

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as a shareholder of **Gujarat Ambuja Cements Limited**. If you require any clarifications about the action to be taken, you should consult your stock-broker or investment consultant or the Manager/ Registrar to the Offer. In case you have sold your shares, please hand over this Letter of Offer, 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 AT Rs. 90.64 /- (Rupees Ninety and paise sixty four only) PER FULLY PAID-UP EQUITY SHARE OF Rs. 2 (RUPEES TWO ONLY)

Pursuant to [Regulation 12 and 10](#) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

TO ACQUIRE

Up to **274,320,222** fully Paid-up Equity Shares of face value Rs. 2/- each, representing 20.26% of the equity voting share capital (20.00% of the Fully Diluted Equity Voting Capital)

(“Offer”)

OF

Gujarat Ambuja Cements Limited (“GACL”)

having its registered office at:

P.O. Ambujanagar, Taluka Kodinar, District Junagadh, Gujarat 362 715, India

Tel : +91 2795 221137, Fax +91 2795 232028

BY

Holderind Investments Ltd (“Holcim Mauritius”)

having its registered office at

Manor House, 1st Floor, Cnr St. George/Chazal Streets, Port Louis, Mauritius

Tel : +230 203 6600, Fax +230 203 6650

And as Person deemed to be acting in concert

Holcim Ltd.

having its registered office at

Zürcherstrasse 156, CH-8645 Jona/Switzerland

Tel:41 58 858 86 00, Fax : +41 58 858 8759

MANAGER TO THE OFFER



DSP Merrill Lynch Limited

10th Floor, Mafatlal Center,

Nariman Point Mumbai 400 021

Tel: +91 22 56328000 Fax: +91 22 2204 8518

Email: GACL_openoffer@ml.com

Contact Person: **Mr.Saurabh Shroff**

REGISTRAR TO THE OFFER



Karvy Computershare Private Limited

46, Avenue 4, Street No 1,

Banjara Hills, Hyderabad 500 034

Tel: +91 40 23312454

Fax: +91 40 2331 1968

Email: murali@karvy.com

Contact Person: **Mr. Murali Krishna**

OFFER OPENS ON: April 5, 2006

OFFER CLOSES ON: April 24, 2006

LEGAL ADVISORS

Holcim Mauritius is advised as to Swiss law by [Homburger Rechtsanwälte](#), Zurich, Switzerland and as to [Indian law](#) by [Udwadia & Udeshi, Solicitors & Advocates](#), Mumbai. M/s Amarchand & Mangaldas & Suresh A. Shroff & Co. are legal advisors to Gujarat Ambuja Cements Ltd, Radha Madhav Investments Ltd and RKBK Fiscal Services Pvt. Ltd.

ATTENTION:

- a) The Offer is subject to the receipt of approval from [RBI under the FEMA](#) to acquire further shares in GACL under this [Offer](#).
- b) Besides this, as on the date of this Letter of Offer, no other statutory approval was required to acquire the shares tendered pursuant to this Offer. Holcim Mauritius will not proceed with the Offer in the event that any statutory approval indicated above is not obtained in terms of Regulation 27 of SEBI (SAST) Regulations and you will be informed by way of another public announcement in the same newspapers where the first Public Announcement for this Offer had appeared.
- c) In case of delay in the receipt of any statutory approval(s), SEBI has the power to grant extension of time to Holcim Mauritius for payment of consideration to shareholders who have validly tendered their Shares, subject to Holcim Mauritius agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by Holcim Mauritius in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.
- d) If there is any upward revision in the Offer Price by Holcim Mauritius prior to or on the last date for revising the Offer Price viz. [April 12, 2006](#), you would be informed by way of another public announcement in the same newspapers where the first Public Announcement for this Offer had appeared. Holcim Mauritius would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.
- e) **Shareholders who have accepted the Offer by tendering the requisite documents in terms of this Letter of Offer shall have the option to withdraw their acceptance up to [April 19, 2006](#) i.e. 3 (three) working days prior to the date of closure of the Offer viz. [April 24, 2006](#).**
- f) There has been no competitive bid.
- g) Form of Acceptance and Form of Withdrawal are enclosed with this Letter of Offer.
- h) The Public Announcement and this Letter of Offer, Form of Acceptance and Form of Withdrawal would also be available on SEBI's website (www.sebi.gov.in) from the Offer opening date viz. [April 5, 2006](#).

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER:

Activity	Original Schedule	Revised Schedule
Public Announcement Date	Tuesday, January 31, 2006	Tuesday, January 31, 2006
Last date for a competitive bid	Tuesday, February 21, 2006	Tuesday, February 21, 2006
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be posted)	Friday, February 17, 2006	Friday, February 17, 2006
Date by which Letter of Offer will be dispatched to shareholders	Tuesday, March 14, 2006	Saturday, April 1, 2006
Date of opening of the Offer	Saturday, March 25, 2006	Wednesday, April 5, 2006
Last date for revising the Offer Price	Sunday, April 2, 2006	Wednesday, April 12, 2006
Last date for withdrawing acceptance from the Offer	Friday, April 7, 2006	Wednesday, April 19, 2006
Date of closure of the Offer	Thursday, April 13, 2006	Monday, April 24, 2006
Date of communicating rejection/ acceptance and payment of consideration for accepted Shares/dispatch of the share certificate in case of rejection	Friday, April 28, 2006	Tuesday, May 9, 2006

RISK FACTORS

Given below are the risks related to the transaction, the Offer and getting associated with Holcim Mauritius.

- a) The Offer, along with any obligation to purchase the Shares tendered and accepted and to pay for the same, is subject to the receipt of the approval to be obtained by Holcim Mauritius from [RBI under FEMA](#) to acquire further shares in GACL in terms of the Offer.
- b) In the event of regulatory approvals not being received in a timely manner or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not be proceeded with, the Offer process may be delayed beyond the Schedule of the Major Activities of the Offer indicated in this Letter of Offer.
- c) Holcim Mauritius makes no assurance with respect to the market price of the shares during/ after the Offer.
- d) [Holcim Mauritius has accumulated losses to the tune of Rs.\(1,924.11\) mm as on December 31,2005.](#)
- e) Holcim Mauritius is desirous, pursuant to the Shareholders Agreement, of acquiring control of GACL effective closing of the Offer. This would result in a change in control of GACL taking place upon closing of the Offer as stated in para 2.1 (d) below. Consequently Regulations 12 and 10 of the SEBI (SAST) Regulations are attracted and the Offer is made pursuant thereto. Holcim Mauritius makes no assurance with respect to the continuation of the past trend in the financial performance of GACL.
- f) The tendered Shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the Shares of GACL.
- g) In the event of oversubscription in the Offer, the acceptance will be on a proportionate basis and will be contingent on the level of oversubscription.

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

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DEFINITIONS

Holcim Mauritius	Holderind Investments Limited
ACEL	Ambuja Cement Eastern Limited
ACIL	Ambuja Cement India Limited
ACRL	Ambuja Cement Rajasthan Limited
ACC	The Associated Cement Companies Limited
BSE	The Bombay Stock Exchange Limited
CDSL	Central Depository Services Limited
CHF	Swiss Francs
DP	Depository Participant
DSPML	DSP Merrill Lynch Limited
Eligible Person(s) for the Offer	All owners (registered or unregistered) of Shares of GACL (other than Holcim Mauritius, RMIL, RKBK and Mr. Narotam S. Sekhsaria) anytime before the Closure of the Offer.
FEMA	Foreign Exchange Management Act, 1999 and subsequent amendments thereto.
FIPB	Foreign Investment Promotion Board
Form of Acceptance	Form of Acceptance cum Acknowledgement
Fully Diluted Equity Voting Capital	The equity voting capital of GACL assuming that all the 17,887,920 stock options issued by GACL (includes rights and warrants kept in abeyance) as of the date of the Public Announcement to employees under various ESOP plans are exercised.
GACL	Gujarat Ambuja Cements Limited
INR or Rs.	Indian Rupees
Letter of Offer	Offer Document
Manager/ Manager to the Offer	DSP Merrill Lynch Limited
mm	Million
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer	Open offer for acquisition of up to 274,320,222 fully Paid-up Equity Shares of face value of Rs.2/- each, representing 20.26% of the voting share capital (representing 20.00% of the Fully Diluted Equity Voting Capital) of GACL at the Offer Price
Offer Price	Rs. 90.64 (Rupees ninety and paise sixty four only) per fully paid-up equity share of Rs.2/-
OPC	Ordinary Portland Cement

Other Sellers	Certain members of, and legal entities held by the Sekhsaria and Neotia families being Basantlal Banrasilala Private Limited, Falak Investment Private Limited Nalini Sekhsaria, Narotam S Sekhsaria, Pulkit Sekhsaria, Satyanarayan Sekhsaria Private Limited, Udhav Holdings Private Limited, Suresh Neotia, Suresh Kumar Vinod Kumar (HUF), Vinod Kumar Neotia, Vinod Kumar Harshavardhan (HUF), Harshavardhan Neotia, Bimla Devi Poddar, Gayatri Neotia, Krishna Neotia, Madhu Neotia, Parthiv Vikram Neotia, Paroma Neotia, The Khas Joyrampur Colliery Co. Private Limited, Ganpati Enclave Private Limited, Macmet India Limited, Macmet Exports Private Limited, Likhani Commercial Company Limited, Govind Commercial Company Limited, Radha Krishna Bimal Kumar Private Limited, Gajraj Estates Private Limited, RKBK.
PPC	Portland Pozzolona Cement
Put Option	Shall have the meeting as described in para. 2.1 (d)
Public Announcement	Announcement of the Offer made by Holcim Mauritius on January 31, 2006
RBI	Reserve Bank of India
RBI Approval	The approval of RBI required under FEMA in connection with the Offer.
Registrar/ Registrar to Offer	Karvy Computershare Private Limited
Remaining GACL Family Shares	122,042,909 shares (representing 9.02% of the fully paid up equity voting capital) of GACL held by RMIL, RKBK and Mr. Narotam S. Sekhsaria at completion of Open Offer
RMIL	Radha Madhav Investments Ltd.
RKBK	RKBK Fiscal Services Pvt. Ltd.
ROFR Shares	Shall have the meeting as described in para. 2.1 (d)
Rupee Translation	Certain financial details contained in this Letter of Offer are denominated in USD, and CHF. The Rupee equivalent quoted in case of USD is calculated in accordance with the RBI Reference rates as on January 27, 2006, namely 1 USD = Rs. 44.15 (<i>Source: www.rbi.org.in</i>), while the Rupee equivalent of CHF numbers is calculated by first converting CHF into USD using the NY Fed Noon Buying Rate on January 27, 2006, namely 1USD = 1.2798 CHF, (<i>Source: www.ny.frb.org</i>) and then using the RBI Reference Rate to convert USD to Rupees leading to an effective rate of 1 CHF = Rs. 34.4976
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Share(s)	Fully paid-up equity shares of face value of Rs.2 each of GACL
Shareholders' Agreement	Shareholders' Agreement entered into between Holcim Mauritius, RMIL, RKBK and Mr. Narotam S. Sekhsaria on January 30, 2006
Share Purchase Agreement	Share Purchase Agreement entered into between RMIL, Other Sellers (promoters of GACL) and Holcim Mauritius on January 28, 2006
Specified Date	February 17, 2006
USD	United States Dollars

1 DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT 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 SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF GACL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF HOLCIM MAURITIUS, HOLCIM LTD OR OF GACL, THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE HOLCIM MAURITIUS AND HOLCIM LTD ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT HOLCIM MAURITIUS AND HOLCIM LTD DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER - DSP MERRILL LYNCH LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED FEBRUARY 10, 2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE HOLCIM MAURITIUS AND HOLCIM LTD 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

- a) Holderind Investments Ltd., a company organized under the laws of Mauritius and having its registered office at Manor House, 1st Floor, Cnr St. George/Chazal Streets, Port Louis, Mauritius, (“Holcim Mauritius”) is making this Offer to the public shareholders of Gujarat Ambuja Cements Ltd. (“GACL”) to acquire up to 274,320,222 fully paid up equity shares of Rs. 2/- each representing 20.26% of the paid up equity share capital of GACL (representing 20.00% of the Fully Diluted Equity Voting Capital) at a price of Rs. 90.64 (Rupees ninety and paise sixty four only) per share payable in cash in terms of Regulations 12 and 10 of the SEBI (SAST) Regulations subject to terms and conditions mentioned hereinafter and subject to Holcim Mauritius receiving RBI Approval as described in para 7.1 herein
- b) Holcim Mauritius is a group company (indirectly held wholly owned subsidiary) of Holcim Ltd, which is one of the world's leading suppliers of cement, cementitious material, clinker, concrete, concrete products, aggregates, mortar and asphalt as well as related activities and services.
- c) On January 28, 2006, Holcim Mauritius acquired, on a spot delivery basis, 200,000,000 equity shares representing 14.78% of the fully paid up equity voting capital (representing 14.58% of the Fully Diluted Equity Voting capital) of GACL at a price of Rs. 90 (Rupees ninety only) per share (exclusive of a non-compete component of Rs. 15 per share) vide the Share Purchase Agreement Under the Share Purchase Agreement, RMIL and the Other Sellers have given a non-compete undertaking to Holcim Mauritius in consideration for payment of the non-compete consideration of Rs. 15 per share, whereby RMIL and the Other Sellers have undertaken, jointly and severally, that they will not, for a period of three years from the date of the transfer of the 200,000,000 equity shares to Holcim Mauritius, enter or engage, directly or indirectly into any business activity in India or from or out of India that is in the field of manufacturing, marketing and trading of cementitious material, clinker, concrete, concrete products, aggregates, mortar and asphalt or related activities and services without the prior written consent of Holcim Mauritius acting reasonably. RMIL and RKBK post the transfer of shares as aforesaid, collectively held 119,431,349 equity shares representing 8.83% of the fully paid up equity voting capital (representing 8.71% of the Fully Diluted Equity Voting Capital) of GACL. RMIL and RKBK subsequently have acquired shares through inter-se transfer between the promoters of GACL taking their shareholding to 122,042,909 equity shares representing 9.02% of the fully paid up equity voting capital (representing 8.90% of the Fully Diluted Equity Voting Capital) of GACL.

d) On January 30, 2006, Holcim Mauritius entered into a Shareholders' Agreement with RMIL, RKBK and Mr. Narotam S. Sekhsaria, the promoters of GACL, to regulate their respective rights as shareholders of GACL, and their respective responsibilities regarding the management of the businesses of GACL. The key terms of the Shareholders Agreement, which will be implemented upon closure of this Offer, include the following:

- There shall be 15 (fifteen) members to the Board of Directors of GACL, of which not more than five shall be directors not liable to retire by rotation, and five directors shall be independent directors. Four members of the Board will be executive directors (whole-time directors), the managing director shall be one of the directors, and the remaining 10 (ten) directors will be non-executive directors. The managing director, whole-time directors and all independent directors shall be liable to retire by rotation.
- Mr Suresh Neotia will remain the non-executive Chairman of GACL and Mr Narotam S. Sekhsaria will be elected as the non-executive Vice Chairman of GACL. Mr. Suresh Neotia and Mr. Narotam S. Sekhsaria will not be liable to retire by rotation.
- Holcim Mauritius would control the composition of the board of directors of GACL, and the executive management of GACL, by virtue of having the right to:
 - appoint three non-retiring directors on the Board of GACL subject to prior consultation with Mr Narotam S. Sekhsaria. The initial directors to be appointed by Holcim Mauritius shall be Messrs Markus Akermann, Paul Hugentobler and Nirmalaya Kumar.
 - appoint the Managing Director, with prior written consent of Mr Narotam S. Sekhsaria and require the removal of any director of GACL other than the independent directors and the RMIL nominees, subject to prior consultation with Mr. Narotam S. Sekhsaria.
 - nominate: (i) the chief operating officer, and (ii) the other members of the executive management of GACL, subject to prior consultation with Mr Narotam S. Sekhsaria.

The prior consultation with, and prior consent of, Mr. Narotam S. Sekhsaria as aforesaid shall be required for so long as he is on the Board and only so long as RMIL and RKBK collectively hold more than 10,000,000 (Ten million) Remaining GACL Family Shares.

- Parties have agreed to exercise their voting rights in GACL to ensure that no resolution is passed either at a meeting of the Board, or by circulation without the affirmative vote of at least two directors nominated by Holcim Mauritius having voted in favor of the resolution.
- RMIL would have the right to appoint two non-retiring directors on the Board of GACL, so long as it and RKBK collectively hold more than 70,000,000 (Seventy million) Remaining GACL Family Shares of the fully paid up equity voting capital of GACL. Further as long as RMIL and RKBK collectively hold more than 10,000,000 (Ten million) shares but not exceeding 70,000,000 (Seventy million shares) of the Remaining GACL Family Shares, RMIL would have the right to appoint one director to the Board of GACL
- A mutual right of first refusal with regard to the Remaining GACL Family Shares exercisable on certain terms and conditions and at prices determined in accordance with the Shareholders' Agreement has been provided for.
- For as long as Mr Suresh Neotia or Mr Narotam S. Sekhsaria remain on the Board of GACL and RMIL and/or RKBK collectively hold more than 10,000,000 (Ten million) Remaining GACL Family Shares, Holcim Mauritius shall have the right to acquire any GACL shares, GDR's or other instruments convertible into GACL shares, only until Holcim Mauritius, after such acquisition, held a number of GACL shares which is no higher than 50% of the issued outstanding share capital of GACL minus the GACL Shares then still collectively held by RMIL and RKBK. If Holcim Mauritius acquires GACL shares in breach of this limitation, RMIL can at any time require Holcim Mauritius to divest the number of GACL shares acquired in excess of the above.
- RMIL and RKBK have a Put Option to sell all or any of their GACL Shares if their aggregate holding falls to or below 10,000,000 (Ten million) shares. The Put Option may be exercised (through a Put Notice), at any time within three years of RMIL and RKBK's holding falling to or below 10,000,000 shares at a price determined in accordance with the Shareholders' Agreement.

- As long as RMIL and/or RKBK collectively hold more than 10,000,000 (ten million) of the Remaining GACL Family Shares, sales of all or any part of GACL shares held by Holcim Mauritius to a third party not affiliated to the Holcim group shall be subject to a tag-along right in favour of RMIL and RKBK, allowing RMIL and RKBK to simultaneously sell all but not some of the Remaining GACL Family Shares to third party on the same financial terms as applicable to Holcim Mauritius.
- RMIL and Holcim Mauritius agree to as promptly as practicable and to the extent legally permissible to take steps to amend the articles of association of GACL in keeping with the provisions of the Shareholders' Agreement.
- So long as RMIL and/or RKBK continue to hold more than 10,000,000 (Ten million) of the Remaining GACL Family Shares and Mr. Narotam S. Sekhsaria remains on the board of GACL, Holcim Mauritius has undertaken to ensure that no corporate action or decision of GACL that has the effect of diluting the percentage ownership interest of RMIL and/or RKBK in GACL (other than by virtue of amalgamation of any Holcim Mauritius subsidiary with GACL) or results in delisting of any securities of GACL from any stock exchange in India would be taken without the prior written consent of RMIL acting reasonably.

Holcim Mauritius will be entitled to exercise the aforesaid rights under the Shareholders' Agreement upon the closure of the Offer and hence Holcim Mauritius will acquire control of GACL in terms of Regulations 12 and 10 of the SEBI (SAST) Regulations. Article 2.1 of the Shareholders' Agreement provided that the Offer would be at a price of Rs. 90 per share. By a letter agreement dated January 30, 2006 the parties to the Shareholders Agreement provided that if the minimum price determined in accordance with SEBI (SAST) Regulations is higher than Rs. 90, as previously agreed upon, then such determined minimum offer price would apply.

- e) On January 30, 2006, the Board of GACL was informed of the purchase of shares of GACL by Holcim Mauritius, approved the issue of a No-objection certificate to Holcim Mauritius enabling it to obtain FIPB approval to acquire further shares in GACL in terms of the Offer and authorized the execution by GACL of a "Deed of Adherence" to the Shareholders' Agreement, subject to Holcim Mauritius completing the Offer as required by the SEBI (SAST) Regulations. In the same Board meeting, Mr. Narotam S. Sekhsaria resigned as managing director and was appointed as the non-executive Vice Chairman. Mr. Anil Singhvi was appointed as the managing director of GACL. The appointment of Mr. Anil Singhvi as managing director and the remuneration payable to him is subject to the approval of shareholders of GACL in general meeting. Certain Directors nominated by Mr. Narotam S. Sekhsaria, viz. Mr. Pulkit Sekhsaria, Mr. Harshvardhan Neotia and Mr. Vinod Kumar Neotia have resigned from the Board of GACL.
- f) As on the date of the Public Announcement, Holcim Mauritius held 200,000,000 equity shares in GACL (14.58% of Fully Diluted Equity Voting Capital of GACL as on the date of the Public Announcement) which were purchased pursuant to the Share Purchase Agreement described in para 2.1(c) above. Following consummation of transactions disclosed in para 2.1(d) above, and the Offer Holcim Mauritius will hold up to 34.58% of the Fully Diluted Equity Share Capital of GACL.
- g) Holcim Mauritius, [Holcim Ltd](#) or GACL have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act, 1992.

2.2 The Details of the Offer

- a) The Public Announcements dated January 31, 2006 and [March 25, 2006](#) were made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	Editions
The Economic Times	All
Business Standard	All
Pratahkal	All
Sakal	Mumbai
Jaihind	Junagarh

(The Public Announcement is also available at the SEBI website: www.sebi.gov.in)

- b) Holcim Mauritius is making an Offer to the public shareholders of GACL to acquire up to 274,320,222 fully paid-up equity Shares (“Share(s)”) of Rs. 2/- each, representing in the aggregate 20.00% of the Fully Diluted Equity Voting Capital of GACL at a price of **Rs. 90.64** (Rupees ninety and paise sixty four only) per share (“Offer Price”), payable in cash and subject to the terms and conditions mentioned hereinafter (“Offer”).
- c) Holcim Mauritius held 200,000,000 equity shares in GACL constituting 14.58% of Fully Diluted Equity Voting Capital of GACL as on the date of the Public Announcement.
- d) Holcim Mauritius will acquire all the shares tendered pursuant to the Offer, subject to the receipt of the RBI Approval by the Holcim Mauritius as set out in para 7.1 herein and other terms and conditions set out in the Public Announcement and this Letter of Offer. Following consummation of the Offer, Holcim Mauritius will hold up to 34.58% of the Fully Diluted Equity Voting Capital of GACL.
- e) The Offer is not conditional on any minimum level of acceptances by the shareholders. During the Offer period, Holcim Mauritius may purchase additional equity shares of GACL in accordance with the SEBI (SAST) Regulations.
- f) There are no Persons Acting in Concert in terms of Regulation 2 (1) (e) of the SEBI (SAST) Regulations other than Holcim Ltd., which is a Person deemed to be acting in concert by virtue its being guarantor of the obligations of Holcim Mauritius vide its keep-well undertaking of January 30, 2006 and its being the indirect holding company of Holcim Mauritius.

2.3 Object of the Offer and Holcim Mauritius’ Future Plans for GACL

- a) Holcim Mauritius is desirous of acquiring control of GACL pursuant to the Shareholders’ Agreement effective upon closure of the Offer. This would result in a change in control of GACL taking place upon closure of the Offer as stated in para 2.1(d) above. Consequently Regulations 12 and 10 of the SEBI (SAST) Regulations are attracted and the Offer is made pursuant thereto.
- b) Holcim Mauritius has entered into the Shareholders’ Agreement with RMIL, RKBK and Mr. Narotam S. Sekhsaria who are the promoters of GACL (as set out in para 2.1(d) above), to regulate their respective rights as shareholders of GACL, and their respective responsibilities regarding the management of the business of GACL. Pursuant to the Shareholders’ Agreement, Holcim Mauritius will acquire control of GACL upon the closure of the Offer thereby attracting Regulations 12 and 10 of the SEBI (SAST) Regulations.
- c) Holcim Ltd and GACL have an existing business and financial collaboration through their shareholding in Ambuja Cement India Limited (“ACIL”) wherein Holcim Mauritius, together with Holcim India, its wholly owned subsidiary, holds a 67% stake in ACIL. GACL holds the remaining 33% stake in ACIL. Holcim Ltd and RMIL, RKBK and Mr. Narotam S. Sekhsaria, the promoters of GACL, have decided to enhance this collaboration through Holcim Mauritius acquiring control of GACL, **which will be exercised jointly with** RMIL, RKBK and Mr. Narotam S. Sekhsaria **who retain** certain special rights through the Shareholders’ Agreement.
- d) **Other than such sales or dispositions** Holcim Mauritius currently has no plan to sell, dispose off or otherwise encumber any assets of GACL in the next two years, except to the extent that may be required (i) for the purposes of restructuring or rationalization of assets, investments, liabilities or otherwise of GACL or (ii) in the ordinary course of business of GACL. Holcim Mauritius may also be required to assume obligations under the existing contracts with third parties entered into by GACL which may result in transfer of certain assets or investments. Further, Holcim Mauritius undertakes for the next two years following the closure of the Offer not to sell, dispose off or otherwise encumber any substantial assets of GACL, except with the prior approval of shareholders of GACL. It will be the responsibility of the Board of Directors of GACL to make appropriate decisions in these matters, in accordance with the requirements of the business of GACL. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time.

3 BACKGROUND OF HOLCIM MAURITIUS AND HOLCIM LTD.

3.1 Holcim Mauritius

- a) Holcim Mauritius is a company incorporated on April 20, 1993, under the laws of Mauritius having its registered office at Manor House, 1st Floor, Cnr St. George/Chazal Streets, Port Louis, Mauritius.

- b) Holcim Mauritius is a wholly owned subsidiary of Holderfin BV, a private limited liability company registered in Amsterdam, The Netherlands, which is a 100% subsidiary of Holcim Ltd which is, one of the world's leading suppliers of cement, cementitious material, clinker, concrete, concrete products, aggregates, mortar and asphalt as well as related activities and services. Holcim Ltd, together with its subsidiaries and affiliates, has a consolidated cement capacity of 156.1 mtpa. around the world
- c) Holcim Mauritius has been established to undertake offshore business activities as a corporate investment vehicle. Adequate funds are available to Holcim Mauritius as and when investments are decided upon or formalized
- d) Brief history of Holcim Mauritius is as follows

20 April 1993	Incorporated as a private limited company in Mauritius with the principal objective of holding investments. Is the holder of a Category 1 Global Business license and is required to carry out business in currencies other than the Mauritian Rupee
20 December 2002	Holcim Mauritius received FIPB approval to invest up to Rs. 600 cr. through Holcim India in downstream cement manufacturing activities
20 January 2005	Holcim Mauritius together with Holcim India entered into a number of agreements with GACL and certain other parties that led to Holcim Mauritius gaining control of ACIL and ACEL, and making an open offer to gain control of ACC through ACIL. The issue with regard to the control by Holcim Ltd over ACC through ACIL is being examined by SEBI.
30 March 2005	Holcim Mauritius received FIPB approval for the transactions proposed in the agreements entered into
26 April 2005	Holcim Mauritius declared itself as the promoter of ACC

- e) There have been no acquisitions, spin-offs or mergers involving Holcim Mauritius over the last three years other than the investment in equity shares of Holcim India in 2003 and 2005 the downstream investment in equity and preference shares of ACIL in 2005 and the acquisition of control of ACC and ACEL through in 2005.
- f) The key shareholders of Holcim Mauritius and their shareholding and voting rights on a non-diluted basis as on Dec 31, 2005 are given below

Particulars	No. of shares		Voting Rights	
	No. of shares	%	Voting Rights	%
Holderfin BV	15,000,000	100%	15,000,000	100%
Total	15,000,000	100%	15,000,000	100%

- g) The provisions of Chapter II of SEBI (SAST) Regulations are not applicable to Holcim Mauritius.
- h) The Board of Directors of Holcim Mauritius as on the date of Public Announcement was as follows :

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Mr. Beat Fellmann	Director	03.07.1998	Chartered Accountant	Internal auditor, Assistant CFO, Head Financial Holdings, Deputy CFO of Holcim Ltd	Weidstrasse 7 8472 Seuzach, Switzerland
Mr Ignace Sydney Kon Kam King	Director	23.07.2002	ACCA III, MBIM	Ex Manager of the Industrial Section of the Development Bank of Mauritius, Project Consultant	8 Rue Sevremont Beau Bassins, Mauritius

Name	Title	Date of Appointment	Qualification	Experience	Residential Address
Mr. Jayechund Jingree	Director	22.09.2003	Chartered Accountant, Trust and Estate Practitioner	Senior Partner at KPMG, Managing Director of Kross Border Trust Services Limited	Résidence 190 Allée Brillant Route Floreal Vacoas, Mauritius
Mr. Andreas Kranz	Director	22.08.2005	Chartered Accountant	External Auditor Controller Head Financial Holdings	Weidstrasse 11 8706 Meilen Switzerland
Mr. Peter Doerr	Director	22.08.2005	Lawyer	Various Staff & Line functions in Machinery & Cement Industry Legal and M&A at Holcim Ltd	Reitweg 1 8353 Elgg Switzerland

- i) None of the Directors of Holcim Mauritius have acquired any shares of GACL during the preceding 12 months.
- j) None of the Directors of Holcim Mauritius are on the board of GACL.
- k) The brief financials of Holcim Mauritius (audited for the years ended December 31, 2002, December 31, 2003 and December 31, 2004 and unaudited for the 12 months ended December 31, 2005) are as follows:

Profit & Loss Statement for the year ended December 31,

	2002	2003	2004	2005	2002	2003	2004	2005
	USD				Rs. in mm (Rupee Translation of USD)			
Profit and Loss.								
Revenue	684,048	518,396	42,000	5,615,062	30.20	22.89	1.85	247.90
Total Expenses	83,513	153,117	11,838	40,071,869	3.69	6.76	0.52	1,769.17
Net Profit from Operations	600,535	365,279	30,162	-34,456,807	26.51	16.13	1.33	-1,521.27
Depreciation and Amortization	0	0	0	0	0.00	0.00	0.00	0.00
Interest Expense	0	0	0	0	0.00	0.00	0.00	0.00
Write-down of interest receivable and/or principal on loan	684,048	511,631	0	0	30.20	22.59	0.00	0.00
Creditors written off	0	0	5,981	0	0.00	0.00	0.26	0.00
PBT	-83,513	-146,352	36,143	-34,456,807	-3.69	-6.46	1.60	-1,521.27
Tax	0	0	8,635	0	0.00	0.00	0.38	0.00
Net Income	-83,513	-146,352	27,508	-34,456,807	-3.69	-6.46	1.21	-1,521.27

Balance Sheet as on 31st December

	2002	2003	2004	2005	2002	2003	2004	2005
	USD				Rs. in mm (Rupee Translation of USD)			
Assets								
Investments	0	10,986	10,986	653,622,017	0.00	0.49	0.49	28,857.41
Other Receivables	0	2,664,665	2,698,908	179,131,810	0.00	117.64	119.16	7,908.67
Total Non Current Assets	0	2,675,641	2,709,894	832,753,827	0.00	118.13	119.64	36,766.08
Total Current Assets	984	10,754	4685	2,508,827	0.04	0.47	0.21	110.76
Total Assets	984	2,686,395	2714579	835,262,654	0.04	118.60	119.85	36,876.85
Equity and Liabilities								0.00
Share Capital	98,563	98,563	5,098,563	15,000,000	4.35	4.35	225.10	662.25

	2002	2003	2004	2005	2002	2003	2004	2005
	USD				Rs. in mm (Rupee Translation of USD)			
Share Premium	6,730,026	6,730,026	6,730,026	21,828,589	297.13	297.13	297.13	963.73
Share Application Money	0	5,000,000	0	0	0.00	220.75	0.00	0.00
Accumulated Losses	-9,005,650	-9,152,002	-9,124,494	-43,581,301	-397.60	-404.06	402.85	-1,924.11
Total Equity	-2,177,061	2,676,587	2704095	-6,752,712	-96.12	118.17	119.39	-298.13
Loan From Holding Company	1,774,371	0	0	841,887,857	78.34	0.00	0.00	37,169.35
Total Current Liabilities	403,674	9,808	10,484	127,508	17.82	0.43	0.46	5.63
Total Equity and Liabilities	984	2,686,395	2,714,579	835,262,654	0.04	118.60	119.85	36,876.85
Other Financial Data								
Dividend	0%	0%	0%	0%	0%	0%	0%	0%
EPS	USD (0.85)	USD (1.48)	USD (0.01)	USD (2.30)	INR (37.5)	INR (65.3)	INR (0.24)	INR (101.00)
Return on Networth	NM	NM	1.0%	NM	NM	NM	1.0%	NM
BV/share	USD (22.1)	USD (23.6)	USD (0.53)	USD (0.45)	INR (975.9)	INR (1040.6)	INR (23.4)	INR (20.00)

Based on net worth excluding share application money

NM - not meaningful

- l) Holcim Mauritius is currently an unlisted company and hence P/E ratio is not applicable
- m) Major contingent liabilities :
- There are no contingent liabilities for Holcim Mauritius
- n) Reasons for the fall/rise in the total income and Net Income:

2005 vs 2004

Revenues increased due to financial income from related companies and third parties Net income fell due to increased financial expenses to related companies.

2004 vs 2003

Revenue dipped to ~ USD 42 000. Net income ~USD 30 200 due to the drop in expenses

2003 vs 2002

Revenues dipped almost 25% to ~ USD 518,400. Net loss increased 75% to USD 146,352, mainly due to the drop in revenue on account of repayment by a group company of extended loan leading to drop in revenue and increase in Net loss.

- o) Significant Accounting Policies of Holcim Mauritius.

General Information

The company was incorporated as a private company in the Republic of Mauritius on 20 April 1993. The principal activity of the company is the holding of investments.

The company as a holder of a Category 1 Global Business License under the Companies Act 2001 and the Financial Services Development Act 2001 is required to carry on its business in a currency other than in Mauritian rupee. Since the company operates in an international environment and conducts most of its transaction in foreign currencies the company has chosen to retain the United States Dollars (USD) as its reporting currency.

Accounting policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared on historical cost basis and in accordance with the International Financial Reporting Standards (IFRS). The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates.

Investments in subsidiary

The company does not prepare consolidated financial statements and in accordance with IAS 27, has elected to report investment in subsidiary at cost.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into US dollar at the exchange rate ruling at the balance sheet date and the differences on exchange are recognized for in the Income statement.

Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

- p) Information in respect of all the companies promoted by Holcim Mauritius for the last three years based on audited statements:

Holcim Mauritius has not promoted any new company in India during the last three years other than Holcim India, the details of which have been given herewith. In addition, as a result of certain acquisition transactions and open offers carried out in 2005, Holcim Mauritius and Holcim India have become the promoters of ACIL.

- q) Current status of corporate governance (Source : Holcim Mauritius' Annual Report 2004)

Holcim Mauritius is a private company and has no applicable corporate governance requirements.

- r) Status of pending litigation matters as on December 31, 2004 (Source : Annual Report of Holcim Mauritius).

There are no pending litigations against Holcim Mauritius

3.2 HOLCIM LTD - PERSON DEEMED TO BE ACTING IN CONCERT

- a) Holcim Ltd is the holding company of the Holcim Group (which comprises Holcim Ltd, its subsidiaries and affiliates), one of the world's leading suppliers of cement, cementitious material, clinker, concrete, concrete products, aggregates, mortar and asphalt as well as related activities and services, with a consolidated cement capacity of about 156.1 million tons, and is Person deemed to be acting in concert with Holcim Mauritius for this Offer by virtue its being gurarantor of the obligations of Holcim Mauritius vide its keep-well undertaking of January 30, 2006 and its being the indirect holding company of Holcim Mauritius.
- b) Holcim Ltd is a public company (Aktiengesellschaft) incorporated under the laws of Switzerland.
- c) Brief History of Holcim Ltd is as follows (Source : Website)

1912	Holcim was founded in 1912 in the village of Holderbank, Canton Aargau under the name "Holderbank" Financière Glaris Ltd.
1920 - 1945	By the early 1920's the company began investing in cement businesses in other European countries. This trend was quickly followed by investments in Egypt, Lebanon and South Africa.
1945 -1970	In the years following 1945, and particularly in the Fifties and Sixties, a network of holdings began to develop in North and Latin America.
1970s 1980s	In the 1970's, ventures in the emerging markets of the Asia-Pacific began In the 1980's, Holcim continued to expand into new markets, including Eastern Europe. A greater focus on aggregates and ready-mixed concrete production strengthened the company's position as a vertically integrated market leader
1990s	A strong focus on core business activities in cement, concrete and aggregates characterized Holcim's activities during the 1990's. Continuing professional development programs for employees, coupled with a best practices policy, ensured challenges were met with creative solutions and company performance was enhanced. Entry into new markets, particularly within Asia, expanded opportunities for the Group.
2001	The name of the Group was changed from "Holderbank" Financière Glaris Ltd to Holcim Ltd in May 2001.
2005	Holcim entered the Indian cement market in 2005 through Holcim Mauritius by becoming the promoter of ACIL, ACC and ACEL by acquiring a 67% stake in ACIL which in turn holds 33.58% in ACC and 96.94% in ACEL.

- d) There have been no acquisitions, spin-offs or divestitures involving Holcim Ltd in India over the last three years other than those through its indirect subsidiary, Holcim Mauritius, which have been described in para 3.1 (e).
- e) The key shareholders of Holcim Ltd include Thomas Schmidheiny, who directly and indirectly held 50,583,614 or 22% of the registered shares of Holcim Ltd as at December 31, 2005, and the Capital Group Companies Inc., which held 22,959,356 or 9.99% of the registered shares of Holcim Ltd as at October 18, 2005.
- f) The Holcim Ltd shares (security code No. 1221405) are listed on the SWX Swiss Exchange and traded on virt-x. Telekurs lists the registered share under HOLN. The corresponding code under Bloomberg is HOLN VX, while Reuters uses the abbreviation HOLN.VX. Every share carries one vote, subject to registration in the company's share register. The closing price of the shares of Holcim Ltd on virt-x as on January 27, 2006 was CHF 94.70 (Rs 3,267).
- g) Based on the closing price of the shares of Holcim Ltd as on January 27, 2006, and the EPS for December 31, 2004, the P/ E ratio is 21.9 times.
- h) The provisions of Chapter II of SEBI (SAST) Regulations are not applicable to Holcim Ltd.
- i) The Board of Directors of Holcim Ltd as on the date of Public Announcement was as follows:

Name	Title	Date of Appointment	Qualification	Experience	Address
Mr. Rolf Soiron	Chairman	1994	Ph.D	Over 20 years in the Sandoz Group, COO of Sandoz Pharma, MD of Jungbunzlauer Group	Rheinsprung 20 4051 Basel
Mr. Andreas Von Planta	Vice Chairman	2003	Doctorate in Law	Over 20 years with Lenz & Staehelin, an international law firm	Lenz & Staehelin 25, Grand'Rue P.O. Box 5560 1211 Geneva 11
Mr. Markus Akermann	CEO	2002	Degree in Business Economics	Over 28 years in various roles at Holcim Ltd.	Holcim Group Support (Zurich) Ltd Hagenholzstrasse 85 8050 Zurich
Mr. Erich Hunziker	Director	1998	Ph.D	CFO of Hoffmann-La Roche	Kurhausstrasse 46 8032 Zurich
Mr. Willy R Kissling	Director	1997	Doctorate in Management Sciences	Various managerial positions including MD at Landis & Gyr AG	Poststrasse 4 8808 Pfaffikon
Mr. Peter Kupfer	Chairman of Audit Committee	2002	Certified Accountant	Former CFO of CF First Boston and member of Executive Board of CS Holding	Rotfluhstrasse 83 8702 Zollikon
Mr. Gilbert J.B. Probst	Director	1999	Ph.D	Professor of Organization and management	Ch.des tuilleries 1248 Hermance GE
Mr. H.Onno Ruding	Director	2004	Ph.D	Former Minister of Finance of the Netherlands	Avenue Louise 545 Square du Bois B-1050 Bruxelles
Mr. Thomas Schmidheiny	Director	1978	MBA	Over 30 years with the Holcim Group, Chairman of Board, Holcim from 1984 to 2003	Spectrum Value Management Ltd Zurcherstrasse 156 8645 Jona
Mr. Wolfgang Schurer	Director	1997	Hon. Doctorate in Economics and Social Sciences	Experience in Consulting and Academics- Chairman & CEO of MS Management Service AG	MS Management service AG Dufourstrasse 118 9001 St. Gallen
Mr. Dieter Spalti	Director	2003	Doctorate in Law	Experienced in Finance and Consulting including as a Partner with Mckinsey	Spectrum Value Management Ltd Zurcherstrasse 156 8645 Jona

- j) None of the Directors of Holcim Ltd have acquired any shares of GACL during the preceding 12 months.
k) None of the Directors of Holcim Ltd are on the board of GACL.
l) Brief financials of Holcim Ltd (audited for the years ended December 31, 2002 , December 31, 2003, December 31, 2004 and December 31, 2005) on consolidated basis:

Profit & Loss Statement for the year ended December 31,

	2002	2003	2004	2005	2002	2003	2004	2005
	CHF in mm				Rs. in mm (Rupee Translation of CHF)			
Profit and Loss								
Net Sales	13,010	12,600	13,215	18,468	448,814	434,670	455,886	637,1024
Total Expenses	9,669	9,289	9,627	13,841	333,557	320,448	332,108	477,481
Operating EBITDA	3,341	3,311	3,588	4,627	115,256	114,222	123,777	159,620
Depreciation and Amortization of operating assets	1,438	1,386	1,337	1,311	49,608	47,814	46,123	45,226
Other Income (Expenses)	-49	12	-76	102	(1,690)	414	(2,622)	3,159
EBIT	1,854	1,937	2,175	3,418	63,959	66,822	75,032	11,791
Financial expenses net	564	495	512	735	19,457	17,076	17,663	25,356
Income Taxes	493	510	510	865	17,007	17,594	17,594	29,840
Net Income before minority interests	797	932	1,153	1,818	27,495	32,152	39,776	62,717
Minority Interest	291	246	239	278	10,039	8,486	8,245	9,590
Net Income	506	686	914	1,540	17,456	23,665	31,531	53,126

Balance Sheet as on 31st December

	2002	2003	2004	2005	2002	2003	2004	2005
	CHF in mm				Rs. in mm (Rupee Translation of CHF)			
Assets								
Total Current Assets	6,460	6,028	7,396	8,849	222,854	207,952	255,144	305,269
Financial Assets	2,030	1,862	1,162	2,090	70,030	64,235	40,086	72,100
Property, Plant and Equipment	13,806	13,294	13,135	19,767	476,274	458,611	453,126	681,914
Intangible and Other Assets	2,997	3,478	4,012	7,221	103,389	119,983	138,404	249,107
Deferred Tax Assets	167	163	156	184	5,761	5,623	5,382	6,348
Total Assets	25,460	24,825	25,861	38,111	878,309	856,403	892,142	131,4738
Liabilities and Equity					-	-	-	
Total Short Term Liabilities	5,168	5,224	5,350	6,782	178,284	180,215	184,562	233,963
Long-term financial liabilities	8,777	8,157	7,871	13,932	302,785	281,397	271,531	480,621
Deferred Tax Liabilities	1,126	1,021	946	2,115	38,844	35,222	32,635	72,962
Long-term Provisions	954	924	986	1,032	32,911	31,876	34,015	35,602
Total Liabilities	16,025	15,326	15,153	17,079	552,824	528,710	522,742	589,185
Minority Interests	2,867	2,666	2,178	2,783	98,905	91,971	75,136	96,007
Share Capital	402	402	460	460	13,868	13,868	15,869	15,869
Capital Surplus	2,628	2,628	3,995	3,967	90,660	90,660	137,818	136,852
Treasury Shares	-452	-448	-488	-59	(15,593)	(15,455)	(16,835)	-2,035
Reserves	3,990	4,251	4,563	7,099	137,645	146,649	157,413	244,898
Total Shareholders Equity	6,568	6,833	8,530	11,467	226,580	235,722	294,265	395,584
Total Liabilities and Shareholders Equity	25,460	24,825	25,861	38,111	878,309	856,403	892,142	1,314,738
Other Financial Data								
Gross Dividend per share (CHF/Rs)	1	1.15	1.25	1.65	34	40	43	57
Consolidated earnings per dividend-bearing share (CHF / Rs)	2.59	3.51	4.32	6.73	89	121	149	232
Return on Equity (%) (1)	7.10%	10.20%	10.70%	15.40%	7.10%	10.20%	10.70%	15.40%
Consolidated shareholders equity per share (CHF /Rs)	33.66	35	40.36	50.14	1,161	1,207	1,392	1,730

(1) Excludes interest of minority shareholders

m) Major contingent liabilities:

Contingencies

In the ordinary course of business, Holcim Group is involved in lawsuits, claims, investigations and proceedings, including product liability, commercial, environment and health and safety matters, etc. There are no such matters pending that the Holcim Group expects to be material in relation to the Holcim Group's business, financial position or results of operations. The Holcim Group operates in countries where political, economic, social and legal developments could have an impact on the Holcim Group's operations. The effects of such risks which arise in the normal course of business are not foreseeable and are therefore not included in the consolidated financial statements of the Holcim Group.

Guarantees

At December 31, 2005, guarantees issued to third parties in the ordinary course of business amounted to CHF 247 million (2004: 138).

Commitments

At December 31, 2005, the Holcim Group's commitments amounted to CHF 1,002 million (2004: 652), of which CHF 86 million (2004: 27) relate to the purchase of property, plant and equipment.

n) Reasons for Rise and Fall in Total and Net Income

2005 vs. 2004

In 2005, the Holcim Group increased its net sales by 39.8 percent. The companies acquired in the UK and the US (Aggregate Industries) alone led to an increase of 26.2 percent. In addition, the internal growth rate of 10.1 percent (2004: +7.2 percent) was very strong, which is primarily attributable to the three regions Europe, Africa, Middle East and North America.

The improvement in net income is primarily attributable to the increase in operating profit by CHF 1,065 million (2004: +326). Changes in the scope of consolidation contributed CHF 362 million to this improvement, while the impact of exchange rate fluctuations came to a modest CHF 42 million. The fact that goodwill can no longer be amortized because of changes in the International Financial Reporting Standards (IFRS) resulted in a CHF 260 million improvement in the 2005 operating profit. The remaining increase in operating profit of CHF 401 million represents organic growth and corresponds to a 17.8% improvement compared to the prior period. All Group regions increased their operating profit, with strong developments in the construction sectors of North America, Asia Pacific and some regions of Europe having a particularly positive impact.

2004 vs 2003

Sales volumes in the cement/clinker segment increased significantly in 2004. All regions contributed to the higher sales volumes. The full consolidation of Alpha Cement in Russia at the end of 2003 had a key impact. The aggregates business also showed a positive trend. The Canadian and Bulgarian Group companies reported the highest absolute growth rates. Ready-mix concrete sales significantly increased in the regions Asia Pacific and Latin America. Sales increased by 8% in local currency terms, but in Swiss franc terms performance was impacted by the sharp depreciation of the US dollar. Sales for the financial year 2004 totaled CHF 13,215 million which represented a 4.9% increase on the previous year's figure of CHF 12,600 million.

In 2004, consolidated net income after minorities increased by CHF 33.2% to CHF 914 million. This represented an increase of 37.8% in local currency terms. The positive outcome was mainly the result of higher operating income, a lower tax burden and a smaller share of minorities in our consolidated net income.

o) Significant Accounting Policies of Holcim Ltd.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and related disclosures at the date of the financial statements. These estimates are based on management's best knowledge of current events and actions that the Group may undertake in the future. However, actual results could differ from those estimates.

Scope of consolidation

The consolidated financial statements comprise those of Holcim Ltd and of its subsidiaries, including joint ventures and associated companies.

Principles of consolidation

Subsidiaries, which are those entities in which the Holcim Group has an interest of more than one half of the voting rights or otherwise has the power to exercise control over the operations, are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the Holcim Group and are no longer consolidated from the date that control ceases. All intercompany transactions and balances between Holcim Group companies are eliminated. The Holcim Group's interest in jointly controlled entities is consolidated using the proportionate method of consolidation. Under this method, the Holcim Group records its share of the joint ventures' individual income and expenses, assets and liabilities and cash flows in the consolidated financial statements on a line-by-line basis. All transactions and balances between the Holcim Group and joint ventures are eliminated to the extent of the Holcim Group's interest in the joint ventures. Investments in associated companies are accounted for using the equity method of accounting. Goodwill arising on acquisition is included in the carrying amount of the investment in associated companies (net of any historical amortization). These are companies over which the Holcim Group generally holds between 20 and 50% of the voting rights and has significant influence but does not exercise control. Equity accounting is discontinued when the carrying amount of the investment together with any long-term interest in an associated company reaches zero, unless the Holcim Group has in addition either incurred or guaranteed additional obligations in respect of the associated company.

- p) Information in respect of all the companies promoted by Holcim Ltd for the last three years based on audited statements:

Holcim Ltd has not promoted any new company in India during the last three years other than Holcim India, the details of which have been given herewith. In addition, as a result of certain acquisition transactions and open offers carried out in 2005, Holcim Ltd's indirect subsidiaries, Holcim Mauritius and Holcim India have become the promoters of ACIL.

- q) Current status of corporate governance (Source : Holcim Ltd Annual Report 2005)

Corporate governance puts the focus not only on business risks and the company's reputation, but also on corporate social responsibility. It is about promoting corporate fairness, transparency and accountability - not just to shareholders but to all stakeholders. As a responsible enterprise, Holcim recognizes the significance of an effective corporate governance. In the course of its activities we show respect for society and the environment, communicate in an open and transparent manner and act in accordance with legal, corporate and ethical guidelines. To underline this, a Code of Conduct binding on the entire Holcim Group has been added to the mission statement.

A number of aspects merit emphasis: at Holcim the functions of Chairman of the Board of Directors and CEO are separate - a key element in ensuring a balanced relationship between management and control. In addition, with exception to one director, all directors are independent. Furthermore, in 2003, the Holcim Group has realized the principle of "one share, one vote" with the introduction of a standard registered share.

- r) Status of pending litigation matters as on December 31, 2005 (Source : Annual Report of Holcim Ltd).

Provisions for litigations mainly relate to antitrust investigations, product liability as well as tax claims and are set up to cover legal and administrative proceedings. It includes CHF 120 million related to the German antitrust investigation set up in 2002. Provisions for litigations amounted to CHF 299 million at December 31, 2005. The timing of cash outflows of provisions for litigations is uncertain since it will largely depend upon the outcome of administrative and legal proceedings.

4 DISCLOSURE IN TERMS OF REGULATION 21(3)

The public shareholding is not expected to fall below the applicable limits of public shareholding under the listing agreement of GACL as a consequence of the Offer. Hence the provisions of Regulation 21(3) do not apply.

5 BACKGROUND OF GACL

- a) GACL was incorporated on 20 October 1981 under the Indian Companies Act, 1956 and has its registered office at P.O. Ambujanagar, Taluka Kodinar, District Junagadh, Gujarat 362 715.
- b) GACL was originally incorporated under the name Ambuja Cements Private Limited. On March 19, 1983 it changed its name to Ambuja Cements Limited. Thereafter on May 19, 1983, it changed its name to Gujarat Ambuja Cements Ltd.
- c) GACL is not a constituent of any group of companies. Its key shareholders include Holcim Mauritius, which held 200,000,000 shares representing 14.78% of the paid up equity voting capital of GACL, and RMIL, RKBK and Mr. Narotam S. Sekhsaria who together hold 122,042,909 equity shares representing 9.02% of the paid up equity share capital of GACL.
- d) GACL is among the largest players in the Indian cement industry, with 6 plants and a total installed capacity of 13.3 mtpa of cement. It is one of the most profitable and efficient companies in the Indian cement industry. GACL has a market capitalization of approximately Rs. 121,750 million. It has subsidiaries located in India as well as in Mauritius and Sri Lanka. It also has a 33% stake in ACIL.
- e) Description of locations and manufacturing facilities :
- GACL has a total of 6 cement plants, which are spread over 5 states of India. Details of the cement manufacturing plants are given below: (source: CMA)

Plant	Capacity (mtpa)	Type of Plant	Types of Cement	State
Kodinar	4.5	Integrated Cement Plant	OPC, PPC	Gujarat
Darlaghat	1.6	Integrated Cement Plant	OPC, PPC	Himachal Pradesh
Ropar	2.5	Grinding Unit	OPC, PPC	Punjab
Bhatinda	0.5	Grinding Unit	PPC	Punjab
Rabriyawas	1.8	Integrated Cement Plant	OPC, PPC	Rajasthan
Maratha	2.4	Integrated Cement Plant	OPC, PPC	Maharashtra
Total	13.3			

GACL is in the midst of implementing modernization /expansion in certain of its plants as detailed hereunder:

- 60 MW multi-fuel captive power plant at Kodinar, in two phases, 30 MW by March 2006 and 30 MW by December 2006, at a total cost of Rs. 2,500 mm

GACL has an ISO:9002 quality certification and ISO : 14001 certification of environment management systems for its plants as indicated below

- Ambujanagar (Issued by BIS)
 - Lic. No. QSC/L-7000043.4 - IS /ISO 9001:2000
 - Lic. No. EMS/L-7000019.2 - IS/ ISO 14001-2004
- Darlaghat (Issued by BIS)
 - Lic.No. EMSC/L-9000094.1 - IS/ISO 14000
- Rabariyawas (Issued by BVQi)
 - Certificate No. 122395 - IS/ISO 9001-2000

GACL also owns and operates bulk cement terminals at Muldwarka, Surat and Panvel, Navi Mumbai

f) Brief history of GACL is as follows

20 October 1981	GACL was established as a private limited company with the name Ambuja Cements Private Limited
19 March 1983	GACL was converted into a public limited company
19 May 1983	Company was renamed as "GACL"
February 1986	Stocks were listed on the BSE and stock exchanges of Ahmedabad, Kolkata and Delhi
October 1986	Commenced operations with a 0.7 mtpa plant at Kodinar
October 1993	Gajambuja plant was set up in Gujarat
September 1995	Darlaghat plant in Himachal Pradesh and the Ropar grinding unit in Punjab were set up
March 1997	Third plant in Gujarat was set up
December 1997	Gained control of ACEL through BIFR scheme
April 1998	Stock was listed on the NSE
December 1999	Acquired DLF Cement, which was renamed as Ambuja Cement Rajasthan Ltd.
February 2000	Invited American International Group (AIG) and Government of Singapore (GIC) to invest in shares of ACIL
March 2000	Sold shareholding in ACEL to ACIL
June 2002	Maratha Cement plant in Maharashtra was set up
June 2004	ACRL was merged with GACL
January 2005	Entered into business and financial co-operation with Holcim, under which Holcim Mauritius acquired AIG and GIC's stake in ACIL, and invested into ACIL as a result of which ACIL and ACEL ceased to be subsidiaries of GACL

g) Merger/de-merger/spin-off in the last 3 years :

The Board of Industrial and Financial Restructuring (BIFR) vide their order dated 7th January 2004 and corrigendum dated 27th May 2004 sanctioned the merger of Ambuja Cements Rajasthan Ltd. (ACRL) with GACL as a part of the rehabilitation scheme. Accordingly, ACRL has been merged with GACL with effect from June 1, 2004. According to the scheme, shareholders of ACRL have been allotted one fully paid up equity share of GACL for every 50 fully paid up equity shares they held in ACRL.

Indo Nippon Special Cements Limited , a wholly owned subsidiary of GACL is being merged with GACL with effect from July 1, 2005.

In terms of the business and financial co-operation entered into between GACL and Holcim on January 20, 2005, ACIL and its subsidiaries including ACEL ceased to be subsidiaries of GACL during 2005. However, GACL did not sell any shares in ACIL in this period.

There has been no de-merger or spin-off in the last 3 years.

h) The share capital structure ([including shares underlying GDRs](#)) of GACL is as follows: (as on the date of the Public Announcement).

	No. of Shares/voting rights Face Value (Rs. 2 each)	% of Shares
Fully Paid-up Equity Shares	1,353,713,188	100%
Partly paid-up Equity Shares	0	0%
Total paid-up Equity Shares	1,353,713,188	100%
Total voting rights in GACL	1,353,713,188	100%

i) Current capital structure of GACL since inception and the disclosure status of compliance with applicable provisions of SEBI (SAST) Regulations/other applicable Regulations under the SEBI Act 1992 and other statutory requirements as applicable:

Date of Allotment	No. of shares	Cumulative	Mode of Allotment	Identity of allottees
		20,000,000		
	4,986,444	24,986,444	Rights	
	168,239	25,154,683	Rights	
1-May-93	43591	25,198,274	Exercise of Warrants	
5-May-93	1078	25,199,352	Rights	
1-Jun-93	65612	25,264,964	Exercise of Warrants	
30-Jun-93	1216284	26,481,248	Exercise of Warrants	
31-Jul-93	2897	26,484,145	Exercise of Warrants	
13-Aug-93	1417455	27,901,600	Exercise of Warrants	
19-Aug-03	1069950	28,971,550	Exercise of Warrants	
27-Aug-03	803578	29,775,128	Exercise of Warrants	
19-Aug-93	673	29,775,801	Rights	
1-Oct-93	15309	29,791,110	Exercise of Warrants	
1-Oct-93	3325	29,794,435	Out of Abeyance & Reserved category	
30-Dec-93	37897	29,832,332	Exercise of Warrants	
28-Feb-94	2806	29,835,138	Exercise of Warrants	
28-Feb-94	352	29,835,490	Rights	
30-Apr-94	46200	29,881,690	Conversion of Euro Bonds	
31-May-94	10080	29,891,770	Conversion of Euro Bonds	
30-Jun-94	24780	29,916,550	Conversion of Euro Bonds	
18-Jul-94	375	29,916,925	Out of Abeyance & Reserved category	
30-Jul-94	162960	30,079,885	Conversion of Euro Bonds	
26-Aug-94	1045	30,080,930	Exercise of Warrants	

Date of Allotment	No. of shares	Cumulative	Mode of Allotment	Identity of allottees
31-Aug-94	252420	30,333,350	Conversion of Euro Bonds	
30-Sep-94	135660	30,469,010	Conversion of Euro Bonds	
12-Oct-94	44375	30,513,385	Allotment of shares T/W	
21-Oct-94	33500	30,546,885	Allotment of shares T/W	
31-Oct-94	311221	30,858,106	Conversion of Euro Bonds	
31-Oct-94	122551	30,980,657	Allotment of shares against warrants	
31-Oct-94	3579	30,984,236	Rights	
31-Oct-94	825	30,985,061	Rights	
30-Nov-94	5040	30,990,101	Rights	
31-Dec-94	8400	30,998,501	Rights	
14-Feb-95	30985061	61,983,562	Bonus	
28-Feb-95	123480	62,107,042	Conversion of Euro Bonds	
28-Feb-95	5800	62,112,842	Rights	
	1600	62,114,442	Allotment of shares against warrants	
31-Mar-95	53760	62,168,202	Conversion of Euro Bonds	
29-Apr-95	5200	62,173,402	Allotment of shares against trade able warrants	
29-Apr-95	100	62,173,502	Rights	
29-Apr-95	103320	62,276,822	Conversion of Euro Bonds	
	50	62,276,872	Rights	
30-Jun-95	100	62,276,972	Allotment of shares T/W	
30-Jun-95	5040	62,282,012	Conversion of Euro Bonds	
31-Jul-95	203280	62,485,292	Conversion of Euro Bonds	
31-Aug-95	663600	63,148,892	Conversion of Euro Bonds	
31-Aug-95	2750	63,151,642	Rights	
30-Sep-95	313320	63,464,962	Conversion of Euro Bonds	
30-Sep-95	2650	63,467,612	Rights	
30-Sep-95	1900	63,469,512	Allotment of shares against trade able warrants	
31-Oct-95	133560	63,603,072	Conversion of Euro Bonds	
31-Oct-95	150	63,603,222	Rights	
31-Oct-95	2600	63,605,822	Allotment of shares against trade able warrants	
30-Nov-95	372961	63,978,783	Conversion of Euro Bonds	
30-Nov-95	550	63,979,333	Rights	
30-Nov-95	150	63,979,483	Allotment of shares against trade able warrants	
29-Dec-95	76440	64,055,923	Conversion of Euro Bonds	
29-Dec-95	50	64,055,973	Rights	
31-Jan-96	3352449	67,408,422	Conversion of Euro Bonds	
31-Jan-96	250	67,408,672	Rights	
31-Jan-96	1500	67,410,172	Allotment of shares against trade able warrants	
15-Feb-96	2841728	70,251,900	Conversion of Euro Bonds	

Date of Allotment	No. of shares	Cumulative	Mode of Allotment	Identity of allottees
28-Feb-96	3294491	73,546,391	Conversion of Euro Bonds	
6-Apr-96	300	73,546,691	Allotment of shares against trade able warrants	
12-Jun-96	1324	73,548,015	Rights	
12-Jun-96	900	73,548,915	Allotment of shares against trade able warrants	
31-Jul-96	400	73,549,315	Rights	
31-Jul-96	524	73,549,839	Allotment of shares against trade able warrants	
29-Oct-96	200	73,550,039	Rights	
29-Oct-96	300	73,550,339	Allotment of shares against trade able warrants	
8-Jan-97	2250	73,552,589	Rights	
8-Jan-97	250	73,552,839	Allotment of shares against trade able warrants	
6-Mar-97	2200	73,555,039	Allotment of shares against trade able warrants	
10-Apr-97	5000	73,560,039	Rights	
10-Apr-97	5000	73,565,039	Allotment of shares against trade able warrants	
29-Jul-97	2050	73,567,089	Rights	
29-Jul-97	1550	73,568,639	Allotment of shares against trade able warrants	
24-Sep-97	600	73,569,239	Rights	
24-Sep-97	600	73,569,839	Allotment of shares against trade able warrants	
17-Dec-97	1100	73,570,939	Rights	
17-Dec-97	550	73,571,489	Allotment of shares against trade able warrants	
27-May-98	1450	73,572,939	Rights	
27-May-98	2000	73,574,939	Allotment of shares against trade able warrants	
30-Sep-98	750	73,575,689	Rights	
30-Sep-98	750	73,576,439	Allotment of shares against trade able warrants	
27-Jan-99	50	73,576,489	Rights	
27-Jan-99	50	73,576,539	Allotment of shares against trade able warrants	
4-Nov-99	1274	73,577,813	Rights	
4-Nov-99	1274	73,579,087	Allotment of shares against trade able warrants	
1-Dec-99	250	73,579,337	Rights	
1-Dec-99	250	73,579,587	Allotment of shares against trade able warrants	
3-Jan-00	50	73,579,637	Rights	
3-Jan-00	50	73,579,687	Allotment of shares against trade able warrants	
14-Feb-00	73548315	147,128,002	Bonus	
10-Oct-00	1500	147,129,502	Rights	
10-Oct-00	1500	147,131,002	Allotment of shares against trade able warrants	
31-Mar-01	400	147,131,402	ESOS	Employees
27-Apr-01	200	147,131,602	Rights	
27-Apr-01	200	147,131,802	Allotment of shares T/W	

Date of Allotment	No. of shares	Cumulative	Mode of Allotment	Identity of allottees
5-Jul-01	8000000	155,131,802	Preferential Allotment	Affinity Investments Ltd
5-Jul-01	2019	155,133,821	Bonus	
6-Dec-01	5000	155,138,821	ESOS	Employees
6-Dec-01	200	155,139,021	Rights	
6-Dec-01	200	155,139,221	Allotment of shares T/W	
10-Jan-02	7000	155,146,221	ESOS	Employees
8-Feb-02	10550	155,156,771	ESOS	Employees
8-Mar-02	8500	155,165,271	ESOS	Employees
18-Apr-02	200	155,165,471	Rights	
18-Apr-02	200	155,165,671	Allotment of shares T/W	
18-Apr-02	9200	155,174,871	ESOS	Employees
10-May-02	10850	155,185,721	ESOS	Employees
4-Jun-02	4200	155,189,921	ESOS	Employees
17-Sep-02	8325	155,198,246	ESOS	Employees
22-Oct-02	2100	155,200,346	ESOS	Employees
22-Oct-02	2700	155,203,046	Rights	
22-Oct-02	2700	155,205,746	Allotment of shares T/W	
28-Nov-02	8150	155,213,896	ESOS	Employees
9-Jan-03	17200	155,231,096	ESOS	Employees
29-Jan-03	2100	155,233,196	ESOS	Employees
28-Feb-03	1400	155,234,596	ESOS	Employees
10-Apr-03	19675	155,254,271	ESOS	Employees
6-May-03	1250	155,255,521	ESOS	Employees
27-Jun-03	62250	155,317,771	ESOS	Employees
17-Oct-03	60975	155,378,746	ESOS	Employees
17-Oct-03	31200	155,409,946	Rights	
17-Oct-03	31200	155,441,146	Allotment of shares T/W	
12-Nov-03	73175	155,514,321	ESOS	Employees
12-Nov-03	29353	155,543,674	Bonus	
28-Nov-03	1167634	156,711,308	Conversion of REELS	
8-Dec-03	10434	156,721,742	Conversion of REELS	
8-Dec-03	135225	156,856,967	ESOS	Employees
31-Dec-03	1262590	158,119,557	Conversion of REELS	
31-Dec-03	73042	158,192,599	Adjustment on account of shares issued under conversion of REELS	
31-Dec-03	119450	158,312,049	ESOS	Employees
20-Jan-04	813902	159,125,951	Adjustment on account of shares issued under conversion of REELS	
6-Feb-03	3307785	162,433,736	Conversion of REELS	

Date of Allotment	No. of shares	Cumulative	Mode of Allotment	Identity of allottees
19-Feb-04	218200	162,651,936	ESOS	Employees
27-Feb-04	778424	163,430,360	Conversion of REELS	
17-Mar-04	2809421	166,239,781	Conversion of REELS	
17-Mar-04	105750	166,345,531	ESOS	Employees
6-Apr-04	10061706	176,407,237	Conversion of REELS	
14-Apr-04	98750	176,505,987	ESOS	Employees
12-May-04	65335	176,571,322	ESOS	Employees
14-Jun-04	100600	176,671,922	ESOS	Employees
30-Jun-04	65555	176,737,477	ESOS	Employees
30-Jun-04	2662474	179,399,951	Allotment of Shares on merger of ACRL with the Company	
14-Oct-04	88965	179,488,916	ESOS	Employees
14-Oct-04	100	179,489,016	Rights	
14-Oct-04	100	179,489,116	Allotment of shares T/W	
23-Nov-04	46725	179,535,841	ESOS	Employees
24-Dec-04	51950	179,587,791	ESOS	Employees
27-Jan-05	201475	179,789,266	ESOS	Employees
7-Mar-05	75450	179,864,716	ESOS	Employees
4-Apr-05	141725	180,006,441	ESOS	Employees
21-Apr-05	51100	180,057,541	ESOS	Employees
3-May-05	33000	180,090,541	ESOS	Employees
9-Jun-05	42925	180,133,466	ESOS	Employees
26-Jun-05	720533864	900,667,330	Split from Face Value Rs. 10 to Face Value Rs. 2	
28-Jun-05	450333665	1,351,000,995	Bonus	
28-Jun-05	880128	1,351,881,123	ESOS	Employees
28-Jun-05	750	1,351,881,873	Rights	
28-Jun-05	750	1,351,882,623	Rights	
19-Oct-05	423188	1,352,305,811	ESOS	Employees
28-Nov-05	490689	1,352,796,500	ESOS	Employees
2-Jan-06	349125	1,353,145,625	ESOS	Employees
16-Jan-06	567563	1,353,713,188	ESOS	Employees

* The applicable Regulations at the time of each allotment have been complied with

- j) There was no suspension of trading of the share of GACL in any Stock Exchange(s) as applicable.
- k) The shares of GACL are listed on BSE and NSE, while the Global Depository Receipts are listed on the Luxembourg Stock Exchange.
- l) The closing prices of the shares of GACL on BSE and NSE as on January 30, 2006 was Rs. 90.45 and Rs. 90.50 respectively.
- m) GACL has granted stock options to its employees under various ESOP Plans Plans (including rights and warrants kept in abeyance), which if exercised would result in the issue of 17,887,920 Equity

Shares as on the date of the Public Announcement.

- n) GACL has complied with applicable provisions of Chapter II of SEBI (SAST) Regulations.
- o) GACL is in compliance with the listing agreement as on the date of the Public Announcement and no punitive action has been initiated against GACL by the stock exchanges where its shares are listed.
- p) The Board of Directors of GACL as on the date of the Public Announcement was as follows:

Name of the Director	Designation & Appointment Date	Experience	Qualification	Residential Address
Mr Suresh Neotia	Non Executive Chairman (September 7, 1985)	Industrialist and on the Boards of several companies	Commerce and Law Graduate	7/2 Queens Park Calcutta - 700 019
Mr. M.L. Bhakta	Director (September 7, 1985)	Senior Partner, Kanga & Co., Advocates and Solicitors	Arts and Law Graduate	4, Sagar Villa, 3B, Bhulabhai Desai Road, Mumbai 400 006
Mr. Nimesh Kampani	Director (October 16, 1985)	Chairman, J.M Morgan Stanley Pvt. Ltd., one of the leading investment banks in India	FCA	123, Maker Towers 'B', Cuffe Parade, Mumbai 400 005
Mr. M.T. Patel	Director (February 2, 1985)	Industrialist engaged in the manufacture of agro based products and ceramic products	Commerce Graduate	Nilmani Park Colony, Jamnagar, Gujarat - 361 008
Mr. Nasser Munjee	Director (August 16, 2001)	Worked with HDFC for 21 years. Former Managing Director of Infrastructure Development Finance Co. Ltd.	M.Sc (Econ.) from LSE	Champagne House, 69 Worli Sea Face, Mumbai 400 018
Mr. Rajendra P Chitale	Director (July 7, 2002)	Partner, M.P. Chitale & co., a leading firm of Chartered Accountants	FCA	13 - B, Tanna Residency, 392, V.S. Marg, Prabhadevi, Mumbai 400 025
Mr. A.L. Kapur	Wholetime Director (May 1, 1999)	Over 47 years experience in industry in various positions including CEO. Over 2 decades of experience in the cement industry	BA, FCA and FCWA	Southland Bldg Near Baptist Church Shahid Bhagat Singh Road Colaba, Mumbai - 400 005
Mr. P.B Kulkarni	Wholetime Director (February 1, 1999)	Over 39 years experience. Joined the company in 1983 as Project Manager	B.E. (Mech)	703 Usha Kunj 30D Juhu Tara Road Mumbai - 400 049
Mr. Anil Singhvi	Wholetime Director (May 1, 1999) Managing Director (wef January 30, 2006)	Over 23 years experience including with the company since 1986	B.Com, FCA	131A Twin Towers Veer Savarkar Marg Prabhadevi, Mumbai - 400 025
Mr. B.L. Taparia	Wholetime Director and Company Secretary (May 1, 1999)	Over 35 years experience including with the company since 1983	Commerce and Law Graduate, Fellow Member of ICSI	301, Saraswathi Sadan, Link Road, Bangur Nagar, Goregaon, Mumbai - 400 090
Mr. N.P. Ghuwalewala	Wholetime Director (June 28, 2004)	Over 36 years of experience including 22 years in the cement industry. Former managing director of ACRL	Chemical Engineer	Vallabh Niwas, 31A, M.L. Dahanukar Road, Mumbai 400 026
Mr. Narotam S. Sekhsaria	Managing Director (November 10, 1982) Non Executive Vice Chairman (wef 30th January , 2006)	Managing Director of the company since 1982	Chemical Engineer	3, Rushilla, 17C, Carmichael Road, Mumbai 400 026

None of the above directors represent Holcim Mauritius.

- q) Key financials of GACL on stand-alone basis (Audited results for FY2003, FY2004 and FY2005; and reviewed results for 6 months ended December 2005) :

Profit & Loss Statement for the year ended June 30,

	2003	2004	2005	6 months ended Dec 2005
	Rs. in lakhs			
Net Sales	174,225	196,811	260,579	142,803
Other Income	3,630	5,049	7,457	-625
Total Expenses	126,571	143,108	188,166	105,571
PBDITA	51,284	58,752	79,870	36,607
Depreciation and Amortization	17,134	16,861	19,541	9,918
Interest	8,794	7,843	8,475	4,131
PBT and Exceptional Items	25,356	34,048	51,854	22,558
Exceptional / Prior Period Items	-	4,302	-	0
PBT	25,356	38,350	51,854	22,558
Current Tax	1,975	2,030	3,912	6,240
Deferred Tax	1,172	2,641	1,038	0
Fringe Benefit Tax			75	0
PAT	22,209	33,679	46,829	16,318

Balance Sheet as on 30th June

	2003	2004	2005	
	Rs. in lakhs			
Sources of Funds				
Share Capital	15,530	17,940	27,038	
Reserves & Surplus*	146,134	184,236	190,804	
Net Worth	161,664	202,176	217,842	
Amount Received against issue of warrants				
Secured Loans	84,500	64,978	54,933	
Unsecured Loans	90,628	61,990	57,812	
Deferred tax liability, net	30,530	37,071	38,109	
Total Liabilities	367,322	366,215	368,696	
Application of funds				
Net Fixed Assets (incl. CWIP)	201,236	249,822	236,334	
Investments	110,171	101,097	112,506	
Net Current Assets	54,785	14,407	19,209	
Miscellaneous Expenditure Not Written Off	1,130	889	647	
Total Assets	367,322	366,215	368,696	

Balance Sheet as on 30th June

	2003	2004	2005	
	Rs. in lakhs			
Other Financial Data				
Dividend (% of share nominal)	70%	80%	70%	
Earning per Share (Basic) (Rs) (2)	1.91	2.83	3.47	
Return on Net Worth	13.8%	16.7%	21.5%	
Book Value per Share (Rs) (2)	13.77	14.96	16.12	

Based on Limited Review Report by Auditors. EPS is not annualised.

(1) *Book Value Per Share = (Equity Capital + Reserves - Miscellaneous Expenses) / No of outstanding shares on balance sheet date*

(2) *Adjusted for bonus issue and split*

- r) M/s. Dalal and Shah and S.R. Batliboi & Associates, the statutory auditors of GACL, have undertaken a Limited Review of financials for the six months ended 31st December 2005 and have certified the same.
- s) Reasons for the fall/rise in the total income and Net Income:

FY2005

In value terms, GACL's net sales rose 32% from Rs. 19,681 million in FY2004 to Rs. 26,058 million in FY2005. The increased sales were due to a 22% increase in sales volumes to 12.7 million tons in FY05 from 10.4 million tons in FY04, and due to an increase in price realizations on both domestic and export sales

Net profit increased by 39% to Rs. 4,682.9 million in FY2005 from Rs. 3,367.9 million in FY2004 driven by increased sales and higher efficiency, which were partly offset by higher RM costs and coal prices.

FY2004

In value terms, GACL's net sales rose 13% to Rs. 19,681 million in FY2004 from Rs. 17,422 million in the previous year. The increased sales were due to a 6% increase in sales volumes from 9.82 million tons in FY03 to 10.44 million tons in FY04, and due to an increase in price realizations on both domestic and export sales

Net profit increased by 52% from Rs. 2,220.9 million in FY2003 to Rs. 3,367.9 million in FY2004 driven by increased sales, higher efficiency and lower interests costs, which were partly offset by higher fuel prices.

FY2003

In value terms, GACL's net sales rose 26% to Rs. 17,422 million in FY2003 from Rs. 13,842 million in the previous year. The increased sales were due to a 37% increase in sales volumes to 9.82 million tons in FY03 from 7.18 million tons in FY02 mainly driven by the full year operation of the new Maratha cement plant, which was commissioned in June 2002.

Net profit increased by 19% to Rs. 2,220.9 million in FY2003 from Rs. 1,865.2 million in FY2002 driven by increased sales

t) The shareholding pattern of GACL as on January 31, 2006 was as follows:

Shareholders' category	Shareholding & Voting rights prior to the agreement/ acquisition and Offer (A)	Shares/ Voting rights agreed to be acquired which triggered off the Regulations (B)	Shares/ Voting rights to be acquired in the open Offer (Assuming full acceptances) (C)	Shareholding/ Voting rights after the acquisition and Offer (A)+(B)+(C) = (D)
1) Promoter Group				
a) Indian Promoters	122,042,909 (9.02%)	Nil	Nil	122,042,909 (9.02%)
2) Holcim Mauritius				
a) Holcim Mauritius	200,000,000 (14.78%)	Nil	274,320,222 (20.26%)	474,320,222 (35.04%)
3) Public				
a) Fls/Flls/MFs/UTI/ Banks	701,678,583 (51.82%)			
b) NRIs/Pvt. Corp. Bodies/ OCBs/GDRs/other	151,478,261 (11.19%)			
c) Public	178,513,435 (13.19%)			
Total (3) (a)+(b)+(c)	1,031,670,279 (76.20%)		(274,320,222) (-20.26%)	757,350,057 (55.95%)
Grand Total (1+2+3)	1,353,713,188 (100%)			1,353,713,188 (100%)

Total number of shareholders was 159,166 as on January 31, 2005.

u) Details of the change in the shareholding of the promoters as and when it happened in the GACL :

The details of the change in promoter holding in the GACL are given below:

Year	Shares Acquired /Sold	Total Holding of Promoters	Comments
31.03.1997	—	17,846,516	
31.03.1998	-15,800	17,830,716	
31.03.1999	497,800	18,328,516	
31.03.2000	19,097,518	37,426,034	Including by bonus shares
31.03.2001	3,980,124	41,406,158	
31.03.2002	5,485	41,411,643	
31.03.2003	1,292,518	42,704,161	
31.03.2004	-199,449	42,504,712	
31.03.2005	-73,800	42,430,912	
26.06.2005	169,723,648	212,154,560	By split
28.06.2005	106,077,280	318,231,840	By bonus
23.12.2005	3,811,069	322,042,909	
28.01.2006	-200,000,000	122,042,909	By sale to Holcim Mauritius

GACL has complied with the applicable provisions of the SEBI (SAST) Regulations/other applicable Regulations under SEBI Act 1992 and other statutory requirements as applicable.

v) GACL has not received any directions from SEBI u/s 11B of the SEBI Act, prohibiting them from dealing in securities or under any of the Regulations made under the SEBI Act.

w) The details regarding the corporate governance norms for GACL are as follows:

Particulars	Listing Agreement Clause
Board of Directors	49 I
Audit Committee	49 II
Shareholders / Investors Grievance Committee	49 VI (C)
Remuneration of Directors	49 III
Board Procedures	49 IV
Management	49 V
Shareholders	49 VII
Report on Corporate Governance	49 VII

All of the above clauses have been complied with and hence no remarks.

x) Contingent Liabilities not provided :

Contingent Liabilities Not Provided For (Rs. in Millions)	30 June 2005	30 June 2004
2. a) Contingent liabilities not provided for in respect of :		
(i) Amount outstanding in respect of Indemnities given by GACL to Banks for loans given to third parties, for GACL's business	1.6	1.4
(ii) Claims against GACL not acknowledged as debts	393.6	385.8
(iii) Tax matters		
(a) Disputed liability in respect of Income-tax demands (including interest) - matters under appeal	276.0	275.6
(b) Disputed Sales-tax demands (including interest and penalty) - matters under appeal		:
(i) Matter decided in favor of GACL by the Honorable High Court of Himachal Pradesh, against which the Department has filed a Special Leave Petition in the Honourable Supreme Court, pending final decision in the said matter	0	343.5
(ii) Others	50.3	1.3
(c) Disputed Excise demands - matters under appeal	173.8	55.5
(d) Disputed liability of RTO Tax on Mining Machinery	6.2	6.2
(iv) Disputed liabilities relating to Railway Freight on Cement - matter once decided in favour of GACL by the Honourable High Court of Gujarat was remanded back by the Honourable Supreme Court pursuant to an SLP filed by the railways.	55.1	55.1
(v) Disputed liabilities relating to Coal claims - matter pending in the Honourable High Court:		
(a) Railway freight on Coal	14.5	14.5
(b) Penal freight on Excess Weight of Coal	5.4	2.4
(c) Interest on Premium on Coal	32.9	32.9
(vi) Disputed liability relating to Workmen Compensation for reinstatement and back wages - matter pending in the Honourable High Court of Gujarat	4	1.1

- b) The Honourable High Court of Himachal Pradesh has passed an order in favour of GACL for its claim in respect of power subsidy in the form of Power Tariff Freeze (PTF) and Peak Load Exemption Charges (PLEC). Against this, Government of Himachal Pradesh on 1st May, 2004 has issued 296 5.13% H P Infrastructure Development Bonds of face value of Rs.10 lacs each, having a value of Rs. 29.60 crores redeemable after 10 years and balance of Rs. 0.08 crore is refunded to GACL. The Government of Himachal Pradesh has filed Special Leave Petition in the Honourable Supreme Court, against the decision of the Honourable High Court of Himachal Pradesh. GACL has given an undertaking to refund Rs. 29.68 crores paid by the State Government together with interest thereon upto the date of final judgement in time bound manner, in the event that the matter is decided against GACL.
- c) The Government of Rajasthan has granted 75% exemption from Sales Tax in respect of Rabriyawas unit (erstwhile Ambuja Cement Rajasthan Ltd.). However, the eligibility of exemption in excess of 25% has been contested by the State Government in a similar matter of another Company and the matter is pending before the Honourable Supreme Court. GACL has given an undertaking to the Government of Rajasthan that GACL will deposit the differential amount of Sales Tax which is Rs. 571.8 million (previous year Rs. 351.6 million), in case the Supreme Court's decision goes against in the matter referred above.
- y) Future obligations of GACL include (as per the latest audited balance sheet as at 30th June, 2005):
- Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) is Rs. 2,318.8 million (previous year Rs. 771.8 million)
 - Future obligation by way of lease rentals payable Rs. 173.2 million - Previous Year - Rs. 253.9 million.
- z) The details of the major pending litigation for GACL are as follows:

Outstanding Litigations

- Litigations involving Criminal Offences as listed out below :
 - One of the shareholders holding 46 shares in GACL in 1992 , has filed a criminal complaint in February 1993 against GACL and its directors. The Complainants claimed that they had opted for the sale of debentures and the issuance of tradeable warrants , which was not honoured by GACL. The matter is pending before the Judicial Magistrate First Class, Baroda. GACL has petitioned the court to bifurcate the case and to dismiss the complaint against GACL and its directors as false and frivolous.
 - One of the dealers has provided a post dated cheque as security in favour of GACL. The post dated cheque was dishonored by the Bank and GACL filed a legal notice under section 138 of the Negotiable Instruments Act and filed a criminal case before the Metropolitan Court of Ahmedabad. In reply to this the dealer filed a criminal complaint under section 420 of the Indian Penal Code at the local court and has alleged that the cheque involved in this case was misplaced by the dealer and used by GACL. The case has impleaded four officers of GACL.
 - A criminal complaint for cheating and misappropriation has been filed against GACL by one of the dealers on the ground that GACL has misappropriated an amount of Rs.1,84,086/- (Rupees One Lakh Eighty Four Thousand and Eighty Six only) by depositing a post dated cheque that was issued to GACL as security, by the Dealer. GACL filed a criminal complaint against the dealer for cheating and non-payment of dues to GACL. In reply to this, the Dealer filed a Criminal Complaint for cheating and misappropriation against GACL.
 - A criminal complaint was filed against certain officers of GACL, under Sections 323,147,148,149,325,427,436,447,395,504,506 of the Indian Penal Code, 1860, on the basis of a complaint of the complainant, for criminal trespass and misappropriation of his property by way of installation of a tower of GACL on his property.
 - A criminal complaint has been filed by a Dealer under sections 406,420, 465, 471, 120(B) and 114 of the Indian Penal Code, 1860 alleging that the officers of GACL, who had collected blank cheques from the Complainant as security for providing sign boards, had used the cheques to recover outstanding amounts from him by depositing the signed cheque. Presently the proceeding with the collection of evidence for framing charges have commenced.

- A revision petition is pending against GACL and its directors and officers before the Metropolitan Magistrate at Mazgaon with respect to certain allegations made against GACL and its past and present directors under section 420 of the Indian Penal Code, 1860 (the "IPC"), section 406 of the IPC read with section 63 of the Maharashtra Sales Tax Act, and under section 120(B) read with sections 114 or 34 of the IPC for the alleged non-payment of local sales tax to the Maharashtra Government amounting to approximately Rs. 45,00,000/- in respect of a supply of cement made by GACL to the Brihanmumbai Municipal Corporation from GACL's Ambujanagar plant under a tender contract in 1987-88. The case was dismissed by the Metropolitan Magistrate prior to the issuance of a summons. The complainant has preferred an appeal by way of a revision petition before the Metropolitan Magistrate at Mazgaon, against the dismissal order. The appeal is still pending the issuance of summons to GACL.
- Litigations involving Securities Related Offences : NIL
- Litigations involving Civil Offences as listed out below: NIL
- Litigations involving Statutory and other offences as listed out below as per latest audited balance sheet dated 30 June 2005:

Nature of Case	Amount (Rs cr.s)	Period	Forum
Assessment dues for levy of purchase tax	1.07	2000-01	Assistant Commissioner of Sales Tax (Appeals)
Assessment dues	3.70	2000-01	Assistant Commissioner of Sales Tax (Appeals)
Penalty under section 271(1)(c)	0.04	1997-98	Commissioner of Income Tax (Appeals)
Demand of excise on Earthquake supply	0.04	2002-03	Customs, Excise and Service Tax Appellate Tribunal
Demand of excise duty on self consumption of clinker for exempted cement	2.80	2004-05	Customs, Excise and Service Tax Appellate Tribunal
MODVAT / CENVAT (Capital Goods)	0.55	2001-04	Commissioner of Central Excise (Appeals)
MODVAT / CENVAT (Capital Goods)	0.04	1996	Customs, Excise and Service Tax Appellate Tribunal
MODVAT / CENVAT (Capital Goods)	2.38*	1994-96 & 2003-04	High Court
MODVAT / CENVAT (Inputs)	0.02	1994	Commissioner of Central Excise
MODVAT / CENVAT (Inputs)	0.50	2000-04	Commissioner of Central Excise (Appeals)
MODVAT / CENVAT (Inputs)	2.03	2001 & 2002-03	Customs, Excise and Service Tax Appellate Tribunal
MODVAT / CENVAT (Inputs)	0.01*	1995-96	Supreme Court

* In respect of these department is in appeal.

- Overdue interest/principal as on date : NIL

■ Other major litigation:

Issue	Amount	Forum
Supply of Cement to Sardar Sarovar Narmada Nigam Limited	Rs. 133.31 mm plus interest claimed	Civil Courts in Ahmedabad and Vadodara
Writ Petitions filed against the entitlement of incentives and drawing of water from Pakadig-uddam Dam by GACL	Not Ascertainable	High Court of Bombay (Nagpur bench)
Compliant before the MRTP Commission by Delhi Development Authority for alleged cartelisation	Rs. 54 mm	MRTP Commission

■ Roll over / Re-scheduling of loans or any other liability : NIL

■ Labour problems / closure as listed below : NIL

No penalty has been levied by SEBI or any other regulatory body or any other authority in India or abroad.

No disciplinary action/ investigation has been taken by the Securities and Exchange Board of India/ Stock Exchange against GACL, its Directors, Promoters and their other business ventures (irrespective of the fact whether they fall under the purview of Section 370 (1B) of the Companies Act, 1956).

aa) The compliance officer of GACL is Mr. B.L. Taparia, Gujarat Ambuja Cements Ltd., 10th Floor, Maker Chamber III, Nariman Point, Mumbai 400 021. Tel: +91 22 5659 7300 Fax: +91 22 2284 6270 email: investor @ambujamail.com

6 OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

a) The shares of GACL are listed on BSE and NSE. Based on the information available, the shares of GACL are frequently traded on BSE (*Source: www.bseindia.com*) and NSE (*Source:www.nseindia.com*) within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations. At the Annual General Meeting held on October 6, 2003, the members of GACL, have, inter alia, passed a resolution for voluntary delisting of its Shares on the Stock Exchanges at Ahmedabad, Kolkata and Delhi after complying with SEBI's guidelines on voluntary delisting. These Stock Exchanges have confirmed the delisting of GACL shares therefrom. (*Source : GACL Annual Report FY05*).

b) The annualised trading turnover during the preceding six months in each of the Stock Exchanges is detailed below:

Date	Name of Stock Exchange	Total number of shares traded during the preceding six calendar months	Total number of listed shares	Annualised trading turnover (in terms of % of total listed shares)	Trading Status in terms of SEBI (SAST) Regulations
July 1, 2005 to December 31, 2005	NSE	448,597,735	1352,796,500	66.3%	Frequently Traded
July 1, 2005 to December 31, 2005	BSE	238,323,622	1352,796,500	35.2%	Frequently Traded

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

- c) The Offer Price is justified in terms of Regulation 20 (4) of the SEBI(SAST) Regulations in view of the following:

Particulars	Date of the public announcement for this Offer shares of GACL
	January 31, 2006
i. Negotiated price : If Holcim Mauritius has entered into any agreement for acquisition of shares or voting rights or deciding to acquire shares or voting rights exceeding the prescribed percentage	Not applicable
ii. Price paid by Holcim Mauritius for any acquisition including by way of allotment in a public or rights or preferential issue during the 26-week period prior to the date of this Public Announcement	Rs. 90
iii. Higher of (A) or (B) below	
Share price data of GACL on NSE, where it is most frequently traded, is as under:	
A. The average of the weekly high and low of the closing prices of the shares of GACL during the 26-weeks preceding the announcement	Rs. 75.38
B. The average of the daily high and low of the shares of GACL during the 2-weeks preceding the announcement	Rs. 90.64

- d) 26 weeks weekly high/low data on NSE (most frequently traded Stock Exchange)

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	08-Aug-05 Mon	67.40	63.05	65.23	16,266,110
2	15-Aug-05 Mon	65.55	64.95	65.25	18,254,638
3	22-Aug-05 Mon	66.25	64.80	65.53	19,612,613
4	29-Aug-05 Mon	65.45	63.10	64.28	15,748,498
5	05-Sep-05 Mon	71.75	65.45	68.60	23,544,391
6	12-Sep-05 Mon	71.10	70.60	70.85	9,280,498
7	19-Sep-05 Mon	73.65	70.20	71.93	12,729,879
8	26-Sep-05 Mon	73.05	67.90	70.48	15,125,533
9	03-Oct-05 Mon	78.50	73.65	76.08	20,263,291
10	10-Oct-05 Mon	77.30	74.20	75.75	12,619,924
11	17-Oct-05 Mon	73.05	67.20	70.13	19,749,181
12	24-Oct-05 Mon	70.15	65.85	68.00	24,487,913
13	31-Oct-05 Mon	69.90	66.95	68.43	16,300,788
14	07-Nov-05 Mon	73.05	69.85	71.45	10,868,932
15	14-Nov-05 Mon	74.90	73.10	74.00	30,056,014
16	21-Nov-05 Mon	78.90	74.90	76.90	27,776,619
17	28-Nov-05 Mon	82.05	78.20	80.13	25,452,414
18	05-Dec-05 Mon	83.80	80.65	82.23	20,599,433
19	12-Dec-05 Mon	82.35	80.40	81.38	11,075,905

Week No.	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
20	19-Dec-05 Mon	83.85	79.70	81.78	16,229,543
21	26-Dec-05 Mon	82.10	76.90	79.50	15,361,511
22	02-Jan-06 Mon	79.90	78.45	79.18	10,808,685
23	09-Jan-06 Mon	87.75	81.10	84.43	31,104,846
24	16-Jan-06 Mon	89.45	87.75	88.60	24,109,581
25	23-Jan-06 Mon	90.75	88.15	89.45	18,538,995
26	30-Jan-06 Mon	91.85	88.90	90.38	37,482,680
26 week Avg.				75.38	

e) 2 weeks daily high/low data on NSE (most frequently traded Stock Exchange)

Day no.	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	17-Jan-06 Tue	90.35	87.10	88.73	3,981,798
2	18-Jan-06 Wed	90.80	86.50	88.65	3,284,491
3	19-Jan-06 Thu	91.80	90.15	90.98	5,055,892
4	20-Jan-06 Fri	92.00	89.80	90.90	3,046,342
5	23-Jan-06 Mon	91.00	88.10	89.55	3,170,472
6	24-Jan-06 Tue	90.80	89.25	90.03	2,271,252
7	25-Jan-06 Wed	90.20	88.50	89.35	4,526,773
8	26-Jan-06 Thu	NA	NA	NA	NA
9	27-Jan-06 Fri	92.50	89.60	91.05	6,299,696
10	30-Jan-06 Mon	103.00	90.05	96.53	24,384,959
			Average	90.64	

- f) Under the Share Purchase Agreement, a non-compete payment of Rs. 15 per share has been made to RMIL and the Other Sellers, which is less than 25% of the Offer Price of Rs. 90.64 per share as determined under Regulation 20(4). Therefore under Regulation 20 (8), no additional amount is required to be added to the Offer Price arrived at under Regulation 20(4). Hence the Offer Price of Rs. 90.64 per share is justified
- g) In the opinion of the Manager to the Offer and Holcim Mauritius, the Offer Price of Rs 90.64 per fully paid-up equity share is justified.
- h) If Holcim Mauritius acquires shares after the date of Public Announcement upto 7 (seven) working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

6.2 Financial Arrangements

- a) The total fund requirement for the acquisition of up to 274,320,222 shares at Rs. 90.64 per share is approximately Rs. 24,864 million (Rupees Twenty four thousand eight hundred and sixty four million only).
- b) Pursuant to a keep-well undertaking of January 30, 2006, Holcim Ltd has confirmed that (i) it will supervise the management of its indirectly held wholly owned subsidiary Holcim Mauritius so as to enable its management being able to fulfill its obligations under Regulation 29 of the SEBI (SAST) Regulations, and that (ii) all funds necessary to consummate this Offer have been or will be made available on behalf of Holcim Mauritius as at the date of the Public Announcement.
- c) Further, Ernst & Young, the auditors of Holcim Ltd have provided a certificate stating that as on December 31, 2005, Holcim group had undrawn credit lines amounting at least to USD 1.5 billion with no restriction, which is more than the amount needed for consummating this Offer. Holcim Ltd has provided a certificate stating that as on December 31, 2005, it has undrawn credit lines amounting to USD 1.5 bn.

- d) Holcim Mauritius has made a cash deposit of USD 500,000,000 (equivalent to Rs. 22,075 million) with HSBC Guyerzeller Bank AG, Zurich, Switzerland to be used for the purpose of fulfilment of payment obligations under the Offer. The aforesaid cash deposit alongwith the Escrow account as detailed on point (g) below constitutes the entire amount payable under the Offer assuming full subscription to the Offer.
- e) The Manager to the Offer is satisfied about the ability of the Holcim Mauritius to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.
- f) Further, Holcim Mauritius has made a cash deposit of USD 6,162,636 (equivalent to Rs. 272 million only) with HSBC Guyerzeller Bank AG, Zurich, Switzerland and provided a bank guarantee for Rs. Two thousand eight hundred and seven million only by HSBC Mumbai with an aggregate commitment of Rs. 3,079.5 million only, being in excess of the amount required under Regulation 28(2) of the SEBI (SAST) Regulations i.e. 25% for the first Rs. 100 crores and 10% thereafter. DSPML has been authorized to realize the value of the aforesaid bank account and bank guarantee. Upon the RBI Approval being received by Holcim Mauritius for the transaction described in para 2.1 (d) above, the amount in the aforesaid bank account will be transferred to an escrow account with HSBC Mumbai, and DSPML will be authorized to realize the value of this escrow account.

7 TERMS AND CONDITIONS OF OFFER

7.1 Statutory approvals required for the Offer

- a) The Offer, along with any obligation to purchase the Shares tendered and accepted and to pay for the same, is subject to the receipt of the by Holcim Mauritius of RBI Approval under FEMA Holcim Mauritius has made the necessary application to RBI for their approval as aforesaid.
- b) Besides this, as on the date of this Public Announcement, no other statutory approval is required to acquire the shares tendered pursuant to this Offer. In terms of Regulation 27 of SEBI (SAST) Regulations, Holcim Mauritius will not proceed with the Offer in the event that any statutory approval indicated above is refused.
- c) In case of delay in receipt of any statutory approval(s), SEBI has power to grant extension of time to Holcim Mauritius for payment of consideration to shareholders, subject to Holcim Mauritius agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by Holcim Mauritius in obtaining the requisite approval, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.
- d) Holcim Mauritius does not require any approvals from financial institutions or banks for the Offer.

7.2 Others

- a) The Letter of Offer together with the Form of Acceptance will be mailed to the shareholders of GACL (except Holcim Mauritius, RMIL, RKBK and Mr. Narotam S. Sekhsaria), whose names appear on the register of members of GACL and to the beneficial owners of the shares of GACL, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on February 17, 2006 ("Specified Date").
- b) Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the special depository account with NSDL.
- c) All owners (registered or unregistered) of shares of GACL (except Holcim Mauritius, RMIL, RKBK and Mr. Narotam S. Sekhsaria) are eligible to participate in the Offer anytime before the Closure of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of shares held, Number of shares offered, Distinctive Numbers, Folio Number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.
- d) The acceptance of the Offer is entirely at the discretion of the shareholders of GACL. The Holcim Mauritius will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of GACL are advised to adequately safeguard their interest in this regard.
- e) Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- a) Shareholders of GACL, who wish to avail of this Offer are free to offer their shareholding in whole or in part and should forward the under mentioned documents to the Registrar to the Offer at their office at **Karvy Computershare Private Limited, 46, Avenue 4, Street 1, Banjara Hills, Hyderabad 500 034. Telephone No.: (040) 2331 2454, Fax no.: (040) 2331 1968** either by hand delivery on weekdays or by Registered Post, on or before the Closure of the Offer, i.e., no later than **April 24, 2006** or at the Collection Centres, so as to reach the Registrar/ Collection Centres on or before the close of business hours, i.e., no later than 1700 hrs on **April 24, 2006** in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance. **Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects, otherwise the same is liable to be rejected. In the case of dematerialized shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account before the closure of the Offer. The Form of Acceptance of such dematerialized shares, not credited in favour of the special depository account before the closure of the Offer, will be rejected.**

i. **For Equity shares held in physical form:**

Registered Shareholders should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with “GACL” and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.

Unregistered owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original broker contract note.
- Valid Share Transfer form(s) as received from the market.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

ii. **For Equity shares held in dematerialized form:**

Beneficial owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

- b) The Registrar to the Offer, M/s Karvy Computershare Private Limited, have opened a special depository account at National Securities Depository Limited (NSDL) as detailed below :

DP Name	DSP Merrill Lynch Ltd.
Special DP Account	Escrow Account - GACL Offer
DP ID	IN302638
Client ID	10013700

- c) The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer, Holcim Mauritius or GACL.
- d) The holders of the Global Depository Receipts (GDRs) who wish to avail of this Offer should request withdrawal of the equity share/(s) from the Depository in terms of the issuance of GDRs . Holders of GDRs who wish to tender the equity shares underlying such GDRs, should also request the Depository to instruct the Custodian to deliver the equity shares in accordance with (a) above.
- e) The holders of the ESOPS who wish to avail of this Offer would need to convert the ESOPS into equity shares and deliver the equity shares in accordance with (a) above.
- f) In case of non-receipt of the Letter of Offer, the Eligible Persons may send their consent to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Distinctive Number; Folio Number, Number of shares offered; along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e., no later than [April 24, 2006](#) or in case of beneficial owners they may send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Number of shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the Special Depository Account, or the Eligible Persons for the Offer can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the closure of the Offer, i.e., no later than [April 24, 2006](#). Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the Letter of Offer and Form of Acceptance will be available on SEBI’s website (www.sebi.gov.in), from the date of Opening of the Offer. The eligible persons can download the Form of Acceptance from the SEBI’s website and apply using the same.
- g) If the aggregate of the valid responses to the Offer exceeds the Offer size of 274,320,222 fully paid-up equity shares of GACL (representing 20.00% of the Fully Diluted Equity Voting Capital of GACL), then Holcim Mauritius shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The shares of GACL are compulsorily traded in dematerialised form, hence minimum acceptance will be one share.
- h) Shareholders who have sent their shares for dematerialization need to ensure that the process of getting their shares dematerialized is completed well in time so that the credit in the Special Depository Account is received on or before the date of Closure of the Offer, i.e., no later than [April 24, 2006](#), else the application would be rejected.
- i) While tendering shares under the Offer, NRIs/OCBs/Foreign Shareholders will be required to submit the previous RBI approvals (specific or general) that they may have obtained for acquiring shares of GACL. ***In case of previous RBI approval not being submitted, Holcim Mauritius reserves the right to reject such shares tendered.***
- j) While tendering shares under the Offer, NRI/OCBs/Foreign Shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by Holcim Mauritius under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, Holcim Mauritius will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.
- k) In addition to the above mentioned address, the equity shareholders of GACL, who wish to avail of and accept the Offer can also deliver the Acceptance Form along with all the relevant documents at any of the collection centres below. All the centres mentioned herein below would be open as follows:

(Monday to Saturday: 10.00 a.m. to 5.00 p.m.)

Address	Contact Person	Mode of Delivery	Phone No.	Fax
16/22, Bake House, Maharashtra Chamber of Commerce Lane, Opp. MSC Bank, Fort, Mumbai - 400 023	Ms.Nutan Shirke	Hand Delivery	(022) 5638 2666	(022) 5633 1135
7, Andheri Industrial Estate Off. Veera Desai Road, Andheri (W), Mumbai - 400 053	Ms.Vishakha Shringarpure	Hand Delivery	(022) 2673 0799	(022) 2673 0152
T K N Complex, No. 51/2, Vanivilas Road Basavangudi Bangalore - 560 004	Mr.Kishore	Hand Delivery	(080) 2662 1193 / 2662 1192	(080) 26621169
201-203 "Shail" Opp: Madhusudhan House Off CG Road Ahmedabad - 380 006	Mr.Edward	Hand Delivery	(079) 2642 0422 / 2640 0527	(079) 26565551
G1, Swathy Court, 22, Vijaya Raghava Road, T Nagar, Chennai - 600 017	Mr.Gunasekhar	Hand Delivery	(044) 2815 3445 / 2815 1034	(044) 28153181
Karvy House, 21, Avenue 4, Street No:1, Banjara Hills, Hyderabad - 500 034.	Ms. A Anitha	Hand Delivery/ Registered Post	(040) 2331 2454/ 2332 0251	(040) 23312946
49, Jatin Das Road, Kolkata - 700 029	Mr.Sujit Kundu	Hand Delivery	(033) 24647231 / 24644891	(033) 2464 4866
105-108, Arunachal Building, 19, Barakhamba Road, Connaught Place, New Delhi - 110 001	Mr. Michael George	Hand Delivery	(011) 23324401	(011) 2332 4621
Off. No.6, 3rd floor, Rachana Trade Centre, Law College Road, SNTD Circle, CGS No. 105, Erandwane, Pune - 411 004	Ms. Sarika Belote	Hand Delivery	020- 4048790 (5 lines)	020-25456842

- l) Shareholders who cannot hand deliver their documents at the Collection Centers referred above, may send the same by Registered Post, at their own risk and cost, to the Registrar to the Offer at their address given below:

Karvy Computershare Private Limited, 46, Avenue 4, Street 1, Banjara Hills, Hyderabad 500 034. Telephone No.: (040) 2331 2454, Fax no.: (040) 2331 1968.

- m) In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents only to the Registrar to the Offer as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before [April 19, 2006](#):

- i. For Equity Shares held in demat form:
Beneficial owners should enclose
- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
 - Acknowledgement slip in original / Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
 - Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
- ii. For Equity Shares held in physical form:
Registered Shareholders should enclose:
- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
 - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
 - In case of partial withdrawal, valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with ACC and duly witnessed at the appropriate place.
- Unregistered owners should enclose:
- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
 - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- In case of non-receipt of Form of withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details
- In case of physical shares: Name; Address; Distinctive Numbers; Folio Number; Number of Shares tendered and
 - In case of dematerialised shares: Name; Address; Number of Shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the special depository account.
- 1) The withdrawal of Shares will be available only for the Share certificates/ Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
 - 2) The intimation of returned shares to the Shareholders will be at the address through Registered post as per the records of GACL/Depository as the case may be.
 - 3) In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from GACL
 - 4) Partial withdrawal of tendered shares can be done only by the Registered shareholders / Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.
 - 5) ***Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.***
- n) In case of delay in receipt of statutory approvals beyond **May 9, 2006**, interest will be payable for the delayed period in terms of Regulation 22(12) of SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by Holcim Mauritius in obtaining the requisite approvals, Regulation 22(13) of SEBI (SAST) Regulations will also become applicable.
- o) Payment of consideration will be made by crossed account payee cheque / demand draft and sent by registered post, to those shareholders/unregistered owners and at their own risk, whose shares/ share certificates and other documents are found in order and accepted by Holcim Mauritius. In case of joint registered holders, cheques /demand drafts will be drawn in the name of the sole/first named holder/unregistered owner and will be sent to him. ***It is desirable that shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that same can be incorporated in the cheque / demand draft.***
- p) Unaccepted or withdrawn Share Certificate(s), transfer form(s) and other documents, if any, will be returned by Registered Post at the shareholders/unregistered owners’ sole risk to the sole/first named shareholder/unregistered owner. Unaccepted or withdrawn shares held in demat 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.
- q) The Registrar to the Offer will hold in trust the Share(s)/Share certificate(s), Shares lying in credit of the

special depository account, Form of Acceptance, if any, and the transfer form(s) on behalf of the shareholders/unregistered owner(s) of GACL, who have accepted the Offer, till the cheques / drafts for the consideration and/or the unaccepted shares/ share certificates are despatched / returned.

9 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, DSP Merrill Lynch Limited, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closure:

- a) Copy of the Shareholders' Agreement between Holcim Mauritius, RMIL, RKBK and Mr. Narotam S. Sekhsaria referred in para 2.1 (d) above
- b) Memorandum and Articles of Association of Holcim Mauritius
- c) Holcim Ltd letter dated January 30, 2006 confirming that it will supervise the management of its wholly owned subsidiary Holcim Mauritius so as to enable its management being able to fulfill its obligations under Regulation 29 of the SEBI (SAST) Regulations, and that all funds necessary to consummate this Offer have been or will be made available on behalf of Mauritius as at the date of this announcement.
- d) Letter from Ernst & Young, the auditors of Holcim Ltd, dated January 20, 2006, certifying that as on December 31, 2005, Holcim Ltd had undrawn credit lines worth USD 1.5 billion
- e) Audited results of Holcim Mauritius for three years ended December 31, 2002, 2003 & 2004
- f) Certified copy of **unaudited** results of Holcim Mauritius for the **year** ended **December 31, 2005**
- g) Audited results of Holcim Ltd for **four** years ended December 31, 2002, 2003, 2004 **and 2005**
- h) Memorandum and Articles of Association of GACL
- i) Audited results of GACL for three years ended June 30, 2003, 2004 & 2005
- j) Certified copy of limited review results of GACL for the period of six months ended December 31, 2005
- k) Copy of Article 5 of the Share Purchase Agreement referred in para 2.1(c) above including the Clauses of the Share Purchase Agreement referred therein, which deals with the Non Compete Undertaking
- l) Escrow agreement entered into amongst Holcim Mauritius, HSBC Guyerzeller Bank and DSPML confirming the deposit referred in para 6.2 (b) above
- m) Published copy of Public Announcements dated January 31, 2006 and **March 25, 2006**.
- n) SEBI observation letters

10 DECLARATION BY HOLCIM MAURITIUS AND HOLCIM LTD.

Holcim Mauritius **and Holcim Ltd** accept joint and several responsibility for the information contained in this Letter of Offer. Holcim Mauritius and Holcim Ltd are jointly and severally responsible for the fulfillment of their obligations under the SEBI (SAST) Regulations.

For Holcim Mauritius

Sd/-

Authorised Signatories

For Holcim Ltd.

Sd/-

Authorised Signatories

Date: **March 31, 2006**

Encl:

1. Form of Acceptance
2. Form of Withdrawal
3. Transfer deed for shareholders holding shares in physical form

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrars to the Offer at their address given overleaf)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

FROM

OFFER
OFFER OPENS ON : April 5, 2006
OFFER CLOSES ON : April 24, 2006

To, **Holderind Investments Ltd.**
 C/o. Karvy Computershare Private Ltd.
 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad 500 034
 Dear Sir,

Open offer for acquisition of up to 274,320,222 fully Paid-up Equity Shares of face value of Rs.2/- each, representing 20.26% of the voting share capital of Gujarat Ambuja Cements Limited at a price of Rs. 90.64/- per fully paid-up equity share

I/We refer to the Letter of Offer dated **March 31, 2006** for acquiring the equity shares held by me/us in **Gujarat Ambuja Cements Limited**.

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

I/We, hold the following shares in physical form and 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:

Ledger Folio No. _____ No. of Share Certificate(s) _____ No. of Shares _____

Sr.No.	Certificate No.	Distinctive No.		No. of Shares
		From	To	
Total				

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We confirm that the equity shares of **Gujarat Ambuja Cements 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 the original share certificate(s) and the valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures. I/We hold the following shares in Demat Form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP in respect of my/our equity shares as detailed below

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We have done an off-market transaction for crediting the shares to the **"Escrow Account- GACL Offer"** whose particulars are, DP Name - **DSP Merrill Lynch Ltd.** DP ID / Client ID **IN302638/10013700**

I/We note and understand that the Shares would lie in the said A/c i.e. **"Escrow Account-GACL Offer"** until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We authorise 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 authorise the Acquirer to return to me/us, the equity share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof and in the case of dematerialised shares, to the extent not accepted will be released to my Depository Account at my sole risk.

I/We authorise the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by registered post the draft/cheque, in settlement of the amount to the sole/firstholder at the address mentioned above.

The Permanent Account No. (PAN/GIR NO.) allotted under the Income Tax Act 1961 is as under

PAN/GIR No.	1 st Shareholder	2 nd Shareholder	3 rd Shareholder

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form may provide details of bank account of the first/sole shareholder and the consideration payment will be drawn accordingly. For shares that are tendered in electronic form, the bank account details obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars.

Name of Bank	Account No.	Savings/Current/NRE/NRO/Others(Please tick)
Address of the Branch		Pin

Yours faithfully,

Signed and delivered	FULL NAME(S)	SIGNATURE(S)
1 st Shareholder		
2 nd Shareholder		
3 rd Shareholder		

Note : In case of joint holders all must sign. In case of body coporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place: _____ Date : _____

----- (Tear Here) -----
Ack. Receipt **Holderind Investments Ltd.**
 C/o. Karvy Computershare Private Ltd., 46, Avenue 4, Street 1, Banjara Hills, Hyderabad 500 084

Stamp of collection centre

Received from Mr./Ms./M/s. Form of Acceptance cum Acknowledgement

#..... Number of Share Certificates for.....shares/# Copy of the Delivery Instruction to (DP) for.....shares

Delete whichever is not applicable

INSTRUCTIONS

1. In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demat shares not credited in favour of the special depository account, before the closure of the Offer will be rejected.
2. Shareholders should enclose the following:-
 - i. **For Equity shares held in demat form:-**

Beneficial owners should enclose

 - Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
 - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
 - For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.
 - ii. **For Equity shares held in physical form:-**

Registered Shareholders should enclose:

 - Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
 - **Original Share Certificate(s).**
 - **Valid Share Transfer form(s)** duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with **Gujarat Ambuja Cements Limited**. and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.

In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates alongwith the duly completed transfer form, the Offer shall be deemed to be accepted.

Unregistered owners should enclose:

 - **Form of Acceptance cum Acknowledgement** duly completed and signed in accordance with the instructions contained therein.
 - **Original Share Certificate(s).**
 - **Original broker contract note.**
 - **Valid Share Transfer form(s)** as received from the market.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.
3. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent **only** to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer or **Gujarat Ambuja Cements Limited**.
4. **Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in the favour of the special depository account with NSDL.**
5. **Non resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in Gujarat Ambuja Cements Limited. If, the shares are held under General Permission of RBI the non resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.**
6. **Non resident shareholders should enclose No Objection certificate/ Tax Clearance certificate from the Income Tax Authorities under Income-Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will be deducted at marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer.**

----- (Tear Here) -----

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

Karvy Computershare Private Limited

(Unit: Gujarat Ambuja Cements Limited)

46, Avenue 4, Street 1, Banjara Hills, Hyderabad 500 034

Tel.: 040 - 2331 2454 / 2332 0251 Fax : 040 - 2331 1968

FORM OF WITHDRAWAL

From:
Name:
Address:

OFFER	
OPENS ON	April 5, 2006
LAST DATE OF WITHDRAWAL	April 19, 2006
CLOSES ON	April 24, 2006

To,
Holderind Investments Ltd.
C/o. Karvy Computershare Private Ltd.
46, Avenue 4, Street 1
Banjara Hills, Hyderabad 500 034
Dear Sir/Madam,

Open offer for acquisition of up to 274,320,222 fully Paid-up Equity Shares of face value of Rs.2/- each, representing 20.26% of the voting share capital of GACL at a price of Rs. 90.64/- per fully paid-up equity share

I/We refer to the Letter of Offer dated **March 31, 2006** for acquiring the Shares held by me/us in **Gujarat Ambuja Cements Limited**.
I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.
I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.
I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal i.e, no later than **17.00** hours on **April 19, 2006**.
I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and also for the non receipt of Shares held in the dematerialised form in the Depository account due to inaccurate/incomplete particulars/instructions.
I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depository from time to time.
The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Ledger Folio No _____	No. of Share Certificate(s) _____	No. of Shares _____		
Sr.No.	Certificate No.	Distinctive No.		No. of Shares
		From	To	
Total				

(In case of insufficient space, please use an additional sheet and authenticate the same)
I/We hold the following Shares in dematerialised Form and had done an off-market transaction for crediting the Shares to the "Escrow Account-GACL Offer" as per the following particulars:

DP Name : DSP MERRILL LYNCH LIMITED	DP ID / Client ID : IN 302638/10013700
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Please find enclosed a photocopy of the Depository Delivery Instruction(s) (TIFD) duly acknowledged by the Depository Participant. The particulars of the account from which my/our Shares have been tendered are as detailed below

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We note that the Shares will be credited back only to that Depository Account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.
I/We confirm that the particulars given above are true and correct.
In case of dematerialised Shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.
Yours faithfully,
Signed and delivered

	FULL NAME(S)	SIGNATURE(S)
1 st Shareholder		
2 nd Shareholder		
3 rd Shareholder		

Note: In case of joint holdings, all holders must sign. A Corporation must affix its rubber stamp.
Place: _____ Date: _____

----- (Tear Here) -----

Folio No/DP ID/Client ID

**Acknowledgement Slip
Gujarat Ambuja Cements Limited.Open Offer**

Received from Mr./Ms. _____
Address _____
Number of Certificate(s) enclosed _____ Certificate Numbers _____
Total Number of share(s) enclosed _____
Signature of Official _____ Date of Receipt _____

Stamp of collection centre

Note: All future correspondence, if any, in connection with this offer, should be addressed to the Registrar to the Offer

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the Collection Centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e no later than **17.00 hours on April 19, 2006.**
2. Shareholders should enclose the following:-
 - i. For Equity Shares held in demat form:- Beneficial owners should enclose
 - Duly signed and completed Form of Withdrawal.
 - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
 - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction (TIFD) in "Off-market" mode, duly acknowledged by the DP.
 - ii. For Equity Shares held in physical form:- Registered Shareholders should enclose:
 - Duly signed and completed Form of Withdrawal.
 - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D. In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with **Gujarat Ambuja Cements Limited** and duly witnessed at the appropriate place.
 - iii. Unregistered owners should enclose:
 - Duly signed and completed Form of Withdrawal.
 - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.
7. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
8. The Form of Withdrawal and other related documents should be submitted at any of the Collection Centers of **Karvy Computershare Private Limited** stated in the Letter of Offer.
9. Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at **Karvy Computershare Private Limited, 46, Avenue 4, Street 1, Banjara Hills, Hyderabad 500 034** so as to reach the Registrars on or before the last date of withdrawal i.e. **April 19, 2006.**

----- (Tear Here) -----

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

Karvy Computershare Private Limited
(Unit: Gujarat Ambuja Cements Limited)

46, Avenue 4, Street 1, Banjara Hills, Hyderabad 500 034
Tel. : 040 - 2331 2454 / 2332 0251 Fax : 040 - 2331 2946