LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as an equity shareholder ("**Shareholder**") of EPC Industrié Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer / Registrar to the Offer. In case you have recently sold your Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance, Form of Withdrawal and transfer deed to the member of the stock exchange through whom the said sale was effected.

CASH OFFER

BY

Mahindra & Mahindra Limited ["M&M" / the "Acquirer"]

Regd. Office: Gateway Building, Apollo Bunder, Mumbai – 400001
Tel: 91 22 2202 1031; Fax: 91 22 2287 5485
Corporate Office: Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018
Tel: 91 22 2491 1441; Fax: 91 22 2491 5890

to acquire

upto 34,51,613 fully paid up equity shares of the face value of Rs. 10/- (Rupees Ten only) each ("**Share**"), representing 20.00% of the Emerging Voting Capital, as at the expiration of 15 days after the closure of the Offer, at a price of Rs. 66.55 (Rupees Sixty Six and Paise Fifty Five only) per Share **("Offer Price")** plus interest for delay in the offer schedule, of Re. 1.00 (Rupee One only) per Share at the rate of 10% p.a, to be paid to the eligible Shareholders of the Target Company, payable in cash, of

EPC INDUSTRIÉ LIMITED

["the Company" / the "Target Company"]

Regd Office: H-109, MIDC Ambad, Nashik 422010, India
Tel: 91 0253 2381081/ 82/83; Fax: 91 0253 2382975

Notes:

1. This Offer is being made pursuant to Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto [the "**SEBI Takeover Regulations**"] for the purpose of substantial acquisition of Shares and voting rights of the Company accompanied with change in control and management of the Company consequent and pursuant to the Preferential Allotment of Shares to the Acquirer.
2. Reserve Bank of India ('**RBI**"), vide their letter dated March 28, 2011 granted approval to the Acquirer to acquire Shares through open offer from the eligible Shareholders subject to the condition that (a) if non – resident Indian/s holding Shares on a non –repatriation basis tender Shares pursuant to the Offer then proceeds shall be credited to their NRO accounts and (b) If overseas corporate bodies tender Shares pursuant to the Offer then the Target Company will be required to obtain prior RBI approval
3. The Shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA/ Letter of Offer can withdraw the same up to three working days prior to the date of the closure of the Offer i.e. upto Thursday – August 4, 2011
4. The Acquirer is permitted to make upward revision in the Offer Price and the number of Shares to be acquired under the Offer at any time up to seven working days prior to the date of closure of the Offer i.e. up to Friday– July 29, 2011. If there is an upward revision of the Offer Price or the number of Shares to be acquired under the Offer in terms of Regulation 26 of SEBI Takeover Regulations, the same would be informed by way of a public announcement in the same newspapers where the PA has appeared as mentioned in paragraph 2.2.9 of this Letter of Offer. The revised Offer Price, if any, would be payable by the Acquirer for all the Shares tendered anytime during the Offer.
5. This Offer is not conditional upon any minimum level of acceptances.
6. This is not a competitive bid.
7. There has been no competitive bid.
8. **As the Offer Price cannot be revised during seven working days prior to the closing date of the Offer i.e Friday – July 29, 2011, it would be in the interest of the Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly.**
9. The Form of Acceptance together with the Form of Withdrawal is enclosed with this Letter of Offer.
10. A copy of the PA and Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) are also available on SEBI's website at www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
YES BANK Limited 12th Floor, Discovery of India Building Nehru Centre Dr. Annie Besant Road Worli, Mumbai 400018 Tel No: 91 022 6669 9000 Fax No: 91 022 2497 4158 Email ID: merchantbanking@yesbank.in SEBI Reg No: MB / INM 0000 10874 Contact : Dhanraj Uchil / Ajay Shete	**Sharepro Services (India) Pvt. Ltd.** 13 AB, Samhita Warehousing Complex 2nd Floor, Sakinaka Telephone Exchange Lane Off Andheri-Kurla Road, Sakinaka Andheri (E), Mumbai – 400 072 Tel: 91 (022) 61915419/416 Fax: 91 (022) 61915444 Email: prakashk@shareproservices.com / satheesh@shareproservices.com SEBI Registration No: INR000001476 Contact: Prakash Khare / Satheesh H K
Offer Opens : Thursday, July 21, 2011	**Offer Closes :** Tuesday, August 9, 2011

Schedule of the Activities

Activities	Schedule as per PA	Revised Schedule
Public Announcement Date	Thursday – February 10, 2011	Thursday – February 10, 2011
Specified Date *	Friday- February 11, 2011	Friday- February 11, 2011
Last date for Competitive Bid	Thursday – March 3, 2011	Thursday – March 3, 2011
Date by which letter of offer is to be dispatched to the shareholders	Friday - March 25, 2011	Saturday - July 16, 2011
Date of opening of the Offer	Wednesday – April 6, 2011	Thursday – July 21, 2011
Last date for revising the Offer Price / number of equity shares	Monday – April 11, 2011	Friday – July 29, 2011
Last date up to which shareholders may withdraw	Tuesday – April 19, 2011	Thursday – August 4, 2011
Date of Closure of the Offer	Monday – April 25, 2011	Tuesday – August 9, 2011
Date for communicating acceptance/rejection under the Offer and payment of consideration for applications accepted.	Tuesday – May 10, 2011	Wednesday – August 24, 2011

* Specified Date is only for the purpose of determining the names of Shareholders of the Target Company to whom the Letter of Offer is being sent.

Risk factors (a) relating to the transaction, (b) relating to the Offer and (c) involved in associating with the Acquirer and the likely adverse effect of these risk factors on the Shareholders

1. RBI, vide their letter dated March 28, 2011 granted approval to the Acquirer to acquire Shares through the Offer from the eligible Shareholders subject to the condition that (a) if non – resident Indian/s holding Shares on a non –repatriation basis tender Shares pursuant to the Offer then proceeds shall be credited to their NRO accounts and (b) If overseas corporate bodies tender Shares pursuant to the Offer then the Target Company will be required to obtain prior RBI approval.
2. In the event that either (a) there is any litigation leading to a stay on the Offer or (b) SEBI instructing the Acquirer not to proceed with the Offer or (c) any regulatory approval is not obtained in a timely manner, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Shares are accepted under this Offer as well as the return of Shares not accepted under this Offer by the Acquirer may get delayed.
3. In case of delay due to non-receipt of statutory approval(s), as per Regulation 22(12) of the SEBI Takeover Regulations, SEBI, may, if satisfied, that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer agreeing to pay interest to the eligible Shareholders.
4. Further, the Shareholders should note that after the last date of withdrawal i.e. Thursday – August 4, 2011, the Shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered Shares and documents would be held by the Registrar to the Offer, till such time the process of acceptance of tenders, the payment of consideration and other Offer obligations are completed.
5. The 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 in such Shares. During such period there may be fluctuations in the market price of the Shares. The Acquirer makes no assurance with respect to the market price of the Shares that would prevail both during the Offer period and after completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
6. In the event that the shares tendered in the Offer by the Shareholders are more than the Shares to be acquired under the Offer, the acquisition of Shares from each Shareholder will be as per the provisions of Regulation 21(6) of the SEBI Takeover Regulations i.e. on a proportionate basis, to be decided in a fair and equitable manner, in consultation with the Manager to the Offer, irrespective of whether the Shares are held in physical or dematerialized form.
7. The Acquirer makes no assurance with respect to the future financial performance of the Target Company.
8. The Target Company has received lender's approval vide letters dated March 10, 2011 and March 9, 2011 from IDBI Bank and YES Bank respectively, for the Preferential Allotment and the change in management.

The indicative risk factors set forth above are in relation to the transaction and the Offer and not in relation to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Offer or in associating with the Acquirer. The Shareholders are advised to consult their stock broker or investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

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DEFINITIONS	
The Acquirer / M&M	Mahindra & Mahindra Limited
Board / Board of Directors / Directors	Board of Directors of the Target Company (including any committee thereof)
Board Meeting	Meeting of the board of directors of the Target Company held on February 9, 2011
BSE	The Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
Depositories	NSDL and CDSL
Emerging Voting Capital	1,72,58,065 Shares of Rs. 10/- each
EPS	Earnings Per Share
Escrow Banker	YES Bank Limited, 9th Floor, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018
Existing Investor	Schroder Credit Renaissance Fund Ltd and Credit Renaissance Development Fund LP(formerly known as Schroder Credit Renaissance Development Fund LP)
FCMITDA	Foreign Currency Monetary Item Translation Difference Account
Form of Acceptance	Form of Acceptance cum Acknowledgement
Form of Withdrawal	Form of Withdrawal
GOI	Government of India
Letter of Offer /LOF	This letter of offer
Manager to the Offer/ YES Bank	YES Bank Limited, 12th Floor, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
Offer	Offer to acquire upto 34,51,613 Shares representing 20.00% of the Emerging Voting Capital of the Target Company
Offer Price	Rs. 66.55 (Rupees Sixty Six and Paise Fifty Five only) per fully paid up Share.[Besides this, interest for delay in the offer schedule of Re. 1.00 (Rupee One only) per Share at the rate of 10% p.a, is payable to the eligible Shareholders]
PAT	Profit After Tax
Persons eligible to participate in the Offer	All owners (registered and unregistered) of Shares except the Acquirer and parties to the New SSA and New SHA
Preferential Allotment	65,58,065 Shares allotted by the Target Company on a preferential basis to the Acquirer
Promoters	Promoters of the Target Company i.e. Trenton Investment Company Private Limited , Shishilin Investment Private Limited, Garuda Plant Products Limited, Ms. Indrani Khanna, Mr. Anirudh Khanna, Ms. Neelanjana Khanna, and Ms. Deepanjali Chhapwale
Public Announcement/ PA	PA for the Offer released on behalf of the Acquirer on February 10, 2011
Registrar / Registrar to the Offer	Sharepro Services (India) Pvt. Ltd, 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072
Regulations/ Takeover Regulations/ SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
RONW	Return on Net Worth
SCRF	Schroder Credit Renaissance Fund Ltd (now known as Credit Renaissance Fund Ltd.)
CRDF	Credit Renaissance Development Fund LP(formerly known as Schroder Credit Renaissance Development Fund LP)
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Shares	Fully paid up equity shares of Rs. 10/- (Rupees Ten only) each of the Target Company
Shareholders / Equity Shareholders	All owners (registered or un registered) of Shares
SHA	Shareholders Agreement dated February 9, 2011 entered into between the Acquirer, Promoters, SCRF, CRDF , Mr. K.L. Khanna and Kimplas Piping Systems Limited

New SHA	New Shareholders Agreement dated June 27, 2011 entered into between the Acquirer, Promoters (excluding Shishilin Investment Private Limited), Target Company, Mr. K L Khanna and Kimplas Piping Systems Limited
SSA	Share Subscription Agreement dated February 9, 2011 entered into between the Target Company, Acquirer, Promoters, SCRF, CRDF and Mr. K.L. Khanna
New SSA	New Share Subscription Agreement dated June 27, 2011 entered into between the Acquirer, Promoters (excluding Shishilin Investment Private Limited), Target Company and Mr. K L Khanna
Subscription Shares	65,58,065 fully paid up equity shares of the Target Company constituting 38.00% of the Emerging Voting Capital of the Target Company allotted to the Acquirer on a preferential basis.
Target Company/ The Company/ EPC	EPC Industrié Limited
Termination Agreement	Termination Agreement dated June 27, 2011 entered into between the parties to the SSA and SHA

Capitalised terms not specifically defined herein shall have the same meaning assigned to them in the PA.

1 DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE 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 EPC INDUSTRIÉ LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES/CONTROL ARE 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 DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, YES BANK LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 24, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI TAKEOVER REGULATIONS. 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 of the Offer

2.1.1 This Offer is being made pursuant to Regulations 10 and 12 of the SEBI Takeover Regulations for the purpose of substantial acquisition of Shares and voting rights of the Target Company accompanied with the change in control and management as (i) the aggregate equity stake of the Acquirer, in the paid up equity share capital of the Target Company, after the Preferential Allotment, will be more than the stipulated threshold of fifteen per cent (15%) and (ii) on completion of the Preferential Allotment and Offer, Acquirer will be in control of the management of the Target Company.

2.1.2 The Board in their meeting held on February 9, 2011("Board Meeting") passed appropriate resolutions, inter alia, (a) to approve the issue of 65,58,065 Shares at a price of Rs. 66.10 per share to the Acquirer; (b) to convene an extra-ordinary general meeting ("EGM") to obtain approval of Shareholders in terms of section 81(1A) of the Companies Act, 1956 for Preferential Allotment; (c) to authorize the Board to allot the above mentioned Shares to the Acquirer and (d) to approve the change of promoters as defined in regulation 2(1)(h) of the SEBI Takeover Regulations so as to classify the Acquirer as the promoter of the Target Company upon completion of Offer.

2.1.3 The EGM was held on March 9, 2011 and the Preferential Allotment was approved by the Shareholders of the Target Company. Further the BSE vide their letter dated March 3, 2011 granted In-Principle approval to the Target Company in terms of Clause 24(a) of the Listing Agreement entered into by the Target Company with the BSE. The Preferential Allotment was made by the Target Company on March 17, 2011.

The Acquirer had entered into a Share Subscription Agreement dated February 9, 2011 (hereinafter referred to as the "**SSA**") with (i) Target Company, (ii) Schroder Credit Renaissance Fund Limited ("**SCRF**"), and Credit RenaissanceDevelopment Fund LP (formerly known as Schroder Credit Renaissance Development Fund LP), ("**CRDF.**") (collectively referred **to** as **"Existing Investor"**), (iii) Mr. K.L. Khanna and (iv) Trenton Investment Company Private Limited, Shishilin Investment Private Limited, Garuda Plant Products Limited, Ms. Indrani Khanna, Mr. Anirudh Khanna, Ms. Neelanjana Khanna, Ms. Deepanjali Chhapwale ("Promoters") whereby 65,58,065 Shares of the Target Company constituting 38.00% of the Emerging Voting Capital (defined in paragraph 2.1.7 below) of the Target Company **("Subscription Shares**") would be issued, on a preferential basis, to the Acquirer, for cash at a price of Rs 66.10 per Share, in accordance with provisions of, amongst others Chapter VII of SEBI ICDR Regulations and subsequent amendments thereto, resulting in substantial acquisition of shares accompanied with change in control of the Target Company as per the SEBI Takeover Regulations.

Subsequent to the execution of the SSA, the Hon'ble High Court of Mumbai vide Order dated February 25, 2011 sanctioned a Scheme of Amalgamation of Shishilin Investment Private Limited with Trenton Investment Company Private Limited. Both these entities signed the SSA in their capacities as the promoter entities. Pursuant to the Scheme which has been made operative from April 1, 2010 all the rights and obligations of Shishilin Investment Private Limited have been transferred to Trenton Investment Company Private Limited. Therefore, Shishilin Investment Private Limited is not a party to the Termination Agreement, New SSA and New SHA, details of which have been described hereunder.

The parties to the SSA have entered into a Termination Agreement on June 27, 2011 terminating the SSA wherein the parties agreed to terminate the SSA without any further liability or obligation to any party or any of their affiliates. Subsequent to the execution of the Termination Agreement the Acquirer, Target Company, Promoters (excluding Shishilin Investment Private Limited) and Mr. K L Khanna have entered into a new share subscription agreement ("New SSA") dated June 27, 2011 so as to (a) exclude the Existing Investor from the SSA and (b) remove all references to the Existing Investor and make the consequential modifications. The New SSA replaces and substitutes the SSA on and from the date of its execution.

2.1.4 The salient features of the New SSA, which govern the subscription of the Subscription Shares, are:

(a) On completion of the Offer, the Acquirer will be classified as the "promoter" of Target Company and the existing Promoters shall be classified as the "public" shareholders.

(b) Till the completion of the Offer, the Target Company shall not, except as expressly permitted or required by the New SSA, or as required by applicable law, undertake certain actions as set out in the New SSA without the prior written consent of the Acquirer.

The Acquirer has paid the subscription amount towards the Subscription Shares and the Target Company has allotted Subscription Shares to the Acquirer.

In addition to the SSA, the Acquirer had entered into a shareholders agreement on February 9, 2011 (hereinafter referred to as the "**SHA**"), with the Existing Investor, Promoters, Mr. K.L. Khanna, Kimplas Piping Systems Limited and the Target Company. However the parties to the SHA have entered into a Termination Agreement on June 27, 2011 terminating the SHA wherein the parties agreed to terminate the SHA without any further liability or obligation to any party or any of their affiliates. Subsequent to the execution of the Termination Agreement the Acquirer, Promoters (excluding Shishilin Investment Private Limited), Target Company, Mr. K L Khanna and Kimplas Piping Systems Limited have entered into a new shareholders agreement ("New SHA") dated June 27, 2011 so as to (a) exclude the Existing Investor from the SHA and (b) remove all references to the Existing Investor and make the consequential modifications. The New SHA replaces and substitutes the SHA on and from the date of its execution.

2.1.5 The New SHA sets out the rights and obligations of the parties thereto with regard to the management of Target Company and therefore contains clauses like non-compete, share transfer restrictions, circumstances under which the rights will terminate etc. The salient features of the New SHA are:

(a) The Acquirer shall have the right to change the composition of the Board and appoint majority Directors on the Board after the completion of the Offer.

(b) Acquirer shall have certain"Pre emptive rights" on the shareholding of the Promoters.

(c) The Promoters and Mr. K.L. Khanna have agreed that they shall not (and shall ensure that their affiliates shall not), directly or indirectly, legally (i) carry on or engage in, directly or indirectly, whether through partnership or as a shareholder (excluding investments equal to or less than 1% of the total paid-up equity capital of any listed company carrying out any micro irrigation related business), joint venture partner, or collaborator, consultant or agent or in any other manner whatsoever, for profit, any business in India, which competes with the business of Target Company, and (ii) carry on any other business which uses any mark or conducts business in any trade name which includes "EPC" and/or is similar or identical to any of the trademarks registered in the name of the Target Company for a period 5 years from February 9, 2011. The non compete restrictions will not apply to Kimplas Piping Systems Limited and Patkaai Plastics Private Limited for manufacturing of certain products. No non-compete fee is being paid by the Acquirer to any person pursuant to the New SSA and New SHA.

(d) Until such time as the Acquirer's shareholding in the Target Company does not fall below 10% of the paid-up equity share capital of the Target Company, the affirmative vote of the Acquirer's nominee shall be required in a meeting of the Board (or any committee thereof).

(e) The parties have agreed that there is a need of further infusion of capital into the Target Company. Such infusion shall be undertaken in compliance with the directions of the Acquirer and by any measure including rights issue, preferential allotment or any other form of future capital raising by debt or equity. For a period of 360 days from February 9, 2011 or for such extended period as may be mutually agreed, the Promoters shall not object or take any action that may restrain and or restrict:

(i) ability of the Acquirer to reach atleast -

- 51% of the total paid up equity share capital of the Target Company; or
- 52% of the total paid up equity share capital of the Target Company (if upon acquisition of the Subscription Shares and the closure of the Offer, the Acquirer's shareholding is greater than 51% of the total paid up equity share capital of the Target Company); or

(ii) organic and/ or inorganic growth of the Target Company

(f) Target Company will require funds to finance capex and/or working capital requirements for which it may require to raise funds through debt and/ or equity issuance from time to time. Subject to (e) above, the Promoters agree that they shall not and shall cause their affiliates, directors, officers, managers, partners, members, agents and employees (a) not to, directly or indirectly, subscribe to any future equity/convertible securities issuances by the Target Company, (b) not to, directly or indirectly, acquire any additional voting rights in the Target Company either through primary issuance of Shares by the Target Company, if any, or through secondary markets or (c) not to assign/transfer any rights, entitlements or accretions with respect to or in connection with its Shares/convertible securities to any person except the Acquirer, as and when required by the Acquirer.

Other than the rights available to the Acquirer under the New SSA and New SHA, post termination of the SSA and SHA no investor including the Existing Investor have any special rights.

As on the date of the PA, the Promoters held 28,29,300 Shares constituting 26.44% of the paid up equity share capital. Post the Preferential Allotment, the Promoters continue to hold 28,29,300 Shares constituting 16.39% of the Emerging Voting Capital of the Target Company. Post the Preferential Allotment and completion of the Offer, the Promoters will be classified as "public" shareholders and the Acquirer will be classified as the promoter of the Target Company".

Mr. K.L. Khanna is currently the executive Chairman & Managing Director of the Target Company. As the ownership of the Target Company (26.44% of the paid up equity share capital prior to Preferential Allotment) vests with the family members of Mr. K.L. Khanna and also he being the executive Chairman & Managing Director of the Target Company, Mr. K.L.Khanna belongs to the promoter group of the Target Company. Mr. K.L. Khanna does not hold any equity shares in the Target Company.

Kimplas Piping Systems Limited ("Kimplas") is a private company controlled by the family members of Mr. K.L.Khanna. It is involved in the manufacture of plastic components which are used in micro irrigation systems. As Mr. K.L.Khanna and Kimplas are in a position to compete with the existing business of the Target Company, they have been made parties to the New SHA for undertaking with regard to non compete clause and non solicitation of employees.

2.1.6 Existing Investor, Target Company and some of the Promoters i.e. Trenton Investment Company Private Limited, Garuda Plant Products Limited, Shishilin Investments Private Limited and Indrani Khanna who were parties to :

(i) debenture subscription agreement dated January 17, 2007 ("Existing Debenture Agreement")

(ii) share subscription agreement dated January 17, 2007 ("Existing Share Subscription Agreement")

(iii) investment agreement dated August 21, 2008 ("Existing Investment Agreement")

have entered into a Debenture Amendment Agreement dated February 9, 2011 and a termination agreement dated February 9, 2011 wherein the parties have agreed to certain amendments to the Existing Debenture Agreement and termination of the Existing Share Subscription Agreement and Existing Investment Agreement. The aforesaid termination agreement also terminates an existing shareholders agreement dated January 17, 2007 ("Existing Shareholders Agreement") between Existing Investor, Mr. K.L. Khanna, Trenton Investment Company Private Limited, Garuda Plant Products Limited, Shishilin Investments Private Limited and Indrani Khanna.

2.1.7 As on the date of the PA, the paid up equity and voting share capital of the Target Company is Rs. 10,69,76,000/- (1,07,00,000 equity shares of Rs. 10/- each minus allotment money in arrears). The fully diluted voting rights (the "Emerging Voting Capital") of the Target Company is calculated as follows:

Particulars	No. of equity shares
Fully paid up equity shares as on date of PA	1,07,00,000
Add: Preferential Allotment to the Acquirer	65,58,065
Emerging Voting Capital	1,72,58,065

As on the date of the PA 17,00,000/- unsecured debentures of Rs. 100/- each aggregating to Rs 17,00,00,000 were outstanding in the books of the Target Company. The aforesaid debentures were allotted to the Existing Investor vide the Existing Debenture Agreement. The Existing Debenture Agreement was amended vide a Debenture Amendment Agreement dated February 9, 2011. As per the terms of the Existing Debenture Agreement and the Debenture Amendment Agreement interest is to be paid at the rate of 12% per anum to the Existing Investor on the outstanding debentures. Also, the debentures are convertible into preference shares at the option of the Existing Investor. Of the outstanding 17,00,000 unsecured debentures, the Target Company has redeemed 13,00,000 unsecured debentures. Currently, as on the date of this Letter of Offer, 4,00,000 unsecured debentures of Rs. 100/- aggregating to Rs 4,00,00,000 are outstanding in the books of the Target Company. The aforesaid unsecured debentures are not listed on any stock exchange.

2.1.8 The Acquirer has not acquired directly or through any person, any Shares during the twelve months preceding the date of the PA except as per the details given above.

2.1.9 The Acquirer proposes to appoint its nominees on the Board of the Target Company in compliance with the SEBI Takeover Regulations. The Acquirer has not yet finalized such nominees.

2.1.10 The Acquirer has not acquired any Shares during the last 26 weeks period prior to the date of the PA by way of (a) allotment in public issue or (b) allotment in rights issue or (c) preferential allotment except as per the details given above.

2.1.11 The Acquirer and the Target Company have not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11B of SEBI Act or under any of the Regulations made under the SEBI Act.

2.2 Details of the proposed Offer

2.2.1 As (i) the aggregate equity stake of the Acquirer, in the paid up equity share capital of the Target Company, after the Preferential Allotment, is more than the stipulated threshold of fifteen per cent (15%) and (ii) on completion of the Preferential Allotment and Offer, Acquirer will be in control of the management of the Target Company, the Acquirer, in compliance with Regulations 10 and 12 of the SEBI Takeover Regulations, is hereby making this Offer to acquire upto 34,51,613 equity shares of Rs. 10/- each, representing 20.00% of the Emerging Voting Capital of Target Company, from the Shareholders of Target Company, at a price of Rs. 66.55 per Share plus interest of Re. 1.00 (Rupee One only) calculated at the rate of 10% p.a., for 55 days, for delay in the offer schedule, payable to the eligible Shareholders subject to the terms and conditions mentioned hereinafter. Subject to the terms of the Offer, the Acquirer will acquire all Shares that are validly tendered in the Offer. In case the number of Shares validly tendered in the Offer is more than the Shares to be acquired under the Offer, the acquisition of Shares from each Shareholder will be on proportionate basis as per the provisions of regulation 21(6) of the Takeover Regulations.

2.2.2 There may be persons who could be deemed to be persons acting in concert with the Acquirer by virtue of Regulation 2(1)(e) of the SEBI Takeover Regulations. However, there are no persons acting in concert with the Acquirer for the purposes of this Offer. SCRF and CRDF have been, are and will be financial investors and have been, are and will be classified as "public shareholders" and therefore are not persons acting in concert with the Acquirer for the purposes of this Offer.

2.2.3 This is not a competitive bid. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.

2.2.4 While determining twenty per cent (20%) of the paid up equity share capital for the purpose of minimum public offer, Emerging Voting Capital of 1,72,58,065 Shares is considered in terms of Regulation 21(5) of SEBI Takeover Regulations which provides that for the purpose of determining minimum twenty per cent (20%) of the voting capital of the Company, voting rights as at the expiration of 15 days after the closure of the Offer shall be reckoned.

2.2.5 There are no partly paid up equity shares in the books of the Target Company as on the date of the PA. There are no instruments convertible into equity shares at a future date, in the books of the Target Company as on the date of the PA. However, an aggregate of Rs. 24,000/- is in arrears with respect to calls on 4,800 shares (i.e. Rs 5/- per share) and shown as calls in arrears in the books of Target Company. The Offer price payable on these shares will be Rs. 61.55, calculated by deducting the amount which is in arrears from the Offer price. However in addition to this, interest of Re. 1.00 per share on account of delay in offer schedule will also be payable to such shareholders. The procedure for acceptance and settlement of the Offer with respect to these shares would be the same as applicable to other Shareholders.

2.2.6 The Target Company has granted 60,500 stock options (one option is equivalent to one equity share) to eligible employees in terms of an Employee Stock Option Scheme ("ESOP Scheme"). These options are not yet vested with the employees.

2.2.7 The Offer is not conditional on any minimum level of acceptance and the Acquirer will be obliged to acquire all the Shares tendered in response to the Offer, subject to a maximum of 34,51,613 Shares that are tendered in the valid form in terms of this Offer subject to the terms and conditions mentioned in the PA and the Letter of Offer (the "LOF") to be mailed to the Shareholders.

2.2.8 The Acquirer may purchase additional shares of the Target Company from the open market or through negotiation or otherwise, after the date of the PA in accordance with Regulation 20(7) of the SEBI Takeover Regulations and the details of such acquisition, if any, will be disclosed by the Acquirer within 24 hours of such acquisition to the Stock Exchange where the Shares are listed and to the Manager to the Offer in terms of Regulation 22(17) of the SEBI Takeover Regulations. The Acquirer has not acquired any Shares after the date of the PA till the date of this Letter of Offer except subscription to the Preferential Allotment.

2.2.9 The PA was published in the following newspapers in terms of Regulation 15(1) of the SEBI Takeover Regulations on February 10, 2011:

Language	Name of Newspapers	Editions
English	Financial Express	All editions
Hindi	Jansatta	All editions
Marathi	Navshakti	Mumbai*
Marathi	Lokmat	Nashik**

* Shares are most frequently traded on BSE in Mumbai

* *Registered office of the Target Company is situated in Nashik

A copy of the PA is also available on SEBI web site at www.sebi.gov.in

2.2.10 In case of any upward revision in the Offer Price or the number of Shares to be acquired under the Offer by the Acquirer at any time up to seven working days prior to the date of closure of the Offer i.e. Friday – July 29, 2011,the same would be announced in the above mentioned newspapers. The revised Offer Price would be payable by the Acquirer for all Shares tendered at anytime during the Offer and accepted under the Offer.

2.2.11 The Acquirer did not hold any shares of the Target Company as on the date of the PA. However, the Target Company has allotted 65,58,065 Shares to the Acquirer by way of Preferential Allotment on March 17,2011. Therefore as on the date of this Letter of Offer the Acquirer holds 65,58,065 Shares constituting 38% of the paid up equity share capital of the Target Company.

2.2.12 The Shares acquired by the Acquirer, pursuant to this Offer, will be free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

2.2.13 There has been no competitive bid.

2.2.14 As the Offer Price cannot be revised during seven working days prior to the date of closure of this Offer, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly.

2.2.15 This Offer is being made to all Shareholders of the Target Company except the Acquirer and parties to the New SSA and New SHA.

2.2.16 As on the date of the PA and this LOF, the Manager to the Offer, does not hold any Shares. As required under Regulation 24(5A) of the SEBI Takeover Regulations, the Manager to the Offer shall not deal in the Shares during the period commencing from the date of its appointment in terms of Regulation 13 of the SEBI Takeover Regulations until the expiry of fifteen days from the date of closure of the Offer.

2.3 Reasons for the acquisition, rationale / object of the Offer and future plans

2.3.1 The Acquirer is keen on entering the micro irrigation business and therefore has taken a decision to acquire substantial stake and control in the Target Company. Therefore the Offer is being made in compliance with Regulations 10 and 12 and other applicable provisions of SEBI Takeover Regulations, for the purpose of substantial acquisition of Shares and voting rights, as disclosed earlier, accompanied with change in control and management of the Target Company, thereby enabling the Acquirer to appoint directors by virtue of its shareholding. The Acquirer will control the Board, in accordance with the provisions contained in the New SSA, New SHA, Companies Act, 1956, SEBI Takeover Regulations and other applicable laws. The Acquirer intends to acquire at least 51% of the shareholding in the Target Company.

2.3.2 The Acquirer would continue to support the existing business of the Target Company and also support the Target Company in their endeavour to develop its business. On completion of the Offer, the Acquirer will be classified as the promoter of the Target Company.

2.3.3 The Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the two (2) years from the date of the closure of this Offer except in the ordinary course of business. The Acquirer hereby undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company.

2.3.4 The Target Company proposes to utilize the funds mobilized through the above mentioned Preferential Allotment for debt reduction, capital expenditure, long term working capital requirements and for general corporate purposes. The Acquirer intends to contribute to the growth of the existing business of the Target Company and strengthen its position in the industry.

2.3.5 The Acquirer does not have any representatives on the Board as on the date of the PA and this Letter of Offer.

2.3.6 The Acquirer and the Target Company are not in similar line of business / operations. However, the Target Company's business is complementary to Acquirer's business.

3. BACKGROUND OF THE ACQUIRER - MAHINDRA & MAHINDRA LIMITED ["M&M / Acquirer"]

Mahindra & Mahindra Limited is the Acquirer. No other person / individual / entity is acting in concert with the Acquirer for the purposes of this Offer.

There may be persons who could be deemed to be persons acting in concert with the Acquirer by virtue of Regulation 2(1)(e) of the SEBI Takeover Regulations. However, there are no persons acting in concert with the Acquirer for the purposes of this Offer.

3.1 M&M was incorporated on October 2, 1945 under the Indian Companies Act, VII of 1913 with the name and style of Mahindra and Mohammed Limited. Its name was changed to Mahindra and Mahindra Limited with effect from January 13, 1948. The registered office of M&M is situated at Gateway Building, Apollo Bunder, Mumbai – 400001 , Tel: 91 22 2202 1031; Fax: 91 22 2287 5485 whereas its corporate office is situated at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400018, Telephone No: 91 22 24961441; Fax No: 91 22 24975081.

3.2 Mr. Keshub Mahindra and Mr. Anand Mahindra are the promoters of M&M. M&M is the flagship company of Mahindra Group.

3.3 M&M is into manufacture and marketing of tractors, utility vehicles and light commercial vehicles.

3.4 M&M's main business is the manufacture and sale of tractors, utility vehicles, light commercial vehicles and three wheelers. In the year ended March 31, 2011, M&M sold 3,54,073 vehicles including three wheelers and 2,14,325 tractors through its extensive dealer network in India and through exports. M&M has two main operating divisions:

(1) The automotive division, which designs, manufactures and sells utility vehicles, light commercial vehicles and three-wheelers and their spare parts and accessories.

(2) The tractor division, which makes agricultural tractors and implements that are used in conjunction with tractors. This division has also ventured into the industrial engines business in order to leverage its design and manufacturing expertise.

3.5 M&M has ten manufacturing facilities in India.

3.6 In November 2003, in recognition of its global competitiveness in terms of cost and quality, M&M received the Deming Prize awarded by the Japanese Union of Scientists & Engineers. M&M is the first tractor manufacturer in the world to receive this prize.

3.7 As on the date of the PA, the paid up equity share capital of the Acquirer was Rs. 3,06,97,00,545 divided into 61,39,40,109 equity shares of Rs.5/- each. The promoters held 24.94% in the paid up equity share capital of M&M. Details of shareholding of promoter and promoter group of Acquirer were as follows:

Name	Shares	%
Mr. Anand Mahindra	8,000	0.00
Mr. Keshub Mahindra	4,02,296	0.07
Other individuals	46,02,018	0.75
Corporate entities / Trusts	14,80,73,973	24.12
Total Promoters and Promoter Group	15,30,86,287	24.94

3.8 Shareholding pattern of the Acquirer on the date of PA was as follows:

Category Code	Category of Shareholders	Number of Shareholders	Total No. of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares As a percentage of (A+B)	(A+B+C)
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	**Shareholding of Promoter and Promoter Group**					
(1)	**Indian**					
(a)	Individuals/Hindu Undivided Family	25	4280542	4273870	0.74	0.70
(b)	Central Government /State Government(s)	0	0	0	0.00	0.00
(c)	Bodies Corporate	25	66236030	65868614	11.47	10.79
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00
(e)	Any Other (specify) - ESOP Trust	3	27906069	27906069	4.83	4.55
	Employee Welfare Trust	4	2096660	1875420	0.36	0.34
	M&M Benefit Trust	1	51835214	51835214	8.97	8.44
	Sub-Total (A)(1)	**58**	**152354515**	**151759187**	**26.37**	**24.82**
(2)	**Foreign**					
(a)	Individuals (Non Resident Individuals/Foreign Individuals)	1	731772	731772	0.13	0.12
(b)	Bodies Corporate	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0.00
(d)	Any Other (specify)	0	0	0	0.00	0.00
	Sub-Total (A)(2)	**1**	**731772**	**731772**	**0.13**	**0.12**
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**59**	**153086287**	**152490959**	**26.50**	**24.94**
(B)	**Public Shareholding**					
(1)	**Institutions**					
(a)	Mutual Funds/UTI	245	29687693	29686673	5.14	4.84
(b)	Financial Institutions/Banks	89	1191410	1146478	0.20	0.19
(c)	Central Government /State Government(s)	2	453042	10910	0.08	0.07
(d)	Venture Capital Funds	0	0	0	0.00	0.00
(e)	Insurance Companies	25	113140446	113134534	19.59	18.43
(f)	Foreign Institutional Investors	581	147167598	147159862	25.48	23.97
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00
	Sub-Total (B)(1)	**942**	**291640189**	**291138457**	**50.49**	**47.50**
(2)	**Non Institutions**					
(a)	Bodies Corporate	2543	56871214	56779570	9.85	9.26
(b)	Individuals					
	i) Holding nominal share capital upto Rs. 1 lakh	177115	42175381	35813296	7.30	6.87
	ii) Holding nominal share capital in excess of Rs. 1 lakh	147	9186486	8928162	1.59	1.50
(c)	Any Other(specify) Individuals - Non-Resident Individuals	5273	1861314	1438294	0.32	0.30
	Foreign Nationals	4	972	972	0.00	0.00
	Overseas Corporate Bodies	3	1607628	1607388	0.28	0.26
	Foreign Bodies	7	20142386	20142386	3.49	3.28
	Trusts	42	187617	187617	0.03	0.03
	Clearing Members	197	846389	846389	0.15	0.14
	Sub-Total (B)(2)	**185331**	**132879387**	**125744074**	**23.01**	**21.64**
	Total Public shareholding (B)=(B)(1)+(B)(2)	**186273**	**424519576**	**416882531**	**73.50**	**69.14**
	TOTAL (A)+(B)	**186332**	**577605863**	**569373490**	**100.00**	**94.08**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**					
(1)	Promoter and Promoter Group	-	-	-	-	-
(2)	Public	3	36334246	36333014		5.92
	GRAND TOTAL (A)+(B)+(C)	**186335**	**613940109**	**605706504**	**-**	**100.00**

3.9 The equity shares of the Acquirer are presently listed on BSE and NSE. Market price as on February 10, 2011 was, Rs. 654.40 on BSE and Rs. 652.60 on NSE and on July 13, 2011 was Rs. 718.55 on BSE and Rs. 718.30 on NSE. The Global Depositary Receipts (GDRs) of the Acquirer are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange.

3.10 As on the date of the PA, the Acquirer did not hold any Shares and therefore, the relevant provisions of Chapter II of the SEBI Takeover Regulations are not applicable.

3.11 The Acquirer did not hold any Shares in the past and therefore, the relevant provisions of Chapter II of the SEBI Takeover Regulations were not applicable.

3.12 Details of the board of directors of the Acquirer as on the date of PA are as follows:

Name	Date of Appointment	Designation	Director Identification Number (DIN)	Residential Address
Mr. Keshub Mahindra	23rd February, 1948	Chairman (Promoter)	00004489	9-10, St. Helen's Court, Dr. Gopalrao Deshmukh, Marg, Mumbai 400026
Mr. Anand G. Mahindra	23rd November, 1989	Vice-Chairman & Managing Director (Promoter)	00004695	Goolistan, 1st Floor, 65, Napean Sea Road, Mumbai - 400 006.
Mr. Deepak S. Parekh	29th August, 1990	Independent Director	00009078	9, Darbhanga Mansion, 12, Carmichael Road, Mumbai – 400026
Mr. Nadir B. Godrej	28th August, 1992	Independent Director	00066195	40D, B. G. Kher Marg, Malabar Hill, Mumbai – 400 026
Mr. M. M. Murugappan	28th August, 1992	Independent Director	00170478	"Coromandal House", 14, Boat Club Road, Chennai - 600 028
Mr. Bharat N. Doshi	28th August, 1992	Executive Director and Group Chief Financial Officer	00012541	8, St. Helen's Court, Dr. Gopalrao Deshmukh Marg, Mumbai – 400 026
Mr. A. K. Nanda	28th August, 1992	Non Independent & Non Executive Director	00010029	3, St. Helen's Court, Dr. Gopalrao Deshmukh Marg, Mumbai - 400 026
Mr. Narayanan Vaghul	31st October, 1996	Independent Director	00002014	Flat No.3, Sudharsan Apartments, New No.63, 1 Main Road, R. A. Puram, Chennai - 600 028
Dr. A. S. Ganguly	21st August, 1997	Independent Director	00010812	N6, PEMINO, Altamount Road, Mumbai - 400 026
Mr. R. K. Kulkarni	21st August, 1997	Independent Director	00059367	"SAMRUDDHI", Flat No.2, 1st Floor, TPS VI, Plot No.19, Relief Road, Santacruz (West), Mumbai - 400 054
Mr. Anupam Puri	30th January, 2001	Independent Director	00209113	17, East 16, Street, (Apartment 11), New York, N.Y. 10003-3147, U.S.A.
Mr. Arun Kanti Dasgupta	30th July, 2008	Independent Director (Nominee of LIC)	01462177	D:2, Jeevan Jyot, Setalvad Lane, Off. Nepeansea Road, Mumbai - 400 036

None of the above directors are on the Board of the Target Company

The details of experience and qualifications of the Board of Directors of M&M as on date of the PA are given below:

Mr. Keshub Mahindra

Mr. Keshub Mahindra, Chairman of Mahindra & Mahindra Limited, is a Graduate from Wharton, University of Pennsylvania, USA. After joining the Company as a Director in 1948, he became the Chairman in 1963.

He is a well-known philanthropist who redefined Corporate Governance by effectively channelising funds into the social sector.

Mr. Keshub Mahindra serves as a Director on many companies. He was appointed by the Government of India to serve on a number of Committees including the Sachar Commission on Company Law & MRTP; Central Advisory Council of Industries, and a member of Prime Minster's Council on Trade & Industry, New Delhi. etc.

Mr. Mahindra is associated with several Committees. He is a Member of Apex Advisory Council - ASSOCHAM, President Emeritus of Employers' Federation of India, President of the Governing Council - University of Pennsylvania Institute for the Advanced Study of India, New Delhi, and Member of the International Advisory Board of University of Pennsylvania, Centre for the Advanced Study of India, Philadelphia and Member of United World Colleges (International), U.K., amongst other companies.

Mr. Mahindra was the President of Bombay Chamber of Commerce & Industry, President of ASSOCHAM, President of Indo-American Society and Chairman of Indian Institute of Management, Ahmedabad.

Mr. Mahindra has been the recipient of prestigious awards including 1987 Chevalier De La Legion D'honneur; 1989 Business India - Businessman of the Year; 1994 The Sir Jehangir Ghandy Medal for Industrial Peace - XLRI, Jamshedpur; 1998 IMC Diamond Jubilee Endowment Trust Award; 2000 Dadabhai Naoroji International Award for Excellence & Lifetime Achievement; 2003 All India Management Association Lifetime Achievement Award for Management; 2006 Lakshya Business Visionary Award - NITIE; 2007 Indian Business School (IBS) Kolkata Lifetime Achievement Award presented by the Institute of Chartered Financial Analysts of India (ICFAI); 2007 Ernst & Young Entrepreneur of the Year Lifetime Achievement Award; 2008 Society of Indian Automobile Manufacturers (SIAM) Award for 'Lifetime Contribution to the Automotive Industry'; 2009 CNBC TV 18 India Business Leaders Lifetime Achievement Award 2008; 2009 ACMA Lifetime Achievement Award and 2009 Economic Times Lifetime Achievement Award.

Mr. Anand Mahindra

Mr. Anand G. Mahindra, Vice Chairman and Managing Director of Mahindra & Mahindra Ltd. – the flagship company of the US $6.3 billion Mahindra Group, which is among the top 10 industrial houses in India - graduated from Harvard College, Cambridge, Massachusetts, Magna cum Laude. In 1981 he secured an MBA degree from the Harvard Business School, Boston, Massachusetts. He returned to India that year and joined Mahindra Ugine Steel Company Ltd (MUSCO), the country's foremost producer of speciality steels, as Executive Assistant to the Finance Director. In 1989 he was appointed President and Deputy Managing Director of the company.

During his stint at MUSCO, he initiated the Mahindra Group's diversification into the new business areas of real estate development and hospitality management.

In the summer of 1991, he was appointed Deputy Managing Director of Mahindra & Mahindra Ltd., the country's dominant producer of off-road vehicles and agricultural tractors. He has since been engaged in a comprehensive change programme in Mahindra & Mahindra Ltd. to make the company an efficient and aggressive competitor in the new liberalized economic environment in India.

In April 1997, he was appointed Managing Director of Mahindra & Mahindra Ltd and in January 2001 given the additional responsibility of Vice Chairman.

Mr. Mahindra is the recipient of several national and international awards including:

- 'Knight of the Order of Merit' by the President of the French Republic.
- Rajiv Gandhi Award 2004 for outstanding contribution in the business field
- 2005 Leadership Award from the American India Foundation for his, and the Mahindra Group's commitment to corporate social responsibility.
- Person of the Year 2005 from Auto Monitor.
- CNBC Asia Business Leader Award for the year 2006.
- The Most Inspiring Corporate Leader of the Year 2007 from NDTV Profit.
- Business Man of the Year 2007 from Business India.
- Harvard Business School Alumni Achievement Award 2008.
- National Statesman for Excellence in Business Practices – Qimpro Platinum Standard 2008 Award by Qimpro Foundation.
- CNBC TV18 Outstanding Business Leader of the Year 2009
- Business Leader of the Year 2009 by Economic Times
- Ernst & Young Entrepreneur of the Year India award for 2009
- Indian of the Year award 2009 by NDTV

He takes a keen interest in matters related to education and apart from being a Trustee of the K.C. Mahindra Education Trust, which provides scholarships to students, he is also on the Board of Governors of the Mahindra United World College of India. He also serves as a Director on many reputed companies.

He is a Member of the Board of Trustees of the Asia Society, New York.

Mr. Mahindra also serves on the following Boards and committees:

1. Harvard Business School - Asia–Pacific Advisory Board
2. Harvard University Asia Centre - Advisory Committee
3. Asia Business Council
4. National Sports Development Fund (NSDF), Government of India – Council and Executive Committee
5. The Nehru Centre, Mumbai - Executive Committee
6. National Council of Applied Economic Research
7. India Council for Sustainable Development – Member

Mr. Deepak S. Parekh

Born in 1944 and a Chartered Accountant from the Institute of Chartered Accountants in England & Wales (ICAEW), Mr. Deepak Parekh is at the financial helm of India Inc.

In 1978 Mr. Parekh joined India's premier housing finance company HDFC Ltd. as Deputy General Manager and then went on to become its Chairman in 1993.

In 1970, Mr. Parekh began his career with Ernst & Ernst Management Consultancy Services in New York. Thereafter he worked with Grindlays Bank and Chase Manhattan Bank for about three years each prior to joining HDFC in 1978.

Besides HDFC, Mr. Parekh is on the Board of several leading corporations across diverse sectors. Mr. Parekh is widely consulted by the Government on a wide range of issues of national importance and has been an active member of various high-powered Economic Groups, Government-appointed Advisory Committees and Task Forces.

Industry, Government and Media, impressed by Mr. Parekh's performance and sobriety, have honored him with several awards, the Padma Bhushan (2006) being one of them.

Some of the key awards received by him in the recent past include; Forbes-India person of the year 2010 as "Institution Builder", AIMA Managing India Award 2010 for the "Outstanding Institution Builder", Most Inspiring Business Leader Award by NDTV Profit

2010, Award by the Confederation of Real Estate Developers Associations of India (CREDAI) for his contribution to the Real Estate Industry – 2010, a special award from NDTV and CNN IBN for being part of the team that revived Satyam – 2009, the IMC Juran Quality Medal 2008, Outstanding Business Leader of the Year 2008 by CNBC, NDTV Business Leader of the Year Award – 2008, Lifetime Achievement Award - CNBC Awaaz Crisil Real Estate Awards 2008, the Priyadarshni Academy Award for his outstanding contribution to Banking and Financial Services in 2008 and Lifetime Achievement Award by The Economic Times in 2006.

Internationally some of his recent prominent awards include, Republic of France conferring the honour, “Knight in the Order of the Legion of Honour” one of the highest distinction by the French Republic in 2010. Being the first international recipient of the Institute of Chartered Accountants in England and Wales’ Outstanding Achievement Award – 2010. In 2008 he was recognized amongst the ‘Stars of Asia’ by Business Week, listed as one of the top 25 most influential people in business and finance across Asia-Pacific by Asiamoney and was awarded the prestigious Lifetime Achievement Award for his contribution to the Financial Sector by Finance Asia magazine – Hongkong. He was also chosen as the Best Non-Executive Director – 2006 by the Asian Centre for Corporate Governance in recognition of his leadership on the board of several large companies.

Mr. Nadir B. Godrej

Mr. N. B. Godrej joined the Board in 1992. He holds a Master of Science degree in chemical engineering from Stanford University and an MBA from Harvard Business School. He has been a Director of several Godrej companies since 1977 and has developed the animal feed, agricultural inputs and chemicals businesses of Godrej Industries and other associated companies, and has been very active in research.

Mr. Godrej is on the Board of several companies. Besides his professional assignments, Mr. Godrej was the former President of Oil Technologists’ Association of India, Indo-French Technical Association and the Compound Livestock Feed Manufacturers Association of India.

Mr. M. M. Murugappan

Mr. Murugappan has been a Director of the Company since August 1992. He holds a Bachelor of Technology degree in Chemical Engineering from the University of Madras and has a Master of Science in Chemical Engineering from the University of Michigan. He is a member of the Supervisory Board of the Murugappa Group of companies. Apart from his many interests in business, Mr. Murugappan takes a keen interest in the development of various citizenship initiatives, particularly in education and health care. He serves as a director of various companies including the Board of Governance of IIT Madras.

Mr. Bharat N. Doshi

Mr. Bharat Doshi joined Mahindra & Mahindra in 1973 as an Executive. He served as Executive Vice President (Corporate Affairs) of Mahindra & Mahindra from July 1991 to August 1992, when he joined the Board of the Company as Executive Director in charge of Finance & Accounts, Corporate Affairs, and Information Technology. In addition, he was the President of the Trade & Financial Services Sector from December 1994 to October 2007. He was redesignated as Executive Director of Mahindra & Mahindra and Group CFO in 2007.

Mr. Doshi received his Master’s degree in Law from Bombay University. He is a fellow member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India. He has also participated in the Program for Management Development (PMD) at Harvard Business School. He was also a Fellow of the Salzburg Seminar on “Asian Economies: Regional and Global Relationships” held in December 2000.

Mr. Doshi serves as a director of various companies. He was a member of the High Powered Expert Committee constituted by the Ministry of Finance, Government of India, on Making Mumbai an International Financial Center. He is a member of the SEBI (Securities and Exchange Board of India) Committee on Disclosures and Accounting Standards (SCODA). He has been associated with the Bombay Chamber of Commerce & Industry (BCCI) for the last 30 years and served as its President for the year 2009-10.

Mr. Doshi was adjudged “India’s Best CFO” by the leading business fortnightly *Business Today* (India Today Group Publication) in April 2005. He was also conferred the CFO of the Year Award for financial excellence by IMA India, an associate of The Economist Group, in December 2005. In November 2007, Mr. Doshi was honored with the CNBC CFO of the Year Award.

Mr. A. K. Nanda

Mr. A. K. Nanda holds a Degree in Law from the University of Calcutta, is a fellow member of The Institute of Chartered Accountants of India (FCA) and a fellow member of The Institute of Company Secretaries of India (FCS). Mr. Nanda has participated in a Senior Executive Programme at the London Business School. He joined the Mahindra Group in 1973. He has held several important positions within the Group.

He was inducted to the Board of Mahindra & Mahindra Limited in August, 1992 and resigned as Executive Director in March, 2010 to focus on the social sector and create a favourable ecosystem for senior citizens. He was immediately appointed as a Non-Executive Director of the Company.

He is on the Board of several companies. Mr. Nanda is also the Chairman of CII Western Region, Chairman Emeritus of the Indo-French Chamber of Commerce, Member of the Governing Board of the Council of EU Chambers of Commerce in India.

Mr. Nanda has been honoured with an Award of “Chevalier de la Legion d’Honneur” (Knight of the National Order of the Legion of Honour) by the President of the French Republic, Mr. Nicolas Sarkozy in 2008.

Mr. Nanda has also been awarded with the “Real Estate Person of the Year” Award from GIREM Leadership Awards in India in 2008.

Mr. Nanda has also been awarded with the “CA Business Achiever Award - Corporate” at The Institute of Chartered Accountants of India Award 2009 and “Lifetime Achievement Award” for his outstanding contribution to the Hospitality Industry and the Service Sector by the Golden Star Awards 2010.

Mr. Narayanan Vaghul

Mr. Vaghul graduated from Madras University in 1956, and joined State Bank of India, the largest commercial bank in India in 1957 as a career banker. He occupied various positions in that Bank before joining the Board of the Central bank of India in 1978. He became Chairman of Bank of India in 1981 and had the distinction of being appointed as the youngest ever Chairman in a State –owned bank.

Mr. Vaghul was the Chairman of the Board of ICICI Group till April, 2009. He has been associated with ICICI for several years as its Chairman and CEO. He was responsible for the promotion of India's first credit rating company (CRISIL), which has since emerged as a market leader in the region. In recognition of his pioneering efforts he was selected as the "Business Man of the Year" in 1992, by Business India and has been conferred the "Lifetime Achievement Award" by Economic Times in 2006. He was given an award for the contribution to the Corporate Governance by the Institute of Company Secretaries in 2007. He was given the Lifetime Achievement Award by the "Ernst & Young Entrepreneur of the Year Award Program" in 2009. He was awarded Padma Bhushan by the Government of India in 2009.

Mr. Vaghul has been closely associated with policy formulation at a national level. He was the Chairman of several committees and task forces, constituted by the Government and the RBI. He has worked on several assignments for the Asian Development Bank, the IFC and the World Bank. For a brief period he was the Chairman of the Foreign Investment Advisory Board constituted by the Government. He also serves on the Board of several companies.

Dr. A. S. Ganguly

Dr. Ganguly graduated with Distinction from the Bombay University and has obtained the M.S. and Ph.D. degrees from the University of Illinois, USA. Dr. Ganguly's principal professional career spanned 35 years with Unilever Plc./ N.V. He was the Chairman of Hindustan Lever Limited from 1980 to 1990 and a Member of the Unilever Board from 1990 to 1997, with responsibility for world-wide research and technology.

Dr. Ganguly serves on the Board of several companies. He is a Member of the Prime Minister's Council on Trade and Industry, the India-USA CEO Council, set up by the Prime Minister of India and the President of the USA, as well as the Rajiv Gandhi Foundation. Dr Ganguly was nominated to the Rajya Sabha as a Member of Parliament on 18th Nov 2009. Dr. Ganguly is a former Member of the Board of British Airways Plc. (1996-2005).

During his career, he has served several public bodies, the principal among them, as Member, Science Advisory Council to the Prime Minister of India (1985-89) and the UK Advisory Board of Research Councils (1991-94). Dr. Ganguly is a recipient of the Padma Bhushan, one of India's highest honours (1987); he was made an Hon. Professor by the Chinese Academy of Science, Shanghai (1996). The University of Illinois, College of Food and Nutrition selected Dr. Ganguly as their 'Outstanding Alumnus' in 1997 and he is the recipient of the International Alumni Award for Exceptional Achievement for the academic year 2003-2004, from the University of Illinois. In 2006, Dr. Ganguly was awarded the CBE (Hon) by the United Kingdom. In 2008, he received the Economic Times Lifetime Achievement Award and was the recipient of the Padma Vibhushan, India's second highest civilian award, the same year. Dr. Ganguly has authored three books – "Industry & Liberalisation"(1994),"Strategic Manufacturing for Competitive Advantage" (1998) and "Business Driven R&D-Managing Knowledge to Create Wealth" (1999), besides several publications in Science, Technology and Management.

Mr. R K Kulkarni

Mr. R.K. Kulkarni , B.Sc., LL.M, is a practicing Advocate and Solicitor and is a Senior Partner in Khaitan and Co. , Advocate & Solicitors. He is on the Board of several companies.

He has been in legal practice for over 40 years and has immense experience in all aspects of Corporate and Commercial Law; Mr Kulkarni has advised clients both international and domestic in the fields of Mergers & Acquisitions – such as due diligence, structuring documentation involving listed companies, cross-border transactions in Capital Markets – such as advice and documentation relating to domestic IPOs and GDR/FCCB offerings of securities by Indian Companies ; in Securities Law – such as insider trading, takeover-code, public offers, buyback of securities, etc., in Restructuring – such as advice and documentation involving creditors restructuring, sick companies, demergers, spin-offs, sale of assets etc. in privatisation – such as advice and documentation in relation of privatization of Government business and companies in India on behalf of several bidders, etc., in Foreign Investment, Joint Venture and Foreign Collaboration – such as advice and documentation, obtaining regulatory approvals, Joint Venture and licensing, shareholder agreements and arrangements, technology transfers, import of plant and equipment, etc., in infrastructure and Project Financing – such as advice and documentation relating to corporate financing, debt issues, including concession agreements, construction contracts, operation & maintenance contracts, etc. He also has considerable experience in litigation having handled writs and civic litigation. He advises a range of large Indian and multinational clients in various business sectors, including infrastructure, power, telecom, automobile, engineering, steel, cement, agriculture and agri-products, software and information technology, retail services, etc. Mr Kulkarni is also on the Advisory Board as also on the Faculty of the post Graduate Diploma Course in Securities Law at the Government Law College, Mumbai.

Mr. Anupam Puri

Mr. Anupam Puri holds a M. Phil in Economics from Nuffield College, Oxford University, 1969; an M.A. in Economics from Balliol College, Oxford University, 1967; and a B.A. in Economics from Delhi University, India, 1965. Mr. Puri was a Management Consultant with McKinsey & Company from 1970 to 2000. He worked globally with corporate clients in several industries on strategy and organisational issues and also served several Governments and multilateral institutions on public policy. Mr. Anupam Puri spearheaded the development of McKinsey's India practice, oversaw the Asian and Latin American offices and was an elected Member of the Board.

He serves on the Board of several companies. He is the Chairman of the Advisory Board of Corsair Capital.

Mr. Arun Kanti Dasgupta:

Shri A K Dasgupta, a direct recruit officer of the 10th batch took charge as the Managing Director of Life Insurance Corporation of India on 3rd April, 2007. He has worked in various prestigious positions in the Corporation prominent among which are Senior Divisional Manager, Guwahati and Karnal, Deputy General Manager, LIC (International) Bahrain, Regional Manager (Marketing), Western Zone, Mumbai, Chief Executive, LIC Housing Finance, Mumbai & Zonal Manager, LIC, Central Zone, Bhopal. Prior to his taking over as Managing Director, he was heading the International Operations and Corporate Communications Department as Executive Director in the Corporate Office.

Apart from being associated with many organizational development programmes in LIC, he was also involved in introducing many new initiatives. During his tenure in LIC Housing Finance Limited, he led the successful maiden GDR issue of the Company. He is associated with many initiatives taken by the Corporation to meet the challenges of the future.

As on the date of the PA and as on the date of this LOF, none of the above directors is on the Board. The Acquirer proposes to appoint its nominees on the Board in terms of the New SHA.

3.13 Brief audited financial details of the Acquirer for the last four financial years, in accordance with Clause 41 of the Listing Agreement are as follows :

Profit & Loss Statement (Rs in Lakhs)

Particulars	FY 2008	FY 2009	FY 2010	FY 2011
Income from operations	1,154,127	1,309,368	1,860,211	2,349,372
Other Income	13,037	27,034	19,935	30,952
Total Income	1,167,164	1,336,402	1,880,146	2,380,324
Total Expenditure.	1,017,470	1,200,105	1,564,687	2,003,754
Profit Before Depreciation Interest and Tax	149,694	136,297	315,459	376,570
Depreciation	23,866	29,151	37,078	41,386
Interest (Net)	2,424	4,526	2,781	(5,029)
Exceptional Items	(17,273)	(1,027)	(9,075)	(11,748)
Profit Before Tax	140,677	103,647	284,675	351,961
Provision for Tax	30,340	19,969	75,900	85,751
Profit After Tax	110,337	83,678	208,775	266,210
Add: Profit of Mahindra Holdings & Finance Limited for the period 1st Feb 2008 to 31st March 2008	-	3,073	-	-
Balance of Profit for the year	110,337	86,751	208,775	266,210

Balance Sheet Statement (Rs in Lakhs)

Particulars	As on March 31, 2008	As on March 31,2009	As on March 31,2010	As on March 31,2011
Sources of funds				
Paid up share capital	23,907	27,262	28,295	29,362
Share Capital suspense				2
Reserves and Surplus (excluding revaluation reserve)	409,853	497,737	753,215	1,000,857
Networth	433,760	524,999	781,510	1,030,221
Secured loans	61,726	98,100	60,245	40,723
Unsecured loans	196,980	307,176	227,770	199,806
Deferred Tax Liability/(Deferred Tax Asset)	5,672	(1,827)	24,033	35,438
Total	698,138	928,448	1,093,558	1,306,188
Uses of funds				
Net fixed assets (Excluding Revaluation Reserve)	234,843	320,224	369,105	436,067
Investments	421,506	578,641	639,802	932,529
FCMITDA	-	1,811	(346)	-
Net current assets	40,436	26,517	84,997	(62,408)
Total miscellaneous expenditure not written off	1,353	1,255	-	-
Total	698,138	928,448	1,093,558	1,306,188

Other Financial Data

Particulars	FY 2008	FY 2009	FY 2010	FY 2011
Dividend (%)	115	100	190	230
Basic EPS – Rs. (after considering share split)	23.12	15.92	37.97	46.21
Diluted EPS – Rs.(after considering share split)	20.76	15.01	35.61	44.33
Return on Net Worth (%)	28.12	17.50	31.96	29.39
BV per Share – (Rs.)	180.87	192.12	138.1@	175.43

@ Book Value per share is shown after giving effect to the sub-division of each ordinary (equity) share of the face value Rs.10 each fully paid up into two ordinary (equity) shares of Rs.5 each fully paid up in March 2010.

For the purpose of determination of Book Value (BV) and Return on Net Worth (RONW), ratios used are, Earnings per share (basic) = Profit after tax / Weighted average number of equity shares, Earnings per share (diluted) = Profit after tax + effect on earnings of convertible bonds/debentures (Gain)/Loss / Weighted average number of equity shares after considering effect of potential Ordinary (Equity) Shares on conversion of bonds/debentures, Net worth = Paid up equity share capital + Reserves & Surplus (excluding Revaluation Reserve), BV = Net worth – miscellaneous expenditure not written off / number of equity shares and RONW = Profit After Tax/(average net worth.-average miscellaneous expenditure)

Significant accounting policies of M&M are as follows:

(A) Basis of Accounting :

The financial statements are prepared in accordance with the generally accepted accounting principles in India and comply with the Accounting Standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 and the relevant provisions thereof.

(B) Fixed Assets:

(a) (i) Fixed Assets are carried at cost less depreciation except as stated in (ii) below. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying fixed assets upto the date the assets are ready for use. Where the acquisition of fixed assets are financed through long term foreign currency loans (having a term of 12 months or more at the time of their origination) the exchange differences on such loans are added to or subtracted from the cost of such fixed assets.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Profit and Loss Account.

(ii) Land and Buildings, had been revalued as at 31st October, 1984 at depreciated replacement values on the basis of a valuation made by a firm of Chartered Surveyors and Valuers. The indices, if any, used are not stated in the valuation.

(b) (i) Leasehold land is amortised over the period of the lease.

(ii) Depreciation on assets is calculated on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, except for:

(1) certain items of Plant and Machinery individually costing more than Rs. 5,000 - over their useful lives (2 years, 3 years, 5 years or 7 years, as the case may be) as determined by the Company.

(2) Cars and Vehicles - at 15% of cost.

(iii) Depreciation charge for each year is after deducting the amount representing the depreciation on the increase due to revaluation of Land and Buildings, transferred from the Revaluation Reserve.

(C) Intangible Assets:

Intangible Assets are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.

(a) Technical Knowhow :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding six years commencing with the year of purchase of the technology.

(b) Development Expenditure :

The expenditure incurred on technical services and other project/product related expenses are amortised over the estimated period of benefit, not exceeding five years.

(c) Software Expenditure :

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

(D) Investments :

Long term investments are valued at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Current investments are valued at the lower of cost and fair value, determined by category of investment.

(E) Inventories :

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work in progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory. Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated realisable value, whichever is lower.

Long term contracts in progress are valued at cost.

(F) Foreign Exchange Transactions :

Transactions in foreign currencies (other than firm commitments and highly probable forecast transactions) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognised as income or expense, as the case may be.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of fixed assets are added to or subtracted from the cost of such fixed assets and the balance accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance term of the long term monetary item or 31st March, 2011 whichever was earlier.

Any premium or discount arising at the inception of a forward exchange contract is recognised as income or expense over the life of the contract, except in the case where the contract is designated as a cash flow hedge.

(G) Derivative Instruments and Hedge Accounting :

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes. The Company has applied to such contracts the hedge accounting principles set out in Accounting Standard 30 'Financial Instruments : Recognition and Measurement' (AS 30) by marking them to market.

Changes in the fair value of the contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account and the ineffective portion is recognised immediately in the Profit and Loss Account.

(H) Revenue Recognition :

Sales of products and services are recognised when the products are shipped or services rendered including export benefits thereon.

Dividend from investments are recognised in the Profit and Loss Account when the right to receive payment is established.

(I) Government Grants :

The Company, directly or indirectly through a consortium of Mahindra Group Companies, is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlement on accrual basis.

(J) Employee Benefits :

Defined Contribution Plan/Defined Benefit Plan/Long term Compensated Absences.

Company's contributions paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Profit and Loss Account.

Contributions to Provident Fund are made to a Trust administered by the Company and are charged to Profit and Loss Account as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India.

Company's liability towards gratuity, long term compensated absences, post retirement medical benefit and post retirement housing allowance schemes are determined by independent actuaries, using the projected unit credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains 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 the 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.

(K) Borrowing Costs :

All borrowing costs are charged to the Profit and Loss Account except :

(a) Borrowing costs that are attributable to the acquisition or construction of assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.

(b) Expenses incurred on raising long term borrowings are amortised over the period of borrowings. On early buyback, conversion or repayment of borrowings, any unamortised expenditure is fully written off in that year.

(L) Redemption Premium :

Premium payable on redemption of Bonds/Debentures is fully provided and charged to Securities Premium Account (Net of Tax) in the year of issue.

(M) Product Warranty :

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

(N) Leases :

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, computer hardware etc.). The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

(O) Taxes on Income :

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

(P) Excise duty recovered on sales is included in “Sales – Traded and Manufactured Goods”. Excise duty in respect of Finished Goods manufactured is shown separately as an item of expense and included in valuation of finished goods produced.

3.14 Following is the summary of contingent liabilities in the books of the Acquirer as on March 31, 2011.

(a) Guarantees given by the Company:

	Amount of guarantees		**Outstanding amounts against the guarantees**	
	2011	**2010**	**2011**	**2010**
	Rupees lakhs	Rupees lakhs	Rupees lakhs	Rupees lakhs
For employees	-	105	-	*
For other companies	36,763	32,761	31,662	2,86,91

* denotes amounts less than Rs. 50,000/-

(b) Claims against the Company not acknowledged as debts comprise of:

(i) Excise Duty, Sales Tax and Service Tax claims disputed by the Company relating to issues of applicability and classification aggregating Rs. 1,21,245 lakhs (Net of Tax : Rs. 8,74,23 lakhs) [2010 : Rs. 96,822 lakhs (Net of Tax : Rs. 69,804 lakhs)].

(ii) Other matters (excluding claims where amounts are not ascertainable) : Rs. 1,786 lakhs (Net of Tax : Rs. 1,358 lakhs) [2010 : Rs. 1,778 lakhs (Net of Tax : Rs. 1,241 lakhs)]

(iii) Claims on capital account : Rs. 118 lakhs (2010 : Rs. 118 lakhs).

(c) Uncalled liability on equity shares partly paid Rs. 1,050 lakhs (2010: Rs. 1,050 lakhs).

(d) Taxation matters:

(i) Demands against the Company not acknowledged as debts and not provided for, relating to issues of deductibility and taxability in respect of which the Company is in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed :

- Income-tax: Rs. 21,599 lakhs (2010 : Rs. 18,107 lakhs).

(ii) Items in respect of which the Company has succeeded in appeal, but the Income-tax Department is pursuing/likely to pursue in appeal/reference and exclusive of the effect of similar matters in respect of assessments remaining to be completed :

- Income-tax matters : Rs. 7,161 lakhs (2010 : Rs. 7058 lakhs)
- Surtax matters : Rs. 13 lakhs (2010 : Rs. 13 lakhs)

(e) Bills discounted not matured Rs. 4,997 lakhs (2010 : Rs. Nil).

3.15 Comparison of results:

Results for Financial Year 2011 compared to financial year 2010

Reasons for improvement in Sales:

- The Net sales and income from operations of the company grew due to increase in volumes in both the domestic and export markets.
- Other income was higher due to higher dividend income from subsidiaries and higher income from surplus funds and other miscellaneous income

Reasons for improvement in Profits:

- Profit increase was primarily due to higher volumes and higher other income

Results for financial year 2010 compared to financial year 2009:

Reasons for improvement in sales:

- Indian economic growth recovered strongly and relatively faster from the effect of global financial crisis.
- Easy availability of retail consumer finances and the government’s focus on Agriculture and Rural Development through interest subventions and social schemes like NREGS
- Increased sales in Domestic and export markets.
- Launch of new products GIO and Maximmo

Reasons for improvement in profits**:**

- Government's stimulus package.
- Increased volumes and the consequent improvement in contribution.
- The successful Initial Public Offering of Mahindra Holidays & Resorts India Limited , a subsidiary company.

Results for financial year 2009 compared to financial year 2008:

Reasons for improvement in sales**:**

- Increased tractor volume due to merger of Punjab Tractor Limited with the M&M.
- Increase in domestic vehicle volume.

Reasons for decrease in profits**:**

- Global financial crisis.
- Increase in material cost.
- Increase in borrowing cost due to increased borrowings to meet capital expenditure and other growth plans

Results for financial year 2008 compared to financial year 2007:

Reasons for improvement in sales**:**

- Increase in vehicle sales.
- Increase in engine business by 32% in volume terms and 72% in value terms.

Reasons for improvement in profits**:**

- Decrease in material cost as percentage to net sales mainly due to efficiencies arising out of strategic sourcing and reengineering initiative partly offset by increase in other expenses.

3.16 Pending Litigation matters of the Acquirer as on the date of PA are as follows:

1. Civil Cases

M&M has 71 civil cases instituted against it and 24 civil cases have been filed by M&M. The aggregate amount claimed, in these cases is approximately Rs. 49,91,09,459.38/-. These cases pertain to non delivery of vehicles and compensation, replacement of defective vehicle; termination of dealership contract, money claims and share related matters.

2. Employee Related Cases

M&M has 95 employee related cases before labour courts, industrial courts, civil courts, High Courts, etc alleging ground such as illegal termination, suspension and claiming permanency and/ or for payment of back wages and / or reinstatement, insufficient or non-payment of voluntary retirement scheme compensation. The total claim in these cases aggregates to Rs 12,14,50,291/-

3. Property Related Cases

M&M has (3) three property related cases pending against it. The sum involved in these legal actions is about Rs.3,46,78,656/- . M&M has filed (2) two property cases and the sum involved in these is Rs 1,27,69104/-.

The nature of cases inter alia involve eviction ,claiming arrears of rent , and mesne profits , seeking return of possession of certain premises occupied by M&M; etc.

4. Consumer Cases

M&M has 1571 cases filed by its customers against and by M&M before various District Forums, State Forum and National Forum, alleging deficiency in service, defects in the vehicle/tractor, delay in delivery etc and claiming replacement of the tractors and vehicles and/or compensation. The total claim involved in these cases amounts to Rs. 22,15,05,967/-

5. Insurance Related cases/ Workmen's compensation cases

M&M is involved in 872 cases, where various claims have been made against M&M before the motor accidents claims tribunal (MACT) and or the commissioner of workmen's' compensation, along with the insurance companies or M&M. All insurance claims are by survivors or their heirs, third party claims, personal injury, fatal accidents occurring during the transit of the vehicles these 872 cases can be further divided as follows:

a. 449 cases have been filed jointly against the various insurance companies and M&M before the Motor Accidents Claims Tribunal (MACT) and or the Commissioner of Workmen's compensation on account of accidents occurring to M&M vehicles in transit and M&M has been joined only as necessary party. The aggregate claim made under cases amount to Rs. 2026.5 lakhs. There is no financial implication on M&M under these cases as the respective insurance companies would be liable for the same.

b. 70 cases are pending against M&M where insurance companies have declined liability under the terms of the insurance policy conditions. The aggregate amount of claims arising from these cases is Rs. 719.7 lakhs. All such claims are made in cases where the transporter has taken passenger en-route during transit.

c. 311 cases are pending against M&M and insurance companies where the insurance company has still not declined liability and proceeding of the cases have not been served on M&M. The amount involved in such cases is not ascertainable.

d. There are 46 cases where the insurance company has preferred an appeal against the order passed by the Motor Accidents Claims Tribunal (MACT), wherein M&M has been made formal party to the proceeding. The amount involved is Rs. 494.2 lakhs.

6. Tax related litigation

a. **Income Tax Cases**

M&M has 105 income tax related cases before various authorities the amount claimed under these matters aggregates to Rs. 28,413.88 lakhs.

b. **Sales Tax Cases**

M&M has 43 Sales tax related matter pending against it. The aggregate amount involved in the matters is approximately Rs. 1,434.87 lakhs.

c. **Excise related Claims**

M&M has various Excise related matters pending against it. The aggregate amount involved in the matters is approximately Rs. 8,694,543,416 /-.

7. **Criminal cases**

There are (05) five criminal cases pending against M&M before various courts and authorities in India filed by its dealers, customers under various acts .There is no likely adverse impact on the Offer if any of the above matters are adversely held against M&M.

M&M has filed (7) seven criminal cases before several authorities and courts involving bouncing of cheques. The aggregate amount involved in the matters is approximately Rs. 74,81,285/-.

8. **IP Case**

M&M has one IP suit for infringement and passing off filed against it, which is pending the aggregate amount involved in the matter, is Rs. 5.00 lakhs.

M&M has filed infringement suits in various courts and complaints before World Intellectual Property Organization (WIPO) for domain names disputes.

9. **Dealer Litigation**

A matter of Arbitration, Under the Rules of Conciliation and Arbitration of the United Nations Commission on the International Trade Law in London, England, between Global Vehicles U.S.A. Inc., and M&M; 6 other cases / proceedings filed by dealers in the U.S.

3.17 Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of the Acquirer, vide their Certificate dated 30th May, 2011 have certified that the Acquirer has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreement with the Stock Exchanges. [Source: Annual Report 2010-11].

3.18 The Compliance Officer: Mr. Narayan Shankar, Company Secretary, Mahindra Towers, P.K.Kurne Chowk, Worli, Mumbai – 400018, Phone No. : +91 22 2497 5074, Fax: +91 22 2490 0833 email id: narayan.shankar@mahindra.com

3.19 Details of merger / demerger / spin off during last 3 years from the date of the PA, involving the Acquirer:

FY 2008 - 2009

Merger of Mahindra Holdings & Finance Limited (“MHFL”)

Pursuant to the Scheme of Amalgamation (the scheme) of Mahindra Holdings and Finance Limited (MHFL), a wholly owned subsidiary of the M&M, with M&M as sanctioned by the Hon’ble High Court of Bombay vide its order dated 18th July, 2008 :

(i) the entire business and all the assets and liabilities, duties and obligations of MHFL were transferred to and vested in M&M, from 1st February, 2008 (the appointed date), at their book values; and

(ii) the excess of the value of net assets of MHFL over the face value of M&M’s shares allotted, the face value of the MHFL shares cancelled and the amount of General Reserve and Profit and Loss Account of MHFL, amounting to Rs.129.61 crores, has been credited to the Investment Fluctuation Reserve Account.

Merger of Punjab Tractors Limited (PTL):

Pursuant to the Scheme of Amalgamation (the scheme) of Punjab Tractors Limited (PTL) a subsidiary of the M&M, with the M&M sanctioned by the Hon’ble High Court of Bombay and the Hon’ble High Court of Punjab & Haryana vide their orders dated 9th January,2009 and 16th January, 2009 respectively :

(i) the entire business and all the assets and liabilities, duties and obligations of PTL were transferred to and vested in the Company, at their book values from 1stAugust, 2008 (the appointed date); and

(ii) the excess of the value of net assets of PTL over the face value of shares allotted, amounting to Rs. 677.00 crores, has been credited to the Investment Fluctuation Reserve Account.

Transfer of Logistics Business:

In order to focus on and accelerate the growth of the Logistics Business, M&M decided to transfer the Logistics business (formerly known as the Transport Solutions Group) into a wholly owned subsidiary by the name of Mahindra Logistics Limited (“MLL”). This transfer was approved by the Shareholders under section 293(1)(a) of the Companies Act, 1956 through a Postal Ballot on 28th July, 2005. Pursuant to this, M&M entered into a Business Transfer Agreement in September, 2008 with MLL in order to enable such transfer of its Logistics Business to MLL.

FY 2007-2008:

Merger of the Forgings Business:

In order to build a robust, global scale business in forging and to reap the benefits of operational synergy and enhance stakeholder value, the forging entities of the group namely. Stokes Group Limited, Jeco Holding AG and Schoneweiss & Co. GmbH were integrated by way of a Scheme of Arrangement between Mahindra Stokes Holding Company Limited, Mahindra Forgings Mauritius Limited and Mahindra Forgings Overseas Limited with Mahindra Forgings'Limited. The Scheme which was approved by the Honourable Bombay High Court on 23rd November, 2007, was made effective on 27th December, 2007 and the Appointed Date for the same was 1st April, 2007.

Mahindra Group

The Mahindra Group is among the top industrial houses in India and was ranked amongst the Top 200 by Forbes. It is a leading manufacturer of tractors and multi-utility vehicles with significant presence in key sectors like infrastructure, information technology, automotive components and financial services. With over 60 years of manufacturing experience, the Mahindra Group has built a strong base in technology, engineering, marketing and distribution which are a key in its evolution as a customer centric organization. The Mahindra group has always been committed to corporate social responsibility. The following are the key sectors of the group:

Automotive and Farm Equipment Sector:

This sector is one of the largest manufacturer of Multi Utility Vehicles (MUVs) (including Sport Utility Vehicles (SUVs)). It also manufactures passenger cars, three wheelers and commercial vehicles. It has comprehensive manufacturing facilities with high level of vertical integration. It recently acquired a majority stake in REVA Electric Car Co Ltd. (now called Mahindra REVA), strengthening its position in the Electric Vehicles domain

M&M's Farm Equipment division is the largest manufacturer of tractors in India and has presence across six continents. It has manufacturing presence India, USA, China and Australia. The main business of this sector rests within Mahindra & Mahindra Ltd. Following vision of farm-tech prosperity, it has also expanded into farm-support services, including agri-mechanization solutions under Mahindra AppliTrac; seeds, crop protection, and market linkages and distribution through Mahindra ShubhLabh; and agri-support information and counselling through the Samriddhi Initiative.

Information Technology sector : This sector constitutes one of the thrust areas of Mahindra Group with companies catering to entire IT services space from software engineering to product based solutions. Apart from India it has presence in several countries, some of which are US, Singapore, UK and Germany. Tech Mahindra Limited, Satyam Computer Services limited along with Bristlecone India Limited are the three key companies of this sector.

Mahindra Partners : This division manages various diversified and new businesses of the Group like steel trading & services, logistics, retail and boats. This sector includes companies like a) Mahindra Intertrade Limited and its subsidiaries, with specialized domain knowledge in imports and exports of commodities, domestic trading, marketing and distribution services. b) Mahindra Logistics limited a complete logistics service provider offering end to end supply chain solutions. c) Mahindra Retail which is an extension of the Mahindra Group's trading foray in the domestic market in toys games and apparel setting up retail chain of stores naming " Mom and Me"

Infrastructure and Realty Sector : This sector of Mahindra Group has companies operating in real estate, special economic zones, infrastructure development. The key companies of the sector include Mahindra Lifespace Developers Limited, Mahindra World City Developers Limited.

Hospitality Sector : This sector comprises of Mahindra Holidays & Resorts India Limited (MHRIL) and its five subsidiaries, with "Club Mahindra" as their flagship servicing offering brand.

Financial Services Sector : Mahindra & Mahindra Financial Services Limited ("Mahindra Finance" or "the Company") is one of the leading non-banking financial companies ("NBFCs") with customers in the rural and semi-urban markets of India. Mahindra Finance is a part of the Mahindra Group, which is one of the largest business conglomerates in India. The Company is primarily engaged in providing financing for new and pre-owned auto and utility vehicles, tractors, cars and commercial vehicles. Mahindra Finance also provides housing finance, personal loans, insurance broking and mutual fund distribution services.

The Company has the following three subsidiaries :

- Mahindra Insurance Brokers Limited – which is engaged in the business of direct insurance broking in the life and non-life insurance businesses.
- Mahindra Rural Housing Finance Limited (MRHFL) - which is engaged in the business of extending loans to customers for housing needs. The National Housing Bank holds 12.5% of the equity shares of MRHFL.
- Mahindra Business & Consulting Services Private Limited – which is engaged in the business of providing human resources services including staffing, back office support and allied services to M&M, the Company and its subsidiaries.

Systech Sector : Mahindra Systech was established in 2004 as a response to India's increasing competitiveness in the auto component space. It was formed with a combination of organically and inorganically grown companies. Systech has a vision to create a valuable and innovative business that partners with its global customers in their business needs. It offers its Customers a wide range of component categories to partner for viz. forgings, castings, gears & shaft, sheet metal stampings, composites and alloy steel. Systech provides full service, "Art to Part", solutions to its customers by complementing its manufacturing capabilities with Mahindra Engineering Services which provides design and engineering solutions to customers and the Contract Sourcing group which provides third party sourcing services.

This sector includes two major listed entities namely, Mahindra Forgings Limited and Mahindra Ugine Steel Company Limited. Mahindra Group's foray into Aerospace industry is currently part of this sector.

Two wheeler Sector : The Mahindra Group's foray into the two-wheeler segment began with the acquisition of business assets of Kinetic Motor Company Ltd. (KMCL) in 2008 extending Mahindra's pedigree into the two wheeler space. Mahindra 2 wheelers products currently consist of Scooters and motorcycles.

After Market Sector : The After-Market Sector focuses on after-market space covering multi-brand pre-owned vehicles, servicing, spares. The Business Units in the After-Market Sector includes Mahindra Spares Business, Mahindra First Choice Wheels (purchase and sale of pre-owned vehicles), and Mahindra First Choice Services Ltd. (multi-brandservice chain). The Mahindra Spares Business was established in 2000 to cater to the needs of the Automotive and Farm Equipment Sectors in India and the overseas market.

Defense Sector: The Mahindra Defense Systems (MDS) Operating Group of M&M Limited constitutes the following businesses:

- Land Systems business which is run under Defense Land Systems India Private Limited, a JV between M&M Ltd (74%) and BAE Systems plc. (26%) – engaged in the business of research, design, development and manufacture of armoured and light military vehicles.
- Offshore Armouring business which is run under Mahindra Emirates Vehicle Armouring FZ LLC, (Ras-Al-Khaimah, UAE) a JV between M&M Ltd (51%), Arabia Holdings (37%) and RAK Transport Investments Co Ltd (12%) – engaged in the business of manufacture of armoured vehicles for export markets in Central Asia, West Asia & Africa.
- Mahindra Defence Naval Systems (MDNS) business which is run as a division of M&M Ltd – engaged in the business of manufacture of Sea Mines, Decoy Launchers and composites for various naval and other applications
- Mahindra Special Services Group (MSSG) which is run as a division of M&M Ltd. – engaged in the business of providing corporate risk management consultancy services for protecting Information, Physical and Personnel assets.

As of December 31, 2010, Mahindra & Mahindra Ltd("M&M") has promoted 111 companies of which 9 are listed. However the financial information is restricted to the 9 listed companies promoted by M&M. The consolidated audited financials of M&M which included financials for the last four years for all its subsidiaries are given below:

Consolidated Profit & Loss Statement

(Rs. In lakhs)

Particulars	FY 2008	FY 2009	FY 2010	FY 2011
Income from operations	2,421,200	2,675,635	3,156,854	3,684,236
Other Income	23,329	16,346	11,943	18,401
Total Income	2,444,529	2,691,981	3,168,797	3,702,637
Total Expenditure.	2,047,526	2,308,981	2,605,203	3,076,892
Profit Before Depreciation Interest and Tax	397,003	383,000	563,594	625,745
Depreciation	58,224	74,933	87,352	97,240
Interest	58,952	75,016	97,983	97,421
Profit Before exceptional item and Tax	279,827	233,051	378,259	431,084
Exceptional Item	(29,428)	(7,639)	25,023	20,403
Profit Before Tax	250,399	225,412	403,282	451,487
Provision for Tax	65,720	54,217	116,133	131,708
Profit After Tax	184,679	171,195	287,149	319,779
Adjustment pertaining to previous year	222	636	-	-
Profit before Associates Profit & minority Interest	184,457	170,559	287,149	319,779
Associate Profit	1,000	1,127	1,963	(2,303)*
Profit before Minority Interest	185,457	171,686	289,112	317,476
Minority Interest	28,345	31,145	41,256	9,503

including exceptional and prior period items.

Consolidated Balance Sheet

(Rs. In lakhs)

Particulars	**As on March 31, 2008**	**As on March 31, 2009**	**As on March 31, 2010**	**As on March 31, 2011**
Sources of funds				
Paid up share capital	23,907	27,262	28,295	29,364
Reserves and Surplus (excluding revaluation reserves)	591,323	678,522	986,126	1,397,926
Networth	615,230	705,784	1,014,421	1,427,290
Minority Interest	273,452	302,979	246,235	433,664
Secured loans	698,188	772,471	897,245	1,301,287
Unsecured loans	289,913	446,560	451,340	405,521
Deferred Tax Liability	(1,757)	-18,840	4,821	13,708
Foreign Currency Monetary Item Translation Difference Account	-	-1,844	334	-
Deferred Income	47,795	63,589	114,191	123,739
Total	**1,922,821**	**2,270,699**	**2,728,587**	**3,705,209**
Uses of funds				
Net fixed assets	761,304	912,972	1,050,866	1,674,003
Investments	135,472	338,126	477,362	481,697
Net current assets	1,024,627	1,017,915	1,200,359	1,549,509
Total miscellaneous expenditure not written off	1,418	1,686	-	-
Total	**1,922,821**	**2,270,699**	**2,728,587**	3,705,209

1. Details of listed companies promoted by the Acquirer:

Name: Mahindra & Mahindra Financial Services Limited
Date of Incorporation: 01-01-1991
Nature of Business: Non-Banking Finance Company
Whether sick industrial company: No

(Rs. In lakhs)

	FY 11	**FY10**	**FY09**	**FY08**
Equity Capital	10453	9,718	9,700	9,664
Reserves	244044	1,65,758	1,38,535	1,22,555
Total Income	207439	1,59,560	1,40,045	1,23,665
PAT	49376	35,777	21,969	18,114
EPS (Rs)	50.92	37.15	23.01	21.29
NAV per share (Rs)	243.47	180.57	152.81	136.81

Name: Tech Mahindra Limited
Date of Incorporation: 24-10-1986
Nature of Business: IT Services & Solutions
Whether sick industrial company: No

(Rs. In lakhs)

	FY 11	**FY10**	**FY09**	**FY08**
Equity Capital	12596	12,249	12,183	12,140
Reserves	322544	2,76,400	1,82,136	1,13,585
Total Income	525768	4,70,077	4,42,686	3,87,048
PAT	64414	70042	101452	32989
EPS (Rs)	51.6	58.1	83.41	63.49
NAV per share (Rs)	267.34	236.79	160.42	104.48

Name: Mahindra Forgings Limited
Date of Incorporation: 13-08-1999
Nature of Business: Manufacturing of Automotive Components – Forgings
Whether sick industrial company: No

(Rs. In lakhs)

	FY11	FY10	FY09	FY08
Equity Capital (incl. ESOP & Share Application)	10739.7	10659.92	7179.83	6879.86
Reserves - Less P & L Debit Balance	68380.59	68766.71	67259.56	84952.67
Total Income	193077.04	133515.43	224885.28	233099.64
PAT before Minority Interest	376.18	(18448.74)	(11710.8)	1578.84
EPS – Basic (Rs)	0.43	(26.31)	(17.06)	2.3
NAV per share* (Rs)	87.82	88.27	108.09	133.90

*NAV is calculated excluding (a) share application money received for warrants and (b) ESOPs Outstanding not allotted

Name: Mahindra Ugine Steel Company Limited:
Date of Incorporation: 19-12-1962
Nature of Business: Manufacture of Alloy Steel
Whether sick industrial company: No

(Rs. In lakhs)

	FY11	FY10	FY09	FY08
Equity Capital (incl. ESOP & Share Application)	3374	3378	3378	3364
Reserves	13147	13743	13656	15539
Total Income	134291	108934	107518	92494
PAT	(597)	467	-1883	2949
EPS - Basic (Rs)	(1.84)	1.44	-5.8	9.08
NAV per share (Rs)	50.47	52.31	52.04	57.84

*NAV is calculated after excluding ESOPs Outstanding not allotted.

Name: Mahindra Holidays & Resorts India Limited
Date of Incorporation: 20/09/1996
Nature of Business: Hospitality
Whether sick industrial company: No

(Rs. In lakhs)

	FY11	FY10	FY09	FY08
Equity Capital (incl. ESOP & Share Application)	8361	8329	7698	7645
Reserves	41650	35525	12099	6882
Total Income	54644	52128	44212	37719
PAT	10030	11707	7971	8390
EPS (Rs)	12.01	14.34	10.36	11.00
NAV per share (Rs)	59.82	52.65	25.72	19.00

Name: Swaraj Automotives Limited
Date of Incorporation: November 20, 1974
Nature of Business: Auto & Auto components
Whether Sick Industrial Company: No

(Rs. In lakhs)

	FY11	FY10	FY09	FY08
Equity Capital - (A)	240	240	240	240
Reserves - (B)	1843	1793	1557	1169
Total Income	6734	6923	6574	6775
PAT	134	348	459	539
EPS (as per Annual Report) – (Rs)	5.58	14.49	19.13	22.48
NAV per share - (A+B)/ [(A)/10] – (Rs)	86.86	84.77	74.94	58.74

Name: Swaraj Engines Limited
Date of Incorporation: September 24, 1985
Nature of Business: Auto & Auto components
Whether Sick Industrial Company: No

(Rs. In lakhs)

	FY11	FY10	FY09	FY08
Equity Capital - (A)	1242	1242	1242	1242
Reserves - (B)	13980	11032	8455	7054
Total Income	36300	28662	20834	12554
PAT	4391	3735	2128	1436
EPS (as per Annual Report) – (Rs)	35.35	30.08	17.13	11.56
NAV per share - (A+B)/ [(A)/10] – (Rs)	122.56	98.83	78.08	66.80

Name: Mahindra Composites Limited
Date of Incorporation: August 18, 1982
Nature of Business: Plastic components
Whether Sick Industrial Company: No

(Rs. In lakhs)

	FY11	**FY10**	**FY09**	**FY08**
Equity Capital (incl. ESOP & Share Application)	451	452	439	439
Reserves	1196	1047	892	707
Total Income	5295	4626	4314	3252
PAT	243	258	288	110
EPS - Basic (Rs)	5.53	5.87	6.55	2.51
NAV per share* (Rs)	37.15	33.86	30.33	26.12

*NAV is calculated after excluding ESOPs Outstanding not allotted.

Name: Mahindra Lifespace Developers Limited
Date of Incorporation: March 16, 1999
Nature of Business: Real estate & Infrastructure development
Whether Sick Industrial Company: No

(Rs. In lakhs)

	FY11	**FY10**	**FY09**	**FY08**
Equity Capital (incl. ESOP) - (A)	4147	4121	4102	4081
Reserves - (B)	102371	93755	88388	80493
Minority Interest - (C)	8301	8216	8559	4487
Total Income	62701	43995	37118	26459.92
PAT including Minority Interest	11336	8053.3	7218.43	6895.35
EPS (as per Annual Report) – (Rs)	26.2	18.93	15.79	16.26
NAV per share - (A+B +C)/ [(A)/10] – (Rs)	256.86	237.50	225.47	207.2

Disclosure in terms of Regulation 16(ix) of the SEBI Takeover Regulations and future plans/strategies of the Acquirer with regard to the Target Company

1. The Offer is being made in compliance with Regulations 10 and 12 and other applicable provisions of SEBI Takeover Regulations, for the purpose of substantial acquisition of shares and voting rights, as disclosed earlier, accompanied with change in control and management of the Target Company, thereby enabling the Acquirer to appoint directors by virtue of its shareholding. The Acquirer will control the Board, in accordance with the provisions contained in the New SSA, New SHA, Companies Act, 1956, SEBI Takeover Regulations and other applicable laws. The Acquirer intends to acquire at least 51% of the shareholding in the Target Company.
2. The Acquirer would continue to support the existing business of the Target Company and also support the Target Company in their endeavour to develop its business. On completion of the Offer, the Acquirer will be classified as the promoter of the Target Company.
3. The Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the two (2) years from the date of the closure of this Offer except in the ordinary course of business. The Acquirer hereby undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company.
4. The Target Company proposes to utilize the funds mobilized through the Preferential Allotment for debt reduction, capital expenditure, long term working capital requirements and for general corporate purposes The Acquirer intends to contribute to the growth of the existing business of the Target Company and strengthen its position in the industry.

4. DISCLOSURE WITH REGARD TO CONTINUOUS LISTING

The minimum public shareholding required for continuous listing of the equity shares of the Target Company is 25% (twenty five percent) of the total issued equity share capital. The Acquirer will hold 58.00% of the paid up equity share capital of the Target Company upon (a) Preferential Allotment and (b) completion of the Offer assuming full acceptance to the Offer. As mentioned above, on completion of the Preferential Allotment and Offer, the Acquirer will be classified as the "promoter" of the Target Company and the existing Promoters shall be classified as "public shareholders".

If, pursuant to this Offer, the public shareholding is found to be reduced below the minimum level required as per the listing agreements entered into by the Target Company with BSE, the Acquirers shall take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the listing agreements and notification of the Government of India dated June 4, 2010 amending the Securities Contracts (Regulation) Rules, 1957 within the time stipulated therein as required under regulation 21(2) of the SEBI Takeover Regulations. Therefore, pursuant to this Offer, there will be no violation of Clause 40A of the listing agreement of the Target Company with the BSE on which its equity shares are presently listed and the Target Company will continue to be listed.

5.0 BACKGROUND OF THE TARGET COMPANY – EPC INDUSTRIÉ LIMITED ["Target Company"]

5.1 The Target Company was incorporated on November 28, 1981 as Exomet Plastics and Chemicals Pvt Ltd. The name of the Target Company was changed to EPC Industrie Private Limited on December 8, 1987. Further, on conversion into a public company its name was changed to EPC Industrié Limited on August 24, 1992. The name of the Target Company was changed to EPC Irrigation Limited on September 11, 1992 and on October 13, 1997 the name of the Company was again changed to EPC Industrié Limited. The registered office and corporate office of the Target Company is situated at Plot No. H-109, MIDC Ambad, Nashik – 422010, India; Telephone No: 91 0253 2381081/82/83; Fax No: 91 0253 2382975. The manufacturing unit of the Target Company which manufactures micro irrigation systems i.e. drip and sprinkler irrigation systems and parts thereof and polyethylene pipes, is situated at Ambad, Nashik.

5.2 The Target Company is manufacturer of Micro Irrigation Systems such as drip and sprinkler irrigation systems and part thereof with a major focus on micro-irrigation. The Company also manufactures PE pipes required for industrial and infrastructure applications such as gas and water distribution.

5.3 During the year 2001, the Target Company made a reference to the Board for Industrial and Financial Reconstruction ("**BIFR**"). The BIFR in its hearing held on July 2, 2001 declared the Target Company 'sick' in terms of the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 ("**SICA**"). The Target Company was discharged from the purview of SICA/BIFR vide order dated June 29, 2007 issued by the BIFR.

5.4 The Target Company entered the capital market with a public issue of 26,00,000 equity shares of Rs. 10/- each for cash at premium of Rs. 20/- per share, in December, 1992.

5.5 There were no mergers, de-mergers and/or spin-offs involving the Target Company during the last three years.

5.6 The equity capital structure of the Target Company as on the date of the PA was as under:

Shares	No of equity shares / voting rights	% of equity shares / voting rights
Fully paid-up equity shares of Rs. 10/- (Rupees Ten only) each	1,07,00,000	100.00
Partly paid-up equity shares	-	-
Total paid up equity shares of Rs. 10/- (Rupees Ten only) each	1,07,00,000	100.00
Total voting rights in Target Company	1,07,00,000	100.00

The Paid up Equity Capital includes Rs 24,000/- which is in arrears with respect to calls on 4,800 Shares and shown as calls in arrears in the books of accounts.

5.7 There are no partly paid up equity shares in the books of the Target Company as on the date of this PA. There are no instruments convertible into equity shares at a future date, in the books of the Target Company as on the date of this PA. However, an aggregate of Rs 24000/- is in arrears with respect to calls on 4,800 shares (i.e. Rs 5/- per share) and shown as calls in arrears in the books of Target Company. The Offer price payable on these shares will be Rs. 61.55, calculated by deducting the amount which is in arrears from the Offer price. However in addition to this, interest of Re. 1.00 per share on account of delay in offer schedule will also be payable to such shareholders. The procedure for acceptance and settlement of the Offer with respect to these shares would be the same as applicable to other Shareholders. Further 60,500 equity shares have been granted to eligible employees of the Target Company in terms of an ESOP Scheme. None of the shares granted under the ESOP Scheme have vested.

5.8 Details of share capital history of the Target Company as on the date of the PA are as under:

Sr. No.	Date of allotment	No. of Shares	% of shares issued in aggregate	Cumulative paid up Capital (Rs)	Mode of allotment	Identity of allotees	Status of compliance with SEBI Takeover Regulations/ other applicable Regulations under the SEBI Act, 1992 and other statutory requirements
1	December 17, 1981	20	0.00%	200	Allotment to subscribers to MOA & AOA	Promoters & ex promoters	Complied
2	January 2, 1982	500	0.00%	5,200	Further allotment	Promoters	Complied
3	December 26, 1985	4,000	0.04%	45,200	Further allotment	Promoters	Complied
4	March 30, 1988	45,480	0.43%	500,000	Further allotment	Promoters	Complied
5	March 21, 1992	8,00,000	7.48%	85,00,000	Further allotment	Promoters	Complied
6	March 21, 1992	5,50,000	5.14%	1,40,00,000	Bonus	Promoters	Complied
7	February 5, 1993	26,00,000	24.30%	4,00,00,000	Public Issue	Public, Promoters & Ex promoters,	Complied
8	September 3, 2005	10,00,000	9.35%	5,00,00,000	Further allotment	Promoters	Complied
9	January 22, 2007	45,00,000	42.06%	9,50,00,000	Preferential Allotment	SCRF (37,50,000) CRDF (7,50,000)	Complied
10	December 11, 2009	11,00,000	10.28%	10,60,00,000	Preferential Allotment	SCRF (9,16,667) CRDF (1,83,333)	Complied
11	December 11, 2009	1,00,000	0.93%	10,70,00,000	Preferential Allotment	Promoters (1,00,000)	Complied
		1,07,00,000					

5.9 Details of change in the shareholding of the promoters of the Target Company are as follows:

Sr. No.	Date of transaction (allotment/ purchase/ transfer)	Opening Balance-Promoter group (No. of Shares)	Opening Capital (No. of Shares)	Opening % holding-promoter group	Name of promoter	No. of shares Acquired	Mode of Acquisition (Memorandum / IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Shares/ Inter-se-transfer etc.,)	No. of Shares sold	Closing Capital (No. of Shares)	Closing holding-promoter group (No. of shares)	Closing % holding-Promoter group	Increase/ Decrease in percentage holding-Promoter Group (+/-%)	Applicable regulations of SEBI (SAST) Regulations	Compliance Status with SEBI (SAST) Regulations and other applicable regulations
1	17-12-1981	20	20	100	Indrani Khanna & Srilekha Bose	20	Memorandum	-	20	20	100.00	-	N.A.	N.A
2	2-1-1982	20	20	100	Indrani Khanna	500	Further Allotment	-	520	520	100.00	-	N.A.	N.A.
3	26-12-1985	520	520	100	Indrani Khanna	500	Further Allotment	-	4520	4520	100.00	-	N.A.	N.A.
					Deepanjali Khanna	1000								
					Neelanjana Khanna	1000								
					Anirudh Khanna	1500								
					Sub-total	**4000**								
4	30-03-1988	4520	4520	100	Trenton Investments Co. Pvt. Ltd	45480	Further Allotment	-	50000	50000	100.00	-	N.A.	N.A.
5	21-03-1992	50000	50000	100	Trenton Investments Co. Pvt. Ltd	800000	Further Allotment	-	850000	850000	100.00	-	N.A.	N.A.
6	21-03-1992	850000	850000	100	Trenton Investments Co. Pvt. Ltd	549900	Bonus Issue	-	1400000	1400000	100.00	-	N.A.	N.A.
					Indrani Khanna	100								
					Sub-total	**550000**								
7	5-2-1993	1400000	1400000	100	Richfield Springs Ltd.,*	285000	Public Issue (Firm Allotment)		4000000	1685000	42.13	-57.88	N.A.	N.A.
8	1993-1997	1685000	4000000	42.13	Promoter Group*	-	Sold	62200	4000000	1622800	40.57	-1.56	N.A.	N.A.
9	31-03-2003	1622800	4000000	40.57	Garuda Plant Products Ltd.	106800	Purchased	-	4000000	1729600	43.24	2.67	7(1A)	Not complied #
10	31-12-2004	1729600	4000000	43.24	Shishilin Investment Pvt Ltd.	1700	Purchased	-	4000000	1731300	43.28	0.04	NA	NA
11	3-9-2005	1731300	4000000	43.28	Shishilin Investment Pvt. Ltd	1000000	Preferential Allotment	-	5000000	2731300	54.63	11.34	NA $	NA
12	18-03-2006	2731300	5000000	54.63	Shishilin Investment Pvt Ltd.	-	Sold	2000	5000000	2729300	54.59	-0.04	NA	NA
13	22-01-2007	2729300	5000000	54.59	N.A.		Dilution due to Preferential allotment to overseas investors	-	9500000	2729300	28.73	-25.86	NA $	NA
14	11-12-2009	2729300	9500000	28.73	Garuda Plant Products Ltd.	100000	Preferential Allotment to overseas investors and promoters	-	10700000	2829300	26.44	-2.29**	NA	Complied

* Inter-se transfer of 285000 shares held by Richfield Springs Ltd to family members belonging to Promoter group during the period

\# The Company & Promoters have filed an consent application on February 28, 2011, in terms of SEBI circular No. EFD/ED/Cir.- 1/2007, seeking settlement of the enforcement actions that may be initiated by SEBI for the aforesaid non compliance

$ Pursuant to BIFR scheme

** Promoters were allotted 1,00,000 equity shares vide the aforesaid Preferential allotment, constituting 0.93% of the share capital of the Target company

5.10 Compliance of SEBI Takeover Regulations:

(a) The Promoters have duly complied with the requirements of Chapter II of the SEBI Takeover Regulations except for non filing by the Promoters, of declaration under Regulation 7(1A) of the Takeover Regulations in the year 2003, due date for filing the declaration being April 2, 2003.

(b) Target Company has complied with the provisions of Chapter II of SEBI Takeover Regulations except for certain delays / non submissions in complying with the provisions of Regulation 6(2), 6(4) and 8(3) during the period 1997 to 2003. The Target Company has regularized the aforesaid non compliances under the SEBI Regularisation Scheme, 2002, by paying the requisite penalties. Further there have been the following delays / non submissions in complying with the provisions of Chapter II of the SEBI Takeover Regulations:

a. Delay of 284 days in filing declaration as per Regulation 8(3) of SAST in the year 2003, due date being April 30, 2003

b. Delay of 144 days in filing declaration as per Regulation 8(3) of SAST in the year 2005, due date being April 30, 2005

c. Non filing of declaration as per Regulation 7(3) of SAST in the year 2003, due date being April 7, 2003

Details of entities who are in non compliance of provisions of Chapter II of SEBI Takeover Regulations are as follows:

(a) EPC Industrié Limited
H-109, MIDC Ambad
Nashik-422 010
Contact No : 0253 – 2381081/82/83 (D) 2383375
Fax No: 0253 -2382975
Email: rvnawghare@epcind.com

(b) Garuda Plant Products Limited
B - 26, MIDC Ambad, Nashik - 422010
Contact No. 0253-2380240
Email: Krishen.khanna@kimplaspiping.net

The Promoters and the Target Company have filed a consent application on February 28, 2011, for all Chapter II non compliances, in terms of SEBI circular No. EFD/ED/Cir.-1/2007, seeking settlement of the enforcement actions that may be initiated by SEBI for the aforesaid delays / non submissions.

SEBI may initiate appropriate action against the Promoters and Target Company at a later stage for this delay in compliance.

The Target Company has complied with other provisions of the SEBI Takeover Regulations and other applicable provisions of SEBI Act and other statutory requirements.

(c) SCRF and CRDF, who are the major Shareholders, have duly complied with the requirements of Chapter II of the SEBI Takeover Regulations.

(d) The Acquirer did not hold any Shares in the Target Company in the past and also as on the date of the PA and hence the provisions of Chapter II of the SEBI Takeover Regulations are not applicable to it as on date of the PA.

5.11 The Shares have not been suspended at any time in the ordinary course. There have not been any listing agreement violations by the Target Company in the past. No punitive action against the Target Company has been initiated by the Stock Exchanges.

5.12 The Company's management is vested with the board of directors. The composition of the board of directors of the Target Company as on the date of PA was as under:

Name	Designation	Residential Address	Director Identifica-tion Number (DIN)	Date of Appointment	Qualification & Experience
Mr. Krishen Lal Khanna	Chairman & Managing Director (Executive)	1303 Odyssey, Hiranandani Gardens, Powai, Mumbai-400 076	01135766	22-01-2007*	Details given below
Mr. Vinayak Patil	Non Executive Director (Independent)	" Babul" Kadambvan, Satpur-Ambad Link Road, Behind Jyoti Farms, Satpur, Nasik-422 007	00616009	08-07-2003	Details given below
Mr. Jayendra Shah	Non Executive Director (Non Independent)	52, Apurva Building 5, Napean Sea Road, Cumballa Hill Mumbai-400026	00084759	22-01-2007	Details given below
Mr. Bhoopendra Sharma	Non Executive Director (Independent)	11,Firpos, 47-A, Bhulabhai Desai Road Mumbai-400 026.	00001291	28-05-2007	Details given below

*date of reappointment

Details of qualification and experience of directors:

1. Mr. Krishen Lal Khanna: After graduation in 1962 he served in India and abroad with an international firm of Consulting Engineers and Contractors till 1971 in various capacities. In 1971 he ventured on his own business in the field of Consulting and Contracting and later into International Business and in 1986 into a pioneering venture to produce Micro Irrigation Systems first time in India.

He is a first generation entrepreneur. To promote micro irrigation Industry he founded Irrigation Association of India and was its founder President for 10 years. He also played a vital role in the 2003/04 to ensure that Micro Irrigation Industry got the priority from GOI that it needed and to work on a sound footing. Presently, Mr. K L Khanna is the Chairman and Managing Director of EPC Industrié Limited, Nashik. He steered the Company during its initial growth from a very small scale operation to a large organization. He continued to head it when due to Industry decline the Company turned sick and has successfully negotiated its financial restructuring and revival.

2. Mr. Vinayak Patil: Mr. Vinayak Patil has expertise in the field of Agriculture and is also a social activist. Mr. Patil has been a member of the Maharashtra State Legislative Assembly from 1978 to 1980. He was also a member of the Legislative Council of Maharashtra State from 1983 to 1988. Mr. Patil has been associated with various state level government / co- operative organisations over the years. He has received various awards like Maharashtra State's Krishi Bhushan award for his outstanding work in the field of agriculture.

3. Mr. Jayendra Shah: Mr. Jayendra Shah has experience of over 33 years in the areas of Finance, Accounting, Taxation. Mr. Shah is an accomplished business consultant with over 30 years of experience. He is a Senior Partner at N. A. Shah Associates, Chartered Accountants where he heads the business advisory and strategy practice. His areas of expertise include Enterprise/ Business strategic Planning, Mergers and Acquisitions, Corporate Restructuring, Commercial Negotiations, Transaction execution oversight. Mr. Jayendra Shah is also the Director of Trans-Continental Capital Advisors Private Limited, a bouquet investment bank focused on special situations and private equity investments in mid-sized companies in India. Mr. Jayendra Shah brings in extensive strategic knowledge and operational experience that enable organisations in achieving their market potential. He has an established track record of delivering value to clients and driving growth. His able leadership has helped in steering many organisations to achieve success. He is a member of the Board of Directors as well as a part of various advisory committees. Mr. Jayendra Shah holds Bachelor's degree in Arts (Economics) from the Mumbai University and is a qualified Chartered Accountant from the Institute of Chartered Accountants of India. He is Director in the following Companies :

1 Meghraj Capital Advisors Private Limited

2 Trans-Continental Capital Advisors Private Ltd.

3 Enterprises Technology Partners (India) Pvt.Ltd.

4 State Trading Corporation of India Limited

5 Lokmat Media Limited

4. Mr. Bhoopendra Sharma: Mr. Bhoopendra Sharma is a Post Graduate in Commerce (1962) from Agra University and has also completed his Post Graduate Diploma in Personnel Management (1971), Delhi University. Mr. Sharma started his career with Atlas Cycle Industries Ltd as an executive trainee and worked with them for 7 years. Later he joined Unichem Laboratories Ltd., as factory manager at their Ghaziabad plant. He was transferred to Mumbai in 1989 as VP (Operations) and in 1994 was elevated to the post of Executive Director . He continues to act as an advisor to Unichem Laboratories Ltd.

None of the above directors represent the Acquirer.

5.13 Brief audited financial details of the Target Company for the last four financial years, in accordance with Clause 41 of the Listing Agreement are as follows :

(Rs. In Lakhs)

Profit & Loss Statement	**FY 08**	**FY 09**	**FY 10**	**FY 11**
Income from operations	4343.40	6230.60	7521.11	8669.15
Other Income	48.62	121.87	124.75	101.23
Total Income	4392.02	6352.47	7645.86	8770.38
Total Expenditure	4585.11	6154.13	6899.30	7846.44
Profit / (Loss) before Depreciation, Interest & Tax	(193.09)	198.34	746.56	923.94
Depreciation	125.11	144.26	162.92	481.81
Interest	235.68	369.65	443.71	177.14
Profit /(Loss) Before Prior Period / Exceptional Items	(553.88)	(315.57)	139.93	264.99
Prior Period / Exceptional Items	2.05	4.48	3.62	30.90
Profit / (Loss) before Tax	(555.93)	(320.05)	136.31	234.09
Provision for Tax	7.75	(168.71)	41.13	90.38
Profit / (Loss) After Tax	(563.68)	(151.34)	95.18	143.71

(Rs. In Lakhs)

Balance Sheet Statement	**FY 08**	**FY 09**	**FY 10**	**FY11**
Sources of Funds				
Paid up Share Capital	949.76	949.76	1069.76	1725.57
Reserves & Surplus (Excl. Revaluation Reserve)	2293.73	2280.61	2774.41	6319.05
Share Application Money / ESOP		500.00		-
Net Worth	3243.49	3730.37	3844.17	8044.62
ESOP Outstanding				3.33
Capital Revaluation Reserve	522.93	490.68	456.62	415.28
Secured Loans	554.06	845.06	1275.12	1484.82
Unsecured Loans	2362.23	2322.17	2180.73	2083.60
Total	**6682.71**	**7388.28**	**7756.64**	**12031.65**

Balance Sheet Statement	FY 08	FY 09	FY 10	FY11
Uses of Funds				
Net Fixed Assets	1691.83	1933.63	1871.21	1878.50
Capital Work in Progress	175.48	40.61	24.71	365.36
Investments	0.82	0.82	1.37	0.81
Net Current Assets	1770.27	2035.10	2599.16	6732.17
Deferred Tax Assets	NIL	182.47	140.47	50.05
Misc Expenditure not Written Off	NIL	NIL	NIL	NIL
Profit & Loss Account	3044.31	3195.65	3119.72	3004.76
Total	**6682.71**	**7388.28**	**7756.64**	**12031.65**

Other Financial Data	FY 08	FY 09	FY 10	FY11
Dividend (%)	NIL	NIL	NIL	NIL
Earnings Per Share (Rs)	(5.93)	(1.59)	0.96	1.31
Return on Net Worth	(283.00%)	(28.30%)	13.14%	2.85%
Book Value per Share (Rs)	2.10	5.63	6.77	29.20

For the purpose of determining BV and RONW, ratios used are (a) Net Worth = Share Capital + Reserves and Surplus – Debit balance in Profit & Loss Account, (b) Book Value = Net Worth / No. of equity shares, (c) RONW= Profit after Tax / Net Worth

5.14 Reasons for rise in Total Income and PAT in the relevant period:

Rs. (In Lakhs)

Particulars	2011	2010	2009	2008
Total Income	8770.38	7645.86	6352.47	4392.02
PAT	143.71	95.18	(151.34)	(563.68)

During 2008 turnover increased due to sanction of additional credit facilities by banks. PAT though negative reduced from the previous year due to control over raw material costs and overheads

During 2009 turnover increased due to sanction of additional credit facilities by banks and better product mix. PAT though negative reduced from the previous year due to control over raw material costs and overheads

During 2010 turnover increased due to additional equity infusion by the Promoters & financial investor, increase in production capacity and streamlining of the operations

During the year 2011 turnover increased because of change in product mix. Sales of Inline Drip went up which led to higher sales as well as profitability as contribution from the same is higher. Also the production runs were longer which led to reduction in wastage. Profitability also improved as average cost of production went down due to better absorption of overheads which was a result of higher throughput.

5.15 Shareholding pattern before and after the Offer (assuming full acceptances) as on the date of PA :

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. i.e.	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group *								
(a) Parties to agreement, if any	2829300	26.44	-	-	-	-	-	-
(b) Promoters other than (a) above	-	-	-	-	-	-	-	-
Total 1(a+b)	2829300	26.44	-	-	-	-	-	-
(2) Acquirers								
(a) Main Acquirer	-	-	6,558,065	38	3,451,613	20.00	10,009,678	58.00
(b) PACs	-	-	-	-	-	-	-	-
Total 2(a+b)	-	-	6,558,065	38	3,451,613	20.00	10,009,678	58.00
(3) Parties to agreement other than(1) (a) & (2)			-	-	-	-		
(4) Public (other than parties to agreement, acquirers & PACs)								
1. FIs/MFs/FIIs/Banks, SFIs(indicate names)	-	-	-		(3,451,613)	(20.00)	72,48,387	42
2 . Public@	78,70,700	73.56						
Total (4)	78,70,700	73.56	-	-	(3,451,613)	(20.00)	72,48,387	42
GRAND TOTAL (1+2+3+4)	10,700,000	100	6,558,065	38	-	-	17258065	100

* the current promoters will be classified as public shareholders after completion of the Open Offer, hence their shareholding in column D has been clubbed in the public category.

@ Includes Existing Investor shareholding of 56,00,000 shares

Shareholding of the Existing Investor is classified under the public category as on the date of this Letter of Offer and their shareholding will continue to be classified as Public shareholding post completion of the Offer. The total public shareholding post completion of the Offer, assuming full acceptance, will be 42%.

Note: Percentages in column B,C and D have been calculated on the Emerging Voting Capital base of 1,72,58,065 Shares.

5.16 As on Friday- February 11, 2011 i.e. Specified Date, there were 7,342 public Shareholders. All owners (registered or unregistered) of Shares of the Target Company (except the Acquirer and parties to the New SSA and New SHA), anytime before closure of the Offer, are eligible to participate in the Offer.

5.17 Desai Associates, Chartered Accountants, the Statutory Auditors of the Target Company, vide their Certificate dated April 29, 2010 have certified that the Target Company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreement with the Stock Exchanges. [Source: Annual Report 2009-10].

5.18 The Compliance Officer of the Target Company: Mr. Ratnakar Nawghare- Company Secretary, H-109, MIDC Ambad, Nashik-422010 (Maharashtra), Tel No: 0253-2383375, Fax No : 0253-2382975

5.19 Pending litigations matters pertaining to the Target Company as on the date of PA are as follows:

Tax related:

Excise cases: The Target Company has 3 excise matters pending and the amount involved is Rs. 79.44 lakhs. There are 6 excise Refund Claims aggregating to Rs 198.17 lakhs.

Income tax Cases: There are 3 income tax matters aggregating to Rs. 55.67 lakhs which are pending.

Sales Tax Matters: One Sales tax case wherein the amount involved is Rs. 18.99 lakhs is pending.

Civil/ Criminal Cases: 12 Cases have been filed by the Target Company wherein amount recoverable is Rs 100.12 lakhs. 3 criminal cases have been settled out of court and the cases are to be withdrawn from the Court.

Consumer Matters: There is one case filed against the Company in the consumer forum court where the claim amount involved Rs. 8.21 lakhs.

Labour Matters: There are 5 labour matters against the Target Company where the quantum of liability is not quantifiable.

5.20 All the Shares are listed on BSE.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

(i) The equity shares of the Target Company are presently listed and traded on BSE.

(ii) During the six calendar months prior to the month in which the PA was made i.e. August 2010 to January 2011, the Shares were traded on BSE. Details of trading during this period were as follows:

Stock Exchange	Total Shares traded	Total No. of listed Shares	Annualized trading turnover as a % of total number of listed Shares
BSE	7,29,723	1,07,00,000	13.64

Source: www.bseindia.com

(iii) As the annualized trading turnover, based on the trading during six calendar months i.e. August 2010 to January 2011 is more than 5% of the total number of listed shares on BSE, the equity shares are deemed to be frequently traded on BSE within the meaning of the Explanation (i) of Regulation 20(5) of the SEBI Takeover Regulations.

(iv) Consequently, the minimum Offer Price to be computed for this Offer would be governed by Regulation 20(4) of the SEBI Takeover Regulations as per the applicable parameters as per the details given below:

Particulars	Price (in Rs per share)
Negotiated price for equity shares being issued in terms of SSA and New SSA	66.10
Highest price paid by the Acquirer for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty six (26) week period prior to the date of this PA	NA
Higher of the average of the weekly high and low of closing prices of the shares of the Target Company on BSE during the 26 weeks period preceding the date of the Board Meeting and the Public Announcement	66.53
Higher of the average of the daily high and low prices of the shares of the Target Company on BSE during the 2 weeks period preceding the date of the Board Meeting and Public Announcement	58.72

(v) Average of the weekly high and low of the closing prices and volume data on BSE, where the Shares are most frequently traded, for the twenty six weeks period ended February 9, 2011 i.e. date preceding the date of the PA:

Wk No	Week Ending	Weekly High (Rs.)	Weekly Low (Rs.)	Weekly Average (Rs.)	Volume Traded
1	9-Feb-11	66.2	60	63.1	82620
2	2-Feb-11	59.6	52	55.8	12923
3	25-Jan-11	55.7	52.7	54.2	3982
4	19-Jan-11	54.5	51	52.75	7652
5	12-Jan-11	56	53	54.5	5355
6	5-Jan-11	58.6	56.5	57.55	4963
7	29-Dec-10	57.85	53.55	55.7	7179
8	22-Dec-10	55.55	53.9	54.72	17217

Wk No	Week Ending	Weekly High (Rs.)	Weekly Low (Rs.)	Weekly Average (Rs.)	Volume Traded
9	15-Dec-10	60.7	52.85	56.77	8825
10	8-Dec-10	60.7	58.35	59.52	9304
11	1-Dec-10	64.15	60.05	62.1	22812
12	24-Nov-10	67.55	61.75	64.65	23771
13	16-Nov-10	79.6	69.6	74.6	32450
14	10-Nov-10	79	76.85	77.92	11347
15	3-Nov-10	79.8	77	78.4	35169
16	27-Oct-10	78.7	78.35	78.52	34570
17	20-Oct-10	78.55	74.55	76.55	25177
18	13-Oct-10	81.55	73.8	77.67	36268
19	6-Oct-10	82.2	68.25	75.22	104002
20	29-Sep-10	68.95	68	68.47	16505
21	22-Sep-10	72.1	69.1	70.6	24141
22	15-Sep-10	70.5	68.65	69.57	12653
23	8-Sep-10	73.3	70.5	71.9	17953
24	1-Sep-10	75.5	68.05	71.77	17957
25	25-Aug-10	80.25	75.25	77.75	83670
26	18-Aug-10	77.65	60.95	69.3	127424
Twenty six weeks average (Rs.) 66.53					

Source: www.bseindia.com

(vi) Average of daily high and low prices for the two weeks period ended February 9, 2011 i.e. date preceding the date of the PA:

Date	Daily High (Rs.)	Daily Low (Rs.)	Daily Average (Rs.)	Volume
9-Feb-11	74.5	62	68.25	41516
8-Feb-11	69	62.05	65.53	15534
7-Feb-11	67	57.3	62.15	16491
4-Feb-11	65.8	58.3	62.05	5625
3-Feb-11	61.8	58.1	59.95	3454
2-Feb-11	62.5	53.2	57.85	7876
1-Feb-11	57	51.5	54.25	2114
31-Jan-11	55	47	51	1816
28-Jan-11	57.5	50.1	53.8	502
27-Jan-11	52.4	52.25	52.33	615
Two weeks Average (Rs.)			**58.72**	

Source: www.bseindia.com

(vii) Average of the weekly high and low of the closing prices and volume data on BSE, where the Shares are most frequently traded, for the twenty six weeks period ended February 8, 2011 i.e. date preceding the date of the Board Meeting:

Wk No	Week Ending	Weekly Closing High (Rs.)	Weekly Closing Low (Rs.)	Weekly Closing Average (Rs.)	Volume Traded
1	8-Feb-11	66.2	59.6	62.9	48980
2	1-Feb-11	56	52	54	5047
3	25-Jan-11	55.7	51	53.35	4683
4	18-Jan-11	54.5	51.65	53.075	7651
5	11-Jan-11	56.5	54	55.25	5966
6	4-Jan-11	58.6	57.5	58.05	4254
7	28-Dec-10	56.6	53.55	55.075	19996
8	21-Dec-10	59	54.1	56.55	3949
9	14-Dec-10	60.7	52.85	56.77	13385
10	7-Dec-10	63.9	60	61.95	6535
11	30-Nov-10	64.15	60.05	62.1	26092
12	23-Nov-10	67.55	61.75	64.65	18549
13	16-Nov-10	79.6	69.6	74.6	33623
14	9-Nov-10	79.25	76.85	78.05	10775

Wk No	Week Ending	Weekly Closing High (Rs.)	Weekly Closing Low (Rs.)	Weekly Closing Average (Rs.)	Volume Traded
15	2-Nov-10	79.8	77	78.4	39473
16	26-Oct-10	78.7	76	77.35	35161
17	19-Oct-10	81.55	74.55	78.05	30108
18	12-Oct-10	79.4	73.8	76.6	53383
19	5-Oct-10	82.2	68.25	75.22	77896
20	28-Sep-10	69.1	68	68.55	18495
21	21-Sep-10	72.1	68.65	70.37	24236
22	14-Sep-10	70.5	69.8	70.15	11268
23	7-Sep-10	73.3	68.05	70.67	19897
24	31-Aug-10	75.5	68.55	72.02	21267
25	24-Aug-10	80.25	75.25	77.75	133916
26	17-Aug-10	70.35	60.95	65.65	71474
Twenty six weeks average (Rs.) 66.43					

Source: www.bseindia.com

(viii) Average of daily high and low prices for the two weeks period ended February 8, 2011 i.e. date preceding the date of the Board Meeting:

Date	Daily High (Rs.)	Daily Low (Rs.)	Daily Average (Rs.)	Volume
8-Feb-11	69	62.05	65.53	15534
7-Feb-11	67	57.3	62.15	16491
4-Feb-11	65.8	58.3	62.05	5625
3-Feb-11	61.8	58.1	59.95	3454
2-Feb-11	62.5	53.2	57.85	7876
1-Feb-11	57	51.5	54.25	2114
31-Jan-11	55	47	51	1816
28-Jan-11	57.5	50.1	53.8	502
27-Jan-11	52.4	52.25	52.33	615
Two weeks Average (Rs.)			**57.66**	

Source: www.bseindia.com

(ix) The Acquirer has not paid any non-compete fee to any person for acquisition of the Shares pursuant to the SSA, SHA, New SSA and New SHA.

(x) The Offer Price of Rs. 66.55 per Share is therefore justified in terms of Regulation 20(4) of the SEBI Takeover Regulations, applicable for companies whose shares are frequently traded. In view of this, the Offer Price is justified as per Regulation 20(11) of the SEBI Takeover Regulations as it being more than the highest of the abovementioned parameters. In addition to the Offer Price, interest at the rate of 10% per annum i.e. Re. 1.00 per Share is payable to the eligible Shareholders of the Target Company whose Shares are accepted pursuant to the open offer, for delay of 55 days in the offer schedule i.e. from July 1, 2011 to August 24, 2011. Total consideration, therefore works out to Rs. 67.55 per share (Offer Price Rs. 66.55 per share plus interest for delay Re. 1.00 per share).

(xi) The Acquirer is permitted to revise this Offer upward upto seven (7) working days prior to the date of closure of the Offer i.e Friday – July 29, 2011. In the event of such revision, an announcement will be made in the same newspapers where the PA has appeared and the revised offer price, if such price is higher than the Offer Price, would be paid for all the equity shares tendered anytime during the Offer.

(xii) Based on the above, (a) the Manager to the Offer and (b) the Acquirer are of the opinion that the Offer Price of Rs. 66.55 per Share plus interest of Re. 1.00 per share, is justified.

(xiii) In case the Acquirer acquires any Shares post the date of the Public Announcement, the Offer Price will be the highest price paid by the Acquirer for any acquisition of Shares, if any, from the date of PA i.e. Thursday – February 10, 2011 up to seven working days prior to the closure of the Offer i.e. Friday – July 29, 2011, if such price is higher than the Offer Price.

6.2 **Financial Arrangements**

(i) The maximum purchase consideration payable by the Acquirer in case of full acceptance of this Offer would be Rs. 22,97,04,845.20 [Rupees Twenty Two Crores Ninety Seven Lakhs Four Thousand Eight Hundred and Forty Five and Paise Twenty only] for acquisition of 34,51,613 Shares at the Offer Price of Rs. 66.55 [Rupees Sixty Six and Paise Fifty Five only] per share.

Interest at the rate of 10% per annum i.e. Re. 1.00 per Share is payable to the eligible Shareholders of the Target Company and whose shares are accepted pursuant to the open offer, for delay of 55 days in the offer schedule i.e. from July 1, 2011 to August 24, 2011.

In view of above, total purchase consideration payable by the Acquirer in case of full acceptance of this Offer, would be Rs. 23,31,56,458.20 [Twenty Three Crores Thirty One Lakhs Fifty Six Thousand Four Hundred and Fifty Eight and Paise Twenty only] for acquisition of 34,51,613 equity shares for a total consideration of Rs. 67.55 per Share (Offer Price Rs. 66.55 per Share plus interest of Re. 1.00 per Share).

(ii) The Acquirer proposes to fund the Offer through internal accruals to meet the obligations under the Offer. Mr. P Y Joglekar, Membership No: 100-31053, Partner Joglekar & Gokhale, Chartered Accountants, Registration. No. – 104327W, Address: 9/13, The Worli Shivshahi CHS Ltd., Shivajinagar, Dr. Annie Besant Road, Worli, Mumbai – 400 030 Tel No. :(022) 24930854, e-mail ID: joglekar.prakash@gmail.com has certified, based on the books of accounts of the Acquirer as at 31st January 2011 and other relevant documents and information, by way of his letter dated February 9, 2011 that Acquirer has adequate financial resources to finance the above mentioned acquisition of 34,51,613 Shares to the extent of its obligations of the Offer. Firm arrangements for financial resources required to implement the offer is already in place. No borrowings from banks/financial institutions /foreign sources is envisaged for the purpose of this Offer.

(iii) The Acquirer has opened a cash escrow account with YES Bank Ltd, having their office at 9th Floor, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018 in their capacity as the Escrow Banker, under the name and style of "M AND M OPEN OFFER ESCROW A/c" and bearing No. 000 180 20000 1992 and deposited Rs. 23,50,00,000/- being more than 100% of the total purchase consideration payable under the Offer assuming full acceptance at the Offer Price in accordance with Regulation 28 of the SEBI Takeover Regulations. The Acquirer has confirmed that the funds lying in the above mentioned cash escrow account will be utilized exclusively for the purpose of the Offer. The Acquirer has authorized the Manager to the Offer to operate the cash escrow account in compliance with Regulation 28 of the SEBI Takeover Regulations. The Acquirer and the Escrow Banker have marked a lien on the a/c in favour of the Manager to the Offer. Since the Acquirer has deposited 100% of the consideration into the EscrowAccount as mentioned above, the Acquirer is entitled to appoint its nominees on the Board after a period of 21 days from the date of the PA in terms of Regulation 22(7) of the SEBI Takeover Regulations

(iv) In case of revision in the Offer Price, the Acquirer would increase the amount deposited in the Escrow Account to ensure compliance with the SEBI Takeover Regulations.

(v) In view of above, the Manager to the Offer is satisfied that firm arrangements for financial resources required to implement the Offer i.e., funds and money for payment through verifiable means are in place to fulfill the obligations of the Acquirer under the Offer and is satisfied that the Acquirer has adequate and firm financial resources to meet the financial requirements of the Offer and ability to implement the Offer in accordance with the SEBI Takeover Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 The Offer is being made by the Acquirer to (i) all Shareholders, except the Acquirer and parties to the New SHA and New SSA, whose names appeared in the Register of Members on Friday - February 11, 2011 i.e. Specified Date (ii) beneficial owners of Shares whose names appeared as beneficiaries on the records of the respective Depositories, at the close of business hours on Friday- February 11, 2011 i.e. Specified Date and (iii) to those persons who acquire Shares any time prior to the date of the closure of the Offer i.e. Tuesday – August 9, 2011 but who are not the registered Shareholders.

7.2 The Offer is not subject to any minimum level of acceptance and the Acquirer will be obliged to acquire up to a maximum of 34,51,613 Shares that are tendered in the valid form in terms of this Offer subject to the terms and conditions mentioned in the PA and this Letter of Offer subject to the above. Subject to the terms of the Offer, the Acquirer will acquire all Shares that have been validly tendered in the Offer. In case the number of Shares validly tendered in the Offer is more than the Shares to be acquired under the Offer, the acquisition of Shares from each Shareholder will be on proportional basis, as per the provisions of Regulation 21(6) of the SEBI Takeover Regulations.

7.3 The Offer will open on Thursday – July 21, 2011and close on Tuesday – August 9, 2011.

7.4 The Shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA / Letter of Offer can withdraw the same up to three working days prior to the date of the closure of the Offer i.e. up to Thursday – August 4, 2011.

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

7.6 Each shareholder of the Target Company to whom this Offer is being made is free to offer his shareholding in the Target Company in whole or in part while accepting the Offer.

7.7 The Shares that are tendered in the Offer may be held by non-resident shareholders. The Offer is therefore subject to the receipt of the approval of the Reserve Bank of India ('**RBI**") under the Foreign Exchange Management Act, 1999 and the rules and regulations made there under **("FEMA")** for the acquisition of Shares by the Acquirer from the aforesaid category of Shareholders. RBI, vide their letter dated March 28, 2011 granted approval to the Acquirer to acquire Shares through the Offer from the eligible Shareholders subject to the condition that (a) if non – resident Indian/s holding Shares on a non –repatriation basis tender Shares pursuant to the Offer then proceeds shall be credited to their NRO accounts and (b) If overseas corporate bodies tender Shares pursuant to the Offer then the Target Company will be required to obtain prior RBI approval. The Target Company has received lender's approval vide letters dated March 10, 2011 and March 9, 2011 from IDBI Bank and YES Bank respectively, for the Preferential Allotment and the change in management.

In case of delay in receipt of statutory approvals, as explained above, SEBI has power to grant extension of time to the Acquirer for payment of purchase consideration to the Shareholders, subject to the Acquirer agreeing to pay interest as directed by SEBI, for the delayed period in terms of Regulation 22(12) of the SEBI Takeover Regulations. If the delay occurs due to willful default, neglect or in-action on the part of the Acquirer in obtaining requisite approvals, the escrow amount may be forfeited.

To the best of the Acquirer's knowledge, (a) other than approvals as mentioned above no approval from banks / financial institutions of the Target Company, is required for the Acquirer to make this Offer and (b) other than the approvals mentioned aforesaid, no other statutory or regulatory approval is required for the Acquirer to proceed with the Offer. If any other approvals are required or become applicable subsequently, the Offer would be subject to such approvals. The Acquirer will have a right not to proceed with the Offer in the event the approvals are refused, in terms of Regulation 27(1)(b) of the SEBI Takeover Regulations.

7.8 There has been no competitive bid.

7.9 As the Offer Price cannot be revised during seven working days prior to the closing date of the Offer i.e. Friday – July 29, 2011, it would be in the interest of the Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly.

7.10 The acceptance of the Offer of the Acquirer is entirely at the discretion of the Shareholders of the Target Company. The Acquirer will not be responsible for any loss of share certificate(s) and Offer acceptance documents during transit and the Shareholders of the Target Company are advised to adequately safeguard their interests in this regard.

7.11 The Acquirer will proceed with the Offer even if the Acquirer is unable to obtain acceptance to the extent of 34,51,613 Shares.

7.12 In the case of Shares acquired from non resident Shareholders, the Acquirer will not be responsible for any fall in the value of the rupee due to any fluctuation in the foreign exchange rates on account of delay in the approval.

7.13 Accidental omission to dispatch this Letter of Offer to any person to whom this Offer has been made to or non-receipt of this Offer by any such person shall not invalidate the Offer in any way.

7.14 The acceptance must be unconditional and should be sent with the attached form duly filled in, signed by the applicant Shareholder(s) which should be received by the Registrar to the Offer at the address mentioned in paragraph 8.8 on or before 4.00 p.m. on Tuesday – August 9, 2011. If any change or modification is made, the acceptance is liable to be rejected.

7.15 The Acquirer reserves the right of upward revision of price at any time up to seven working days prior to the closure of the Offer as per Regulation 26 of the SEBI Takeover Regulations. The same price would be paid by the Acquirer for all the Shares tendered any time during the Offer and accepted under the Offer. The information about such revision(s), if any, would appear in the same newspapers in which the PA has appeared.

7.16 Locked in Shares, that may be acquired pursuant to the Offer, will be transferred to the Acquirer subject to continuation of the residual lock in period in the hands of the Acquirer. There shall be no discrimination in the acceptance of locked in and non locked in shares.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1 The Letter of Offer specifying the detailed terms and conditions of this Offer along with the form of acceptance cum acknowledgement ("Form of Acceptance") and form of withdrawal ("Form of Withdrawal") will be mailed to all the Shareholders whose names appeared on the register of members of the Target Company and beneficial owners of the Shares, whose names appeared as beneficiaries on the records of the respective depositories i.e., National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"), at the close of business hours on Friday- February 11, 2011 ("Specified Date"). This Offer is made to all Shareholders of the Target Company (except the Acquirer and parties to the New SSA and New SHA) and beneficial owners of the Shares as on the Specified Date and also to persons who acquire Shares before the closure of the Offer and tender these Shares in the Offer in accordance with the PA and this Letter of Offer on or before Tuesday – August 9, 2011 [Closure Date].

8.2 The Shareholders who wish to accept the Offer shall tender their Shares pursuant to this Offer, along with all the relevant documents, in the form and manner specified in the Letter of Offer to, Sharepro Services (India) Pvt. Ltd. ("**Registrar to the Offer**"), at their office situated at 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai – 400 072 or at any of their collection centres mentioned below in paragraph 8.8 in accordance with the instructions contained in the Letter of Offer and Form of Acceptance. Applicants who cannot hand deliver their documents at the collection centres mentioned below, may send the same by registered post or by courier, at their own risk and cost, to the Registrar to the Offer at their registered address mentioned above.

8.3 The Registrar has opened a special depository account with NSDL in the name and style of "OPEN OFFER-EPC INDUSTRIÉ LTD" (the "Special Depository Account") through their DP, [the "DP"] and the relevant details are as follows:

Depository	National Securities Depository Limited
Depository Participant / DP	Kotak Securities Ltd
Client ID	15727634
DP ID	IN300214
ISIN	INE215D01010

Shareholders of the Target Company having their depository 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.

8.4 Beneficiary owners (holders of equity shares in dematerialized form) who wish to tender their Shares will be required to send their Acceptance Form along with a photocopy of the delivery instruction slip in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the depository participant in favour of the Special Depository Account, to the Registrar in accordance with the instructions to be specified in the Letter of Offer.

8.5 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance.

8.6 Shareholders holding Shares in physical form and who wish to tender their Shares will be required to send the Form of Acceptance, original share certificate/s and transfer deed/s, duly signed, to the Registrar on or before the closure of the Offer in accordance with the instructions to be specified in the Letter of Offer.

8.7 Notwithstanding that the signature(s) of the transferor(s) has/ have been attested as aforesaid, if the signature(s) of the transferor(s) differ(s) from the specimen signature(s) recorded with the Target Company, or are not in the same order, such Shares are liable to be rejected under this Offer even if the Offer has been accepted by a bonafide owner of such Shares.

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED EXCEPT NAME, SIGNATURE AND WITNESS.

8.8 The collection centres mentioned below would remain open on Monday to Friday from 10.00 am to 1.00 pm and from 2.00 pm to 4.00 pm and on Saturdays from 10.00 am to 1.00 pm.

Collection Centre	Address of the Collection Centres	Contact Person	Mode of delivery	Phone / Fax / Email
Ahmedabad	Sharepro Services (India) Pvt Ltd, 416-420, Devanandan Mall, Opp Sanyas Ashram, Ashram Road, Ahmedabad – 380006	Mr. Rakesh Joshi	Hand Delivery / Post/ Courier	Tel :079-26582381 Email: sharepro.ahmedabad@ shareproservices.com
Mumbai-Sakinaka	Sharepro Services (India) Pvt Ltd, 13-AB Samhita Warehousing Complex, 2nd Floor, Sakinaka Tel. Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai - 400072	Mr. Satheesh H. K / Mr. Anand Moolya	Hand Delivery / Post/ Courier	Tel: 022-6720300/400 Fax: 022-28591568 Email: satheesh@ shareproservices.com anandm@shareproservices. com
Mumbai - Nariman Point	Sharepro Services (India) Pvt Ltd, 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400021	Ms. Maharukh	Hand Delivery / Post/ Courier	Tel: 022-66134700/22825163 Fax: 022-22825484 Email: sharepro@ shareproservices.com
Pune	Sharepro Services (India) Pvt Ltd, 3 Chintamani Apartment, Lane No 13, Off V G Kale Path, 824/D Bhandarkar Road, Pune - 411004	Mr. Milind / Mr. Vijay	Hand Delivery / Post/ Courier	Tel: 020-25662855 Email: sharepropune@vsnl.net
Bangalore	Skypak Financial Securities Pvt. Ltd., No-38, Panna Sadan,1st Floor, Palani Mudaliyar Street, Halasuru, Bangalore -560008	Mr. Sarvana	Hand Delivery	Tel: 080-41155090 / 41161390 Email: ops.blr@skyfin.com
Nashik	Skypak Financial Securities Pvt. Ltd., Banglow No 7, Geetganaga,Bhagyoday Society, Opp.KBH High School, Cananda Corner, Nashik-422005	Mr. Ravindra Raut	Hand Delivery	Tel: 0253-2575354 Email: isk@skyfin.com, pfsnasik@gmail.com
New Delhi	Skypak Financial Securities Pvt. Ltd., Satyam Hotel Building, 10, Qutub Road, Ram Nagar, Pahar Ganj,110055	Mr. Mahip Kulshreshtha	Hand Delivery	Tel: 9582007703 Email: del@skyfin.com

8.9 Shares may be tendered by the Shareholders at any time between the date of opening of the Offer and closure date so as to reach the Registrar on or before 4:00 pm on the Closing Date. Shares should not be submitted/tendered to the Manager to the Offer or the Acquirer or the Target Company.

8.10 All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirer and the parties to New SSA and New SHA) who own/hold Shares at any time before the date of closure of the Offer are eligible to participate in the Offer.

8.11 Persons who have acquired the shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Specified Date or unregistered owners or those who have acquired the shares of the Target Company after the Specified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer as per the terms and conditions of this Offer. The application is to be sent to the Registrar to the Offer together with:

(i) In the case of shares held in physical form, the name, address, number of shares held, number of shares offered, distinctive numbers and folio number together with the original share certificate/s and valid transfer deeds. Persons who have acquired shares of the Target Company should send to the Registrar to the Offer, the original contract note issued by a registered share broker of a recognized stock exchange through whom such shares were acquired and/or such other documents as may be specified; or

(ii) In the case of Shares held in dematerialized form, Depository Participant name, DP ID, beneficiary account number together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Shares in favor of "OPEN OFFER-EPC INDUSTRIÉ LTD" as per the details for instructions given above; Such shareholders may also (a) download the Letter of offer from the SEBI website (http://www.sebi.gov.in/) or (b) obtain a copy of Letter of offer by writing to the Registrar to the Offer or Manager to the Offer superscribing the envelope "EPC Open Offer" with suitable documentary evidence of ownership of the said Shares.

8.12 No indemnity would be required from unregistered shareholders.

8.13 The Acquirer shall accept a maximum of 34,51,613 Shares from the Shareholders who have validly tendered the Shares and /or other documents under the Offer and remit the consideration in respect thereof within 15 days from the date of closure of the Offer.

8.14 Shareholders, while tendering their Shares in the Offer may indicate an option to receive the payment of Offer consideration through electronic form by indicating in the space provided in the Form of Acceptance, the MICR / IFSC code of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance. The payment consideration for Shares accepted under the Offer, in such cases, may be made through National Electronic Clearing Services (NECS), Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), as applicable, at specified centers.

8.15 For Shareholders, who do not opt for electronic mode of fund transfer and for those Shareholders whose payment consideration is rejected / not credited through NECS / RTGS / NEFT, due to any technical errors or incomplete/ incorrect bank account details, the payment of consideration will be made by pay orders or demand drafts payable at places where the address of the Shareholder is registered and will be dispatched through registered post/speed post. It is advised that shareholders provide bank a/c details in the Form of Acceptance, so that the same can be incorporated in the demand draft/pay order. It will be the responsibility of the tendering shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance.

8.16 For the purposes of electronic fund transfer, in case of shareholders opting for electronic payment of consideration and for purposes of printing on the demand draft / pay order for the other cases, the bank account details will be directly taken from the depositories' database, wherever possible. A Shareholder tendering Shares in the Offer, is deemed to have given consent to obtain the bank account details from the Depositories, for this purpose. Only if the required details cannot be obtained from the Depositories' database then the particulars provided by the Shareholders would be used. In case of joint holders, payments will be made in the name of the first holder.

Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8.17 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder. Unaccepted Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance.

8.18 Shareholders who have sent their Shares for dematerialization need to ensure that the process of getting the Shares dematerialized is completed well in time so that credit in the Special Depository Account should be received on or before the date of closure of the Offer failing which the application would be rejected. Such Shareholders may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer as per the terms and conditions of this Offer.

8.19 Shares, if any, that are subject matter of litigation wherein the Shareholder/s is/are/ may be precluded from transferring the Shares during the pendency of such litigation are liable to be rejected in case directions/orders from competent authority regarding these Shares are not received together with the Shares tendered under the Offer.

8.20 The Registrar to the Offer will hold in trust, the Share certificates, the Form of Acceptance, and the transfer form/ s and Shares lying to the credit of the Special Depository Account on behalf of the Shareholders who have accepted the Offer, till the drafts / pay orders / electronic fund transfers for the consideration and/or the unaccepted Shares/Share certificates are dispatched/returned.

8.21 In the case of dematerialized Shares, the Shares would reside in the escrow depository account as mentioned above. The Registrar to the Offer will debit the escrow depository account to the extent of payment of consideration made by the Acquirer. The Shares held in dematerialized form to the extent not accepted as a result of non-payment / part payment of consideration by the Acquirer will be released to the beneficial owner's depository account with the respective beneficial owner's depository participant as per details furnished by the beneficial owner in the Acceptance Form, at the sole risk of the beneficial owner.

8.22 Shareholders who have lodged their Shares for transfer may (a) download the Letter of offer from the SEBI website (http://www.sebi.gov.in/) or (b) obtain a copy of Letter of offer by writing to the Registrar to the Offer or Manager to the Offer superscribing the envelope "EPC Open Offer" with suitable documentary evidence of ownership of the said Shares or (c) make an application on a plain paper stating the name, address, number of Shares held, number of Shares offered, distinctive numbers and folio number along with the acknowledgement, if any, received from the Target Company for having lodged the equity shares for transfer. Shareholders who are attaching the acknowledgement are requested to direct the Target Company in writing to retain the share certificates for onward submission to the Registrar to the Offer.

8.23 In accordance with Regulation 22(5A) of the SEBI Takeover Regulations, Shareholders who have tendered the requisite documents in terms of the PA and Letter of Offer shall have the option to withdraw acceptances tenderedupto three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions given below so as to reach the Registrar to the Offer at the collection centres mentioned above as per the mode of delivery indicated therein on or before 4.00 p.m. on Thursday – August 4, 2011

The withdrawal option can be exercised on submitting (a) the Form of Withdrawal which will be sent to Shareholders of the Target Company along with the Letter of offer and (b) the copy of the acknowledgement received from the Registrar to the Offer while tendering the acceptances together with (a) name, address, distinctive numbers, folio number, and number of Shares tendered in respect of equity shares held in the physical form and (b) name, address, number of equity shares tendered, DP name, DP ID, beneficiary account number, i.e., client ID and photocopy of the delivery instruction in "off market" mode duly acknowledged by DP,in respect of dematerialized equity shares.

8.24 In case of non-receipt of the Form of Withdrawal, the above withdrawal application can be made on a plain paper along with the following details:

a. In case of physical shares: Name, address, distinctive numbers, folio nos. number of shares tendered/withdrawn.

b. In case of dematerialized shares: Name, address, number of shares tendered/withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of 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 Depository Escrow Account.

8.25 In case of partial withdrawal of the Offer or rejection of Shares:

- The Shareholders who have tendered Shares in physical form and wish to partially withdraw their tenders, should also enclose valid share transfer form(s) for the remaining Shares (i.e. Shares not withdrawn) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place.
- The option of withdrawal of Shares will be available only for the share certificates / Shares that have been received by the Registrar to the Offer / escrow depository account.
- The intimation of returned Shares / rejected Shares to the Shareholders will be made at the address as specified in the Acceptance Form.
- The Form of Withdrawal should be sent only to the Registrar to the Offer, at the collection centre mentioned in paragraph 8.8.
- In case of partial withdrawal of Shares tendered in physical form and the original share certificates are required to be split, the withdrawn Shares will be returned on receipt of share certificates from the Target Company.
- In case of partial withdrawal of Shares / rejection of Shares tendered in demat form, the Shares withdrawn / rejected will be credited to the beneficial owner’s depository account with the respective DP as furnished in the Acceptance-cum-Acknowledgment form. It is the responsibility of the Shareholder to ensure that the withdrawn Shares / unaccepted Shares are accepted by their respective DP when transferred by the Registrar to the Offer. The Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.
- 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-cum-Acknowledgement will stand revised to that effect.
- The Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

8.26 The Offer is not conditional on any minimum level of acceptance. In the event that the Shares tendered in the Offer are more than the maximum number of Shares to be acquired under the Offer, the acquisition of Shares from each Shareholder will be as per the provisions of Regulation 21(6) of the SEBI Takeover Regulations i.e. on a proportionate basis, to be decided in a fair and equitable manner, in consultation with the Manager to the Offer, irrespective of whether the Shares are held in physical or dematerialized form.

8.27 While tendering Shares under the Offer, non-resident Shareholders (non resident Indians /overseas corporate bodies/foreign shareholders etc) will be required to submit the previous approvals (specific or general) from the RBI and/or the Foreign Investment Promotion Board (as applicable) that they would have obtained for acquiring the Shares. In case such previous approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered.

8.28 The Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but are not limited to):

- Duly attested death certificate and succession certificate / No Objection Certificates (“NoC”) / letters from legal heirs (in the case of single Shareholder) where the original Shareholder has expired.
- Duly attested power of attorney, if any person other than the Shareholder has signed the Form of Acceptance cum Acknowledgement or transfer deed(s).
- In case of companies, the necessary corporate authorizations (including board and shareholders’ resolutions) and specimen signatures of authorized signatories.
- Any other relevant documents, as deemed necessary. In case of non-receipt of the aforesaid documents, but receipt of Shares in the escrow depository account by or before 4 pm IST on Tuesday – August 9, 2011, the Offer shall be deemed to be accepted provided subsequent receipt of all the relevant documents.

8.29 Compliance with tax and other regulatory requirements:

(i) As per the provisions of section 196D(2) of the Income-Tax Act, 1961 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 115AD of the Income Tax Act 1961. The aforementioned categories of Shareholders should certify in the Form of Acceptance cum Acknowledgement whether the equity shares are held by them on investment/capital account or on trade account. This exemption is not available for payment of consideration in respect of Shares held by FIIs under their Trade Accounts. However, the interest payment for delay in payment of consideration, shall not be governed by this provision. For interest payments, FIIs shall also have to provide their tax clearance certificate, indicating the amount of tax to be deducted. In absence of the same, the Acquirer will arrange to deduct tax on the interest component, at the rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961.

(ii) While tendering their Shares under the Offer, NRIs, OCBs and other non-resident Shareholders will be required to submit a no objection certificate or tax clearance certificate or certificate for deduction of tax at lower rate from the income-tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs on the entire consideration amount payable to such Shareholder.

(iii) As per the provisions of Section 206AA which came into effect from 1 April 2010, any person receiving a payment on which tax is deductible should obtain and provide a permanent account number ("PAN") to the party making the payment. In absence of a PAN, the tax deducted at source shall be at the rate specified in the relevant provisions of the Income Tax Act 1962 or the rates in force or 20%, whichever is higher.

(iv) In the event the aforementioned categories of Shareholders require the Acquirers not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the income tax authorities either under section 195(3) or under section 197 of the Income Tax Act 1962, and submit the same to Acquirers while submitting the Form of Acceptance. In the absence of any such certificate from the income tax authorities, the Acquirers will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

No tax will be deducted at source for any other category of Shareholders who are residents in India. However, in the case of resident Shareholders, the Acquirer will deduct the tax, at the current prevailing rates, as applicable , on the interest component where the interest component exceed Rs. 5,000/- . If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, he will be required to submit a certificate from the income tax authorities under section 197 or a self declaration in Form 15H / 15G as may be applicable, indicating the rate at which tax is to be deducted by the Acquirer. Shareholders eligible to receive interest component exceeding Rs. 5,000/- would be required to submit their PAN for income tax purposes. Clauses relating to payment of interest will become applicable only in the event of the Acquirer becoming liable to pay interest for delay in release of purchase consideration on account of delay in the offer schedule.

8.30 The securities transaction tax will not be applicable to the shares accepted in the Offer.

Notwithstanding the details given above, payment will be made to resident and non resident Shareholders subject to compliance with prevailing tax laws.

Notwithstanding above, the Shareholders, in their own interest, before tendering the shares, are advised to consult their chartered accountants / tax consultants / tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

The equity shares are traded in dematerialized mode and the minimum marketable lot is one share.

9. DOCUMENTS FOR INSPECTION

Copies / certified copies of the following documents will be available for inspection at the office of YES Bank Limited, 12th Floor, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 during normal business hours on any working day i.e. Monday to Friday between 10 am and 3 pm during the Offer period i.e. from Thursday – July 21, 2011 to Tuesday – August 9, 2011

1. Memorandum and Articles of Association of the Acquirer.
2. Audited financial statements of the Acquirer for the years ended March 31, 2008, March 31,2009, March 31, 2010 and March 31, 2011 on standalone basis
3. Audited financial statements of the Target Company for the years ended March 31, 2008, March 31, 2009, March 31, 2010 and March 31, 2011
4. Letter dated February 9, 2011 from the Escrow Bank confirming deposit of requisite funds in the escrow account and a lien in favour of the Merchant Banker
5. Share Subscription and Shareholders Agreement dated February 9, 2011. Termiantion Agreement, New SSA and New SHA.
6. EGM Notice dated February 9, 2011 sent to shareholders of the Target Company.
7. Letter dated February 9, 2011 received from the Acquirer that the escrow funds will be exclusively utilized for the Offer.
8. Newspaper clipping of the PA published on February 10, 2011.
9. Letter dated May 13, 2011 and July 7, 2011 received from SEBI in terms of Regulation 18(2).
10. Escrow Depository Agreement entered into by the Registrar to the Offer with the Depository Participant.
11. Certificate dated February 9, 2011 from Mr. P Y Joglekar, Partner Joglekar & Gokhale, Chartered Accountants, certifying that Acquirer has adequate financial resources to finance the open offer to the extent of their obligations of the Offer.

10. DECLARATION BY THE ACQUIRER

1. A copy of the draft Letter of Offer was delivered to (a) the Board of Directors of the Target Company and (b) The Bombay Stock Exchange Limited for their information and perusal on February 24, 2011.
2. The Acquirer and the directors of the Acquirer accept full responsibility for the information contained in this Letter of Offer and also for the obligations of the Acquirer as laid down in Regulation 22(6) of the SEBI Takeover Regulations.
3. The Acquirer is responsible for ensuring compliance with the SEBI Takeover Regulations.
4. The Manager to the Offer has ensured that Mr. Narayan Shankar is duly and legally authorized to sign the Letter of Offer.

Signed by

Sd-

For Mahindra and Mahindra Limited

Name : Mr. Narayan Shankar

Designation : Company Secretary

Date : July 14, 2011

Place : Mumbai

Encl: 1. Form of Acceptance cum Acknowledgement with Form of Withdrawal

2. Transfer Deed (as applicable)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

OFFER	
OPENS ON:	**JULY 21, 2011**
CLOSES ON:	**AUGUST 9, 2011**

From:

Name:

Full Address:

Folio No./DP ID / Client ID

Tel No.:

Fax No.:

Email :

- *Please submit this Form with enclosures to the Registrar to the Offer at their address given overleaf.*
- *Please read the enclosed Letter of Offer dated July 14, 2011 carefully before filling this Acceptance Form.*
- *All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer.*
- *Each Shareholder of EPC Industrié limited to whom this Offer is being made, is free to offer his Shareholding in EPC Industrié Limited in whole or in part while accepting the Offer.*

	RESIDENT
	NON-RESIDENT

To,

Sharepro Services (India) Pvt. Ltd.
[Unit: EPC Industrié Ltd]
13 AB, Samhita Warehousing Complex
2nd Floor, Sakinaka Telephone Exchange Lane
Off Andheri-Kurla Road, Sakinaka
Andheri (E), Mumbai – 400 072

Dear Sir,

Sub: Offer for purchase of upto 34,51,613 fully paid up Shares of the face value of Rs. 10/- (Rupees Ten only) each, representing 20.00% of the Emerging Voting Capital of EPC Industrié Limited [EPC], at an Offer Price of Rs. 66.55 (Rupees Sixty Six and Paise Fifty Five only) per fully paid-up equity share ["Offer Price"] plus interest for delay in the offer schedule, of Re. 1.00 (Rupee One only) per fully paid up equity share at the rate of 10% p.a, to be paid to the eligible shareholders of the Target Company by Mahindra & Mahindra Limited [Acquirer].

I/We refer to the Letter of Offer dated July 14, 2011 for acquiring the Shares held by me/us in EPC.

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

☐ **FOR SHARES IN PHYSICAL FORM**

I/We accept the Offer and enclose the original Share certificate (s) and duly signed transfer deed(s) in respect of my / our Shares as detailed below:

Sr.No	Folio No	Certificate No	Distinctive Nos		No of fully paid-up Shares	PAN No. (Mandatory)
			From	To		
				Total number of Shares		

Note: Please attach an additional sheet of paper if the above space is insufficient and authenticate the same.

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

☐ **SHARES IN DEMATERIALIZED FORM**

I/We, holding Shares in the dematerialized form, accept the Offer and enclose the photocopy of the delivery instruction in "off-market" mode, duly acknowledged by the DP in respect of my/our Shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No of fully paid-up Shares	PAN No. (Mandatory)

---TEAR ALONG THIS LINE---

ACKNOWLEDGEMENT SLIP

Folio No ________________________ DP ID ________________________ Client ID ________________________ Sr. No. ________________________

Received from Mr./Ms. ____ residing at ____________________
____ a Form of Acceptance cum Acknowledgment for Offer of ____________
Shares of EPC Industrié Limited along with: ☐ Copy of delivery instruction slip ☐ share certificate(s) under folio number(s) ____________________
along with transfer deed(s).

Stamp of Collection Centre:		**Signature of Official:**		**Date of Receipt :**	

I/ We have executed an off-market transaction for crediting the Shares to the escrow depository account opened by Sharepro Services (India) Pvt. Ltd with Kotak Securities Ltd styled "OPEN OFFER-EPC INDUSTRIÉ LTD" with the following particulars:

DP Name	DP ID	Client ID	ISIN
Kotak Securities Ltd	IN300214	15727634	INE215D01010

☐ via a delivery instruction from my account with NSDL ☐ via inter-depository delivery instruction from my account with CDSL.
I/ We note and understand that the Shares would reside in the Escrow Depository Account until the time the Acquirer completes the Offer obligations under the SEBI Takeover Regulations as mentioned in the Letter of Offer.

☐ **For NRIs/ FIIs/ Foreign Shareholders:**

I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities, as applicable.
☐ RBI approval(s) for acquiring Shares of EPC Industrié Limited hereby tendered in the Offer.

Following documents should be enclosed wherever applicable

☐ Power of attorney
☐ Death certificate/ succession certificate/ No objection Certificate/ letters from legal heirs- duly attested
☐ Corporate authorization in case of companies along with board/ general meeting resolutions and specimen signatures of authorized signatories
☐ Others (please specify) ________________________

Bank details: So as to avoid fraudulent encashment in transit, the Shareholder(s) holding Shares in physical form should provide the following details of bank account of the first/sole Shareholder and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in electronic form, the bank account as obtained from the "beneficiary position download" to be provided by the Depositories will be considered and the payment instruments will be issued with those bank particulars only:

Name of Bank		Branch	
Account Number		Current/ Savings/Others (Please specify)	
IFSC Code		RTGS / NEFT	
9 Digit MICR No.			

I/We confirm that the Shares of EPC Industrié Limited, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/ We note and understand that once I/ We have accepted the Offer by tendering the requisite documents in terms of Public Announcement / Letter of Offer, I/ We have the option to withdraw the same up to three working days prior to the date of the closure of the Offer i.e. up to Thursday – August 4, 2011.

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

I/We authorize the Acquirer to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by registered post/speed post as may be applicable at my/our risk, the draft/cheque/payment instruments, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

In case of Shares tendered in dematerialized form,

I/We authorize the Acquirer, Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

Yours faithfully,
Signed and Delivered

	Full name(s) of Shareholder(s)	Specimen Signature(s)	PAN/ GIR No.
1st/ Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. A corporation must affix its rubber stamp.

Address of first/ sole holder where the purchase consideration/ share certificates are to be dispatched ________________________

Place:

Date:

Note: All future correspondence, if any should be addressed to the Registrar to the Offer at:

Sharepro Services (India) Pvt. Ltd.
[Unit: EPC Industrié Ltd]
13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road, Sakinaka,
Andheri (E), Mumbai – 400 072
Tel: 91 (022) 61915419/416
Fax: 91 (022) 61915444
Email: prakashk@shareproservices.com / satheesh@shareproservices.com
SEBI Registration No: INR000001476
Contact: Prakash Khare / Satheesh H K

PROCEDURE FOR ACCEPTANCE

The Equity Shareholders of EPC Industrié Limited who wish to avail the Offer can deliver all the relevant documents referred to above to the Registrar to the Offer at the collecting centres specified below in accordance with the instructions specified in the Letter of Offer and Acceptance Form so as to reach them not later than Tuesday – August 9, 2011

Collection centre details:

Collection Centres	Address of the Collection Centres	Contact Persons	Mode of delivery	Phone / Fax / Email
Ahmedabad	Sharepro Services (India) Pvt Ltd, 416-420, Devanandan Mall, Opp Sanyas Ashram, Ashram Road, Ahmedabad – 380006	Mr. Rakesh Joshi	Hand Delivery / Post/ Courier	Tel :079-26582381 Email: sharepro.ahmedabad@shareproservices.com
Mumbai-Sakinaka	Sharepro Services (India) Pvt Ltd, 13-AB Samhita Warehousing Complex, 2nd Floor, Sakinaka Tel. Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (E), Mumbai - 400072	Mr. Satheesh H. K / Mr. Anand Moolya	Hand Delivery / Post/ Courier	Tel: 022-6720300/400 Fax: 022-28591568 Email: satheesh@shareproservices.com anandm@shareproservices.com
Mumbai - Nariman Point	Sharepro Services (India) Pvt Ltd, 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400021	Ms. Maharukh	Hand Delivery / Post/ Courier	Tel: 022-66134700/22825163 Fax: 022-22825484 Email: sharepro@shareproservices.com
Pune	Sharepro Services (India) Pvt Ltd, 3 Chintamani Apartment, Lane No 13, Off V G Kale Path, 824/D Bhandarkar Road, Pune - 411004	Mr. Milind / Mr. Vijay	Hand Delivery / Post/ Courier	Tel: 020-25662855 Email: sharepropune@vsnl.net
Bangalore	Skypak Financial Securities Pvt. Ltd., No-38, Panna Sadan,1st Floor, Palani Mudaliyar Street, Halasuru,Bangalore -560008	Mr. Sarvana	Hand Delivery	Tel: 080-41155090 / 41161390 Email: ops.blr@skyfin.com
Nashik	Skypak Financial Securities Pvt. Ltd., Banglow No 7, Geetganaga,Bhagyoday Society, Opp.KBH High School, Cananda Corner, Nashik-422005	Mr. Ravindra Raut	Hand Delivery	Tel: 0253-2575354 Email: isk@skyfin.com,pfsnasik@gmail.com
New Delhi	Skypak Financial Securities Pvt. Ltd., Satyam Hotel Building, 10, Qutub Road, Ram Nagar, Pahar Ganj,110055	Mr. Mahip Kulshreshtha	Hand Delivery	Tel: 9582007703 Email: del@skyfin.com

Monday to Friday from 10.00 am to 1.00 pm and from 2.00 pm to 4.00 pm and on Saturdays from 10.00 am to 1.00 pm. excluding Sundays and public holidays.

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

(1) **All queries** pertaining to this Offer may be directed to the Registrar to the Offer.

(2) **Shareholders holding registered Shares** should submit the Form duly completed and signed in accordance with the instruction contained therein, by the holders of the Shares, along with the original equity share certificate(s) and valid equity share transfer deed(s) duly signed as per the specimen signatures lodged with EPC Industrié Limited and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed except name, signature and witness.

(3) **Shareholders holding Shares in dematerialized form should submit the Form** duly completed and signed in accordance with the instruction contained therein by all the beneficial holders of the Shares, as per the records of the DP.

(4) **In case of Shares held in joint names, names** should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in EPC Industrié Limited, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.

(5) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested 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.

(6) **Persons who own Shares (as on the Specified Date or otherwise) but are not the registered holders** of such Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note

issued by the broker, the share certificate(s), the transfer deed(s) with the buyers details not filled in and other relevant documents. In case the share certificate(s) and transfer deed(s) are lodged with EPC Industrié Limited/ its transfer agent for transfer, then the Form shall be accompanied by the acknowledgment of lodgment with, or receipt by, EPC Industrié Limited /its transfer agent, of the share certificate(s) and transfer deed(s). Persons under this paragraph should submit their acceptance and necessary documents by registered post or speed post or courier or in person to the Registrar at their office as mentioned above.

(7) **Non-resident Shareholders** should enclose copy (ies) of permission received from Reserve Bank of India to acquire Shares held by them in EPC Industrié Limited.

(8) **Non-resident Shareholders** are advised to refer to the clause on taxation in the Letter of Offer regarding important disclosures regarding the taxation of the consideration to be received by them.

(9) **In case of bodies corporate**, certified copies of appropriate authorization (including board/shareholders' resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(10) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

(a) Duly attested death certificate and succession certificate (in case of single Shareholder) in case the original Shareholder has expired.

(b) Duly attested power of attorney if any person apart from the Shareholder has signed acceptance form or transfer deed(s).

(c) No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

(d) Payment will be made to resident and non resident Shareholders subject to compliance with prevailing tax laws. Shareholders, in their own interest, before tendering the shares, are advised to consult their chartered accountants / tax consultants / tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

FORM OF WITHDRAWAL

OFFER OPENS ON	**July 21, 2011**
LAST DATE FOR WITHDRAWAL	**August 4, 2011**
OFFER CLOSES ON	**August 9, 2011**

From:

Name:

Full Address:

Folio No./DP ID / Client ID

Tel No.:

Fax No.:

Email :

To,

Sharepro Services (India) Pvt. Ltd.
[Unit: EPC Industrié Ltd]
13 AB, Samhita Warehousing Complex
2nd Floor, Sakinaka Telephone Exchange Lane
Off Andheri-Kurla Road, Sakinaka
Andheri (E), Mumbai – 400 072

I/ We would like to withdraw my/our acceptance in terms of Regulation 22(5A) of the SEBI Takeover Regulations and my/our relevant details are as follows:

 In respect of physical shares:

Name		
Address		
Distinctive Numbers		
Folio Number		
Share Certificate Numbers	From	
	To	
Number of Shares tendered		
Number of Shares withdrawn		

Copy of acknowledgment received from the Registrar to the Offer while tendering the acceptance is enclosed.

 In respect of demat / electronic shares:

Name	
Address	
Number of Shares tendered	
Number of Shares withdrawn	
DP Name	
DP ID	
Beneficiary Account Number	

Photocopy of the delivery instruction slip in off market mode duly acknowledged by DP is attached along with a copy of the acknowledgment received from the Registrar to the Offer while tendering the Shares.

---TEAR ALONG THIS LINE---

ACKNOWLEDGEMENT SLIP

Folio No ________________ DP ID ________________ Client ID ________________ Sr. No. ________________

Received from Mr./Ms. ________________________________ residing at ________________ ________________________________ a Form of Withdrawal of Offer of ________ Shares of EPC Industrié Limited along with: ☐ Copy of delivery instruction slip ☐ share certificate(s) under folio number(s) ________________ along with transfer deed(s).

Stamp of Collection Centre:		**Signature of Official:**		**Date of Receipt :**	

Note: All future correspondence, if any should be addressed to the Registrar to the Offer at:

Sharepro Services (India) Pvt. Ltd.
[Unit: EPC Industrié Ltd]
13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road, Sakinaka,
Andheri (E), Mumbai – 400 072
Tel: 91 (022) 61915419/416
Fax: 91 (022) 61915444
Email: prakashk@shareproservices.com / satheesh@shareproservices.com
SEBI Registration No: INR000001476
Contact: Prakash Khare / Satheesh H K