January 15, 2009 |
| Date of Opening of the Offer | Thursday, October 23, 2008 | Tuesday, January 20, 2009 |
| Last date for revising the Offer Price / Offer Size | Friday, October 31, 2008 | Friday, January 30, 2009 |
| Last date of withdrawal of tendered application by the shareholders of the Target | Thursday, November 06, 2008 | Tuesday, February 03, 2009 |
| Date of Closing of the Offer | Tuesday, November 11, 2008 | Monday, February 09, 2009 |
| Date by which acceptance/rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted Equity Shares/Share Certificate(s) will be dispatched/credited. | Wednesday, November 26, 2008 | Tuesday, February 24, 2009 |

*Specified date is only for the purpose of determining the names of the Public Shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of the Equity Shares of the Target, except the parties to the SPA are eligible to participate in the Offer anytime before the closure of the Offer.

The instant offer is being made as a result of the SPA entered into by the Acquirer (Aditya Birla Nuvo Limited) with the Sellers (Dr. Prathap C. Reddy, Ms. Suneeta Reddy, Ms. Preetha Reddy, Ms. Sangita Reddy, Mrs. Shobana Kamineni, and PCR Investments Limited) and Ms. Sucharita P. Reddy on August 28, 2008. In the event of the SPA not being acted upon within the expiry of 15 days of the date of dispatch of consideration to the shareholders, the Acquirer will be bound by the provisions of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as and when the SPA is given effect to.

RISK FACTORS

Given below are the risks related to the proposed Offer and association with the Acquirer.

Risk Factors associated with the Acquirer

1. The Acquirer makes no assurance with respect to the market price of the shares of the Target Company during/after the Offer and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
2. There is no assurance with respect to the continuation of the past trend in the financial performance of the Target.

Risk Factors associated with the Open Offer

1. Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by the Acquirer, the Acquirer shall accept the offers received from the shareholders on a proportional basis in consultation with the Manager to the Offer. Hence, there is no certainty that all shares tendered by the shareholders in the Offer will be accepted, in case there is oversubscription of the Offer.
2. The Offer is subject to the Acquirer or the Target and/or its Subsidiary obtaining the approvals from the SEBI, BSE, NSE, NSDL and CDSL (in respect of the Company) and MCX, NCDEX, NMCE (in respect of the Subsidiary), for the acquisition of Shares of the Target Company under the Offer and the SPA, in terms of the applicable rules and regulations prescribed by the said authorities. The offer is also subject to the Acquirer obtaining the approval of RBI under FEMA to acquire shares, if any, from all the OCB shareholders. There are no other statutory approvals required for the purpose of this Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date. The Acquirer reserves the right to withdraw the Offer in the event the requisite statutory approvals for the purpose of this Offer or those that may be necessary at a later date are refused.
3. In the event of regulatory approvals not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders whose Equity Shares have been accepted in the Offer as well as the return of the Equity Shares not accepted by the Acquirer may be delayed. Shareholders should note that after the last date for withdrawal of acceptances under the Offer i.e. February 3, 2009, Shareholders who have lodged the Equity Shares will not be able to withdraw them even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed. The tendered Equity Shares and documents will be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.
4. The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the shareholders will not be able to trade such Equity Shares. During such period there may be fluctuations in the market price of the Equity Shares. Accordingly, the Acquirer makes no assurance with respect to the market price of the Equity Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.

5. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement or the Letter of Offer or in the advertisement or any materials issued by, or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.
6. The Acquirer will have the right to make payment to the resident shareholders and non resident shareholders in respect of whom RBI Approval has been obtained and not accept Equity Shares from OCB shareholders in respect of whom prior RBI Approval is required in the event of the aforesaid RBI Approval being refused. Further, in case of non receipt of RBI approval with respect to the OCBs and if the offer is oversubscribed, the Acquirer will have the right to reject acceptance of the shares tendered by OCB shareholders in respect of whom prior RBI Approval is required and acquire additional shares from the resident Shareholders and the non resident Shareholders with respect to whom RBI Approval has been obtained. To facilitate this the Registrar will hold in trust the Shares/Share Certificates or Equity Shares held in credit of the special depository account for the resident shareholders and non resident shareholders in respect of whom RBI Approval has been obtained till the approval from RBI is received for acquiring shares from OCB shareholders in respect of whom prior RBI Approval is required.
7. In the event of oversubscription in the Offer, the acceptance of the Equity Shares tendered will be on a proportionate basis and will be contingent on the level of subscription. However, in the event that the RBI approval is refused for one or more shareholders in respect of whom prior RBI Approval is required, the basis of acceptance will be revised and additional Equity Shares will be accepted by the Acquirer from resident Shareholders and such non resident shareholders in respect of whom no prior RBI approval is required or non resident shareholders in respect of whom RBI Approval is received and further consideration shall be paid for such accepted shares as per the provisions under Regulation 22(12) of the SEBI Takeover Regulations.

The risk factors set forth above do not relate to the present or future business or operations of ASCIL or any other matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of ASCIL are advised to consult their stockbrokers or investment consultant, if any, for further risks with respect to their participation in the Offer.

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DEFINITIONS

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|--|--|
| Acquirer | Aditya Birla Nuvo Limited |
| BSE | Bombay Stock Exchange Limited |
| CDSL | Central Depository Services Limited |
| DP or Depository Participant | Karvy Stock Broking Ltd |
| ECS | Electronic Clearing System |
| Escrow Agreement | Escrow Agreement dated August 28, 2008 between Sellers, Acquirers and Escrow Agent. |
| Escrow Bank / Escrow Agent | The Hongkong and Shanghai Banking Corporation |
| FEMA | The Foreign Exchange Management Act, 2000 |
| FII(s) | Foreign Institutional Investors registered with SEBI |
| Form of Acceptance | Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer |
| Form of Withdrawal | Form of Withdrawal accompanying this Letter of Offer |
| IFSC | Indian Financial System Code |
| LOF or Letter of Offer | This Letter of Offer dated January 12, 2009 |
| MICR | Magnetic Ink Character Recognition |
| Manager to the Offer or Enam | Enam Securities Pvt. Limited |
| MSE | Madras Stock Exchange Limited |
| NEFT | National Electronic Fund Transfer |
| NRI(s) | Non-Resident Indians |
| Non-Resident Shareholders | NRIs', OCBs' and FIIs' holding the Equity Shares of ASCIL |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB(s) | Overseas Corporate Bodies |
| Offer or Open Offer | Open Offer to acquire 1,10,80,000 fully paid-up Equity Shares of Re.1/- each of ASCIL, representing 20% of the outstanding equity share capital of ASCIL, at a price of Rs. 64.08/- per fully paid up Equity Share, payable in cash |
| Offer Period | From January 20, 2009 to February 9, 2009 |
| Offer Price | Rs. 64.08/- per fully paid-up Equity Share of ASCIL |
| Public Announcement or PA | Public Announcement for the Open Offer issued on behalf of the Acquirer on September 1, 2008 |
| Person eligible to participate in the offer | All owners (registered or unregistered) of the Equity Shares of the Target, except the parties to the SPA and persons deemed to be acting in concert with them are eligible to participate in the Offer anytime before the closure of the Offer. |
| RTGS | Real Time Gross Settlement |
| Registrar or Registrar to the Offer | Karvy Computershare Private Limited, an entity registered with SEBI under SEBI (Registrar to Issue and Share Transfer Agents) Rules and Regulations, 1993 |
| RBI | The Reserve Bank of India |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended from time to time |
| Sellers | Promoters of the Target namely Dr. Prathap C. Reddy, Ms. Suneeta Reddy, Ms. Preetha Reddy, Ms. Sangita Reddy, Mrs. Shobana Kamineni, and PCR Investments Limited representing themselves and persons listed in SPA |
| SICA | Sick Industrial Companies Act, 1985 |

| | |
|------------------------------------|--|
| SPA | Share Purchase Agreement dated August 28, 2008 |
| Specified Date | Monday, September 01, 2008 |
| Target or ASCIL | Apollo Sindhoori Capital Investments Limited |
| The Regulations | SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto |
| The SEBI (SAST) Regulations | SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto |

1 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ASCIL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE EQUITY SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE IT'S RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, ENAM SECURITIES PVT. LTD, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 11, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2 DETAILS OF THE OFFER

2.1 Background to the Offer

- 2.1.1 Aditya Birla Nuvo Limited, a company incorporated under the Companies Act, 1956, having its registered office at Indian Rayon Compound, Veraval – 362 266, (the “Acquirer”) has entered into a Share Purchase Agreement dated August 28, 2008 (“SPA”) with promoters of the Target Company namely Dr. Prathap C. Reddy, Ms. Suneeta Reddy, Ms. Preetha Reddy, Ms. Sangita Reddy, Mrs. Shobana Kamineni, and PCR Investments Limited (together referred to as “Sellers”) and Ms. Sucharita P. Reddy (“Confirming Party”) for the acquisition of 3,10,24,000 fully paid up equity shares (“Sale Shares”) of Re 1/- each representing 56% of the issued equity share capital of the Target Company at a price of Rs. 64.08 (Rupees Sixty four and eight paise only) per equity share aggregating to Rs. 19,880.18 lacs payable in cash.
- 2.1.2 Pursuant to the proposed substantial acquisition of equity shares and consequent change in control of the Target contemplated under the SPA, this mandatory offer (the “Offer” or “Open Offer”) is being made by the Acquirer in compliance with Regulation 10, 12 and other applicable provisions of SEBI (SAST) Regulations.
- 2.1.3 The Acquirer hereby makes this Offer to shareholders of the Target (other than the parties to the SPA) to acquire up to 1,10,80,000 equity shares (“Shares”) of the Target of face value of Re.1 each, representing in aggregate 20% of the paid-up equity share capital and voting capital of the Target at a price of Rs. 64.08 (Rupees Sixty four and eight paise only) per fully paid up equity share (“Offer Price”) payable in cash subject to the terms and conditions mentioned in the PA and in this Letter of Offer. This Offer is not subject to any minimum level of acceptance.

2.1.4 The details of the shareholding of the sellers as on the date of the PA and details of number of shares being sold by them to the Acquirer are given as below:

| Name of the seller | Number of shares held as on the date of PA | % of outstanding Equity share capital held as on the date of PA | Number of shares being sold to the Acquirer as per SPA | % of outstanding Equity share capital being sold to the Acquirer as per the SPA |
|---------------------------|---|--|---|--|
| Sellers | 34,409,320 | 62.12% | 31024000 | 56.00% |

The table below gives details of Sellers.

| Name of authorized Seller | Name of Shareholder | Number of Shares held as on the date of PA | % of outstanding Equity share capital held as on the date of PA | Number of shares being sold to the Acquirer as per SPA | % of outstanding Equity share capital being sold to the Acquirer as per the SPA | Address and Phone / Fax number |
|----------------------------------|----------------------------|---|--|---|--|--|
| Prathap C Reddy | Prathap C Reddy | 11812160 | 21.32% | 11812160 | 21.32% | 19 Bishop Gardens, Raja Annamalai Puram, Chennai 600 028 Phone no.:044 2829 5777 Fax no.: 28292104 |
| Suneeta Reddy | Suneeta Reddy | 1410500 | 2.55% | 1410500 | 2.55% | 5 Subba Rao Avenue, College Road, Chennai 600 006 Phone no.:044 28291252 Fax no.:2829 1407 |
| Preetha Reddy | Preetha Reddy | 7104440 | 12.82% | 7104440 | 12.82% | 5 Subba Rao Avenue, College Road, Chennai 600 006 Phone no.:044 2829 5752 Fax no.:2829 4128 |
| Sangita Reddy | Sangita Reddy | 4363000 | 7.88% | 4363000 | 7.88% | 19 Bishop Gardens, Raja Annamalai Puram, Chennai 600 028 Phone no.:044 24937720 Fax no.:044 - 28291407 |

| Name of authorized Seller | Name of Shareholder | Number of Shares held as on the date of PA | % of outstanding Equity share capital held as on the date of PA | Number of shares being sold to the Acquirer as per SPA | % of outstanding Equity share capital being sold to the Acquirer as per the SPA | Address and Phone / Fax number |
|----------------------------------|----------------------------|---|--|---|--|--|
| Shobana Kamineni | Shobana Kamineni | 4940420 | 8.92% | 4940420 | 8.92% | 19 Bishop Gardens, Raja Annamalai Puram, Chennai 600 028 Phone no.:044 24937720 Fax no.:82891407 |
| PCR Investments Limited | PCR Investments Limited | 4,778,800 | 8.63% | 1393480 | 2.52% | 19 Bishop Gardens, Raja Annamalai Puram, Chennai 600 028, India Phone no.:044 2829 3434 Fax no.:28292664 |

2.1.5 The salient features of SPA/Escrow Agreement are as follows:

- a) The transfer of the Sale Shares from the Sellers to the Acquirer may occur either by way of sale by way of block deal through the floor of the stock exchange or by an off-market transfer on a spot delivery basis. The Confirming Party is not required to tender her Shares for sale to the Acquirer, except in certain circumstances set out in the SPA to make up for the deficit in the Shares to be transferred by the Sellers. The Sellers have agreed to indemnify the Acquirer if they fail to transfer the entire amount of the Sale Shares to them. Prior to completion of transfer of the Sale Shares, the Sellers have the option to restructure their entire shareholding inter-se, consequent to which, all of the Sale Shares may be transferred to the Acquirer by one of the Sellers only.
- b) Each of the Sellers, the Confirming Party and the Acquirer have entered into an escrow agreement with The Hongkong and Shanghai Banking Corporation (“Escrow Agent”) for the purpose of securing the due performance by them of their obligations under the SPA. Pursuant to this, the Sellers, the Confirming Party, the Acquirer and the Escrow Agent have entered into an Escrow Agreement dated August 28, 2008 which set out the processes in relation to the escrow.
- c) The Sellers and the Acquirer have agreed that on and from September 22, 2008 or any other date as may be mutually agreed to between the Sellers and the Acquirer (“Appointment Date”), the Board of Directors of the Target will be reconstituted to comprise of 8 directors of which 2 shall be nominated by the Sellers, 2 shall be nominated by the Acquirer and 4, or such higher number as prescribed under applicable law, shall be “independent directors” (as such term is defined in the Listing Agreement entered into between the Target and each of BSE, and NSE). The Sellers’ right to nominate 2 directors on the Board of the Company would be valid up to the completion of the acquisition of the Sale Shares by the Acquirer. On the completion of the acquisition of shares by the Acquirer as contemplated under the SPA and under this Offer, the Board of the Target Company will be reconstituted and the Seller has undertaken that its nominees shall resign from their office.
- d) The Acquirer and its duly authorized agent will, upon reasonable notice, be allowed reasonable access to the employees and premises of the Target and Apollo Sindhoori Commodities Trading Limited (“Subsidiary”) and shall also be allowed reasonable access to such books and records of the Target

Company and the Subsidiary, as may reasonably be requested by the Acquirer, provided that the obligations of the Sellers shall not extend to allowing access to any “unpublished price sensitive information” and shall also be subject to compliance with applicable law. The Sellers shall keep the Acquirer informed with respect to any action against the Target Company and the Subsidiary which is likely to adversely affect their business.

- e) The Sellers and the Acquirer have also agreed to procure the constitution of a steering committee which will provide recommendations in relation to the day to day functioning of the Target Company. The recommendations of the steering committee will be non-binding in nature. Further, certain matters such as changes to the share capital of the Target and the Subsidiary, making material amendments to material contracts entering into material contracts outside the ordinary course of business, to the extent that the same have not been approved by the steering committee, require the prior consent of the Acquirer (which consent shall not be unreasonably withheld or delayed).
- f) The Sellers shall, and shall procure that their Affiliates shall, permit each of the Company and the Subsidiary to continue using the name “Apollo Sindhoori” as part of their corporate name for a period of 12 (twelve) months (the “Change Date”) from the Completion Date. Such usage by the Company and/ or the Subsidiary shall not create in the Company and / or the Subsidiary, any right, title or interest, in the name “Apollo Sindhoori” or any other derivation thereof, or any right to use such names alone or in association with any other purpose than its corporate name on the terms set out in this Agreement
- g) The Acquirer shall have the obligation to acquire the Sale Shares of the Sellers subject to the satisfaction of certain conditions precedent as detailed in the SPA including inter alia:
 - a. completion by the Acquirer of its obligations under the Open Offer and submission to the Sellers of a copy of the certificate obtained from its merchant banker under Regulation 23(6) of SEBI (SAST) Regulations;
 - b. receipt of all regulatory and statutory approvals, including approvals from the Securities and Exchange Board of India (“SEBI”), Multi Commodities Exchange of India (“MCX”), National Commodities and Derivatives Exchange Limited (“NCDEX”), National Stock Exchange (“NSE”), Bombay Stock Exchange (“BSE”), National Multi Commodity Exchange (“NMCE”), Central Depository Services Limited (“CDSL”) and National Securities Depositories Limited (“NSDL”);
 - c. the aggregate net worth of the Target Company and the Subsidiary being not less than Rs. 45.10 crores;
 - d. the Seller being in compliance with the representations and warranties it has given in relation to due incorporation of the Target and the Subsidiary, title to the Sale Shares and compliance of all laws by the Target and the Subsidiary;
 - e. there not having occurred a material adverse change;
- h) Pursuant to the transfer of the Sale Shares, some of the Sellers, along with the Confirming Party may continue to hold approximately 10% of the equity share capital of the Target. The Acquirer shall have the right of first refusal in case of disposal by the Sellers and/or the Confirming Party of any part of their residual shareholding in the Target after completion as contemplated under the SPA, subject to certain exceptions as detailed therein.
- i) The Sellers shall not and will procure that no affiliate of the Sellers and/or the Confirming Party will, for a period of 24 months from the transfer of shares, directly or indirectly knowingly employ, a senior employee of the Target and its Subsidiary or a person who was a senior employee of the Target Company and its Subsidiary at any time during the 12 (twelve) months prior to the date of the SPA.
- j) The Sellers and the Confirming Party have agreed not to compete with the business of the Target and the Subsidiary for a period of 24 months from the transfer of shares, for no separate consideration.

- k) The SPA also contains other customary provisions including provisions in relation to representations, warranties and indemnities.
- l) The Acquirer, the Sellers and the Confirming Party have agreed that the Sellers and the Confirming Party shall cease to be classified as the “promoters” of the Target Company on the completion of the transactions under the SPA for the purposes of (i) any filings made under the Listing Agreement entered into between the Target Company and any stock exchange on which its shares are listed, (ii) the SEBI (SAST) Regulations and/ or (iii) any other applicable rules, laws, or regulations. Accordingly, after the completion of the transactions under the SPA, the shares held by the Sellers and the Confirming Party shall not be classified as promoter shares of the Target Company but shall form a part of the “public shareholding” in the Target Company.
- 2.1.6 Being parties to SPA, Sellers and the Confirming Party will not participate in this Offer being made by the Acquirer.
- 2.1.7 The Acquirer, the Target and Sellers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities Exchange Board of India Act, 1992 as amended (the “SEBI Act”) or under any other regulation made under the SEBI Act.
- 2.1.8 As per stock exchange filings made with NSE and BSE, the Sellers belong to the promoter and promoter group of the Target Company.
- 2.1.9 On September 23, 2008, Mr. Pankaj J. Razdan and Mr. Vivek Kanwar were appointed as Additional Directors on the board of the Target Company as nominees of the Acquirer. The Board of Directors of the Target may be further reconstituted as mentioned in paragraph 2.1.5(c),

2.2 The Offer

- 2.2.1 The Acquirer is making an offer to the shareholders (other than parties to the SPA) of ASCIL to acquire 11,080,000 fully paid up equity shares of Re. 1 /- each representing 20% of the outstanding voting equity share capital of the Target Company at a price of Rs. 64.08 /- per fully paid-up equity share (the “Offer Price”) payable in cash subject to the terms and conditions set out in the PA and this Letter of Offer. The offer is being made in accordance with Regulations 10 & 12 of the Regulations pursuant to the proposed substantial acquisition of equity shares and change in control as a consequence of the “SPA” referred to in paragraph 2.1.1 and 2.1.2 above.

For the purpose of computing the voting percentage, the voting rights as at the expiration of fifteen days after the closure of the Offer has been reckoned.

- 2.2.2 The Offer is not conditional on any minimum level of acceptance.
- 2.2.3 This is not a competitive bid.
- 2.2.4 The Public Announcement, as per regulation 15(1) of the Regulations, was made in the following newspapers on September 1, 2008:

| Newspaper | Language | Editions |
|-------------------|-----------------|-----------------|
| Financial Express | English | All |
| Jansatta | Hindi | All |
| Makkal Kural | Tamil | Chennai |

A copy of the Public Announcement is also available at SEBI’s website (www.sebi.gov.in).

If there is any upward revision in the Offer Price of Equity Shares/ Offer Size by the Acquirer till the last date of revision viz. January 30, 2009 or in case of withdrawal of the Offer, the same would be informed by way of a Public Announcement in the newspapers in which the original PA was published on September 1, 2008 and the same revised price would be payable by the Acquirer to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirer under the Offer.

- 2.2.5 The Offer is subject to the terms and conditions set out herein in the Letter of Offer (“LOF”).
- 2.2.6 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 9 of the LOF. In terms of Regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- 2.2.7 The Acquirer does not hold any shares in the Target as on the date of the PA.
- 2.2.8 Neither the Acquirer nor their respective directors have acquired any shares of Target during the 12 months period prior to the date of the PA. The Acquirer has however agreed to acquire equity shares in the Target Company under the SPA as stated in paragraph 2.1.1 above.
- 2.2.9 The Acquirer and their respective directors have not acquired any Shares of the Target after the date of the PA.
- 2.2.10 There are no partly paid up shares in the Target Company.
- 2.2.11 The Equity Shares will be acquired by the Acquirer free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 2.2.12 As on date of the LOF, the Manager to the Offer does not hold any shares in the Target.
- 2.2.13 There has been no competitive bid to this Offer.
- 2.2.14 For the purpose of this Offer, there is no Person Acting in Concert (“PAC”) with the Acquirer within the meaning of Regulation 2(1) (e) of the Regulations.
- 2.2.15 Upon completion of the Offer, assuming full acceptances in the Offer and acquisition of shares under the SPA, the Acquirer will hold 4,21,04,000 shares constituting 76 % of the equity share capital of the Target. As per Clause 40A of the Listing Agreement with the BSE, NSE and MSE, the Target is required to maintain at least 25% public shareholding on a continuous basis. In the event that the acquisition made in pursuance to the Offer results in the public shareholding of the Target falling below such minimum level, the Acquirer undertakes to take necessary steps to facilitate compliance of the Target with the relevant provisions of the Listing Agreements, within the time period mentioned therein or in accordance with such other directions as may be provided by the relevant stock exchanges, in accordance with the provisions of Regulation 21(2) of the Regulations.

3 RATIONALE FOR THE ACQUISITION AND OFFER

- 3.1 The Offer is being made pursuant to the SPA between the Acquirer and the Sellers as described in para 2.1.1 above whereby the Acquirer intends to acquire 56% of the issued share capital from the Sellers. This has resulted in substantial acquisition of shares and change in control of the Target in terms of the SEBI (SAST) Regulations. Hence, this Open Offer is being made in compliance with Regulation 10 and Regulation 12 read with other applicable provisions of the SEBI (SAST) Regulations.

- 3.2 The Acquirer believes that the acquisition of broking business is a step towards becoming a broad based and integrated player in financial services business. This move will strategically further strengthen the position of the financial services group which currently has a strong presence across financial services verticals that include life insurance, fund management, distribution and wealth management, security based lending, insurance broking and private equity. The Acquirer believes that acquisition of a majority stake in Target Company is in line with its business strategy.
- 3.3 As of the date of the PA, the Acquirer does not have any plan to dispose off or otherwise encumber any asset of the Target Company in the next two years except in the ordinary course of business of the Target Company and except to the extent mentioned above. To the extent required and to optimize the value to all shareholders, the Acquirer may, subject to applicable shareholder's consent, enter into any compromise or arrangement, reconstruction, restructuring, merger, rationalizing and/or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of the Target. Notwithstanding, the Board of Directors of the Target Company will take appropriate decisions in these matters in line with the requirements of the business and opportunities from time to time.
- 3.4 The Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company, other than in the ordinary course, except with the prior approval of the shareholders of Target.

4 INFORMATION ON THE ACQUIRER

- 4.1 The Acquirer is one of the flagship companies of the Aditya Birla Group, originally incorporated as The Indian Rayon Corporation Limited on September 26, 1956 under the Companies Act, 1956 as a public limited company. The Acquirer's name was changed to Indian Rayon And Industries Limited on January 23, 1987 and subsequently to Aditya Birla Nuvo Limited on October 27, 2005. The equity shares of the Acquirer are listed on BSE and NSE.
- 4.2 The Acquirer has its registered office at Indian Rayon Compound, Veraval - 362 266, Tel: + 91 2876-245711 Fax: + 91 2876-243220.
- 4.3 The Acquirer is one of the leading players in key business segments, such as viscose filament yarn ("VFY"), carbon black, branded garments, fertilizers, textiles and insulators. Acquirer through its subsidiaries and joint ventures is also engaged in other business segments, such as life insurance, telecommunication, information technology services, business process outsourcing (BPO), asset management and other financial services.
- 4.4 The Promoters of the Acquirer are Shri Kumar Mangalam Birla, Birla Group Holdings Pvt. Ltd, and TGS Investment & Trade Pvt. Limited. The said 2 Companies are part of the Aditya Birla Group.
- 4.5 The Acquirer did not hold any shares in the Target prior to the acquisition of equity shares under the SPA as stated in paragraph 2.1.1 above and was therefore not required to comply with the provisions of chapter II of the SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 1997.

4.6 The Shareholding pattern of the Acquirer as on September 30, 2008 is as under:

| Sr. No | Shareholders Category | No. of shares held | % of shares |
|--------|--|--------------------|---------------|
| A | Promoter and Promoter Group | 38,194,751 | 40.20 |
| | Public Shareholding | | |
| | • Institutions | 35,907,021 | 37.79 |
| | • Bodies Corporate | 2,695,022 | 2.84 |
| | • Individuals | 13,716,098 | 14.44 |
| | • Trusts / NRI / OCB | 1,202,433 | 1.25 |
| B | Total Public shareholding | 53,520,574 | 56.33 |
| C | Shares held by Custodians and against which Depository Receipts have been issued | 3,292,725 | 3.47 |
| | Total paid up capital (A+B+C) | 95,008,050 | 100.00 |

4.7 Details of the Board of Directors of the Acquirer, as on December 31, 2008, are as below:

| Name and Designation | Residential Address | Qualification | Experience (No. of Years) | Nature of Experience | Date of Joining |
|--|--|---------------------|------------------------------------|--|--------------------|
| Mr. Kumar Mangalam Birla, Chairman | "Mangal Adityayan", 20, Carmichael Road Mumbai 400 026 | F.C.A., M.B.A. | 16 (Industrialist) | He is a CA and MBA from London Business School, London. He holds key and responsible position on various regulatory and professional Boards. | September 23, 1992 |
| Mrs. Rajashree Birla, Non Executive Director | "Mangal Adityayan", 20, Carmichael Road Mumbai 400 026 | B. A. | more than 25 years (Industrialist) | She oversees the Birla Group's social and welfare driven work across 30 companies. | March 14, 1996. |
| Mr. B. R. Gupta, Independent Director | Flat No.6, Ground Floor, Sheetal Apartment, Apna Ghar, Unit No.9, Shree Swami Samarath Nagar, Lokhandwala, Andheri (W), Mumbai 400 053 | M. A., LL. B., FIII | 45 (Retired Executive) | He is a former Executive Director of LIC of India and has very rich and varied experience as Investment Consultant and as a Director on the Boards of several companies. | January 28, 2000. |
| Mr. P. Murari, Independent Director | 2, Gilchrist Avenue, Off-Harrington Road, Chennai 600 031 | M.A., IAS (retired) | 53 IAS (Retired) | He was Secretary to the President of India before retiring and is now the Advisor to the President, FICCI. | December 29, 1992 |
| Mr. B. L. Shah, Non Executive Director | 'Manisha', 69A, Nepean Sea Road, Mumbai 400 006 | B.Com. | 65 (Retired Executive) | He has worked in several companies on various posts reaching to the position of President and Director of the Company. | April 15, 1975. |
| Mr. H. J. Vaidya, Independent Director | 501, Everest Chambers, Off. Mount Pleasant Road, Malabar Hill, Mumbai 400 006 | B. Sc. | 61 (Industrialist) | He was a member of the Working Committee and an Office Bearer of the All India Manufacturers Organisation. | July 14, 1967. |

| Name and Designation | Residential Address | Qualification | Experience (No. of Years) | Nature of Experience | Date of Joining |
|--|--|--------------------------------------|---------------------------|--|------------------|
| Ms. Tarjani Vakil, Independent Director | A-1, Ishwardas Mansion, Nana Chowk, Mumbai 400 007 | M. A. | 40 (Consultant) | Ms. Vakil retired from the position of Chairperson and Managing Director of Exim Bank in 1996. She is on the Board of several companies. | July 27, 2000 |
| Mr. Vikram Rao, Whole Time Director | No. 395, 16th Main, 3 rd Block, 2 nd Cross, Koramangala, Bangalore 560 034 | B. E. (Chem.), M.B.A. | 32 (Management Executive) | Before joining the Aditya Birla Group in 1999, Mr. Rao was President. Arvind Mills Limited. | October 30, 2001 |
| Mr. S. C. Bhargava, Independent Director | 14 Queens Court, Maharshi Karve Road, Churhgate, Mumbai 400 020 | B.Com (Hons), C. A. | 34 (Retired Executive) | He is a CA with more than 34 years of experience and is representative of LIC on the Board of the Company. He is also on the board of other companies.. | April 29, 2004 |
| Mr. G. P. Gupta, Independent Director | 101 Kaveri B Wing, Neelkanth Vally, 7th Road, Rajawadi, Ghatkopar (E), Mumbai 400 077 | M. Com. | 41 (Retired Executive) | He has varied experience in the areas of general management, financial management, banking, industrial and financial restructuring. He is a Director on the Board of several companies. . | April 27, 2005. |
| Dr. Bharat K. Singh, Managing Director | 7 Kumaram, Third Floor, 10 Worli Sea Face, Mumbai 400 018 | B.E., M. B. A. (IIM – Kolkata) | 38 (Management Executive) | He has rich experience in several Operational and Strategic roles in various organizations | November 1, 2006 |
| Mr. Adesh Kumar Gupta, Whole Time Director & CFO | 701, Tagore Avenue, Tagore Road, Santacruz (W), Mumbai 400 054 | B.Com, F.C.S., F.C.A., AMP (Harvard) | 29 (Company Executive) | He is a CA and CS and has been associated with the Company and the Aditya Birla Group for a number of years | October 1, 2005 |
| Mr. K. K. Maheshwari, Whole Time Director | Chitrakoot Co-Operative Housing Society Limited, Flat No.22 Altamount Road, Mumbai 400 026 | M. Com., F.C.A. | 31 (Company Executive) | He is a CA and was previously the Manager of the Company. He is with the Aditya Birla Group for number of years. | October 1, 2005 |
| Dr. Rakesh Jain, Joint Managing Director | 1101/2, "A" Wing, Quantum Park, Union Park Road, Khar (W), Mumbai 400 052 | M. Tech. (Rubber Tech.), Ph.D. | 19 (Company Executive) | He has global experience in USA, Europe and Asia in different capacities. | October 1, 2005. |
| Mr. Arun Maira, Independent Director | H.N.501, Building No.32, Heritage City, Gurgaon 122 008 | B. Sc. (Hons), M.Sc. (Physics) | 44 (Consultant) | He has a combination of hands-on leadership experience, consulting experience to leadership teams internationally and thought-leadership as an author and speaker on the subject of organization transformation. | August 4, 2008 |

As on the date of the Public Announcement, none of the Directors of the Acquirer is on the Board of Directors of the Target.

- 4.8 The total authorised share capital of the Acquirer as on December 31, 2008 is Rs.180,00,00,000 (Rs. One Hundred Eighty Crores) divided into 17,50,00,000 Equity Shares of Rs. 10/- each and 5,00,000 Redeemable Preference Shares of Rs. 100/- each. The issued and paid-up capital is Rs. 9,501 lacs divided into 95,008,050 equity shares of Rs. 10/- each. In addition, as on March 31, 2008, the Acquirer had outstanding Employee Stock Options exercisable into 326,013 Equity Shares of Rs. 10/- each and outstanding Warrants exercisable into 18,800,000 Equity Shares of Rs. 10/- each. The market price of the equity shares as on September 1, 2008, i.e. the date of the PA was Rs. 1,257.95 on BSE and Rs. 1,256.25 on NSE. The company has allotted 2,05,00,000 warrants each convertible into one equity share of the Acquirer to IGH Holdings Private Limited, TGS Investment and Trade Private Limited and Surya Kiran Investments Pte. Ltd.
- 4.9 The consolidated audited financial highlights (as required under point no. 12 of Annexure I of 'Standard Letter of Offer for an Open Offer' in terms of Regulations) of the Acquirer for the last three years as certified by Mr. R V Chaniyari of Statutory Auditors M/s. Khimji Kunverji & Co, Chartered Accountants, (Membership No. (F-31083) , vide their report dated September 9, 2008, are as below:

Summary statement of Profit and Loss of the Company on the consolidated basis for the financial year ended March 31, 2006, March 31, 2007 and March 31, 2008 is as follows;

| Particulars | (Rs. In lacs) | | |
|---|------------------|----------------|----------------|
| | March 31, 2008 | March 31, 2007 | March 31, 2006 |
| Income from operation | 1,213,404 | 836,677 | 483,034 |
| Other Income | 9,313 | 6,386 | 3,332 |
| Total Income | 1,222,717 | 843,063 | 486,366 |
| Total Expenditure | 1,112,591 | 729,105 | 424,793 |
| Profit Before Depreciation, Interest and Tax | 110,126 | 113,958 | 61,573 |
| Depreciation | 52,494 | 42,278 | 22,497 |
| Interest | 42,502 | 36,333 | 10,383 |
| Profit Before Tax and Exceptional Items | 15,130 | 35,347 | 28,693 |
| <u>Exceptional Items</u> | | | |
| Voluntary Retirement Cost | | (201) | (404) |
| Gain on Sale of Rajashree Syntex Division | 73 | | |
| Profit on Sale of Subsidiary | - | 253 | - |
| Profit After Exceptional Items | 15,203 | 35,399 | 28,289 |
| Provision For Tax | 12,586 | 11,190 | 9,412 |
| Profit Before Minority Interest | 2,617 | 24,209 | 18,877 |

| Particulars | March 31, 2008 | March 31, 2007 | March 31, 2006 |
|--|-----------------------|-----------------------|-----------------------|
| Less: Minority Interest on the loss of Consolidated Subsidiaries | (12,461) | (3,834) | (1,490) |
| Share of Profit/(Loss) of Associates | - | 46 | 37 |
| Net Profit | 15,078 | 28,089 | 20,404 |

Summary statement of Assets and Liabilities of the Company on the consolidated basis as on March 31, 2006, March 31, 2007 and March 31, 2008 is as follows;

| <u>Particulars</u> | March 31, 2008 | March 31, 2007 | March 31, 2006 |
|--|-----------------------|-----------------------|-----------------------|
| <u>Sources of Funds:</u> | | | |
| Paid up Share Capital | | | |
| Equity Share Capital | 9,501 | 9,331 | 5,989 |
| Share Capital Suspense | - | - | 2,361 |
| Preference Share Capital (of Subsidiary/Joint Venture) | 5,000 | - | 10,017 |
| Share Warrant | 37,741 | - | - |
| Reserves and Surplus (excluding revaluation reserves) | 351,045 | 302,629 | 191,483 |
| Networth | 403,287 | 311,960 | 209,850 |
| Minority Interest | 17,441 | 14,327 | 4,320 |
| Secured Loans | 450,765 | 407,999 | 152,518 |
| Unsecured Loans | 214,021 | 138,160 | 83,945 |
| Deferred Tax liability | 22,619 | 17,964 | 16,868 |
| Fund for Future Appropriations | 2,588 | 3 | 3 |
| Policy Holder's Fund | 648,467 | 376,195 | 237,837 |
| Total | 1,759,188 | 1,266,608 | 705,341 |
| <u>Uses of Funds</u> | | | |
| Goodwill on Consolidation | 257,104 | 259,489 | 96,136 |
| Net Fixed Assets (Including Capital Work in Progress) | 544,780 | 377,756 | 215,759 |
| Investments | 736,702 | 454,339 | 291,692 |
| Net Current Assets | 220,602 | 175,024 | 101,754 |
| Total | 1,759,188 | 1,266,608 | 705,341 |

Summary Statement of the Other Financial Data of the Company on a consolidated basis for the Financial Year Ended March 31, 2006, March 31, 2007 and March 31, 2008 is as follows;

| Particulars * | March 31, 2008 | March 31, 2007 | March 31, 2006 |
|---------------------------------|----------------|----------------|----------------|
| Dividend (%) | 57.50% | 55.00% | 50.00% |
| Earning Per Share (Basic) – Rs. | 15.95 | 31.96 | 26.12 |
| Return on Net worth (%) | 3.74% | 9.00% | 10.21% |
| Book Value Per Share – Rs. | 419.21 | 334.33 | 239.32 |

* For Equity Shareholders

As required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof, the following is confirmed for the above mentioned financial highlights of fiscal years 2006, 2007, and 2008:

- There are no qualifications in the auditors' reports, which require any adjustments to the summary statements.
- There are no material prior period items requiring adjustment in the summary statements in the above mentioned years.
- The accounting policies as at and for each of the years ended March 31, 2008, 2007 & 2006 are materially consistent based on Accounting Standards then existing. Accordingly, no adjustments on account of change in accounting policies have been made to the audited financial statements for the years presented.
- There are no extraordinary items which need to be disclosed separately in the summary statement.
- There is no revaluation reserve account, hence no adjustment of the same is required from fixed assets and reserves

4.10 Details of contingent liabilities on consolidated basis of the Acquirer as on March 31, 2008 are as follows:

| | | Rs Lacs |
|---|--|-------------------------|
| | Description of contingent Liabilities | As at March 31, 2008 |
| 1 | Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of advances) | 72655 |
| 2 | Contingent Liabilities not provided for in respect of: | |
| | a) Claims against the Companies not acknowledged as debts | |
| | i) Income-tax | 8088 |
| | ii) Custom Duty | 269 |
| | iii) Excise Duty | 3330 |
| | iv) Sales Tax | 1517 |
| | iv) Service Tax | 3524 |
| | v) Others | 11353 |
| | b) Bills discounted / rediscounted with banks | 8035 |
| | c) Corporate Guarantees given to Banks/Financial Institutions for loans taken by other companies | 34490 |

| | |
|--|------|
| d) Customs duty on capital goods and raw materials imported under advance licensing / EPCG scheme, against which export obligation is to be fulfilled. | 4300 |
|--|------|

Under the Jute Packaging Material (Compulsory use of Packing Commodities) Act, 1987, a specified percentage of fertilisers dispatched was required to be supplied in Jute Bags up to 31.08.2001. The Acquirer made conscious efforts to use jute-packaging material as required under the Act. However, due to non-availability of material as per the Acquirer's product specifications as well as due to strong customer resistance to use of Jute Bags, the specific percentage could not be adhered to. The Acquirer has received a show cause notice, against which a writ petition has been filed with the High Court, which is awaiting for hearing. The Acquirer has been advised that the said levy is bad in law.

4.11 The Acquirer's consolidated net profit of Rs. 15078 lacs achieved in fiscal 2008 was lower by 46.32% against Rs. 28089 lacs achieved in fiscal 2007 largely due to losses in our life insurance business. Growing share of new business premium, which is key growth driver in the Life Insurance business, had initial gestating strain on consolidated profitability. Besides this, weak dollar and US slowdown impacted BPO and Garments exports businesses. For the fiscal year 2007, the consolidated net profit rose by 37.66% to Rs. 28089 lacs from Rs. 20404 lacs in fiscal 2006 on back of improved performance of Carbon black, Rayon, Garments, Fertilizers and Telecom businesses. Besides that, increasing stake in Idea from 20.74% to 35.74% in June 2006 also boosted consolidated profitability.

4.12 Summary of significant accounting policies of the Acquirer are as follows:

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(A) ACCOUNTING POLICIES

1 Accounting Convention

The Consolidated Financial Statements (CFS) comprises the financial statement of Aditya Birla Nuvo Limited ("Company") and its Subsidiaries, Joint Ventures and Associates (herein after referred to as "Group Companies" and together as "Group"). The financial statements of the Group have been prepared under the historical cost convention on an accrual basis in compliance with material aspect of the applicable Accounting Standards prescribed by the Institute of Chartered Accountant of India (ICAI) and in case of Birla Sun life Insurance Company Limited (BSLI) guidelines issued by Insurance Regulatory and Development Authority.

2 Accounting Estimates

The preparation of Financial Statements requires management to make estimates and assumption that affect reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management best knowledge of current event and actions, actual results could defer from these estimates

3 Principles of Consolidation

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and transactions as per Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI).

Investments in Associate Companies have been accounted under the equity method as per AS 23 - "Accounting for Investments in Associates".

Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per AS 27 - "Financial Reporting of Interests in Joint Ventures"

The excess / deficit of cost to the Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognized in the CFS as goodwill / capital reserve.

Entities acquired during the year have been consolidated from the respective dates of their acquisition.

4 Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

5 Depreciation / Amortization

Fixed Assets

The Group provide depreciation on straight line method over useful life estimated by management.

The rates of depreciation for fixed assets are not lower than the rates prescribed in Schedule XIV of the Companies Act, 1956.

Fixed assets individually costing less than Rs Five thousands are fully depreciated in the year of purchase

Intangible Assets are amortised as under:

Estimated Useful Life

| | |
|------------------------|----------------------|
| Trademarks / Brands | 10 years |
| Software | 3 to 5 years |
| Entry and License Fees | Over period of lease |

The Group does not amortize Goodwill except in case of BSAMC, where Goodwill is being amortized over a period of 10 years.

The Goodwill is tested for impairment as at balance sheet date

6 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any is charged to Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

7 Borrowing Cost

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the Profit & Loss Account.

8 Translation of Foreign Currency Items

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the profit and loss account. Other Non-monetary items, like fixed assets, investments in equity shares are carried in terms of historical cost using the exchange rate at the date of transaction. Premium/Discount in respect of forward foreign exchange contract is recognized over the life of the contracts.

Translation of foreign subsidiary is done in accordance with AS – 11 (Revised) “The Effects of Changes in Foreign Exchange Rates”. In the case of subsidiaries, the operation of which are considered as integral, the balance sheet items have been translated at closing rate except share capital and fixed assets, which have been translated at the transaction date. The income and expenditure items have been translated at the average rate for the year. Exchange Gain / (Loss) are recognized in the Profit and Loss account.

In case of subsidiaries, the operation of which are considered as non-integral, all assets and liabilities are converted at the closing rate at the end of the year and items of income and expenditure items have been translated at the average rate for the year. Exchange gain / (loss) arising on conversion are recognized under Foreign Currency Translation Reserve.

9 Derivative Instruments

Derivative financial instruments such as forward exchange contracts, currency swaps and interest rate swaps are used to hedge risks associated with foreign currency fluctuations and interest rate. Currency and interest rate swaps are accounted in accordance with their contract.

10 Investments

Investments are recorded at cost on the date of purchase, which includes brokerage and stamp duty, taxes, etc .Current Investments are stated at lower of cost and fair value. Long term investments are stated at cost after deducting provisions made, if any, for permanent diminution in the value.

Investments of Life Insurance Business:

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, the Insurance Regulatory and Development Authority (Investment) (Amendment) Regulations, 2001 and various other circulars / notifications issued by the IRDA in this context from time to time.

All debt securities are considered as ‘held to maturity’ and stated at amortised cost .

The discount or premium which is the difference between the purchase price and the redemption amount of the securities is amortised and offset against interest income in the revenue account or the profit and loss account, as the case may be, on a straight line basis over the remaining period to maturity of these securities.

Mutual fund investment are valued at realisable net asset value.

Listed equity shares are valued and stated at fair value, being the last quoted closing prices on The Stock Exchange, Mumbai and / or the National Stock Exchange, whichever is lower, at the balance sheet date.

Unlisted equity shares are stated at historical cost. A provision is made for diminution, if any; in the value of these shares to the extent that such diminution is other than temporary. Equity shares acquired through primary markets and awaiting listing are valued at their issue prices.

11 Inventories

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost.

Work in progress and finished goods are valued at lower of cost and net realizable value. Finished goods and work-in-progress include costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost of inventories is computed on a weighted average/FIFO basis.

Proceeds in respect of sale of raw materials/stores are credited to the respective heads. Obsolete, defective and unserviceable inventory is duly provided for.

12 Government Grants

Government Grants are recognized when there is reasonable assurance that the same will be received. Revenue grants are recognized in the Profit & Loss account. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other capital grants are credited to capital reserve.

13 Revenue Recognition

For manufacturing business, revenue is recognized as follows:

Revenue from sale of products is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Sales are recorded net of trade discounts, rebates and include excise duty.

Income from services are recognized as they are rendered based on agreements/arrangements with the concerned parties. In case of fixed price contracts revenue is recognized on percentage of completion method and revenue from time & materials contract is recognized as the services are provided. Maintenance income is accrued evenly over the period of contract.

Fertilizer price support under Group Concession and other Scheme of Government of India is recognized based on management's estimate taking into account known policy parameters and input price escalation / de-escalation.

For Life Insurance business, revenue is recognized as follows:

Premium is recognized as income when due from policyholders. For unit linked and pension businesses, premium income is recognized when the associated units are created. Premium on lapsed policies is recognized as income when such policies are reinstated. Premiums are net of service tax on risk premium collected, if any.

In case of Linked Business, Top up premiums paid by policyholders are considered as single premium and are unitized as prescribed by the regulations. This premium is recognized when the associated units are created.

Investment Management fee on linked funds is recognized when due.

Reinsurance premium ceded is accounted for at the time of recognition of the premium income in accordance with the terms and conditions of the relevant treaties with the reinsurers. Impact on account of subsequent revisions to or cancellations of premium are recognized in the year in which they occur.

In case of Telecom business Recharge fees on recharge vouchers is recognized as revenue as and when the recharge voucher is activated by the subscriber. Unbilled receivables, represent revenues recognized from the bill cycle date to the end of each month. These are billed in subsequent periods as per the terms of the billing plans.

Income from Financial Services includes brokerage and fees on mutual fund units, bonds, fixed deposits and IPOs, which is recognized when due, on completion of transaction. Management fees from the schemes of the mutual fund are accounted on an accrual basis as per SEBI Regulations. Advisory and portfolio management fees are accounted on an accrual basis as per contractual terms with clients.

Dividend income on investments is accounted for when the right to receive the payment is established.

14 Benefits Paid (including Claims)

In case of Life Insurance Business maturity benefits are accounted for when due for payment. Surrenders, deaths and other claims are accounted for, when notified. Claims payable include the direct costs of settlement. Reinsurance recoverable thereon is accounted for in the same period as the related claim. Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims.

15 License Fees – Revenue Share

With effect from August 1, 1999 the variable License fee computed at prescribed rates of revenue share is being charged to the Profit and Loss Account in the period in which the related revenue arises. Revenue for this purpose comprises adjusted gross revenue as per the license agreement of the license area to which the license pertains.

16 Retirement and Other Employee Benefits

(i) Defined Contribution Plan

The Group makes defined contribution to Provident Fund and Superannuation Schemes which are recognised in the Profit and Loss Account on accrual basis.

(ii) Defined Benefit Plan

The Group's liabilities under Payment of Gratuity Act (funded), long term compensated absences and pension are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method except for short term compensated absences which are provided for on based on estimates. Actuarial gain and losses are recognised immediately in the statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

17 Employee Stock based Compensation

The Group measures the compensation costs relating to employee stock options using the intrinsic value method. The compensation cost is amortized on a straight line basis over the total vesting period of the employee stock options.

In case of ITeS business, the difference between fair value (computed using proportionate earnings for the year) and the grant price has been accounted as ESOP expenses and charged to Profit & Loss Account.

18 Taxation

Tax expense comprises of current, deferred and fringe benefit tax.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the prevailing enacted or substantially enacted tax rates and laws as of the balance sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future. Deferred tax assets in case of unabsorbed losses and unabsorbed depreciation are recognized only if there is virtual certainty that such deferred tax asset can be realized against future taxable profits.

Fringe Benefit Tax is provided in accordance with the provisions of the Income Tax Act, 1961.

19 Operating Leases

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases and lease rentals thereon are charged to Profit and Loss account.

20 Finance Lease

Finance lease, which effectively transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at lower of fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on implicit rate of return. Finance charges are charged directly against income. Lease management fees, lease charges and other initial direct costs are capitalized.

21 Contingent Liabilities and Provisions

Contingent Liabilities are possible but not probable obligation as on the Balance Sheet date, based on the available evidence

Department appeals in respect of cases won by the Group are also considered as Contingent Liabilities.

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions are determined based on best estimate required to settle the obligation at the balance sheet date.

(B) SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

Effective April 1,2006 the Indian entities in the Group have adopted the revised AS-15 on Employee Benefits. Pursuant to the adoption, the incremental liability at the beginning of the year amounting to Rs 238 lacs (Net of tax) in respect of Gratuity Liability and Rs1486 lacs (net of tax in respect of compensated absence liability) and Rs lacs (net of tax) in respect of pension liability, has been adjusted against general reserve and Rs 37 lacs (Net of tax) in respect of Gratuity Liability and Rs 532 lacs (net of tax in respect of compensated absence liability) and Rs 245 lacs (net of tax) in respect of pension liability, has been adjusted against opening balance of Profit and Loss Account.

(C) SIGNIFICANT CHANGES IN ACCOUNTING ESTIMATES

The Acquirer has in FY 2005-2006, revised the estimated useful lives of office equipments, Showroom Assets and assets acquired on amalgamation of IGFL and BGFL from the life / rates as per Schedule XIV

of the Companies Act, 1956. Consequently additional depreciation of Rs 558 lacs has been charged to the Profit and Loss for the year.

(D) SIGNIFICANT NOTES

1. AMALGAMATION OF INDO GULF FERTILIZERS LIMITED (IGFL) AND BIRLA GLOBAL FINANCE LIMITED (BGFL) WITH THE ACQUIRER

Pursuant to the Schemes of Amalgamation (the Schemes) under sections 391 to 394 of the Companies Act, 1956, with effect from September 1st, 2005 (the Appointed Date) IGFL and BGFL, have been merged with the Acquirer. The Effective date of the Scheme for merger of IGFL & BGFL is April 3rd, 2006 and June 30th, 2006 respectively.

1,50,30,935 and 85,83,479 Equity Shares of Rs. 10 each of the Acquirer were to be issued to the shareholders of IGFL and BGFL respectively in the ratio of 1 (one) fully paid-up Equity Share of Rs.10 each of the Acquirer for every 3 (three) fully paid-up Equity Shares of Rs.10 each held in IGFL and BGFL. Pending allotment, an amount of Rs. 2361 lacs has been shown under Share Capital Suspense Account as at March 31st, 2006. These shares were subsequently issued on April 24th, 2006 to shareholders of IGFL and on July 18th, 2006 to shareholders of BGFL.

2. AMALGAMATION OF ADITYA BIRLA INSULTAORS LIMITED (ABIL) WITH THE ACQUIRER

On April 03, 2007 the Acquirer purchased remaining 1% stake in its subsidiary ABIL from NGK Insulators, Japan, thus making it a wholly owned subsidiary. Thereafter, ABIL was merged with the Acquirer w.e.f. April 01, 2007 on receiving Gujarat High Court's approval on July 31, 2007.

3. RIGHTS ISSUE OF EQUITY SHARE

During the financial year 2006-2007, the Acquirer made a rights offer for issue of 98,26,638 equity shares of Rs.10 each at a premium of Rs.783 per equity share, aggregating to Rs.77925 lacs.

4. PREFERENTIAL ISSUE OF WARRANTS

In accordance with the Members approval in the extra ordinary general meeting of the Acquirer Company held on February 06, 2008, the Acquirer has, on a preferential basis, issued 20,500,000 Warrants of Rs. 10/- each to the Promoter and Promoter Group, pursuant to the provision of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The holder of each warrant is entitled to apply for and obtain allotment of 1 Equity Share at a price of Rs. 2,007.45 (face value of Rs. 10/- at a premium of Rs. 1,997.45 per share) against each warrant at any time after the date of allotment but on or before the expiry of 18 months from the allotment in one or more tranches. As per SEBI Guidelines, an amount of Rs. 41143 lacs equivalent to 10% of the price has been received from the Promoter and/or Promoter Group of the Acquirer. On March 31, 2008, the Acquirer has received Rs. 30714 lacs (net o receipt of Rs. 3413 lacs received on allotment of warrant) on exercise of 1,700,000 warrants of Rs. 10/- each to the Promoter and Promoter Group.

5. Figures have been regrouped / rearranged wherever necessary.

4.13 **Details of the companies directly promoted by the Acquirer as on December 31, 2008 are as below:**

1. Birla Sunlife Insurance Company Limited

Birla Sunlife Insurance Company Limited was incorporated on August 4, 2000 having its registered office at 6th Floor, Vaman Centre, Makhwana Road, Off Andheri- Kurla Road, Near Marol Naka, Andheri (E) ,

Mumbai - 400 059. It started its operations in March 2001 after receiving its registration license from IRDA in January 2001. The main object of the company is to carry on life insurance business.

Financial Performance:

The audited operating results of Birla Sunlife Insurance Company Limited for fiscal 2006, 2007 & 2008 are as hereunder;

(Rs. in lacs, except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------------|--|--|--|
| Equity Share Capital | 127450 | 67150 | 46000 |
| Reserves & Surplus* | (88986) | (44456) | (30485) |
| Total Income | 374340 | 194866 | 140814 |
| Profit After Tax (PAT) | (44528) | (13974) | (6113) |
| EPS | (5.11) | (2.58) | (1.57) |
| NAV (Per Share) | 3.02 | 3.38 | 3.37 |

* Excluding Revaluation Reserve but including Debit balance of P&L Account

It has not become a sick company under the meaning of SICA.

2. Birla Global Finance Company Limited

Birla Global Finance Company Limited was incorporated on August 28, 1991 and its registered office is at Apeejay, 2nd Floor, Shahid Bhagat Singh Road, Fort, Mumbai - 400 001. The Company is engaged in the business of IPO financing and loan against shares. It is also engaged in corporate bill discounting.

Financial Performance:

The audited operating results of Birla Global Finance Company Limited for fiscal 2006, 2007 & 2008 are as hereunder;

(Rs. in lacs, except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------------|--|--|--|
| Equity Share Capital | 10596 | 7596 | 726 |
| Reserves & Surplus* | 1932 | (142) | (648) |
| Total Income | 10197 | 4968 | 515 |
| Profit After Tax (PAT) | 2269 | 506 | (148) |
| EPS | 2.33 | 1.73 | (2.04) |
| NAV (Per Share) | 11.82 | 7.03 | 1.08 |

* Excluding Revaluation Reserve but including Debit balance of P&L Account

It has not become a sick company under the meaning of SICA.

3. BGFL Corporate Finance Private Ltd

BGFL Corporate Finance Private Limited was incorporated on May 17, 1996 and its registered office is at Apeejay, 2nd Floor, Shahid Bhagat Singh Road, Fort, Mumbai - 400 001. BGFL Corporate Finance Private Limited is engaged in loan syndication.

Financial Performance:

The audited operating results of BGFL Corporate Finance Private Limited for fiscal 2006, 2007 & 2008 are as hereunder:

(Rs. in lacs, except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------------|--|--|--|
| Equity Share Capital | 51 | 51 | 1 |
| Reserves & Surplus* | 188 | 155 | 36 |
| Total Income | 148 | 161 | 111 |
| Profit After Tax (PAT) | 34 | 19 | (1) |
| EPS | 6.64 | 4.41 | (10.59) |
| NAV (Per Share) | 46.66 | 40.00 | 348.00 |

* Excluding Revaluation Reserve

It has not become a sick company under the meaning of SICA.

4. PSI Data Systems Limited

PSI Data Systems Limited was incorporated on January 22, 1976 having its registered office at 2nd Floor, Fairwinds, Embassy Golf Links Business Park, Intermediate Ring Road, Bangalore - 560 071. The main object of the company is to design, develop and manufacture micro processor modules, Systems and Mini and Micro computer based systems, Electronic Instrumentation systems and other value added services.

Financial Performance:

The audited consolidated operating results of PSI Data Systems Limited for fiscal 2006, 2007 & 2008 are as hereunder:

(Rs. in lacs, except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31, st 2007 | As at and for the year ended March 31st 2006 |
|------------------------|--|--|--|
| Equity Share Capital | 755 | 755 | 755 |
| Reserves & Surplus* | (3250) | (3504) | (3636) |
| Total Income | 10284 | 9521 | 8650 |
| Profit After Tax (PAT) | 254 | 153 | 135 |
| EPS | 1.73 | 2.02 | 1.79 |
| NAV (Per Share) | (33.05) | (36.41) | (38.16) |

* Excluding Revaluation Reserve but including Debit balance of P&L Account

It has not become a sick company under the meaning of SICA.

5. Aditya Birla Minacs Worldwide Ltd

Aditya Birla Minacs Worldwide Ltd. was incorporated on March 19, 1995, having its registered office at Teritex Building, OPP Chandivali Petrol Pump, Saki Vihar Road, Saki Naka, Andheri-Kurla Road, Andheri (E), Mumbai - 400 072. The main object of the company is to provide customized business process outsourcing (BPO) solutions focused on three core areas of capability: contact center solutions, integrated marketing services and knowledge process outsourcing.

Financial Performance:

The audited consolidated operating results of Aditya Birla Minacs Worldwide Ltd for fiscal 2006, 2007 & 2008 are as hereunder

(Rs. in lacs, except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------------|--|--|--|
| Equity Share Capital | 235 | 235 | 157 |
| Reserves & Surplus* | 18463 | 26917 | 5189 |
| Total Income | 158762 | 102860 | 16402 |
| Profit After Tax (PAT) | (8886) | (1735) | 2655 |
| EPS | (37.82) | (8.66) | 16.87 |
| NAV (Per Share) | 79.57 | 115.54 | 34.05 |

* Excluding Revaluation Reserve

It has not become a sick company under the meaning of SICA.

6. Madura Garments Export Limited

Madura Garments Export Limited is a company incorporated on December 6, 1994 under Companies Act, 1956 in the state of Karnataka having its registered office at 62/2A & 2B, Papappana Agrahara, Naganathapura, Bangalore 560100. The main object of the company is to manufacture, process, buy, sell and deal in all types of apparels or readymade garments made up of all kinds of fabric and other ancillary businesses.

Financial Performance:

The audited operating results of Madura Garments Export Limited for fiscal 2006, 2007 & 2008 are as hereunder

(Rs. in lacs, except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------------|--|--|--|
| Equity Share Capital | 1528 | 1528 | 53 |
| Reserves & Surplus* | (1315) | 883 | 0 |
| Total Income | 21116 | 14411 | 2575 |
| Profit After Tax (PAT) | (2198) | (172) | (21) |

| | | | |
|-----------------|---------|--------|--------|
| EPS | (14.39) | (1.80) | (9.15) |
| NAV (Per Share) | 1.39 | 15.78 | 10.00 |

* Excluding Revaluation Reserve but including Debit balance of P&L Account

It has not become a sick company under the meaning of SICA.

7. MG Lifestyle Clothing Company Private Limited (formerly known as Crafted Clothing Private Ltd)

MG Lifestyle Clothing Company Private Limited was incorporated on June 20, 1996 having its registered office at No.527/1, Marsur Village, Marsur post, Anekal Taluk, Bangalore-560106. The main object of the company is to manufacture, process, buy, sell and deal in all types of wearing apparels or readymade garments made up of all kinds of fabric and other ancillary businesses.

Financial performance

The audited operating results of MG Lifestyle Clothing Company Private Limited. For fiscal 2006, 2007 & 2008 are as hereunder

(In Rs. lacs except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------------|--|--|--|
| Equity Capital | 50 | 50 | 50 |
| Reserve & surplus* | 330 | 263 | 7 |
| Total Income | 7605 | 6833 | 2426 |
| Profit After Tax (PAT) | 68 | 188 | 98 |
| EPS | 2.33 | 26.29 | 8.42 |
| NAV (Per Share) | 76.03 | 62.60 | 11.40 |

* Excluding Revaluation Reserve

It has not become a sick company under the meaning of SICA.

8. Laxminarayan Investment Limited

Laxminarayan Investment Limited was incorporated under the Act on August 4, 1994 and its registered office is at Indian Rayon Compound, Veraval -, Gujarat - 362 266. The main object of the company is to carry on the business of an Investment, Finance and Property Rental Activities

Financial Performance:

The audited operating results of Laxminarayan Investment Limited for fiscal 2006, 2007 & 2008 are as hereunder

(Rs. in lacs, except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------------|--|--|--|
| Equity Share Capital | 2100 | 2100 | 1109 |
| Reserves & Surplus* | 677 | 495 | 385 |
| Total Income | 664 | 230 | 105 |
| Profit After Tax (PAT) | 182 | 110 | 58 |
| EPS | 0.86 | 0.94 | 0.53 |
| NAV (Per Share) | 13.22 | 12.35 | 13.46 |

* Excluding Revaluation Reserve

It has not become a sick company under the meaning of SICA.

9. Aditya Vikram Global Trading House Ltd

Aditya Vikram Global Trading House Limited is based in Mauritius. It was incorporated on December 21, 1999 and its registered office is located at IFS Court, Twenty-Eight, Cybercity, Ebene, Mauritius. The main object of the company is to carry on business of general traders, merchants, credit traders, manufacturers agents, insurance brokers, consultants and many other ancillary businesses.

Financial Performance:

The audited operating results of Aditya Vikram Global Trading House Ltd for fiscal 2006, 2007 & 2008 are as hereunder

(Amt. in USD lacs)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------------|--|--|--|
| Equity Share Capital | 8.50 | 8.50 | 8.50 |
| Reserves & Surplus* | 3.24 | 2.92 | 2.51 |
| Total Income | 0.54 | 0.57 | 0.35 |
| Profit After Tax (PAT) | 0.32 | 0.41 | 0.24 |
| EPS | 0.04 | 0.05 | 0.03 |
| NAV (Per Share) | 1.38 | 1.34 | 1.30 |

* Excluding Revaluation Reserve

It has not become a sick company under the meaning of SICA.

10. Idea Cellular Limited

Idea Cellular Limited was incorporated on March 14, 1995 as Birla Communications, which was later changed to Birla AT&T Communication on May 13, 1996, which was later changed to Birla Tata AT&T Communication on November 6, 2001. The name of the company was changed to the present name on April 29, 2002. Its registered office is at Suman Towers, Plot No. 18, Sector – 11, Gandhinagar – 382 011. The main object of the company is to provide Mobile Telephony Services

Financial Performance:

The audited operating results of Idea Cellular Limited on Consolidated basis for fiscal 2006, 2007 & 2008 are as hereunder

(Rs. in lacs, except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------------|--|--|--|
| Equity Share Capital | 263536 | 259286 | 225953 |
| Reserves & Surplus* | 90924 | (41308) | (160893) |
| Total Income | 673745 | 438733 | 298692.4 |
| Profit After Tax (PAT) | 104231 | 50222 | 21177 |
| EPS | 3.96 | 2.19 | 0.74 |
| NAV (Per Share) | 13.45 | 8.41 | 2.88 |

* Excluding Revaluation Reserve but including Debit balance of P&L Account

It has not become a sick company under the meaning of SICA.

11. Birla Sun Life Distribution Company Limited (BSDL)

The company was incorporated on June 13, 1997. BSDL is engaged in wealth management & investment advisory services company. BSDL offers investment advisory and financial products distribution through its all-India network. The products range covers Mutual Funds, Government of India Relief Bonds, select Fixed Deposits and initial public offerings of equity and debt securities. It also distributes life insurance products of Birla Sun Life Insurance through its wholly owned subsidiary.

Financial Performance:

The audited operating results of Birla Sun Life Distribution Company Limited for fiscal 2006, 2007 & 2008 are as hereunder

(Rs. In lacs, except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------------|--|--|--|
| Equity Share Capital | 717 | 717 | 775 |
| Reserves & Surplus* | 673 | 404 | 529 |
| Total Income | 3948 | 2189 | 2531 |
| Profit After Tax (PAT) | 269 | 67 | 314 |
| EPS | 3.76 | 0.91 | 4.06 |
| NAV (Per Share) | 19.37 | 15.61 | 16.81 |

* Excluding Revaluation Reserve

It has not become a sick company under the meaning of SICA.

12. Birla Sun life Trustee Company Private Limited

Birla Sunlife Trustee Company Private Limited is the trustee of Birla Sun Life Mutual Fund. It was incorporated on September 23, 1994 and having its registered office at Ahura Centre, 2nd Floor; Tower A, 96/A-d, Mahakali Caves Road, Andheri (East), Mumbai 400093. The main object of the company is to act as a trustee for mutual funds.

Financial Performance:

The audited operating results of Birla Sun life Trustee Company Private Limited for fiscal 2006, 2007 & 2008 are as hereunder

(In Rs. lacs except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------|--|--|--|
| Equity Capital | 2 | 2 | 2 |
| Reserve* | 12 | 12 | 11 |
| Total Income | 6 | 5 | 5 |
| Profit after tax | 0.9 | 0.3 | 0.4 |
| EPS | 4.50 | 1.53 | 1.81 |
| NAV (Per Share) | 72.02 | 67.52 | 66.00 |

* Excluding Revaluation Reserve

It has not become a sick company under the meaning of SICA.

13. Birla Sun Life Asset Management Company Limited

Birla Sun Life Asset Management Company Limited the investment manager of Birla Sun Life Mutual Fund, is a joint venture between the Aditya Birla Group and the Sun Life Financial Services of Canada. It was incorporated on September 5, 1994 and having its registered office at Ahura Centre, 2nd Floor; Tower A, 96/A-d, Mahakali Caves Road, Andheri (East), Mumbai 400093.

The main object of the company is to act as Investment Manager of Mutual Funds, and providing other financial services.

Financial Performance

The audited operating results of Birla Sun Life Asset Management Company Limited for fiscal 2006, 2007 and 2008 are as hereunder:

(In Rs. lacs except per share data)

| Particulars | As at and for the year ended March 31 st , 2008 | As at and for the year ended March 31 st 2007 | As at and for the year ended March 31 st 2006 |
|------------------|--|--|--|
| Equity Capital | 1800 | 1800 | 1800 |
| Reserve* | 6621 | 6343 | 4917 |
| Total income | 13499 | 9545 | 7506 |
| Profit after tax | 277 | 1427 | 1990 |
| EPS | 1.54 | 7.93 | 11.06 |
| NAV (Per Share) | 46.78 | 45.24 | 37.31 |

* Excluding Revaluation Reserve

It has not become a sick company under the meaning of SICA.

14. Aditya Birla Financial Services Private Limited

Aditya Birla Financial Services Private Limited was incorporated on 15.10.2007 under the Companies Act, 1956. The main object of Aditya Birla Financial Services Private Limited is to carry on the business of an Investment Company.

Registered office

The registered office of Aditya Birla Financial Services Private Limited is located at:
A-1, Aditya Birla Centre, S. K. Ahire Marg, Worli, Mumbai - 400030

Shareholding Pattern

The shareholding pattern of Aditya Birla Financial Services Private Limited as on December 31, 2008 is as follows:

| S. No | Name of Share Holder | No. of equity shares | Percentage of holding |
|-------|--|----------------------|-----------------------|
| 1. | Aditya Birla Nuvo Limited* | 2000000 | 97.09 |
| 2. | Laxminarayan Investment Limited | 55000 | 2.67 |
| 3. | Mr. Devendra Bhandari Jointly with Laxminarayan Investment Limited | 5000 | 0.24 |
| | Total | 2060000 | 100.00 |

*Aditya Birla Financial Services Private Limited became subsidiary of ABNL w.e.f. November 5, 2008.

Financial Performance

The summary audited financial results of Aditya Birla Financial Services Private Limited for fiscal 2008 are as follows:

(In Rs. lacs except per share data)

| Particulars | As at and for the year ended March 31, 2008 | As at and for the year ended March 31, 2007* | As at and for the year ended March 31, 2006* |
|---|---|--|--|
| Net Sales / Other Income | Nil | N. A | N. A |
| Profit / (Loss) After Tax | (2.8) | N. A | N. A |
| Equity Capital | 0.10 | N. A | N. A |
| Reserve | Nil | N. A | N. A |
| Earnings Per Share (Rs.) | (280.6) | N. A | N. A |
| Book Value per Share (of Rs. 10/- each) | (180.6) | N. A | N. A |

* Since Aditya Birla Financial Services Private Limited was incorporated in the financial year 2007-08, there figures for March 31, 2007 and March 31, 2006 are not applicable.

It has not become a sick company under the meaning of SICA.

4.14 Future plans/strategies of the acquirer with regard to the target company.

The Acquirer plans to use the established platform of the Target with a capable team to integrate into its existing business and further strengthen its presence in the financial services space.

4.15 Compliance of Clause 49 of Listing Agreement:

SEBI vide its circular dated April 08, 2008 has amended Clause 49 of the Listing Agreement which interalia, stipulated that if the non-executive Chairman is a promoter or is related to promoters, at least half of the board of the company should consist of independent directors as against 1/3 earlier. Consequently Board of Directors of Acquirer which consisted of 14 directors (out of which 6 were independent directors) has been enlarged to 15 directors by co-opting one independent director on 4th August, 2008. The Acquirer has already amended its Article of Association for increase in number of Directors from 15 to 18, subject to Central Government approval. On receipt of the said approval, Acquirer will increase the number of independent directors to meet the requirement of amended clause 49.

4.16 Details of Pending Litigations as on November 30, 2008 are as follows:

(Rs. In Lacs)

| Nature | Cases filed by the company | | | Cases filed against the company | | |
|-------------|----------------------------|--|--------|---------------------------------|--|--------|
| | Total No. of cases | No. of cases where amount is not ascertainable | Amount | Total No. of cases | No. of cases where amount is not ascertainable | Amount |
| Criminal | 2327* | 14 | 1539 | 23 | 8 | 93 |
| Labour | 26 | 21 | 23 | 139 | 13 | 949 |
| Income Tax | 46 | 1 | 8085 | 49 | 1 | 10499 |
| Civil Cases | 67 | 16 | 3514 | 32 | 11 | 187 |

| | | | | | | |
|----------------|-------------|-----------|--------------|------------|-----------|--------------|
| Central Excise | 6 | - | 288 | 111 | 1 | 3607 |
| Customs | 25 | - | 71 | 9 | - | 269 |
| Service Tax | 1 | - | 60 | 19 | - | 217 |
| Sales Tax | 25 | 1 | 811 | 27 | - | 6683 |
| Miscellaneous | 28 | 6 | 13849 | 50# | 41 | 630 |
| Arbitration | 2 | 1 | 174 | 4 | - | 296 |
| Total | 2553 | 60 | 28414 | 463 | 75 | 23430 |

*including 2260 cases pertaining to section 138 of the Negotiable Instruments Act, 1881.

includes 2 cases pertaining to securities market.

- 4.17 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other regulation made under the SEBI Act.
- 4.18 The Acquirer has complied with the provisions of the listing agreements of the stock exchanges except as below:
- SEBI vide its circular dated April 08, 2008 has amended Clause 49 of the Listing Agreement which interalia, stipulated that if the non-executive Chairman is a promoter or is related to promoters, at least half of the board of the company should consist of independent directors as against 1/3 earlier. Consequently Board of Directors of Acquirer which consisted of 14 directors (out of which 6 were independent directors) has been enlarged to 15 directors by co-opting one independent director on 4th August, 2008. The Acquirer has already amended its Article of Association for increase in number of Directors from 15 to 18, subject to Central Government approval. On receipt of the said approval, Acquirer will increase the number of independent directors to meet the requirement of amended clause 49.
 - To consider, interalia, un-audited financial results for the quarter ended 30th June, 2008, the meeting of the Board of Directors of Acquirer which was convened on 31st July, 2008 had to be deferred to 4th August, 2008, due to exceptional circumstance, resulting in delay of 2 working days, which was intimated to BSE and NSE.

The Acquirer has not been penalized by any of the stock exchanges where the shares of the Company are listed.

- 4.19 The Compliance Officer for the Acquirer is
Devendra Bhandari,
Company Secretary and Compliance Officer
A-4, Aditya Birla Centre,
S.k. Ahire Marg, Worli
Mumbai 400030
Tel. No.: 91-22-6652 5000
Fax. No.: 91-22-6652 5821
- 4.20 For the purpose of this Offer, there is no Person Acting in Concert (“PAC”) with the Acquirer within the meaning of Regulation 2(1)(e) of the Regulations.

5 DISCLOSURE UNDER REGULATION 21(2)

As per the listing agreement with the Stock Exchanges and in terms of Clause 40A of the Listing Agreement, the Target is required to maintain at least 25% public shareholding for listing on a continuous basis.

In the event the public shareholding falls below the minimum level required as per Clause 40A of the listing agreement as a result of the acquisition of the shares tendered in this Offer (such acquisition being a supervening extraordinary event), the Acquirer Group will take the necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreement and other applicable laws.

6 INFORMATION ON APOLLO SINDHOORI CAPITAL INVESTMENTS LIMITED (THE TARGET/ "ASCIL")

- 6.1 The Target, a company incorporated on July 4, 1995, under the Companies Act, 1956 and having its registered office at #55, Ali Towers, Greams Road, Chennai-600 006, Tel: 044 - 39190002, 39190003, Fax: 044 - 28290835, 28293164, is currently engaged, inter alia, in the business of securities broking and is consequently registered as a "stock broker" in terms of the Securities and Exchange Board of India (Stock Broker and Sub Broker) Regulations 1992, and is also a member of the BSE, NSE. The Company is also registered as a depository participant with each of the National Securities Depository Limited ("NSDL") and the Central Depository Services Limited ("CDSL") in terms of the Securities and Exchange Board of India (Depository Participants) Regulations, 1996.

Registration details for various Memberships are as follows;

| SR. NO | CERTIFICATE | COMPANY | MEMBER / PARTICIPANT OF | REGISTRATION NO. / CERTIFICATE NO. / COMPANY CODE | VALIDITY | DATE |
|------------------------------|----------------------------|--|---|---|--|-------------|
| Target Company – SEBI | | | | | | |
| 1 | NSE – Equity | Apollo Sindhoori Capital Investments Ltd | Member Of National Stock Exchange Of India Limited as Stock Broker for Buying, Selling, Dealing in Securities | INB230825534 | Valid till it is suspended or cancelled in accordance with the regulations | 22-Nov-95 |
| 2 | NSE – F&O | Apollo Sindhoori Capital Investments Ltd | Member Of National Stock Exchange Of India, Derivatives Segment | INF231053936 | Valid till it is suspended or cancelled in accordance with the regulations | 25-May-00 |
| 3 | NSE – Currency Derivatives | Apollo Sindhoori Capital Investments Ltd | Member Of National Stock Exchange Of India, Derivatives Segment | INE231053936 | Valid till it is suspended or cancelled in accordance with the regulations | 26-Aug-2008 |

| | | | | | | |
|---|----------------------------|--|---|---|--|-------------|
| 4. | BSE – Equity | Apollo Sindhoori Capital Investments Ltd | Multiple member of The Stock Exchange, Mumbai Stock Broker for Buying, Selling, Dealing in Securities | INB010825538 | Valid till it is suspended or cancelled in accordance with the regulations | 10-Nov-00 |
| 5. | BSE – F&O | Apollo Sindhoori Capital Investments Ltd | Member of The Stock Exchange, Mumbai, Derivatives Segment | INF010825538 | Valid till it is suspended or cancelled in accordance with the regulations | 2-Jun-04 |
| 6. | SEBI – CDSL | Apollo Sindhoori Capital Investments Ltd | Conditional Registration as CDSL -Depository Participant | IN-DP-CDSL-254-2004 | Unless renewed, valid from June 23, 2004 to June 22, 2009 | 23-Jun-04 |
| 7. | SEBI- Portfolio Manager | Apollo Sindhoori Capital Investments Ltd | Portfolio Manager | INP000002494 | Unless renewed, valid from January 17, 2008 to January 16, 2011 | 17-Jan-08 |
| 8. | SEBI – NSDL | Apollo Sindhoori Capital Investments Ltd | NSDL – Depository Participant | IN-DP-NSDL-141-2000 | Renewal granted from May 26, 2005 to May 25, 2010 | 22-Sep-05 |
| 9. | MCX – Currency Derivatives | Apollo Sindhoori Capital Investments Ltd | Member of MCX-Stock Exchange for Currency Derivatives segment | INE261053936 | Valid till it is suspended or cancelled in accordance with the regulations | 08-Oct-08 |
| <u>-Subsidiary Company – Forward Market Commission</u> | | | | | | |
| 10. | NCDEX | Apollo Sindhoori Commodities Trading Limited | Trading Cum Clearing Member of National Commodity & Derivatives Exchange Limited | NCDEX-CO-04-00158 FMC Registration No.NCDEX/TCM/CORP/0180 | w.e.f February 6, 2004 till the cessation of membership or till suspension of membership, if any, in accordance with the Regulations of the Exchange | 25-Aug-04 |
| 11. | MCX | Apollo Sindhoori Commodities Trading Limited | Trading-cum-Clearing Member of Multi Commodity Exchange of India Ltd. | 28730 FMC Registration No. MCX/TCM/ CORP/0023 | From 23.08.2005 onwards | 27-Feb-06 |
| 12. | NMCE | Apollo Sindhoori Commodities Trading Limited | Trading-cum-Clearing Member of National Multi Commodities Exchange Limited | CL0110 FMC Registration No. MCX/TCM/ CORP/0030 | From 6 th October 2003 | 06 Oct 2003 |

- 6.2 Apollo Sindhoori Commodities Trading Ltd (“Subsidiary”), a Subsidiary of the Target, is a company which is engaged in the business of commodities trading and is a member of each of Multi Commodity Exchange of India Ltd (“MCX”), National Commodity and Derivative Exchange Limited (“NCDEX”) and the National Multi Commodities Exchange (“NMCE”).
- 6.3 The promoters of the Target are Dr. Prathap C Reddy, Ms. Preetha Reddy, Ms. Shobana Kamineni, Ms. Suneeta Reddy, Ms. Sangita Reddy, Ms. Sucharitha P Reddy, and M/s. PCR Investments Limited who collectively hold 36,742,780 fully paid up Equity Shares in the Target Company as on August 28, 2008 constituting 66.32% of the fully paid up capital.
- 6.4 The issued and paid up share capital of the Target consist of 55,400,000 equity shares of Re.1/- each aggregating Rs. 55,400,000/- (The face value of the Target Company was sub-divided from Rs. 10/- paid up to Re. 1/- paid up w.e.f. July 18, 2008 being the record date). There are no partly paid up shares of the Target as on the date of the Public Announcement.
- 6.5 The share capital structure of the Target as on the date of the Public Announcement was as follows:

| Issued and paid-up Equity Share Capital | No. of Equity Shares (Face Value - Re. 1/-) Voting Rights | % of Equity Shares/ Voting Rights |
|--|--|--|
| Fully paid-up Equity Shares (a) | 55,400,000 | 100 % |
| Partly paid-up Equity Shares (b) | 0 | - |
| Total Issued and paid-up Equity Shares (a+b) | 55,400,000 | 100 % |
| Total Voting Rights | 55,400,000 | 100% |

As on the date of the Public Announcement, there are no outstanding convertible instruments of the Target.

- 6.6 The capital build-up of the Target since its inception is as follows:

| Date of Allotment | Number & % of shares issued | Cumulative paid-up capital in Rs. | Mode of allotment | Identity of allottees (Promoters/ex-promoters/others) | Status of compliance |
|--------------------------|--|--|---|--|--------------------------------------|
| 04-Jul-95 | 700 | 7,000 | By way of subscription to memorandum at the time of incorporation | Promoters / Subscribers of memorandum of association | Complied with Companies Act 1956 |
| 07-Aug-95 | 1,009,300 | 10100000 | Allotment for Cash | Promoters | Complied with Companies Act 1956 |
| 30-Nov-00 | 1,260,000 | 22700000 | Allotment On Rights Basis And Private Placement | Promoters and Others | Complied with Companies Act 1956 |
| 03-Jun-01 | 500,000 | 27700000 | Allotment Pursuant To Merger | Shareholders of OSCIL | Complied with Companies Act 1956 |
| 26-Jul-06 | 2,770,000 | 55400000 | Allotment On Bonus Issue Of Shares At | Then existing shareholders | Complied with Companies Act 1956 and |

| Date of Allotment | Number & % of shares issued | Cumulative paid-up capital in Rs. | Mode of allotment | Identity of allottees (Promoters/ex-promoters/others) | Status of compliance |
|-------------------|-----------------------------|-----------------------------------|-------------------|---|---|
| | | | 1:1 Ratio | | all Exchange Requirements relevant to bonus issue |

The face value of the Target Company was sub-divided from Rs. 10/- paid up to Re. 1/- paid up w.e.f. July 18, 2008 being the Record Date, pursuant to shareholders' approval through postal ballot result declared on June 26, 2008.

Note:

All shares since incorporation have been allotted for cash except for 5,00,000 shares issued to the shareholders of M/s Om Sindhoori Capital Investments Limited ("OSCIL") on account of merger. Pursuant to the order of the High Court of Judicature at Madras on March 13, 2001, the amalgamation of OSCIL, which is a listed entity, with ASCIL, was sanctioned and the Target Company issued equity shares to the shareholders of OSCIL. Thereafter, equity shares of the Target Company were listed on the Madras Stock Exchange Limited under exemption from Rule 19(2)(b) of the Securities Contract Regulation Rules, 1957, pursuant to an order of the High Court of Judicature at Madras directing the same.

There are no outstanding convertible instruments (warrants / FCDs / PCDs) etc.

- 6.7 The shares of the Target are listed on BSE, NSE and MSE. The equity shares are infrequently traded on MSE. The Equity Shares of the Target have been listed on the BSE since May 13, 2008, on NSE since February 7, 2008 and on MSE since December 15, 2004.
- 6.8 The Target has duly complied with all the provisions of the listing agreement entered into with the Stock Exchanged from time to time. No penal action has been initiated or taken by any SE and the shares have not been suspended for trading on either stock exchange nor has any of the stock exchanges denied listing.
- 6.9 The Target as well as Sellers, and other major shareholders have duly complied with the provisions of Chapter II of the SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 1997 from time to time.
- 6.10 As on date of the Public Announcement, the Board of Directors of the Target was as below:

| Name and Designation | Qualification | Experience | Date of Joining | Residential Address |
|---------------------------------|---------------|--------------------------------------|-----------------|--|
| Mrs. Suneeta Reddy, Chairperson | BA | 20 Yrs. (14 years in capital market) | 04/07/1995 | No. 6 Subha Rao Avenue, Chennai – 600 006 |
| Mr. S Narayanan, Director | MFM | 35 Yrs. (12 years in capital market) | 25/09/1996 | Plot No. 2 C, Vijay Apartments, 5, Burkit Road, T Nagar, Chennai – 600 017 |
| Mr. K Padmanabhan, Director | B COM, MBA | 28 Yrs (12 years in capital market) | 02/01/1997 | Plot No. 2235, AF-36, 11 th Main Road, Annanagar, Chennai – 600 040 |

| Name and Designation | Qualification | Experience | Date of Joining | Residential Address |
|--|----------------------|--|------------------------|--|
| Mr. V. J Chacko, Directors | BSC, B.COM, FCA | 54 Yrs. (5 years in capital market) – predominantly in hospital industry | 17/07/2003 | 10, Water Works Avenue, Chennai – 600 010 |
| Mr. P. B. Subramanian, Executive Director | B.Com, FCS | 23 Yrs. (16 years in capital market) | 1/10/1998 | AC 102, Anna Nagar, Chennai – 600 040 |
| Mr. S.K. Venkataraman | FCA, FCS | 23 years (16 years in capital market) | 25/09/96 | “Aquarius” 4/1 Venkat Street Vivekananda Nagar, Chennai 600 078 |

As on the date of the Public Announcement, none of the Directors of the Target represented the Acquirer. The Acquirer, in terms of SPA, is entitled to nominate 2 directors to the Board on and from September 22, 2008 or any other date as may be mutually agreed to between the Sellers and the Acquirer. Pursuant to the terms of the SPA dated August 28, 2008 and in compliance with Regulation 22(7) of the SEBI (SAST) Regulations, the Acquirer has nominated the following representatives on the Board of the Target Company subject to necessary approvals

1. Shri Pankaj J. Razdan
2. Shri Kanwar Vivek

The above persons have been appointed as Additional Directors of the Target Company in their Board Meeting of September 23, 2008, subject to necessary approvals.

- 6.11 No mergers/ demergers/ spin offs has taken place in the Target during the period of last three years. There has been no change of name since listing. With effect from July 18, 2008, the Equity shares of ASCIL have been split from Face Value of Rs. 10/- to Re. 1/- per share.
- 6.12 As on date of the Public Announcement the trading of Equity Shares of the Target has not been suspended either on BSE or NSE.
- 6.13 The brief audited consolidated financial highlights of the Target for the year ended 2006, 2007 and 2008 as certified by the Statutory Auditors of the Target, Mr. N. Krishnamurthy of M/s. R Subramanian and Company., Chartered Accountants (Membership no. 19339), vide their report dated September 10, 2008, are as below:

(Rupees in Lakhs)

| Particulars | Year ended March 31, 2008 | Year ended March 31, 2007 | Year ended March 31, 2006 |
|--|----------------------------------|----------------------------------|----------------------------------|
| Profit and Loss Statement | | | |
| Income from operations | 12,234.25 | 6,729.97 | 5,364.29 |
| Increase/Decrease in closing Stock | 29.90 | 0.00 | 0.00 |
| Other Income | 390.86 | 214.82 | 375.65 |
| Total Income | 12,655.01 | 6,944.79 | 5,739.94 |
| Expenditure | 7889.06 | 5,053.78 | 3869.66 |
| Profit Before Depreciation Interest and Tax | 4,765.95 | 1,891.00 | 1,870.28 |
| Depreciation | 385.44 | 272.01 | 299.82 |
| Interest | 827.69 | 330.39 | 263.59 |
| Profit Before Tax (before extra ordinary item) | 3,552.82 | 1,288.60 | 1,306.87 |
| Extra ordinary item | - | - | - |

| | | | |
|--|-----------------|-----------------|-----------------|
| Profit Before Tax (after extra ordinary item) | 3,552.82 | 1,288.60 | 1,306.87 |
| Provision for Tax | 1,351.16 | 446.29 | 467.54 |
| Profit After Tax | 2,201.66 | 842.30 | 839.33 |
| Balance Sheet Statement | | | |
| Sources of Funds | | | |
| Equity Share Capital | 554.00 | 554.00 | 277.00 |
| Preference Share Capital | 0 | 0 | 200.00 |
| Reserves and Surplus (Excluding Revaluation Reserves) | 3,831.50 | 2,207.16 | 1,916.22 |
| Networth | 4,385.50 | 2,761.16 | 2,393.22 |
| Secured Loans | 4,029.52 | 4,314.00 | 3,379.94 |
| Unsecured Loans | 6.02 | 5.21 | 504.46 |
| Differed Tax Liability | 425.70 | 233.81 | 131.50 |
| Total | 8,846.75 | 7,314.17 | 6,409.12 |
| Use of Funds | | | |
| Net Fixed Assets | 3,347.55 | 2,438.40 | 1,836.58 |
| Investments | 5.38 | 10.56 | 57.08 |
| Net Current Assets | 5,493.82 | 4,865.22 | 4,515.46 |
| Total Misc. expenditure not written off | - | - | - |
| Total | 8,846.75 | 7,314.17 | 6,409.12 |
| Financial Data | | | |
| Dividend (%) | 80% | 40% | 30%* |
| Earning Per Equity Share (Rs.) = (Profit After Tax /Number of shares) | 39.74 | 15.16 | 14.74 * |
| Return on Networth (%) ={(Profit After Tax ×100%)/Networth} | 50% | 31% | 35% |
| Book Value Per Equity Share (Rs.)=(Networth/Number of shares) | 79.16 | 49.84 | 39.58* |

*Adjusted for issue of bonus shares in the ratio of 1:1 allotted on 24th July 2006.

Source: Annual Reports

6.14 The increase in total income and profit after tax are due to the positive trends in the brokerage industry and increased client base. The client base increased by 49% to 159,000 in 2008 from 107,000 in 2007.

6.15 Pre and Post- Offer share holding pattern of the Target is as follows:

| Shareholders' Category | Shareholding & voting rights prior to the agreement/ acquisition and offer. | | Shares /voting rights agreed to be acquired which triggered off the Regulations. | | Shares/voting rights to be acquired in open offer (Assuming full acceptances) | | Share holding / voting rights after the acquisition and offer. | |
|-----------------------------------|---|--------------|--|-------------|---|-------------|--|-------------|
| | (A) | | (B) | | (C) | | (A) + (B) + (C) = (D) | |
| | No. | % | No. | % | No. | % | No. | % |
| (1) Promoter group. | | | | | | | | |
| a. Sellers | 34,409,320 | 62.12 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| b. Promoters other than (a) above | 2,333,460 | 4.21 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| Total 1(a+b) | 36,742,780 | 66.33 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |

| (2) Acquirers | | | | | | | | |
|---|-------------------|--------------|-------------------|--------------|------------------|--------------|-------------------|---------------|
| ABNL | 0 | 0.00 | 3102400 0 | 56.00 | 1108000 | 20.00 | 32132000 | 76.00 |
| (3) Parties to agreement other than (1) (a) & (2) | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| (4) Public | | | | | | | | |
| a. FIs/MFs/FIIs/Banks, SFIs | 10,800 | 0.02 | 0 | 0.00 | 0 | 0.00 | NA | NA |
| b. Others* | 18,646,420 | 33.66 | 0 | 0.00 | 0 | 0.00 | NA | NA |
| Private Corporate Bodies | 3583266 | 6.47 | 0 | 0.00 | 0 | 0.00 | | |
| Indian Public | 13951104 | 25.18 | 0 | 0.00 | 0 | 0.00 | | |
| NRIs / OCBs | 76099 | 0.14 | 0 | 0.00 | -- | - | | |
| Any other (please specify) | 641013 | 1.16 | 0 | 0.00 | -- | - | | |
| Total (4) (a+b) | 18,657,220 | 33.68 | 0 | 0.00 | 0 | 0.00 | 23,268,000 | 24.00* |
| GRAND TOTAL (1+2+3+4) | 55,400,000 | 100.0 | 31,024,000 | 56.00 | 1,108,000 | 20.00 | 55,400,000 | 100.0 |

*The post acquisition and open offer shareholding of the Sellers and the Confirming Party (which will be 10.33% (including 2333460 shares constituting 4.21% of the equity share capital of the Target Company held by the Confirming Party) assuming that the Confirming Party does not have to transfer shares in the manner described in paragraph 2.1.5(l)) has been included in the public shareholding category for the purposes of the above table. This is because, the Acquirer, the Sellers and the Confirming Party have agreed that the Sellers and the Confirming Party shall cease to be classified as the “promoters” of the Target Company on the completion of the transactions under the SPA for the purposes of (i) any filings made under the Listing Agreement entered into between the Target Company and any stock exchange on which its shares are listed, (ii) the SEBI (SAST) Regulations and/ or (iii) any other applicable rules, laws, or regulations. Accordingly, after the completion of the transactions under the SPA, the shares held by the Sellers and the Confirming Party shall not be classified as promoter shares of the Target Company but shall form a part of the “public shareholding” in the Target Company.

For the purpose of computing the voting percentage, the voting rights as at the expiration of fifteen days after the closure of the Offer has been reckoned.

6.16 There has been no change in the Promoters’ Holding in the Target since the date of the Public Issue requiring compliance with the provisions of the SEBI (SAST) Regulations/other applicable regulations under the SEBI Act, 1992 and other statutory requirements.

6.17 The Company has duly complied with all the provisions under Clause 49 of the Listing Agreement relating to Corporate Governance.

6.18 Details of Pending Litigations are as follows:

Summary of cases filed against the Company and its subsidiary

| Sr. No | Nature | Number of Cases | Amount involved (Rs. Lakhs) |
|--------|----------------------|-----------------|-----------------------------|
| 1 | Consumer Court Cases | 8 | 29.32 |
| 2 | Arbitration Cases | 4 | 43.53 |

| | | | |
|---|-----------------------|-----------|---------------|
| 3 | SEBI (Turnover Fees)* | 1 | 332.00 |
| 4 | Civil Cases | 3 | 9.68 |
| 5 | Tax Cases | 6 | 97.79 |
| | TOTAL | 22 | 512.32 |

One arbitration case is against Apollo Sindhoori Commodity Trading Company Limited (subsidiary of the Target) before MCX amounting to Rs. 2.45 Lakhs.

*NSE called upon ASCIL for payment of turnover fee as determined by SEBI vide letter dated 15.3.2005. The turnover fee is on account of an additional registration number allotted by SEBI to ASCIL. This number has been allotted without the knowledge of ASCIL and the same has not been used by ASCIL. The amount of claim contemplated is Rs. 26.1 Million. The Company approached Securities Appellate Tribunal (“SAT”) at Mumbai questioning the act of SEBI in once again levying turnover fees for the SEBI registration number which was never communicated to them. SAT vide its order dated 10.07.2007 dismissed the plea of ASCIL and directed it to make payment as required by SEBI. ASCIL filed an appeal before Supreme Court vide civil appeal number 3441 of 2007 against the order of SAT and Supreme Court has granted interim stay. The case is pending final hearing before Supreme Court.

Summary of cases filed by the Company

| S.No | Nature | Number of cases | Amount involved (Rs. Lakhs) |
|------|--|-----------------|-----------------------------|
| 1 | Civil Cases | 9 | 126.07 |
| 2 | Arbitration Cases | 103 | 191.00 |
| 3 | Criminal cases under section 138 of NI Act (Cheque bounce case) | 147 | 80.70 |
| | TOTAL | 259 | 397.77 |

6.19 Details of the compliance officer are as follows:

Mrs. Geetha Sridhar

Apollo Sindhoori Capital Investments Limited
 Ali Towers
 55, Greams Road,
 Chennai 600 006
 Tel: 044 - 39190002, 39190003,
 Fax: 044 - 28290835, 28293164

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification for the Offer Price

7.1.1 The equity shares of the Target are listed on BSE, MSE, and NSE

The shares of the Target are frequently traded on BSE and NSE (*Source: Capital Line*) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations. The shares of Target Company are infrequently traded on MSE. The annualized trading turnover in the shares of Target Company on BSE and NSE based on trading volume during March 2008 to August 2008 (six calendar months preceding the month in which the PA is made) is as given below:

| Stock Exchange | Total No. of Shares traded during 6 calendar months prior to the month in which the PA is made | Total No. of Listed shares | Annualized Trading Turnover (as % of Total Shares Listed) |
|----------------|--|----------------------------|---|
| NSE | 79,16,093 | 5,54,00,000 | 28.58 |
| BSE | 46,18,468 | 5,54,00,000 | 16.67 |
| MSE | NA | 5,54,00,000 | NA |

(Source: Capital Line)

Calculation of average price as per Regulation 20 (4) C is as follows;

26 Weeks weekly high low

| Week No | Week ending on | High (Rs) | Low (Rs) | Average (Rs) | Volume |
|---------|----------------|-----------|----------|--------------|---------|
| 1 | 29-Aug-08 | 58 | 51.25 | 54.625 | 2851793 |
| 2 | 22-Aug-08 | 49.75 | 48.15 | 48.95 | 56765 |
| 3 | 14-Aug-08 | 49.5 | 48.45 | 48.975 | 54499 |
| 4 | 8-Aug-08 | 49.55 | 48.65 | 49.1 | 39621 |
| 5 | 1-Aug-08 | 51.15 | 49.7 | 50.425 | 262126 |
| 6 | 25-Jul-08 | 50.65 | 47.3 | 48.975 | 207551 |
| 7 | 18-Jul-08 | 51.7 | 50 | 50.85 | 305736 |
| 8 | 11-Jul-08 | 51.86 | 50 | 50.93 | 122563 |
| 9 | 4-Jul-08 | 51.68 | 46.87 | 49.275 | 36424 |
| 10 | 27-Jun-08 | 54.75 | 49.53 | 52.14 | 44281 |
| 11 | 20-Jun-08 | 55.48 | 50.8 | 53.14 | 81285 |
| 12 | 13-Jun-08 | 50.59 | 41.62 | 46.105 | 24062 |
| 13 | 6-Jun-08 | 39.91 | 38.12 | 39.015 | 24244 |
| 14 | 30-May-08 | 40.05 | 37.81 | 38.93 | 36198 |
| 15 | 23-May-08 | 41.07 | 39.42 | 40.245 | 29015 |
| 16 | 16-May-08 | 41.93 | 38.37 | 40.15 | 41247 |
| 17 | 9-May-08 | 42.62 | 40.37 | 41.495 | 30614 |
| 18 | 2-May-08 | 38.49 | 35.66 | 37.075 | 20845 |
| 19 | 25-Apr-08 | 39.09 | 34.68 | 36.885 | 22702 |
| 20 | 17-Apr-08 | 34.04 | 32.38 | 33.21 | 21297 |
| 21 | 11-Apr-08 | 30.84 | 28.4 | 29.62 | 36226 |
| 22 | 4-Apr-08 | 28.27 | 27.51 | 27.89 | 37742 |
| 23 | 28-Mar-08 | 28.48 | 27.29 | 27.885 | 53924 |
| 24 | 19-Mar-08 | 28 | 27.64 | 27.82 | 37760 |
| 25 | 14-Mar-08 | 30.49 | 27.65 | 29.07 | 112948 |
| 26 | 7-Mar-08 | 30.24 | 26.33 | 28.285 | 27000 |

2 Weeks daily high low

| Day No. | Date | High (Rs) | Low (Rs) | Average (Rs) | Volume |
|---------|------|-----------|----------|--------------|--------|
|---------|------|-----------|----------|--------------|--------|

| | | | | | |
|----|-----------|-------|-------|--------|---------|
| 1 | 29-Aug-08 | 59 | 55.2 | 57.1 | 716987 |
| 2 | 28-Aug-08 | 58.25 | 53.5 | 55.875 | 1957281 |
| 3 | 27-Aug-08 | 53.25 | 52 | 52.625 | 115191 |
| 4 | 26-Aug-08 | 53.5 | 50.25 | 51.875 | 31988 |
| 5 | 25-Aug-08 | 52.45 | 48.55 | 50.5 | 30346 |
| 6 | 22-Aug-08 | 49.7 | 47.25 | 48.475 | 19882 |
| 7 | 21-Aug-08 | 50.05 | 48 | 49.025 | 1266 |
| 8 | 20-Aug-08 | 51.7 | 48.6 | 50.15 | 15323 |
| 9 | 19-Aug-08 | 49.05 | 47.7 | 48.375 | 10094 |
| 10 | 18-Aug-08 | 51 | 49 | 50 | 10200 |

(Source: NSE data from Capital Line)

- 7.1.2 The Offer Price of Rs. 64.08 (Rupees sixty four and eight paise only) per fully paid up equity share is justified in terms of Regulation 20(4) and 20(5) of the SEBI (SAST) Regulations being the highest of the following:

| | | |
|-----|--|----------------------------|
| (a) | The negotiated price under SPA | Rs. 64.08 per equity share |
| (b) | Highest price paid by the Acquirer for acquisitions 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 |
| (c) | The average of the weekly high and low of closing prices of the shares on NSE of the Target for the 26 weeks preceding the date of the Public Announcement | Rs. 41.58 per share |
| (d) | The average of the daily high and low prices of the shares on NSE of the Target for the two weeks preceding the date of the Public Announcement | Rs. 51.79 per share |
| (e) | Other Parameters based on the audited accounts of the Target for financial year ended on March 31, 2008 (for Face Value of Rs. 10). | |
| | (i) Return on Networth (%) | 48.86 |
| | (ii) Book Value per Share (Rs.) | 79.2 |
| | (iii) Earning Per Share (Rs.) | 39.74 |
| | (iv) Price Earning Ratio | 7.02 |

- 7.1.3 The Target is engaged in Securities Broking which falls under Industry segment "Finance and Investments Services" with an industry P/E of 18.80 (Source: Capital Market Volume XXIII/11, July, 28 - August 10, 2008). The Industry PE is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to the Target and also vary widely in terms of financial parameters with the Target.

- 7.1.4 M/s. Khimji Kunverji & Company, Chartered Accountants, have vide their report dated August 30, 2008 stated that based on the decision of Hon'ble Supreme Court of India in the case of Hindustan Lever Employee Union Vs. Hindustan Lever Limited, 1995 (83 Com case 30) ("HLL Case"), the value of each fully paid up equity shares of Rs. 1/- each of the Target has been arrived at Rs. 29.35 (Rupee Twenty nine and thirty five paise only). Further the value per share of the Target would be Rs. 17.47 per share (as per CCI formula), considering the Net Asset Value of equity shares of Rs. 7.61 per share of Rs. 1/- each as on March 31, 2008 and the Earning Based Value per share (PECV) of Rs. 28.73.

The following approaches have been adopted for the purposes of the valuation:

- The Underlying Asset approach: Value of equity shares of the Company is determined by dividing net assets of the Company by the number of shares.
- The Earnings Based Method approach: Value of equity shares of the Company is derived by capitalizing or discounting profits or cash flows respectively at the relevant cost of equity.
- The Market approach: The weighted average price of the Target Company quoted on NSE, being the exchange where the stock is the most highly traded, for a period of 6 months ending August 27, 2008 has been considered.

As per the decision under the HLL case, which suggests the use of a combination of all the three methods outlined above for determining the final value of equity shares by assigning suitable weightage to the values arrived at under each method, the following weightage has been applied:

Weightage of 1 has been applied to the value determined by underlying asset approach, and weightage of 2 has been applied to the values determined under both the earnings based method approach and the market approach.

- 7.1.5 There are no partly paid up shares of the Target Company as on the date of the Public Announcement.
- 7.1.6 In view of the above, the Offer Price of Rs. 64.08 per share, is also justified in terms of regulations 20(5) of the Regulations.
- 7.1.7 In the opinion of the Manager to the Offer, the Offer Price of Rs. 68.04/- per fully paid-up Equity Share of ASCIL is justified in terms of Regulation 20(11).
- 7.1.8 The Acquirer has not acquired any equity shares of the Target from the date of the PA up to the date of the Letter of Offer. The Offer Price shall not be less than the highest price paid by the Acquirer for any acquisition of Equity Shares of ASCIL from the date of the Public Announcement up to 7 working days prior to the date of closing of the Offer. Upon any such acquisition by the Acquirer, the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer
- 7.1.9 No separate consideration or non-compete fee will be paid to the Sellers and the Confirming Party in consideration for their agreement to not compete with the business of the Target and the Subsidiary for a period of 24 months from the transfer of shares as set out in paragraph 2.1.5 above.

7.2 Funding Arrangement for the Offer

- 7.2.1 The Acquirer has made firm financial arrangement for financing the acquisition of equity shares under the Public Offer, in terms of Regulation 16 (xiv) of the Regulations. The Acquirer proposes to fund the offer out of borrowings by way of Commercial Paper.
- 7.2.2 The total fund requirement for implementation of the Offer at Rs. 64.08 (Rupees sixty four and eight paise only) per fully paid up equity share is Rs. 7,100.06 lacs assuming that full acceptance for the Offer is received (“Offer Consideration”).
- 7.2.3 In accordance with Regulation 28 read with Regulation 22(7) of the SEBI (SAST) Regulations, the Acquirer has caused a lien (the “Lien”) to be marked by The Hong Kong and Shanghai Banking Corporation Limited, a company incorporated under the Companies Ordinance of the Hong Kong Special Administrative Region (HKSAR), having its registered office at 1, Queens Road Central, Hong Kong and acting through its branch office at Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai – 400 057, India (“HSBC”) against the fixed deposit of Rs. 71,00,06,400 (“Fixed Deposit”) with HSBC standing in the name of the Acquirer for an amount of Rs. 71,00,06,400 (the “Lien Amount”), in favour of

ENAM, the Manager to the Offer. The Lien Amount represents 100% of the Offer Consideration, in accordance with Regulation 28 of the SEBI (SAST) Regulations read with the second proviso to Regulation 22(7). In accordance with Regulation 28 of the SEBI (SAST) Regulations, ENAM has been duly authorized to realize the value of the aforesaid Lien. Since the Lien Amount constitutes 100% of the Offer Consideration payable to the shareholders assuming full acceptance under the Offer, the Acquirer would be entitled to appoint its nominees on the board of directors of the Target after a period of 21 days from the date of PA in accordance with Regulation 22(7) of the Regulations.

- 7.2.4 P.N. Jhaveri and Associates, Chartered Accountants located at Shive Sadan, Flat # 1, Ground Floor, 'C' Road, Churchgate, Mumbai - 400 020, tel. no.: 02222041840, membership number 107374, have in their letter dated August 30, 2008 certified that the Acquirer has made firm arrangements to meet the financial obligations under the Open Offer to be made to the shareholders of the Target.
- 7.2.5 Based on the above, the Manager to the Offer is satisfied about the ability of Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

8 TERMS AND CONDITIONS

- 8.1 The Acquirer made a Public Announcement on September 1, 2008 for the Offer. This Offer is being made to all the equity shareholders of ASCIL (other than the parties to the SPA) and the Letter of Offer together with the Form of Acceptance, Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form) is being mailed to those shareholders of ASCIL whose names appear on the register of members of ASCIL and to the beneficial owners of the equity shares of ASCIL whose names appear as beneficiaries on the beneficial record of the respective Depositories, at the close of business on the Specified Date (i.e. September 1, 2008). Owners of equity shares but not registered as shareholder(s) are also eligible to participate in the Offer at any time prior to the date of closing of the Offer. No Letter of Offer together with a Form of Acceptance, Form of Withdrawal and Transfer Deed will be mailed to the parties to the SPA.
- 8.2 The Offer is subject to the terms and condition set out herein in the Letter of Offer, the Form of acceptance, the Form of Withdrawal, the PA and any other public announcements that may be issued about the Offer.
- 8.3 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 9 of this LOF. In terms of Regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- 8.4 Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 8.5 The Offer will open on January 20, 2009 and close on February 9, 2009.
- 8.6 The Offer is not subject to any minimum level of acceptance. The acceptance of the Offer is entirely at the discretion of the equity shareholders of the Target. Each shareholder of the Target to whom the Offer is being made, is free to offer his shareholding in the Target, in whole or in part while accepting the Offer.

- 8.7 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).
- 8.8 Equity Shares that are subject to any charge, lien or encumbrance or court order / any other attachment / dispute are liable to be rejected. Equity shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of the Target may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such equity shares are received together with the equity shares tendered under the Offer prior to the date of closing of the Offer.
- 8.9 The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and other documents during transit. The equity shareholders of the Target are therefore advised to adequately safeguard their interest in this regard.

The securities transaction tax will not be applicable to the Equity Shares accepted in the Offer.

9 STATUTORY/OTHER APPROVALS REQUIRED FOR THE OFFER

- 9.1 The Offer is subject to the Acquirers or the Target and/or its Subsidiary obtaining the approvals from the SEBI, BSE, NSE, NSDL and CDSL (in respect of the Company) and MCX, NCDEX, NMCE (in respect of the Subsidiary), for the acquisition of Shares of the Target Company under the Offer and the SPA, in terms of the applicable rules and regulations prescribed by the said authorities.
- 9.2 The Offer may be subject to the Acquirer obtaining the approval of RBI under FEMA to acquire shares, if any, from all the OCB shareholders.
- 9.3 The Acquirer has filed the necessary applications with various authorities to obtain the statutory approvals. The status of approvals is as follows;

| Sr. No. | Name of the Regulatory Authority | Status and Comments |
|---------|--|--|
| 1 | National Stock Exchange Of India Limited | Received, subject to SEBI approval |
| 2 | Bombay Stock Exchange Limited | Received, subject to SEBI approval |
| 3 | Central Depository Services (India) Limited | Pending |
| 4 | Multi Commodity Exchange of India Limited – Currency Derivative | Received, subject to SEBI approval |
| 5 | National Securities Depository Limited | Received |
| 6 | National Commodity & Derivatives Exchange Limited | Received |
| 7 | Multi Commodity Exchange of India Limited | Received |
| 8 | National Multi -Commodity Exchange of India Limited | Received |
| 9 | SEBI – Portfolio Manager | Received |
| 10 | SEBI – Under the SEBI (Stock-broker and Sub-brokers) Regulations, 1992 | Pending |
| 11 | Reserve Bank of India | Received However, RBI has advised that specific approval will be required to acquire shares from OCBs |

- 9.4 Except the above stated, there are no other statutory approvals required for the purpose of this Offer to the best of the knowledge of the Acquirer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.
- 9.5 Non-resident shareholders should also enclose a copy of the RBI permission received by them for acquiring equity shares held by them in the Target. In case the RBI permission is not submitted, the Acquirer reserves the right to reject such equity shares tendered in the Offer.
- 9.6 The Acquirer will have the right to make payment to resident Shareholders and non resident Shareholders in respect of whom RBI Approval has already been obtained and not accept Equity Shares from OCBs in respect of whom prior RBI approval is required in the event that the aforesaid RBI Approval is refused.
- 9.7 In case of delay in receipt of such RBI Approval, the Acquirer has the option to make payment to the resident shareholders and non resident shareholders in respect of whom RBI Approval has been obtained and who have validly tendered their Equity Shares in the Offer as per the basis of acceptance if any. Also, in the event Offer is oversubscribed, the Registrar will hold in trust the Shares/Share Certificates or Equity Shares held in credit of the special depository account for the resident shareholders and non resident shareholders in respect of whom RBI Approval has already been obtained till the approval from RBI is received for acquiring Shares from OCBs.
- 9.8 After the receipt of RBI approval, the payment shall be made to the OCBs in respect of whom prior RBI Approval is required in accordance with the provisions of the SEBI (SAST) Regulation. However, in the event that the RBI Approval is refused for one or more shareholders and if the Offer is oversubscribed the basis of acceptance will be revised and additional Equity Shares will be accepted by the Acquirer from resident shareholders and such other shareholders in respect of whom no prior RBI Approval is required and such non resident shareholders in respect of whom RBI Approval has been received and further consideration shall be paid for such accepted shares as per the provisions under Regulation 22(12) of the SEBI (SAST) Regulations
- 9.9 In case the RBI approval for acquisition of equity shares from OCBs is unduly delayed, the Acquirer reserve the right to proceed with the payment to the resident shareholders and the non resident shareholders in respect of whom RBI approval has been obtained whose equity shares have been accepted by the Acquirer in terms of the Offer pending payment to OCBs, subject to total consideration payable to the OCBs being deposited in the escrow/special account with lien marked in favor of the Manger to the Offer.
- 9.10 In case of delay in receipt of RBI Approval, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to those OCBs in respect of whom prior approval of the RBI is required, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of regulation 22(12) of the SEBI (SAST)Regulations, provided further that if the Acquirer is diligent in pursuing the RBI Approval to the satisfaction of SEBI, the Acquirer will have an option not to pay such interest, subject to the concurrence of SEBI.
- 9.11 In case of delay in receipt of other requisite approvals, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the shareholders, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of regulation 22(12) of the SEBI (SAST) Regulations, provided further that if the Acquirer is diligent in pursuing the approvals to the satisfaction of SEBI, the Acquirer will have an option not to pay such interest, subject to the concurrence of SEBI.
- 9.12 If the Acquirer fail to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on his part, the amount lying in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28 (12) (e) of the Regulations.

9.13 The Acquirer reserves the right to withdraw the Offer in the event of the requisite statutory approvals being refused. In the event of withdrawal, a public announcement will be made in the same newspapers in which this original PA is being made.

10 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

10.1 The Acquirer has appointed Karvy Computershare Private Limited (“Karvy”) as Registrar to the Offer.

10.2 Karvy has set up the following centres to collect the acceptances being tendered in this offer;

| | Collection Centre | Address of Collection Centres | Contact Person | Phone No. | Fax | Mode of delivery |
|---|--------------------------|--|--|---------------------------------|------------------|--------------------------------|
| 1 | Mumbai | Karvy Computershare Pvt Limited 16-22 Bake House, Maharashtra Chamber of Commerce Lane, Opp. MSC Bank, Fort Mumbai – 400 023 | Ms. Varija Salian/ Ms.Nutan Shirke Email: ircfort@karvy.com | 022- 66382666 | 022- 66331135 | Hand Delivery |
| 2 | Mumbai | Karvy Computershare Pvt Limited 7, Andheri Industrial Estate, off Veera Desai Rd, Andheri West, Mumbai 400 053 | Ms. Neelambari Mok al Email: neelam@karvy.com | 022- 26730799/ 26730843 | 022- 26730152 | Hand Delivery |
| 3 | New Delhi | Karvy Computershare Pvt Limited 2E/23, Jhandewalan Extn, New Delhi 110 055 | Mr Rajendra/ Michael George Email : ircdelhi@karvy.com/ delhi@karvy.com | 011-43681700 | 011- 43681710 | Hand Delivery |
| 4 | Ahmedabad | Karvy Computershare Pvt Limited 201-203, Shail, Opp: Madhusudhan House Behind Girish Cold Drinks Off C G Road Ahmedabad - 380 006 | Mr. Aditya Gupta/ Robert Joeboy Email: ahmedabad@karvy.com/ robert.joeboy@karvy.com | 079- 26400528 | 079- 26565551 | Hand Delivery |
| 5 | Chennai | Karvy Computershare Pvt Limited No. 33/1, Venkatraman Street, T.Nagar, Chennai - 600017. | Mr. Gunashekhar Email: chennaiirc@Karvy.com | 044- 28151793/ 1794/ 4781 | 044- 28153181 | Hand Delivery |
| 6 | Hyderabad | Karvy Computershare Pvt Limited Plot No 17- 24, Vithalrao Nagar, Madhapur, Hyderabad 500 081 | Ms. Rinki Sareen Email: ircmadhapur@karvy.com | 040- 23420818-23 | 040- 23431551 | Hand Delivery/ Regd Post |

| | | | | | | |
|---|-----------|---|---|--------------|--------------|---------------|
| 7 | Kolkata | Karvy Computershare Pvt Limited 49, Jatin Das Road, Nr.Deshpriya Park, Kolkatta 700 029 | Mr. Sujit Kundu/ Mr. Debnath Email : sujitkundu@karvy.com/ nilkanta@karvy.com | 033-24644891 | 033-24644866 | Hand Delivery |
| 8 | Bangalore | Karvy Computershare Pvt Limited No.59, Skanda, Putana Road, Basavanagudi Bangalore 560 004 | Ms.K R Prathibha / Kumar Swamy Email : ircbangalore@karvy.com | 080-26621192 | 080-26621169 | Hand Delivery |

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

Shareholders of ASCIL, other than the parties to the SPA who wish to avail this Offer should forward the under mentioned documents, by hand delivery on days and during the business hours mentioned above, at any of the collection centers listed above, or by registered post to the Registrar to the Offer, Karvy Computershare Private Limited, at their office at Plot no 17-24, Vittalrao Nagar, Madhapur, Hyderabad – 500 081.Tel: (91) - 40-23420815-23. Fax: (91) - 40-23431551. E-mail: murali@karvy.com. Fax: (91) - 40-23420814, email: murali@karvy.com. Contact Person: Mr. M. Murali Krishna so as to reach the Registrar on or before February 9, 2009. (i.e. the date of Closing of the Offer).

In case of dematerialised Equity Shares, the shareholders should ensure that the credit to the Special Depository Account mentioned in Clause 10.4 below should be received on or before February 9, 2009. In order to ensure this, Beneficial Owners should tender the Delivery Instructions at least two working days prior to February 9, 2009 (i.e. the date of closing of the Offer). Form of Acceptance of such dematerialised Equity Shares not credited to the Special Depository Account before the date of closing of this Offer is liable to be rejected.

The Share certificate(s), share transfer form, Form of Acceptance and other documents, as required should be sent only to the Registrar to the Offer, at the collection centers mentioned in paragraph 10.2 No document should be sent to the Acquirer or the Manager to the Offer or the Target.

10.3 Procedure for Equity Shares held in Physical Form

- **Registered shareholders of the Target should enclose:**
 - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the equity share certificate(s) and in the same order and as per the specimen signature lodged with the Target;
 - Original Equity Share Certificate(s);
 - Valid Share Transfer Deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with ASCIL and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. A blank share transfer form is enclosed along with this Letter of Offer.

Incase of registered shareholder, non receipt of the aforesaid documents, but receipt of the share certificates and the duly completed transfer deed, shall be deemed that the offer has been accepted.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with ASCIL or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a *bona fide* owner of such Equity Shares.

- **Unregistered owners of Equity Shares of the Target should enclose:**

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
- Original Equity Share Certificate(s);
- Original Broker Contract Note;
- Valid Share Transfer Deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
- The acknowledgement received, if any, from the Target in case the Equity Shares have been lodged with the Target. Such persons should instruct the Target and its Registrar and Transfer agents to send the transferred share certificate(s) directly to the collection center as mentioned in 10.2 above. The applicant should ensure that the certificate(s) reach the designated collection center before the date of closing of the Offer.

Unregistered owners can send their acceptance of the Offer in writing to the Registrar to the Offer, Karvy, at the collection centers as mentioned in paragraph 10.2 above, on plain paper stating Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form or photocopy or counterfoil of the delivery instructions in “Off-market” mode in case of Equity Shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners.

Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI’s website (www.sebi.gov.in).

10.4 Procedure for Equity Shares held in Demat Form

- **Beneficial Owners should enclose:**

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose names appear in the beneficiary account and in the same order therein. The Form of Acceptance has to be tendered by the beneficial holder of Equity Shares only.

Incase of non receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.

- A photocopy or counterfoil of the Delivery Instructions in “off market” mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.
- Registrar to the Offer has for the purpose of this Open Offer, opened a Special Depository Account with National Securities Depository Limited (“NSDL”) called, “KCPL Escrow A/c – ASCIL Open Offer”. Beneficial owners are requested to fill in the

following details in the delivery instructions for the purpose of crediting their equity shares in the special depository account:

Depository Participant (“DP”) Name: Karvy Stock Broking Limited

DP ID: IN302470

Client ID: 40234508

Account Name: KCPL Escrow A/c – ASCIL Open Offer

Depository: NSDL

Shareholders, having their beneficiary account with 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. Since the Equity Shares of the Target are in compulsory demat mode, the minimum marketable lot for such shares will be one.

- **Shareholders who have sent their Equity Share Certificates for dematerialisation should enclose:**
 - Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole/ joint Equity Shareholders whose name appears on the Equity Share Certificate and in the same order and as per the specimen signature lodged with ASCIL.
 - A copy of the dematerialisation request form duly acknowledged by the Equity Shareholders depository participant.

Such Equity Shareholders should ensure that the credit of their Equity Shares tendered under Offer to the Special Depository Account is made on or before the date of closing of the Offer, otherwise the same are liable to be rejected. Alternatively, if the Equity Shares sent for dematerialisation are yet to be processed by the Equity Shareholders depository participants, the Equity Shareholders can withdraw their dematerialisation request and tender the Equity Share Certificates in the Offer as per procedure mentioned in paragraph 10.3 above.

10.5 Procedure to be adopted in case of non-receipt of the Letter of Offer

- **By Equity Shareholders holding Equity Shares in physical form**

In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer in writing to the Registrar to the Offer, Karvy, at the collection centers as mentioned in paragraph 10.2 above, on plain paper stating their Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No together with the original Share Certificate(s), valid transfer deeds in case of Equity Shares held in physical form, so as to reach the Registrars to the Offer on or before the date of closing of the Offer.

Shareholders who have lodged their Equity Shares for transfer with ASCIL must also send the acknowledgement received, if any, from ASCIL towards such lodging of Equity Shares.

Shareholders who have sent their equity share certificates for dematerialisation should send a copy of the dematerialised request form duly acknowledged by their depository participant.

- **By Equity Shareholders holding Equity Shares in dematerialised form**

Beneficial Owners may send the acceptance of the Offer in writing to the Registrar to the Offer, Karvy, at the collection centers as mentioned in paragraph 10.2 above, on plain paper, stating Name, Address, Number of Equity Shares held, Number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in “Off market” mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account, the details of which are mentioned in paragraph 10.4 above, so as to reach the Registrar to the Offer on or before the closing of the Offer.

Shareholders, having their beneficial account with 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.

No indemnity is required while sending the acceptance of the Offer on plain paper.

Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

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

Non Resident shareholders should also submit copy of the permission received from Reserve Bank of India for acquisition of the shares of ASCIL. In case of its non-submission, Acquirer reserves their right to reject the shares tendered in the Offer.

- 10.7 The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include, but are not limited to:
- i) duly attested death certificate and succession certificate in case of single shareholder;
 - ii) duly attested Power of Attorney if any person apart from the shareholder has signed the Form of Acceptance and/or transfer deed(s);
 - iii) in case of companies, the necessary corporate authorization (including Board Resolutions);
 - iv) any other relevant documentation.
- 10.8 The Registrar to the Offer will hold in trust the Form of Acceptance, equity share certificates, transfer deeds and shares lying in credit of the special depository account and other documents on behalf of the shareholders of ASCIL who have tendered in the Offer, until the cheques/drafts for the consideration and/or the unaccepted Equity Shares/ Equity Share certificates are dispatched/returned. The Acquirer would not have access to these Equity Shares till such time.
- 10.9 The Acquirer shall accept all valid fully paid up shares and partly paid up shares tendered (except those which are withdrawn, within the date specified for withdrawal). Equity shares will be acquired by the Acquirers free from lien, charges and encumbrances of any kind whatsoever and together with all the rights attached thereto including the right to dividend, bonus and rights issue dividend thereafter.
- 10.10 If the number of shares tendered by the shareholders is more than the offer size, the acquisition from each shareholder will be as per Regulation 21(6) of the Regulations, 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. As the Shares trade in compulsory dematerialized segment, the minimum marketable lot for the Shares is 1 (one).
- 10.11 The consideration for the Equity Shares accepted by the Acquirer will be paid by crossed account payee cheques/demand drafts. Such cheques/demand drafts exceeding Rs. 1,500/- or unaccepted Equity Share certificates, transfer deeds and other documents, if any, will be returned by Registered Post/Speed Post at the shareholders'/unregistered owners' sole risk, to the sole/first shareholder/unregistered owner. Cheques/demand drafts for Rs 1,500/- or less will be sent under

certificate of posting. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

In case of dematerialised Equity Shares, the Equity Shares would reside in the Special Depository Account as mentioned above. The Registrars to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer and give instructions for the credit to the beneficial account of the Acquirer. The Equity Shares held in dematerialised form to the extent not accepted as a result of non-payment/ part payment of consideration by the Acquirer under the Offer will be released to the Beneficial Owner's Depository Account with the respective beneficial owners depository participant as per details furnished by the Beneficial Owner in the Form of Acceptance, at the sole risk of the Beneficial Owners.

- 10.12 In terms of regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closing of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrars to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before February 3, 2009.

The withdrawal option can be exercised by submitting the following:

i. For Equity Shares held in demat form:

Beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal accompanying the LOF. The signature(s) should be attested by the depository participant.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

ii. For Equity Shares held in physical form:

Registered Shareholders should enclose:

- Duly signed and completed Form of withdrawal accompanying the LOF.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.
- In case of partial withdrawal, valid Share Transfer form(s) duly signed as transfers by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with ASCIL and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance cum Acknowledgement submitted by Registered post.

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 case of physical shares: Name; Address; Distinctive Numbers; Folio Number, Number of Shares tendered and to be withdrawn and
- In case of dematerialized shares: Name; Address; Number of Shares offered and number of shares to be withdrawn; 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.

- b) The withdrawal of shares will be available only for the share certificates/shares that have been received by the Registrar to the Offer / credited to Special Depository Account.
- c) The intimation of returned shares to the Shareholders will be at the address as per the records of the ASCIL/Depository as the case may be.
- d) The Form of Withdrawal should be sent only to the Registrar to the Offer.

- e) In case of partial withdrawal of shares tendered in physical form by the registered shareholder, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from ASCIL.
- f) Partial withdrawal of tendered shares can be done only by the Registered shareholders/Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.
- g) Shareholders holding shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

10.13 Mode of making payment

The payment of consideration, if any, would be done through any of the following modes:

- a. Electronic Clearing System (ECS) – Payment of consideration would be done through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakhpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulam (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of considerations would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of consideration through ECS is mandatory for applicants having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive payment through direct credit or RTGS.
- b. Direct Credit – Applicants having bank accounts with the Refund Banker(s), in this case being, The Hong Kong and Shanghai Banking Corporation Limited, shall be eligible to receive considerations through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Acquirer and PAC.
- c. RTGS – Applicants having a bank account at any of the abovementioned 68 centres and whose consideration amount exceeds Rs. Five Million, have the option to receive payment through RTGS. Such eligible applicants who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, payment shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Acquirer and PAC. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
- d. National Electronic Fund Transfer (NEFT) – Payment of consideration shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of

that particular bank branch and the payment of consideration will be made to the applicants through this method. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.

- e. For all other applicants, including those who have not updated their bank particulars with the MICR code, the payments will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for payments of Rs. 1,500 and above. Such payments will be made by cheques, pay orders or demand drafts drawn on The Hong Kong and Shanghai Banking Corporation Limited and payable at par.

- 10.14 Barring unforeseen circumstances and factors beyond their control, the Acquirer intend to complete all procedures relating to the Offer, including payment of consideration to the shareholders who have accepted the Offer, within 15 days from the date of closing of this Offer and for the purpose open a special account as provided under regulation 29 of the Regulations.

Provided that where the Acquirer are unable to make the payment to the shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time, in accordance with regulation 22(12) of the Regulations.

11 DOCUMENTS FOR INSPECTION

- 11.1 The following documents will be available for inspection to the shareholders of ASCIL at the office of ASCIL Limited - It has its registered office at #55, Ali Towers, Greams Road, Chennai-600 006, India, on all working days, from the date of opening of the Offer till the date of closing of the Offer, between 10.00 a.m. and 1.00 p.m., except Saturdays, Sundays and Holidays:
1. Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer.
 2. Annual Reports of the Acquirer for the accounting years ended March 31, 2006, 2007, 2008.
 3. Report dated September 9, 2008 of Mr. R V Chaniyari of Statutory Auditors M/s. Khimji Kunverji & Co, Chartered Accountants, (Membership No. (F-31083)), certifying the financial data of Acquirer.
 4. Report dated September 10, 2008 of Mr. N. Krishnamurthy of Statutory Auditors M/s. R Subramanian and Company., Chartered Accountants (Membership no.19339), certifying the financial data of Target.
 5. Copy of the Share Purchase Agreement dated August 28, 2008.
 6. Audited Accounts of ASCIL for the accounting year ended March 31, 2008.
 7. Annual Reports of ASCIL for the accounting years ended March 31, 2008, 2007, 2006.
 8. Certificate of Incorporation, Memorandum and Articles of Association of ASCIL.
 9. Copy of the Board Resolution of the Acquirer authorizing inter alia Dr. Bharat K. Singh, Managing Director, Mr. Adesh Gupta, Whole Time Director and CFO, and Mr. Devendra Bhandari , Company Secretary and Compliance Officer severally to do all acts, things and deeds in the name of and on behalf of the Acquirer in connection with the proposed acquisition of the Equity Shares in the Target.
 10. Letter dated August 30, 2008 from P.N. Jhaveri and Associates, Chartered Accountants membership number 107374, certifying that the Acquirer has made firm arrangements to meet the financial obligations under the Open Offer to be made to the shareholders of the Target.
 11. Letters from the Escrow Bank – The Hongkong and Shanghai Banking Corporation confirming cash deposit of Rs. 71,00,06,400 deposited in the Escrow Account and a lien marked in favor of the Manager to the Offer.
 12. Copy of the observation letter from SEBI, dated December 16, 2008 in terms of proviso to regulation 18(2) of the Regulations.
 13. A published copy of Public Announcement issued on September 1, 2008.

12 **DECLARATION BY THE ACQUIRER**

The Acquirer and its Directors severally and jointly accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance, Form of Withdrawal and also for ensuring compliance with the Regulations. The Acquirer shall be responsible for fulfilling its obligations under the SEBI Takeover Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Dr. Bharat K. Singh, Managing Director has been authorised by the Board of Directors of the Acquirer to its authorised signatory to the Letter of Offer.

By Order of the Board,
For Adity Birla Nuvo Limited (“the Acquirer”)

Sd/ -

Dr. Bharat K. Singh
(Authorised Signatory)

Date: January 12, 2009

Enclosed:

- a) Form of Acceptance-cum-Acknowledgement
- b) Form of Withdrawal
- c) Transfer Deed, if applicable