LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This document ('Letter of Offer' or 'LoF') is sent to you as a shareholder(s) of The Moran Tea Company (India) Limited ('Moran Tea'). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in Moran Tea, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement and Form of Withdrawal and Transfer Deed to the member of stock exchange through whom the said sale was effected.

CASH OFFER

by

The Acquirers:

McLeod Russel India Limited

Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata, West Bengal 700 001, India

Tel: +91 33 2248 9434 Fax: +91 33 2248 6824

and

Williamson Magor & Co. Limited

Four Mangoe Lane, Surendra Mohan Ghosh Sarani,

Kolkata – 700 001, India

Tel: +91 33 2243 5391 Fax: +91 33 2248 8114

and

Ichamati Investments Private Limited

8, A.J.C. Bose Road,

Kolkata – 700 017, India

Tel: +91 33 3058 7838 Fax: +91 33 3058 7810

for

the acquisition of up to 420,000 fully paid-up equity shares representing 20% of the paid-up equity share capital of

The Moran Tea Company (India) Limited

Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata – 700 001, India

Tel: +91 33 2290 2052 Fax: +91 33 2290 2065

Correspondence Address: 5B Sarojini Naidu Sarani, (Rawdon Street) Kolkata 700 017, India

Tel: +91 33 2290 2052 Fax: +91 33 2290 2065

at Rs.316.15 per Equity Share payable in cash

Attention:(1) This Offer is being made pursuant to Regulation 10 and Regulation 12 with the objective of acquisition of substantial shares with change in control. (2) The Offer is not subject to a minimum level of acceptance by the shareholders of Moran Tea. (3) The Offer is subject to the following statutory and regulatory approvals and clearances required to acquire shares tendered pursuant to the Offer: Approval of RBI under FEMA, if required, for acquiring Shares tendered and accepted under the Offer by non-resident shareholders of Moran Tea. As on date, there are no other statutory or regulatory approvals required, other than those indicated above. (4) The Acquirers will make the application for requisite approval to the RBI, if any, on closure of the Offer for acquisition of the Shares tendered and accepted under the Offer. (5) If there is any further upward revision of the Offer Price by the Acquirers till the last date for revision viz. April 25, 2007 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Public Announcement had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the Offer and accepted under the Offer. (6) Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer i.e. May 3, 2007(7) **If there is a competitive bid: (i) the public offers under all the subsisting bids shall close on the same date; (ii) as the Offer Price cannot be revised during seven working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly. (8) No competitive bid has been announced as on the date of this Letter of Offer.** (9) A copy of the Public Announcement and Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) is also available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ICICI Securities **ICICI Securities Limited** ICICI Centre H.T. Parekh Marg, Churchgate Mumbai 400 020, India Tel: +91 22 2288 2460 • Fax: +91 22 2282 6580 Email: morantea@isecltd.com Contact Person: Ashok Khandelwal	MAHESHWARI DATAMATICS PVT. LTD. **Maheshwari Datamatics Private Limited** 6 Mangoe Lane, 2nd Floor Kolkata 700 001, India Tel: +91 33 2243 5029 • Fax: +91 33 2248 4787 Email: mdpl@cal.vsnl.net.in Contact Person: S. Rajagopal

Schedule of the Major Activities of the Offer

	Activity	Original Date (Day)	Revised Date (Day)
1	Date of publication of Public Announcement	December 6, 2006 (Wednesday)	December 6, 2006 (Wednesday)
2	Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	December 29, 2006 (Friday)	December 29, 2006 (Friday)
3	Last date for announcement of a competitive bid	December 26, 2006 (Tuesday)	December 26, 2006 (Tuesday)
4	Date of publication of Corrigendum Announcement	-	April 18, 2007 (Wednesday)
5	Date by which Letter of Offer will be posted to shareholders	January 11, 2007 (Thursday)	April 18, 2007 (Wednesday)
6	Date of Opening of the Offer	January 19, 2007 (Friday)	April 20, 2007 (Friday)
7	Last date for revising the Offer Price / number of Shares	January 29, 2007 (Monday)	April 25, 2007 (Wednesday)
8	Last date for withdrawing acceptance from the Offer	February 2, 2007 (Friday)	May 3, 2007 (Thursday)
9	Date of Closure of the Offer	February 7, 2007 (Wednesday)	May 9, 2007 (Wednesday)
10	Date of communicating rejection / acceptance and payment of consideration for applications accepted	February 22, 2007 (Thursday)	May 24, 2007 (Thursday)

Risk Factors

Risks Related To The Proposed Offer

1. The Offer involves an offer to acquire 20% of fully paid-up equity share capital of Moran Tea from the Eligible Persons for the Offer. The Acquirers propose to acquire up to 20% of the fully paid-up equity share capital of Moran Tea. In case of oversubscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the Shares tendered by the shareholders in the Offer will be accepted.

2. In the event that either (a) a statutory and regulatory approval is not received in a timely manner, (b) there is any litigation leading to a stay of the Offer, or (c) SEBI instructing the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of Moran Tea whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirers may be delayed. In case of the delay, due to non-receipt of the statutory approvals, as per Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the wilful default or negligence or failure to diligently pursue on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by the SEBI. Further, shareholders should note that after the last date of withdrawal i.e. May 3, 2007, the shareholders who have lodged the Shares would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

   The Offer is subject to the receipt of statutory and regulatory approvals, as provided under section 6.14 of this Letter of Offer for the acquisition of Shares by the Acquirers under the Offer. The Acquirers may not to be able to proceed with the Offer in the event the approvals are not received in terms of Regulation 27 of the Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

3. The Shares tendered in the Offer will be held in trust by the Registrar to the Offer, till the completion of the Offer formalities. Accordingly, the Acquirers makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders of Moran Tea on whether to participate or not to participate in the Offer.

4. The transaction is subject to completion risks as would be applicable to similar transactions.

Risks involved in associating with the Acquirers

5. McLeod Russel proposes to acquire ownership and control of Moran Tea by the acquisition of up to 1,520,000 fully paid-up equity shares constituting 72.38% fully paid-up equity share capital of Moran Tea from the Promoter Group of Moran Tea pursuant to the Share Purchase Agreement. In the event, the aforesaid acquisition of up to 72.38% fully paid-up equity share capital of Moran Tea does not materialise, McLeod Russel may not get control of Moran Tea. McLeod Russel makes no assurance with respect to the financial performance of the Target Company.

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

Table of Contents

Definitions

Acquirers	McLeod Russel India Limited, Williamson Magor & Co. Limited and Ichamati Investments Private Limited
Act	The Companies Act, 1956
BSE	Bombay Stock Exchange Limited
Business Hours	Monday to Friday – 10.00 a.m. to 5.00 p.m. (Closed on Sundays and public holidays)
CDSL	Central Depository Services (India) Limited
CSE	The Calcutta Stock Exchange Association Limited
Deemed PAC	Metals Centre Limited and United Machine Co. Limited, companies belonging to the Williamson Magor Group own 38,848 and 11,202 fully paid-up equity shares respectively representing 1.85% and 0.53% respectively of the share capital of Moran Tea. For the purpose of this offer, Metals Centre Limited and United Machine Co. Limited are considered as deemed Persons Acting in Concert with the Acquirers.
DP	Depository Participant
Eligible Persons for the Offer	Registered shareholders of Moran Tea appearing in the Register of Members as on the Specified Date and unregistered shareholders who own the equity shares of Moran Tea, anytime before the closure of the Offer, except a) the Acquirers, Metals Centre Limited and United Machine Limited, companies belonging to the Williamson Magor Group and shareholders of Moran Tea and b) the Promoter Group of Moran Tea
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
GSE	Gauhati Stock Exchange Limited
Ichamati	Ichamati Investments Private Limited
Letter of Offer	This Letter of Offer dated April 16, 2007
Manager / Manager to the Offer	ICICI Securities Limited
McLeod Russel	McLeod Russel India Limited
Non compete Agreement	The agreement signed between Moran Holdings Plc. and Moran Tea on January 18 2006, which provides for restrictions on Moran Holdings Plc from carrying on the business of tea in India, Sri Lanka, Nepal, Bangladesh and Bhutan and employing the current employees of Moran Tea and McLeod Russel
NRIs	Non-Resident Indians
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Offer	Offer for acquisition of up to 420,000 fully paid-up equity shares of face value of Rs. 10 each of Moran Tea representing 20% of the equity share capital at a price of Rs. 316.15 per Share, payable in cash
Offer Price	Rs. 316.15 per Share

Promoter Group of Moran Tea	Moran Holdings Plc, the Seller together with Nirvan Commercial Co. Limited, KRL Finance & Investment Limited, Shree Durga Agencies Limited, Saket Fiscal Services (P) Limited, Latika Financers Limited and Marut Jute Udyog (P) Limited
Public Announcement / PA	Announcement of the Offer made by the Acquirers on December 6, 2006
RBI	Reserve Bank of India
Registrar / Registrar to the Offer / Maheshwari Datamatics	Maheshwari Datamatics Private Limited
Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto up to the date of Public Announcement
SEBI	The Securities and Exchange Board of India
Seller	Moran Holdings Plc.
Share(s) / Equity Share(s)	Fully paid-up equity share(s) of face value of Rs. 10 each of Moran Tea to be acquired pursuant to the Offer not exceeding 420,000 Equity Shares
Share Purchase Agreement or 'SPA'	The Agreement, pursuant to the Term Sheet, signed on December 18, 2006, by McLeod Russel with Moran Holdings Plc to acquire 1,520,000 fully paid-up equity shares constituting 72.38% of the fully paid-up equity share capital of Moran Tea along with its control, subject to fulfilment of certain terms and conditions as per the Share Purchase Agreement. As per the Share Purchase Agreement, Moran Holdings Plc would enter into a non-compete undertaking with McLeod Russel in the tea industry in India, Sri Lanka, Nepal, Bangladesh and Bhutan on the closing date.
Specified Date	December 29, 2006
Target Company / Moran Tea	The Moran Tea Company (India) Limited
Term Sheet	The Term Sheet, dated December 1, 2006, signed by McLeod Russel with Moran Holdings Plc to acquire 1,520,000 fully paid-up equity shares constituting 72.38% of the fully paid-up equity share capital of Moran Tea along with its control, subject to fulfilment of certain terms and conditions as per the Share Purchase Agreement.
Williamson Magor	Williamson Magor & Co. Limited

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 REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE MORAN TEA COMPANY (INDIA) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS OR OF THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, ICICI SECURITIES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 19, 2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer or in the advertisement or any material issued by, or at the instance of Acquirers and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her own risk.

2. DETAILS OF THE OFFER

1.1 Background of the Offer

2.1.1 The Offer is mandatory in nature made by the Acquirers pursuant to Regulation 10 and Regulation 12 with the objective of acquisition of substantial shares with change in control. McLeod Russel had signed a term sheet with Moran Tea outlining the key terms of the agreement on December 1, 2006 with a clause that a formal Share Purchase agreement would be signed later. Subsequently McLeod Russel has signed an SPA, on January 18, 2007, with Moran Holdings Plc to acquire 1,520,000 fully paid-up equity shares constituting 72.38% of the fully paid-up equity share capital of Moran Tea along with its control, subject to fulfilment of certain terms and conditions as per the Share Purchase Agreement. In addition to this, McLeod Russel has entered into a non-compete undertaking with the Moran Holdings Plc on the same date as that of the SPA by which the Moran Holdings Plc will not be able to compete with McLeod Russel in the tea industry in India, Sri Lanka, Nepal, Bangladesh and Bhutan.

The following are the salient features of the Share Purchase Agreement:

1. Moran Holdings Plc. shall sell 1,520,000 equity shares of Moran Tea to McLeod Russel at a price of Rs.273/- per share, aggregating to Rs. 414,960,000.

2. Moran Holdings Plc. will execute a non compete agreement with McLeod Russel and McLeod Russel will pay the non compete fee as per the non compete agreement.

3. From the date of signing the agreement till the transfer of shares, Moran Holdings Plc. shall conduct the business of the Moran Tea in the ordinary course, except when agreed in writing by McLeod Russel.

4. All dividends and interest thereon if any shall be paid to McLeod Russel.

5. McLeod Russel shall within 60 days from the Closing Date take appropriate steps to change the name of the Company so that the word 'Moran' is deleted from it's name.

6. McLeod Russel shall comply with the provisions of the Regulations in so far as they are applicable to the transactions contemplated under the SPA. In the event McLeod Russel fails to comply with the provisions of the Regulations, the SPA will not be acted upon except for the provision of the termination clause by Moran Holdings Plc.

The non compete agreement was signed between Moran Holdings Plc. and McLeod Russel on January 18, 2007 and provides the following:

1. McLeod Russel will pay a consideration of GBP 750,000* to Moran Holdings Plc towards non compete fee.

2. For a period of five years from the date of the agreement, Moran Holdings Plc. along with its affiliates will not

   - engage or participate in the manufacture, production, distribution and sale of tea in select geographies, or
   - deal in tea in select geographies with any person who has been a substantial customer of Moran Tea during the past two years, or
   - sell any tea outside the select geographies if the tea will be re-sold in the select geographies.

3. For a period of three years from the date of the agreement, Moran Holdings Plc. will not seek to employ any person who is currently employed with Moran Tea or McLeod Russel.

The select geographies shall include India, Bangladesh, Sri Lanka, Bhutan and Nepal.

* At the exchange rate of £1=Rs. 87.45 (as on December 1, 2006), the non-compete fee amounts to Rs. 43.15 per share.

2.1.2 In view of the above, the Offer would be under Regulation 10 and 12 of the Regulations. The Acquirers confirm to acquire upto 420,000 fully paid-up equity shares of Moran Tea representing 20% of the fully paid-up equity share capital of Moran Tea.

2.1.3 McLeod Russel, Williamson Magor and Ichamati belong to the Williamson Magor Group, a diversified industrial group based out of Kolkata with interest in tea – bulk and packet, batteries, torchlights, and engineering. Williamson Magor Group is promoted by Mr. B. M. Khaitan, a renowned industrialist with six decades of rich experience. McLeod Russel, Williamson Magor and Ichamati are collectively referred to as the 'Acquirers'.

2.1.4 The Acquirers are making an open offer to acquire up to 420,000 fully paid-up equity shares of the face value of Rs. 10 each, representing 20% of the fully paid-up equity share capital of Moran Tea at a price of Rs. 316.15 per share payable in cash subject to the terms and conditions mentioned herein ('Offer' or 'Public Offer' or 'Open Offer').

2.1.5 The Offer is not conditional upon any minimum level of acceptance, i.e. the Acquirers will acquire all the fully paid-up equity shares of Moran Tea that are tendered in the Offer up to 420,000 Shares, subject to the conditions specified in the Public Announcement published on December 6, 2006 and also subject to the conditions specified in this Letter of Offer and Form of Acceptance-cum-Acknowledgement.

2.1.6 Neither the Acquirers, nor the Seller nor the directors of the Acquirers or the Seller, have been prohibited by SEBI from dealing in securities in terms of directions issued u/s 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

Moran Tea has not been prohibited by SEBI from dealing in securities in terms of directions issued u/s 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

2.1.6 As on the date of the Public Announcement, ICICI Securities Limited, the Manager to the Offer, do not hold any shares of Moran Tea.

2.1.7 ICICI Securities Limited shall not deal in the shares of the Target Company during the period commencing from the date of its appointment in terms of Regulation 13 till the expiry of the fifteen days period from the date of Closure of the Offer.

2.2 **Details of the proposed Offer**

2.2.1 The Public Announcement was published on December 6, 2006. The Public Announcement was published in all the editions of the following newspapers in accordance with Regulation 15 of the Regulations:

Newspapers	Language
The Financial Express	English
Jansatta	Hindi
Dainik Statesman	Bengali

The Public Announcement published on December 6, 2006 is also available on the SEBI website, www.sebi.gov.in.

2.2.2 Pursuant to and subject to the terms and conditions of this Letter of Offer, the Acquirers are hereby making an Offer to the Eligible Persons for the Offer to acquire from them up to 420,000 Shares (representing 20% of the fully paid-up equity share capital of Moran Tea) at a price of Rs. 316.15 (Rupees three hundred sixteen and paise fifteen only) per Share, payable in cash. Any upward revision in the Offer with respect to the Offer Price will be announced in the abovementioned newspapers and the revised Offer Price would be payable by the Acquirers for all the Shares tendered anytime during the Offer.

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

2.2.4 As on December 6, 2006, there are no partly paid-up equity shares in the Target Company.

2.2.5 The Offer is not conditional on any minimum level of acceptance i.e. the Acquirers will acquire all the Shares that are tendered in terms of the Offer up to 420,000 Shares, subject to the conditions specified in the Public Announcement published on December 6, 2006 and also subject to the conditions specified in this Letter of Offer and Form of Acceptance-cum-Acknowledgement.

2.2.6 The Acquirers do not hold any shares of Moran Tea as of the date of this Public Announcement. However, Metals Centre Limited and United Machine Co. Limited, companies belonging to the Williamson Magor Group own 38,848 and 11,202 fully paid-up equity shares respectively representing 1.85% and 0.53% respectively of the share capital of Moran Tea. For the purpose of this offer, Metals Centre Limited and United Machine Co. Limited are considered as deemed Persons Acting in Concert with the Acquirers. Further, the Acquirers have not acquired any shares of Moran Tea since the date of the Public Announcement and up to the date of this Letter of Offer

2.2.7 Pursuant to this Offer, McLeod Russel and/or Williamson Magor and/or Ichamati shall acquire shares of Moran Tea.

2.3 **Object of the Offer**

2.3.1 The Offer to the shareholders of Moran Tea is for substantial acquisition of Shares with change in control / management of Moran Tea, and is made in accordance with Regulation 10 and 12 read with other applicable provisions of the Regulations.

2.3.2 McLeod Russel and Moran Tea are in the same line of business. Pursuant to the SPA, McLeod Russel will have a significant share of Indian bulk tea business. The economy of scale would also result in significant cost advantages.

2.3.3 The Acquirers intend to review from time to time Moran Tea's business affairs and financial position. Based on such evaluation and review, as well as general economic and industry conditions existing at the time, the Acquirers may consider from time to time, various alternative courses of action. Such actions may include the acquisition of additional equity shares through open market purchases, privately negotiated transactions, tender offers, exchange offers or in any other manner; alternatively, such actions may involve the sale of all or a portion of the Shares in the open market, in privately negotiated transactions, or otherwise, subject to the provisions of the applicable law at the relevant time.

3. **BACKGROUND OF THE ACQUIRERS**

3.1 **McLeod Russel**

3.1.1 McLeod Russel is a company registered under the Companies Act and was incorporated on May 5, 1998 as Eveready Company India Private Limited. The name was changed to Eveready Company India Limited on July 6, 2000 and subsequently to McLeod Russel India Limited on February 14, 2005. McLeod Russel is a part of the Williamson Magor Group, a diversified industrial group based out of Kolkata with interest in tea – bulk and packet, batteries, torchlights, and engineering. The objects of McLeod Russel include carrying on the business of cultivation and manufacture of tea. The registered office of McLeod Russel is located at Four Mangoe Lane, Kolkata – 700 001, India (Tel: +91 33 2248 9434 Fax: +91 33 2248 6824). The company is listed on the following stock exchanges: NSE, BSE and CSE. The closing price of McLeod Russel as on the BSE on April 11, 2007 (last available market price) was Rs. 69 (Source: www.bseindia.com). The issued and paid-up share capital of the company constitutes of 108,337,707 equity shares of Rs. 5 each aggregating Rs. 54.17 crore. The shareholding pattern of McLeod Russel as on December 15, 2006 is as follows:

Shareholder	No. of shares	% holding
Promoters' shareholding		
Indian Promoters	19,394,278	17.90%
Foreign Promoters	-	-
Persons Acting in Concert	30,184,075	27.86%
Total Promoters' shareholding	**49,578,353**	**45.76%**
Non-promoters' shareholding		
Institutional Shareholders	32,608,487	30.10%
Corporate Bodies	7,506,677	6.93%
Indian Public	17,956,807	16.57%
Others	687,383	0.63%
Total non-promoter shareholding	**58,759,354**	**54.24%**
Total	**108,337,707**	**100.00%**

As McLeod Russel does not hold and has never held any shares in the Target Company, provisions of Chapter II of the Regulations are not applicable.

3.1.2 As on the date of PA, the Board of Directors of McLeod Russel is as follows:

Name of Director	Experience	Qualifications	Date of Appointment	Address
Brij Mohan Khaitan, Chairman	Among the leading industrialists in Eastern India, Mr. Khaitan is a name to be reckoned with. Mr. Khaitan has great contributions to the tea industry with which he has been associated for over four decades. Apart from McLeod Russel, he is also the Chairman of Williamson Magor & Co. Limited and Eveready Industries India Limited and is on the board of directors of various other companies both within and outside Williamson Magor Group. The Chambers of Commerce have always found a strong supporter in him. In 1973, he was elected President of the Indian Chambers of Commerce and was also the President of the International Chamber of Commerce Indian National Committee during 1986-1987.	Mr. Khaitan is commerce graduate from Calcutta University.	05.05.1998	10 Queens Park, Kolkata – 700 019
Deepak Khaitan, Vice Chairman	Mr. D. Khaitan is associated with tea plantation activities for over 3 decades and has had in-depth exposure to and involvement in steering diverse businesses and gained rich experience and expertise in management of tea, batteries and engineering industries. Presently, Mr. Khaitan is the Executive Vice-Chairman and Managing Director of Eveready Industries India Limited. Besides, he is also holding directorships in a number of other companies in the Williamson Magor Group and outside.	Mr. D. Khaitan was educated in St. Xavier's School and College, Kolkata and has obtained his B. Com. (Hons.) degree from this college under Calcutta University. Following this he went abroad to pursue his higher management education and has obtained his MBA from Geneva (Switzerland).	16.02.2005	10 Queens Park, Kolkata – 700 019

Name of Director	Experience	Qualifications	Date of Appointment	Address
Aditya Khaitan, Managing Director	Mr. A. Khaitan was born in a family which has been in tea plantation activities for over four decades. Mr. Khaitan has had in-depth exposure to and involvement in steering diverse businesses and other related areas of tea and various other industries and also in the matter of restructuring corporate entities. Mr. Khaitan is on the boards of various companies including Eveready Industries India Limited and Williamson Magor & Co. Limited	Mr. A. Khaitan was educated in St. Xavier's College, Kolkata and has obtained his B. Com. (Hons.) degree from this college under Calcutta University	16.02.2005	10 Queens Park, Kolkata – 700 019
Raghavachari Srinivasan	A renowned expert in banking and finance, Dr. Srinivasan has held very senior positions in this field including the chairmanship of two large nationalised Banks, viz. Bank of India and Allahabad Bank, and of the Indian Bank's Association, the apex body of the banking industry. He advises various corporates in the areas of banking, finance and capital market. He has to his credit several publications in national and international media as well as prestigious awards in the area of banking.	Ph. D. [in Banking & Finance from Bombay University], CAIIB, FIB	11.03.2005	C-6-1, Lloyds Garden, Appa Saheb Marathe Marg, Prabhadevi, Mumbai – 400 025
Bharat Bajoria	Mr. Bajoria is associated with tea industry since 1975 and during these 3 decades has gathered considerable experience in all aspects of tea plantation business. Mr. Bajoria is the Managing Director of Teesta Valley Tea Co. Ltd. and The Bormahjan Tea Co. (1936) Ltd and he is having directorship in other companies. As a leader of the Indian tea industry, Mr. Bajoria held in the past, the position of chairman of Indian Tea Association and Consultative Committee of Plantation Association. Mr. Bajoria was also the chairman of Darjeeling Planters Association and Special Committee for Generic Tea Promotion in India. Mr. Bajoria is a member of Indian Chamber of Commerce.	Mr. Bajoria is a graduate of science with Honours	11.03.2005	5, Alipore Road, Kolkata – 700 027
Ranabir Sen	Mr. Sen joined J. Thomas & Co. Private Limited in 1964 and served the company in various capacities at Kolkata and various branches in India and also abroad. He was the key person in setting up the Siliguri Tea Auctions and also the Singapore Auctions. Inducted into the Board of J. Thomas & Co. Private Limited in 1987 and became the Managing	Mr. Sen is a Graduate from St. Joseph's College in Darjeeling	11.03.2005	19 PH 1, Bay Tower, Hiland Park, 1925, Chak Garia, Kolkata – 700 094

Name of Director	Experience	Qualifications	Date of Appointment	Address
	Director in 1995 and Chairman in 2001. He retired from the company as CMD on 31st March 2004. He was an active member of various tea committees including Tea Board.			
Utsav Parekh	Mr. Utsav Parekh has about 25 years of in-depth experience in stock market, merchant banking and financial services. He is a member of the Calcutta Stock Exchange Association Limited and National Stock Exchange of India Limited. Mr. Parekh is also on the boards of a number of companies covering various industries including engineering, paper, information technology, capital market services etc.	Mr. Parekh did his graduation in commerce with Honours from the University of Calcutta.	26.05.2005	2/3 Sarat Bose Road, Kolkata – 700 020
Rama Shankar Jhawar	Mr. Jhawar has been associated with Williamson Magor Group in various capacities since 1960 and is currently the wholetime Director of Williamson Magor & Co. Limited. During his long career with Williamson Magor Group Mr. Jhawar has acquired considerable experience and expertise in general management, finance, taxation and other related areas. In addition to his specialization in corporate finance Mr. Jhawar has considerable exposure to the tea industry. Mr. Jhawar was the Chairman of the Indian Tea Association for two consecutive terms i.e. 1999-2000, 2000-2001 and Vice-Chairman of the Tea Board of India. Mr. Jhawar also represented the Indian tea industry at a number of international conferences and seminars in India and abroad.	Mr. Jhawar is a fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Chartered Institute of Management Accountants, U.K. Mr. Jhawar secured first position in the final examination of the Institute of Chartered Accountants of India and was awarded the President's Gold Medal. Mr. Jhawar also holds a Bachelor's Degree in law.	05.05.1998	Doveland Court, 29/13 Ballygunge Park, Kolkata – 700 019
Rajeev Takru, Whole time Director	During his long carrier spreading over 3 decades Mr. Takru has held various senior positions in a number of companies belonging to the Williamson Magor Group having tea plantation activities. Before his appointment as the wholetime Director of the company, Mr. Takru was Senior Vice-President of Eveready Industries India Limited and was in-charge of the plantation activities of the bulk tea division of the said company which has since been transferred to and vested in the company. Mr. Takru has also considerable experience in the field of administration and human resource development.	Mr. R. Takru had his education in Hindu College and obtained his B. A. (Hons.) degree from this college under Delhi University.	16.02.2005	UD 03-0702, 1050/1, Survey Park, Santoshpur, Kolkata – 700 075

Name of Director	Experience	Qualifications	Date of Appointment	Address
	Mr. Takru is also associated with health and educational activities. He is on the boards of Woodlands Medical Centre Limited and The Assam Valley School.			
Azam Monem, Whole time Director	Mr. Monem had started his career in Macneill and Magor Limited in 1979 and during last 28 years has gained rich experience in tea tasting and marketing. Besides tea tasting and marketing, he possesses in-depth knowledge in exports and domestic sales of tea and achieved valuable experience as a buyer, blender and trader. Before his appointment as the wholetime Director of the company, Mr. Monem was a Senior Vice-President of Eveready Industries India Limited and was in-charge of the marketing and sales activities of the bulk tea division of the said company which has since been transferred to and vested in the company. Presently, Mr. Monem is the Chairman of ITA's Export Promotion and Marketing Committee and Vice-Chairman of Calcutta Tea Traders Association. He has been a member of a number of tea delegations to various countries led by the Tea Board and Commerce Ministry.	Mr. Monem was educated in St. Xavier's Collegiate School and St. Xavier's College, Kolkata and has obtained his B. Com. (Hons.) degree from this college under Calcutta University in 1982.	16.02.2005	Flat No. 7, 8/6/1 Alipore Estate, Alipore Road, Kolkata – 700 027
Kamal Kishore Baheti, Whole time Director	Mr. Baheti stated his career in 1985 and since then has held various important positions in accounts and finance of a number of reputed companies. Mr. Baheti is associated with tea companies belonging to Williamson Magor Group since 1989 and during this period has gained considerable expertise in the matters pertaining to accounts and finance of tea companies as also in the matter of restructuring, mergers and demergers of corporate entities. Mr. Baheti is a Member of the Finance and Taxation Sub-Committees of Indian Tea Association and Indian Chamber of Commerce.	Mr. Baheti is a graduate of commerce with Honours, a fellow Member of The Institute of Chartered Accountants of India and an Associate Member of The Institute of Company Secretaries of India. Mr. Baheti is also a graduate of the Institute of Cost and Works Accountants of India.	20.01.2004	Flat UD -07-0306 1050/1, Survey Park Kolkata 700 075
Mr. Ajay Saraf, Nominiee of ICICI Bank Limited	Mr. Saraf has been working with ICICI Bank Limited since 2002 and is currently holding the position of General Manager. Prior to ICICI Bank Limited Mr. Saraf had been with American Express Bank for 10 years. Mr. Saraf has acquired a wide range of experience and expertise in Corporate Banking, Investment Banking and Treasury.	Mr. Saraf is a graduate of Commerce, a Chartered Accountant and a Cost Accountant	13.12.2005	ICICI Bank Limited ICICI Bank Towers Bandra Kurla Complex Mumbai-400 051

Note: As on the date of the Public Announcement i.e. December 6, 2006, Mr. B. M. Khaitan and Mr. Deepak Khaitan were directors on the board of the Target Company. The said directors have been on the board of Moran Tea for several years as independent and non executive directors. As per Regulation 22(7) of the Regulations, no new directors shall be appointed by McLeod Russel or persons acting in concert with them on the board of Moran Tea during the offer period.

3.1.3 The financial information of McLeod Russel, is given below, in compliance with the provisions of Clause 4.1.9 of the standard letter of offer format as prescribed by SEBI:

(Rs lakhs)

Profit and Loss Statement	**FY2004**	**FY2005**	**FY2006**	**FY2007 (9 months)**
	Audited	**Audited**	**Audited**	**Unaudited**
Income from operations	-	32,148.68	51,339.14	41,427.78
Other income	-	983.95	3,353.77	2,498.71
Total Income	-	33,132.63	54,692.91	43,926.49
Total Expenditure	1,98.07	31,809.79	48,832.41	27,142.38
Profit before Depreciation, Interest and Taxes	(1,98.07)	1,322.84	5,860.50	16,784.11
Depreciation	-	1,380.95	(1,066.76)	1,667.64
Interest	-	2,326.67	3,591.27	3,051.43
Profit Before Tax	(1,98.07)	(2,384.78)	3,335.99	12,065.04
Provision for Tax	-	(410.00)	1,043.79	66.00
Profit After Tax	(1,98.07)	(1,974.78)	2,292.20	11,999.04

(Rs lakhs)

Balance Sheet Statement	**FY2004**	**FY2005**	**FY2006**	**FY2007 (9 months)**
Sources of Funds				
Paid-up Equity Share Capital	2,00.00	2,795.27	4,921.52	5,416.89
Reserves and surplus (excluding revaluation reserves)	(1,93.68)	32,922.76	38,305.98	61,405.11
Networth	6.32	35,718.03	43,227.50	66,822.00
Secured Loans	-	24,165.11	43,086.96	35,321.94
Unsecured Loans	-	1,455.00	4,610.00	495.00
Other Liabilities	-	-	-	-
Deferred Tax Liability	-	3,590.00	5,587.00	5,587.00
Total	6.32	64,928.14	96,511.46	108,225.94
Uses of Funds				
Net fixed Assets (net of revaluation reserves)	-	64,730.96	75,738.02	74,908.10
Investments	-	1,052.49	20,468.27	20,341.36
Net Current Assets	6.32	(855.31)	305.17	12,976.48
Total Miscellaneous Expenditure Not Written-Off	-	-	-	-
Total	6.32	64,928.14	96,511.46	108,225.94

Other Financial Data	**FY2004**	**FY2005**	**FY2006**	**FY2007 (9 months)**
Dividend per Share (%)	-	-	-	-
Earnings per Share (Rs)	(9.90)	(3.53)	2.33	11.95
Return on Networth (%)	(188.00%)	(11.06%)	5.81%	21.81%
Book Value per Share (Rs)	0.01	32.97	39.90	61.68

Source: Annual Reports of McLeod Russel for the years ended 31st March, 2005, 2006 and unaudited results reviewed by the statutory auditors for the 9 months ended December 31, 2006.

Auditor to the report: M/s Pricewaterhouse, Chartered Accountants, Plot No. Y-14, Block - EP, Sector – V, Salt Lake, Electronic Complex, Bidhan Nagar, Kolkata - 700 091, Tel: +91 33 2357 9260 Fax: +91 33 2357 7496.

The rise and fall in PAT in recent years reflects the trend in the tea industry as a whole. For the past few years, the Indian tea industry was suffering because of lower demand and poor climatic conditions. In recent times, the demand for both domestic consumptions as well as export has picked up and the there has been a conscious effort by the Government of India to change the perception of Indian tea from cheap low quality tea to good quality tea. As a result, margins have improved and the levels of stock have reduced thereby improving profitability. Further, with effect from April 1, 2005, Williamson Tea Assam Limited, a subsidiary of Borelli Tea Holdings plc was merged with McLeod Russel vide orders dated May 19, 2006 and June 7, 2006 of Hon'ble High Courts at Calcutta and Guwahati respectively.

3.1.4 **Significant Accounting Policies for the year ended March 31, 2006**

(a) **Fixed Assets**

Fixed Assets (tangible) are stated at cost or valuation. Cost of extension planting is capitalised. An impairment loss is recognised wherever the carrying value of the fixed assets of a cash-generating unit exceeds its market value or value in use, whichever is higher.

(b) **Depreciation/amortisation**

Depreciation on straight line method is provided on book value of fixed assets (other than Estate and Development) in the manner and at rates as per Schedule XIV to the Companies Act, 1956. Items of fixed assets for which related actual cost do not exceed Rs. 5,000 are fully depreciated in the year of purchase.

(c) **Investments**

Long Term Investments are stated at cost. Provision is made for diminution, other than temporary. Gains/losses on disposal of investments are recognised as income/expenditure. Dividends are accounted for when received.

(d) **Inventories**

Inventories are valued as under:

1) Stores and Spare parts: At lower of cost (determined under weighted average method) and net realisable value.
2) Finished Goods: At weighted average cost (including attributable charges and levies) and net realisable value whichever is less.

(e) **Sales**

Sales includes tea claim and is net of sales tax

(f) **Retirement Benefits**

The Company has various schemes of retirement benefits such as provident fund, superannuation and gratuity. These funds are administered through trustees / appropriate authorities and the Company's contributions are charged against revenue each year. Gratuity liability is determined on the basis of actuarial valuation.

(g) **Borrowing Cost**

Interest and other costs in connection with the borrowing of funds by the company are recognised as an expense in the period in which they are incurred unless these are attributable to the acquisition of qualifying assets and added to the cost up to the date when such assets are ready for their intended use.

(h) **Research and Development**

Revenue expenditure on Research and Development is recognised as a charge to the Profit and Loss Account. Capital expenditure on assets acquired for Research and Development is added to Fixed Assets.

(i) **Recognition of Income and Expenditure**

Items of Income and Expenditure are recognised on accrual and prudent basis.

(j) **Accounting for Taxes on Income**

Current Tax in respect of taxable income is recognised based on applicable rates and tax laws. Deferred tax is recognised subject to consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been substantially enacted by the balance sheet date. Deferred tax assets are recognised only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed at each Balance Sheet date to reassess realisability thereof. Fringe Benefit Tax is accounted for based on the estimated fringe benefits for the year as per the related provision of the Income Tax Act, 1961.

(k) **Foreign Currency Transactions**

Foreign currency transactions are initially recorded at exchange rate prevailing on the date of the transaction. Transactions in foreign currency outstanding at the balance sheet date (i.e. monetary items) are accounted for at the contracted rate when covered by forward contracts and at the exchange rates prevailing on the Balance Sheet date in case of other. Foreign currency non monetary items carried in terms of historical cost are reported using the exchange rate at the date of the transactions. Exchange differences are dealt with in the profit and loss account, other than those relating to acquisition of Fixed Assets which are capitalised. Such capitalisation is restricted to only acquisition of fixed assets from a country outside India in case related foreign currency transactions are entered into on/after April 1, 2004.

(l) **Government Grants**

Government grants relating to specific fixed assets are deducted from gross values of related assets in arriving at their book value.

Government grants related to revenue are recognised in the Profit and Loss Account.

3.1.5 **Details of companies promoted by Mcleod Russel**

McNally Bharat Engineering Company Limited

The company was incorporated on 10.07.1961. It is engaged in the business in the infrastructure sector consisting of Power, Ports, Highways, Water Management and other core industries like Steel, Minerals and Mining. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	FY04	FY05	FY06
Equity Capital	1,978.32	1,978.32	2,646.18
Reserves (Excluding Revaluation Reserves)	1,327.71	1,533.84	4,233.72
Total Income	20,260.95	28,496.48	33,521.22
Profit after Tax	150.17	262.53	525.30
Earning Per Share (Rs.)	0.76	1.33	2.26
Net Asset Value	3,306.03	3,512.16	6,879.90

Kilburn Engineering Limited

The company was incorporated on 07.09.1981. It is a manufacturer of Dryers, Heat Transfer Equipments, Centrifugal Fans & Blowers for Industrial Purpose, Absorption Systems, Offshore & Foil Field Systems, Material Handing Systems, and Caustic Soda Fabricated Equipment. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	Year ended Sep 30, 2003	Year ended Sep 30, 2004	18 months ended March 31, 2006
Equity Capital	674.79	674.79	1,349.58
Advance against share capital	825.00	825.00	-
Reserves (Excluding Revaluation Reserves)	1,021.11	999.44	1,858.48
Total Income	2,167.38	2,538.43	6,723.33
Profit after Tax	(1,291.26)	4,094.03	1,926.84
Earning Per Share (Rs.)	(19.13)	60.67	28.04
Net Asset Value	1,559.03	1,674.23	3,184.42

Williamson Financial Services Limited

The company was incorporated on 17.12.1971. It is a Non Banking Financial Company. It is not a sick company . The following are its financial details for the last three years.

Rs. Lakhs

	FY04	FY05	FY06
Equity Capital	835.91	835.91	835.91
Reserves (Excluding Revaluation Reserves)	6,347.85	6,269.93	7,837.50
Total Income	152.90	195.47	2,178.45
Profit after Tax	(186.64)	(77.93)	1,567.57
Earning Per Share (Rs.)	(2.23)	(0.93)	18.75
Net Asset Value	7,183.76	7,105.84	8,673.41

The Standard Batteries Limited

The company was incorporated on 20.06.1945. It is engaged in trading in various items. It is not a sick company. The following are its financial details for the last three years,

Rs. Lakhs

	FY04	FY05	FY06
Equity Capital	51.71	51.71	51.71
Reserves (Excluding Revaluation Reserves)	391.83	1,154.35	1,153.44
Total Income	123.18	87.06	54.98
Profit after Tax	34.65	10.29	(9.14)
Earning Per Share (Rs.)	0.33	0.10	(0.09)
Net Asset Value	443.54	1,206.06	1,205.15

Doom Dooma Tea Company Limited

It was incorporated on 02.01.1924. It is engaged in growing, manufacturing and selling of Tea. It is not a sick company. The following are its financial details for the last two years.

Rs. lakhs

	Year ended Dec 31, 2004	Year ended Dec 31, 2005
Equity Capital	12.00	500.00
Reserves (Excluding Revaluation Reserves)	41.92	14.36
Total Income	3.67	3,570.72
Profit after Tax	1.99	(611.73)
Earning Per Share (Rs.)	16.56	(122.35)
Net Asset Value	53.92	514.36

Borelli Tea Holdings Limited, UK.

It was incorporated on 19.03.1976. It is an investment company. It is not a sick company. The following are its financial details for the last two years.

GBP

	FY05	FY06
Equity Capital	278,026.00	278,026.00
Reserves (Excluding Revaluation Reserves)	621,977.00	1,539,880.00
Total Income	494,289.00	-
Profit after Tax	477,528.00	917,903.00
Earning Per Share (Rs.)	1.71	3.28
Net Asset Value	900,003.00	1,817,906.00

Babcock Borsig Limited

It was incorporated on 29.04.1993. It is a non banking financial company. It is not a sick company. The following are the financial details available for the last three years,

Rs. Lakhs

	Year ended Sep 30, 2004	Year ended Sep 30, 2005	Year ended Sep 30, 2006
Equity Capital	684.00	684.00	684.00
Reserves (Excluding Revaluation Reserves)	227.40	403.19	2,378.92
Total Income	592.71	603.20	7,639.07
Profit after Tax	450.50	312.67	6,140.56
Earning Per Share (Rs.)	4.03	4.57	89.77
Net Asset Value	911.40	1,087.19	3,602.92

3.1.6 **Status of Corporate Governance and pending Litigation matters**

Corporate Governance :

McLeod Russel India Limited has 5 Independent Directors out of 12 Directors on its Board and has constituted the Audit Committee, Shareholders' Grievance Committee and Remuneration Committee as required under Clause 49 of the Listing Agreement with the requisite number of Independent Directors in each Committee.

The details are as follows:-

Board of Directors	Category	Member of Audit Committee	Member of Shareholders' Grievance Committee	Member of Remuneration Committee
Raghavachari Srinivasan	Non-Executive & Independent	Yes	-	Yes
Bharat Bajoria	Non-Executive & Independent	Yes	Yes	Yes
Rama Shankar Jhawar	Non-Executive	Yes	Yes	-
Ranabir Sen	Non-Executive & Independent	Yes	Yes	Yes
Utsav Parekh	Non-Executive & Independent	-	Yes	-
Ajay Saraf	Non-Executive & Independent	Yes	-	-

Pending Litigation

As per the information provided by McLeod Russel the following are the details pertaining to pending litigations.

Sl. No:	Opposite Party	Case Reference / Forum	Particulars of Case	Amount Involved
1	The Luxmi Tea Company limited	Arbitration before Sole Arbitrator	Demand for cancellation of the agreement for sale of Mateli Tea Estate and refund of moneys paid under the Agreement and payment of other sums.	Rs. 2,126.29 Lacs plus interest
2	Income Tax Department	Income Tax AppellateTribunal	14 case relating to appeals in various matters	Rs. 645.17 Lacs
3	Union of India	Guwahati High Court	Demand for additional tax for 100% dividend paid by the company	Not ascertained
4	Income Tax Department	Income Tax AppellateTribunal	Appeals in various matters	Not ascertained
5	Sales Tax Authorities	Revenue Authorities	matter pending for various years	Rs. 18.79 Lacs
6	Sales Tax Authorities	Appellate Tribunals	Pending for period relating to the year 1994-95	Rs. 1.16 Lacs
7	Sales Tax Authorities	High Courts and Civil Courts	Relates to Tezpur Gogra T.E.	Rs. 23.32 Lacs
8	Federal Bank Limited	Debt Recovery Tribunal	Company being the Joint Guarantor (along with Eveready Industries India Limited) of the borrowing by Mcneill Engineering Limited (an erstwhile Group Company)	Rs. 56 Lacs

Litigation involving Tea Estates

Sl. No:	Opposite Party	Case Reference / Forum	Particulars of Case	Amount Involved
1	Revenue Authorities	Various authorities	Arrear payment of Assam Agri Income Tax	Rs. 7,017,108
2	Central or State Government	Section Divisional Officers, Assam	Claim by IRCA	Rs. 3,127,738
3	Employees, ex employees	Civil Courts and High Courts	5 cases of claims arising out of motor accidents	Not ascertained
4	Various parties	Section Divisional Officers, Assam	Damage to river	Not ascertained
5	Assam State Electricity Board	Various authorities	5 cases of disputed electricity dues, levy of electricity surcharge, non payment of electricity dues etc.	Rs. 3,801,250 to the extent quantifiable
6	Central or State Government	Various authorities	excise/customs dues	Not ascertained
7	Revenue Authorities	Civil Courts and High Courts	excise/customs dues	Not ascertained
8	Revenue Authorities	Various authorities	excise/customs dues	Not ascertained
9	Central or State Government	Civil Courts and High Courts	4 cases involving factory worker accidents	Not ascertained
10	Employees, ex employees	Factory Inspector/ Labour Commissioner	factory worker accidents	Rs. 200,000
11	Various parties	Factory Inspector/ Labour Commissioner	factory worker accidents	Not ascertained
12	Various parties	Various labour Courts/ Tribunals in Assam and/ or High Court of Guwahati	factory worker accidents	Not ascertained
13	Central or State Government	Section Divisional Officers, Assam	2 cases relating to land ceiling	Not ascertained
14	Revenue Authorities	Section Divisional Officers, Assam	land ceiling	Not ascertained

15	Revenue Authorities	Various authorities	land ceiling	Not ascertained
16	Various parties	Various authorities	39 cases involving land disputes in the nature of mutation and exchange of land	Not ascertained
17	Employees, ex employees	Civil Courts and High Courts	8 cases relating to matters/ disputes pertaining to assault, illegal occupation of tea estate quarters etc.	Not ascertained
18	Employees, ex employees	Civil Courts and High Courts	2 cases relating to matters/ disputes pertaining to assault, illegal occupation of tea estate quarters etc.	Not ascertained
19	Employees, ex employees	Various authorities	matters/disputes pertaining to assault, illegal occupation of tea estate quarters etc.	Not ascertained
20	Employees, ex employees	Various labour Courts/ Tribunals in Assam and/or High Court of Guwahati	matters/disputes pertaining to assault, illegal occupation of tea estate quarters etc.	Not ascertained
21	Various parties	Various labour Courts/ Tribunals in Assam and/ or High Court of Guwahati	matters/disputes pertaining to assault, illegal occupation of tea estate quarters etc.	Not ascertained
22	Revenue Authorities	Various authorities	3 cases involving non payment of workshop bills, land survey bills, and contract and supply bills by various owners	Rs. 1,418,023
23	Various parties	Civil Courts and High Courts	non payment of workshop bills, land survey bills, and contract and supply bills by various owners	Rs. 367,421
24	Employees, ex employees	Civil Courts and High Courts	6 cases involving reinstatement and payment of back wages and other statutory and welfare dues of certain employees/ ex employees	Not ascertained
25	Employees, ex employees	Factory Inspector/ Labour Commissioner	reinstatement and payment of back wages and other statutory and welfare dues of certain employees/ ex employees	Not ascertained
26	Employees, ex employees	Various labour Courts/ Tribunals in Assam and/ or High Court of Guwahati	2 cases involving reinstatement and payment of back wages and other statutory and welfare dues of certain employees/ ex employees	Rs. 174,848
27	Employees, ex employees	Various labour Courts/ Tribunals in Assam and/or High Court of Guwahati	3 cases involving reinstatement and payment of back wages and other statutory and welfare dues of certain employees/ ex employees	Not ascertained
28	Revenue Authorities	Civil Courts and High Courts	reinstatement and payment of back wages and other statutory and welfare dues of certain employees/ ex employees	Rs. 7,037,000
29	Various parties	Civil Courts and High Courts	reinstatement and payment of back wages and other statutory and welfare dues of certain employees/ ex employees	Not ascertained
30	Central or State Government	Civil Courts and High Courts	Removal of Boulder from river to construct river bundh	Not ascertained
31	Senior Inspector of Factory, Assam	Chief Judicial Magistrate of Darrang, Assam	Death of an artisan staff in the factory due to alleged non provision of adequate protective gear	Not Ascertained
32	Hanuman Automobiles	Court of the Munsiff at Tezpur	Alleged non payment of bills	Rs. 34,541

3.1.7 Mr. Amitabha Guha Sarkar, Company Secretary, McLeod Russel is the Compliance Officer. The correspondence address is as below:

Mr. Amitabha Guha Sarkar
Four Mangoe Lane
Surendra Mohan Ghosh Sarani
Kolkata 700 001, India
Tel: +91 33 2248 7709
Fax: +91 33 2248 8114
E-mail: a_guhasarkar@wmg.co.in

3.1.8 **Mergers, demergers and / or spin-offs involving McLeod Russel during the last three years**

Eveready Industries India Limited was demerged into two different companies, viz., Eveready Industries India Limited and erstwhile Eveready Company India Limited now known as McLeod Russel India Limited under a scheme of arrangement. The scheme of arrangement between Eveready Industries India Limited and McLeod Russel and their respective shareholders was sanctioned by the Hon'ble High Court at Calcutta, vide its Order dated January 17, 2005, whereby the bulk tea division of Eveready Industries India Limited with all its assets, liabilities, rights and obligations have been transferred to and vested in the McLeod Russel India Limited with retrospective effect from April 1, 2004 (i.e. 'the Appointed Date' under the Scheme) under Sections 391 and 394 of the Companies Act, 1956. Further, with effect from April 1, 2005, Williamson Tea Assam Limited, a subsidiary of Borelli Tea Holdings plc was merged with McLeod Russel vide orders dated May 19, 2006 and June 7, 2006 of Hon'ble High Courts at Calcutta and Gauhati respectively. Recently, in the meeting dated December 1, 2006, the board of directors of McLeod Russel has approved the merger of its wholly owned subsidiary Doom Dooma Tea Company Limited with itself. The scheme of amalgamation effective from April 1, 2006 has been approved by the members of McLeod Russel India Limited at a meeting of the shareholders held on March 19, 2007 under the supervision of the Chairperson appointed by the Hon'ble High Court at Calcutta. The matter is now pending before the Calcutta High Court and a hearing in the matter has been fixed on May 8, 2007.

3.2 **Williamson Magor**

Williamson Magor was originally incorporated as Macneill & Barry Limited on March 10, 1949. Subsequently, the name of the company was changed to Macneill & Magor Limited with effect from April 19, 1975 and Williamson Magor & Co. Limited with effect from May 7, 1992. Williamson Magor is a part of the Williamson Magor Group, a diversified industrial group based out of Kolkata with interest in tea – bulk and packet, batteries, torchlights, and engineering. The objects of Williamson Magor include carrying on the business as a non-banking financial company. The registered office of Williamson Magor is located at Four Mangoe Lane, Kolkata – 700 001, India (Tel: +91 33 2243 5391 Fax: +91 33 2248 8114). The shares of Williamson Magor are listed on the following stock exchanges: BSE, NSE, CSE and GSE. The closing price of Williamson Magor as on the BSE on April 11, 2007 (last available market price) was Rs. 41.50 (Source: www.bseindia.com). The issued and fully paid up share capital of the company constitutes of 10,956,360 equity shares of Rs. 10 each aggregating Rs. 10.96 crore. The shareholding pattern of Williamson Magor as on December 15, 2006 is as follows:

Shareholder	No. of shares	% holding
Promoters' shareholding		
Indian Promoters	6,843,839	62.46%
Persons Acting in Concert	-	-
Total Promoters' shareholding	**6,843,839**	**62.46%**
Non-promoters' shareholding		
Institutional Shareholders	646,980	5.91%
Corporate Bodies	700,743	6.40%
Indian Public	2,692,928	24.58%
Any Other	71,870	0.66%
Total non-promoter shareholding	**4,112,521**	**37.54%**
Total	**10,956,360**	**100.00%**

As Williamson Magor does not hold and has never held any shares in the Target Company, provisions of Chapter II of the Regulations are not applicable.

3.1.2 As on the date of PA, the Board of Directors of McLeod Russel is as follows:

Name of Director	Experience	Qualifications	Date of Appointment	Address
Brij Mohan Khaitan, Chairman	Among the leading industrialists in Eastern India, Mr. Khaitan is a name to be reckoned with. Mr. Khaitan has great contributions to the tea industry with which he has been associated for over four decades. Apart from McLeod Russel, he is also the Chairman of Williamson Magor & Co. Limited and Eveready Industries India Limited and is on the board of directors of various other companies both within and outside Williamson Magor Group. The Chambers of Commerce have always found a strong supporter in him. In 1973, he was elected President of the Indian Chambers of Commerce and was also the President of the International Chamber of Commerce Indian National Committee during 1986-1987.	Mr. Khaitan is commerce graduate from Calcutta University.	31.01.1975	10 Queens Park, Kolkata – 700 019
Deepak Khaitan, Vice Chairman	Mr. D. Khaitan is associated with tea plantation activities for over 3 decades and has had in-depth exposure to and involvement in steering diverse businesses and gained rich experience and expertise in management of tea, batteries and engineering industries. Presently, Mr. Khaitan is the Executive Vice-Chairman and Managing Director of Eveready Industries India Limited. Besides, he is also holding directorships in a number of other companies in the Williamson Magor Group and outside.	Mr. D. Khaitan was educated in St. Xavier's School and College, Kolkata and has obtained his B. Com. (Hons.) degree from this college under Calcutta University. Following this he went abroad to pursue his higher management education and has obtained his MBA from Geneva (Switzerland).	13.08.1981	10 Queens Park, Kolkata – 700 019
Aditya Khaitan, Managing Director	Mr. A. Khaitan was born in a family which has been in tea plantation activities for over four decades. Mr. Khaitan has had in-depth exposure to and involvement in steering diverse businesses and other related areas of tea and various other industries and also in the matter of restructuring corporate entities. Mr. Khaitan is on the boards of various companies including Eveready Industries India Limited and Williamson Magor & Co. Limited	Mr. A. Khaitan was educated in St. Xavier's College, Kolkata and has obtained his B. Com. (Hons.) degree from this college under Calcutta University	26.11.91	10 Queens Park, Kolkata – 700 019
Raghavachari Srinivasan	A renowned expert in banking and finance, Dr. Srinivasan has held very senior positions in this field including the chairmanship of two large nationalised Banks, viz. Bank of India and Allahabad Bank, and of the Indian Bank's Association, the apex body of the banking	Ph. D. [in Banking & Finance from Bombay University], CAIIB, FIB	29.03.2005	C-6-1, Lloyds Garden, Appa Saheb Marathe Marg, Prabhadevi, Mumbai – 400 025

Name of Director	Experience	Qualifications	Date of Appointment	Address
	industry. He advises various corporates in the areas of banking, finance and capital market. He has to his credit several publications in national and international media as well as prestigious awards in the area of banking.			
Tippirajapuram Ramamirda Swaminathan	Mr. Swaminathan joined Williamson Magor & Co. Limited in 1963 as Company Secretary and in 1985 he was elevated to the post of wholetime Director and Secretary and continued in the said capacity till 31st March 2000. During his long career with Williamson Magor Group, Mr. Swaminathan has gathered considerable experience in finance, taxation and secretarial functions as well as overall business management particularly with regard to the tea industry.	Mr. Swaminathan is a fellow Member of Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost and Works Accountants of India and an Associate Member of Chartered Institute of Management Accountants, U.K.	11.09.1985	12B Russel Street, Kolkata – 700 016
Padam Kumar Khaitan	Mr. P. K. Khaitan is one of the Partners of Messrs. Khaitan & Co., Advocates, Notaries, Patent & Trademark Attorneys. During his long career of 28 years with Messrs. Khaitan & Co., as a lawyer, he had in depth exposure to and achieved considerable experience and expertise in Law and Legal matters in Corporate, Commercial, Financial, Banking, Taxation, Foreign Collaboration, Foreign Investment, Litigation, Arbitration, Real Property, Ecology & Environment, Labour, Projects, Estates & Trusts and Personal clientele matters.	Mr. P. K. Khaitan has done B.Com & Attorney at Law	30.08.2000	3 Queens Park, Kolkata – 700 019
Rama Shankar Jhawar, Whole time Director	Mr. Jhawar has been associated with Williamson Magor Group in various capacities since 1960 and is currently the wholetime Director of Williamson Magor & Co. Limited. During his long career with Williamson Magor Group Mr. Jhawar has acquired considerable experience and expertise in general management, finance, taxation and other related areas. In addition to his specialization in corporate finance Mr. Jhawar has considerable exposure to the tea industry. Mr. Jhawar was the Chairman of the Indian Tea Association for two consecutive terms i.e. 1999-2000, 2000-2001 and Vice-Chairman of the Tea Board of India. Mr. Jhawar also represented the Indian tea industry at a number of international conferences and seminars in India and abroad.	Mr. Jhawar is a fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Chartered Institute of Management Accountants; U.K. Mr. Jhawar secured first position in the final examination of the Institute of Chartered	04.05.2001	Doveland Court, 29/13 Ballygunge Park, Kolkata – 700 019

Name of Director	Experience	Qualifications	Date of Appointment	Address
		Accountants of India and was awarded the President's Gold Medal. Mr. Jhawar also holds a Bachelor's Degree in law.		
Dilip Kumar Pal	Mr. Pal was born on 5th April 1955 and has to his credit a brilliant academic career in banking & finance. Presently Mr. Pal is holding a post of Deputy General Manager in ICICI Bank Limited	Chartered Accountant	29.10.2003	ICICI Bank Limited, ICICI Bank Towers, C – 23, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
G. Momen	Mr. Momen is well known in business circle especially in tea industry. Mr. Momen joined Carritt Moran & Co. (P) Limited as Chairman-cum-Managing Director in June 1971 and served upto May 1992. He was a Committee Member in various associations and Tea Board of India. Presently, Mr. Momen is the Chairman of White Cliff Group of companies.Besides he is also holding Directorships in a number of companies.	Mr. Momen is an arts graduate from Calcutta	29.03.2005	6 Rawdon Street, Kolkata – 700 017

Note: As on the date of the Public Announcement, Mr. B. M. Khaitan and Mr. Deepak Khaitan were directors on the board of the Target Company. The said directors are also on the board of McLeod Russel India limited. The said directors have been on the board of Moran Tea for several years as independent and non executive directors. As per Regulation 22(7) of the Regulations, no new directors shall be appointed by Williamson Magor or persons acting in concert with them on the board of Moran Tea during the offer period.

3.2.2 The financial information of Williamson Magor is given below, in compliance with the provisions of Clause 4.1.9 of the standard letter of offer format as prescribed by SEBI:

(Rs lakhs)

Profit and Loss Statement	**FY2004**	**FY2005**	**FY2006**	**FY2007 (9 months)**
Income from operations	149.59	130.33	1,294.46	2,394.00
Other income	1,642.44	9,203.71	4,251.08	1,484.00
Total Income	1,792.03	9,334.04	5,545.54	3,878.00
Total Expenditure	2,714.87	3,619.73	1,079.28	383.00
Profit before Depreciation, Interest and Taxes	(922.84)	5,714.31	4,466.26	3,495.00
Depreciation	19.70	14.02	12.35	11.00
Interest	1,024.86	836.13	540.90	322.00
Profit Before Tax	(1,967.40)	4,864.16	3,913.01	3,162.00
Provision for Tax	51.50	2.63	(0.96)	155.00
Profit After Tax	(2,018.90)	4,861.53	3,913.97	3,007.00

(Rs lakhs)

Balance Sheet Statement	**FY2004**	**FY2005**	**FY2006**	**FY2007 (9 months)**
Sources of Funds				
Paid-up Equity Share Capital	1,095.64	1,095.64	1,095.64	1,095.64
Reserves and surplus (excluding revaluation reserves)	491.55	5,353.08	9,267.05	12,273.57
Networth	1,587.19	6,448.72	10,362.69	13,369.21
Secured Loans	8,170.19	2,183.45	2,565.87	3,174.02
Unsecured Loans	3,284.86	2,984.96	855.18	1,591.72
Other Liabilities	-	-	-	-
Deferred Tax Liability	65.76	8.39	-	-
Total	13,108.00	11,625.52	13,783.74	18,134.95
Uses of Funds				
Net fixed Assets	399.65	311.45	291.75	297.01
Investments	12,207.82	10,517.83	13,139.32	13,765.51
Net Current Assets	422.34	796.24	352.67	4,072.43
Total Miscellaneous Expenditure Not Written-Off	78.19	-	-	-
Total	13,108.00	11,625.52	13,783.74	18,134.95

Other Financial Data	**FY2004**	**FY2005**	**FY2006**	**FY2007 (9 months)**
Dividend per Share (%)	-	-	-	-
Earnings per Share (Rs)	(18.43)	44.37	35.72	27.45
Return on Networth (%)	(77.75%)	121.00%	46.56%	25.34%
Book Value per Share (Rs)	14.49	58.86	94.58	122.02

Source: Annual Reports of Williamson Magor for the years ended 31st March, 2004, 2005, 2006 and unaudited results reviewed by the statutory auditors for the 9 months ended December 31, 2006.

Auditor to the report: M/s Lovelock & Lewes, Chartered Accountants, Plot No. Y-14, Block - EP, Sector – V, Salt Lake, Electronic Complex, Bidhan Nagar, Kolkata - 700 091, Tel: +91 33 2357 9260 Fax: +91 33 2357 7496.

The variation in PAT over the years can be attributed chiefly to variation in non operating income and making provision for Non Performing Assets (NPA) as per the NBFC norms prescribed by the RBI. However operating revenues from the Non Banking Financial activities have been quite stable and have grown in sync with growth of the Indian economy.

3.2.3 **Significant Accounting Policies for the year ended March 31, 2006**

(a) **Convention**

The Financial Statements have been prepared in accordance with the applicable Accounting Standards in India. A summary of important accounting policies, which have been applied consistently, is set out below. The financial statements have also been prepared in accordance with the relevant presentational requirements of the Companies Act, 1956.

(b) **Basis of Accounting**

The financial statements have been prepared in accordance with the historical cost convention as modified by revaluation of certain fixed assets.

(c) **Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost of acquisition or at revaluation on current cost basis, as relevant. Depreciation on fixed assets is provided on reducing balance method (except for assets at erstwhile Engineering Division which is on straight-line method) in accordance with Schedule XIV of the Companies Act, 1956. Additional charges of depreciation for the year on differential increase in values arising out of revaluation are adjusted against withdrawal for Revaluation Reserve. An impairment loss is recognised where applicable when the carrying value of Fixed Assets exceeds their market value or value in use, whichever is higher. Profit or loss on disposal of fixed assets is recognised in the Profit and Loss Account.

(d) **Investments**

Investments, which are of long term nature, are stated at cost less amounts written off when the directors are of the opinion that permanent diminution in their carrying values have taken place.

(e) **Retirement Benefits**

Retirement benefits are provided in the books of account and payments are made to the Trustees of the company's provident, superannuation, gratuity and management staff pension funds on the basis of actuarial valuation where appropriate. Leave encashment benefits payable to staff are accrued on the basis of actuarial valuation.

(f) **Taxes on Income**

Current Tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(g) **Service/Commission & Allowances/Warehouse Income/Rental Income**

These are accounted for based on business arrangements in existence.

(h) **Income from Investments and Interest**

Dividend from investments is accounted for as and when right is established. Interest is accounted for on accrual basis.

(i) **Recovery of Establishment Expenses**

These are accounted for on basis appropriate to activity levels and other relevant business factors.

3.2.4 **Details of companies promoted by Williamson Magor**

McLeod Russel India Limited

It was incorporated on 05.05.1998. It is engaged in growing, manufacturing and selling of Tea. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	FY04	**FY05**	**FY06**
Equity Capital	200.00	2,795.27	4,921.52
Reserves (Excluding Revaluation Reserves)	(193.68)	32,922.76	38,305.98
Total Income	-	34,439.84	56,748.54
Profit after Tax	(198.07)	(1,974.78)	2,292.20
Earning Per Share (Rs.)	(9.90)	(3.53)	2.33
Net Asset Value	6.32	35,718.03	43,227.50

Eveready Industries India Limited

It was incorporated on 20.06.1934. It is engaged in the manufacturing and selling of fast moving consumer goods, namely, dry cell batteries, flashlight, rechargeable batteries, packet tea and mosquito coil. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	FY04	**FY05**	**FY06**
Equity Capital	5,577.91	2,788.95	3,587.36
Reserves (Excluding Revaluation Reserves)	19,627.55	27,047.59	47,543.49
Total Income	89,315.00	68,083.07	81,094.68
Profit after Tax	(38.27)	4,631.09	7,965.74
Earning Per Share (Rs.)	(0.07)	8.30	13.04
Net Asset Value	23,138.62	29,800.31	50,996.70

McNally Bharat Engineering Company Limited

The company was incorporated on 10.07.1961. It is engaged in the business in the infrastructure sector consisting of Power, Ports, Highways, Water Management and other core industries like Steel, Minerals and Mining. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	FY04	FY05	FY06
Equity Capital	1,978.32	1,978.32	2,646.18
Reserves (Excluding Revaluation Reserves)	1,327.71	1,533.84	4,233.72
Total Income	20,260.95	28,496.48	33,521.22
Profit after Tax	150.17	262.53	525.30
Earning Per Share (Rs.)	0.76	1.33	2.26
Net Asset Value	3,306.03	3,512.16	6,879.90

Kilburn Engineering Limited

The company was incorporated on 07.09.1981. It is a manufacturer of Dryers, Heat Transfer Equipments, Centrifugal Fans & Blowers for Industrial Purpose, Absorption Systems, Offshore & Foil Field Systems, Material Handing Systems, and Caustic Soda Fabricated Equipment. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	Year ended Sep 30, 2003	Year ended Sep 30, 2004	18 months ended March 31, 2006
Equity Capital	674.79	674.79	1,349.58
Advance against share capital	825.00	825.00	
Reserves (Excluding Revaluation Reserves)	1,021.11	999.44	1,858.48
Total Income	2,167.38	2,538.43	6,723.33
Profit after Tax	(1,291.26)	4,094.03	1,926.84
Earning Per Share (Rs.)	(19.13)	60.67	28.04
Net Asset Value	1,559.03	1,674.23	3,184.42

Williamson Financial Services Limited

The company was incorporated on 17.12.1971. It is a Non Banking Financial Company. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	FY04	FY05	FY06
Equity Capital	835.91	835.91	835.91
Reserves (Excluding Revaluation Reserves)	6,347.85	6,269.93	7,837.50
Total Income	152.90	195.47	2,178.45
Profit after Tax	(186.64)	(77.93)	1,567.57
Earning Per Share (Rs.)	(2.23)	(0.93)	18.75
Net Asset Value	1,509.00	7,105.84	8,673.41

Woodside Parks Limited

It was incorporated on 28.04.1982. It is engaged in the business of real estate. It is not a sick company. The following are its financial details for the last three years

Rs. Lakhs

	FY04	FY05	FY06
Equity Capital	220.00	220.00	220.00
Reserves (Excluding Revaluation Reserves)	(881.48)	(850.94)	(743.31)
Total Income	53.02	218.96	428.10
Profit after Tax	(12.47)	30.54	107.63
Earning Per Share (Rs.)	(0.57)	1.39	4.89
Net Asset Value	(661.48)	(630.94)	(523.31)

Majerhat Estates & Developers Limited

It was incorporated on 26.07.1993. Its objects include the business of investments and real estate. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	FY04	FY05	FY06
Equity Capital	300.00	300.00	300.00
Reserves (Excluding Revaluation Reserves)	(54.13)	(57.06)	(57.56)
Total Income	143.75	-	-
Profit after Tax	(12.28)	(54.12)	(57.06)
Earning Per Share (Rs.)	(0.41)	(1.80)	(1.90)
Net Asset Value	245.65	242.94	242.44

D1 Williamson Magor Bio Fuel Limited

It was incorporated on 29.07.06. It proposes to engage in the production of Bio fuel. The audited results for the first year of operations have not been completed. It is not a sick company.

Babcock Borsig Limited

It was incorporated on 29.04.1993. It is a non banking financial company. It is not a sick company. The following are the financial details available for the last three years,

Rs. Lakhs

	Year ended Sep 30, 2004	**Year ended Sep 30, 2005**	**Year ended** Sep 30, 2006
Equity Capital	684.00	684.00	684.00
Reserves (Excluding Revaluation Reserves)	227.40	403.19	2,378.92
Total Income	592.71	603.20	7,639.07
Profit after Tax	450.50	312.67	6,140.56
Earning Per Share (Rs.)	4.03	4.57	89.77
Net Asset Value	911.40	1,087.19	3,602.92

The Standard Batteries Limited

The company was incorporated on 20.06.1945. It is a trading company. It is not a sick company. The following are its financial details for the last three years,

Rs. Lakhs

	FY04	**FY05**	**FY06**
Equity Capital	51.71	51.71	51.71
Reserves (Excluding Revaluation Reserves)	391.83	1,154.35	1,153.44
Total Income	123.18	87.06	54.98
Profit after Tax	34.65	10.29	(9.14)
Earning Per Share (Rs.)	0.33	0.10	(0.09)
Net Asset Value	443.54	1,206.06	1,205.15

3.2.5 **Status of Corporate Governance and pending Litigation matters**

Corporate Governance:

Williamson Magor & Co. Limited has 4 Independent Directors out of 9 Directors on its Board and has constituted the Audit Committee, Shareholders' Grievance Committee and Remuneration Committee as required under Clause 49 of the Listing Agreement with the requisite number of Independent Directors in each Committee. The details are as follows:

Details are as follows:-

Board of Directors	Category	Member of Audit Committee	Member of Remuneration Committee	Member of Shareholders' Grievance Committee
Tippirajapuram Ramamirda Swaminathan	Non-Executive & Independent	Yes	Yes	Yes
Dilip Kumar Pal	Non-Executive & Independent	Yes	Yes	-
Raghavachari Srinivasan	Non-Executive & Independent	Yes	Yes	-
Padam Kumar Khaitan	Non-Executive	Yes	Yes	Yes
Golam Momen	Non-Executive & Independent	-	-	Yes

Pending Litigation

As per the information provided by Williamson Magor the following are the details pertaining to pending litigation.

Sl. No:	Opposite Party	Case Reference / Forum	Particulars of Case	Amount Involved
1	Employees, Ex employees	Civil Courts and High Courts	2 cases involving reinstatement and payment of back wages and other statutory and welfare dues of certain employees/ ex employees	Not ascertained
2	Various parties	Civil Courts and High Courts	3 cases in the nature of Eviction suits	Not ascertained
3	ESI Corporation, Kolkata	EI Court Kolkata	ESI demand	Not ascertained
4	Excise/Custom Authorities	Civil Courts and High Courts	Excise/Custom dues	Rs. 711,104 to the extent quantifiable
5	Revenue Authorities	Appellate Tribunals	Excise/Custom dues	Rs 366,495
6	Kilburn Electricals Ltd	Civil Courts and High Courts	Claim for right on the Kilburn brand name	Not ascertained
7	Employees Ex employees	Labour Courts	Reinstatement and payment of back wages and other statutory and welfare dues of certain employees/ ex employees	Not ascertained
8	Various parties	Civil Courts and High Courts	2 cases involving Termination of Lease	Not ascertained
9	Various parties	Civil Courts and High Courts	Eviction suit	Not ascertained
10	Employees, Ex employees	Civil Courts and High Courts	Eviction suit	Not ascertained
11	Kolkata Port Trust	Estate Office, Kolkata Port Trust	Eviction suit	Not ascertained
12	Various parties	Civil Courts and High Courts	Contempt Application	Not ascertained

13	Various parties	Civil Courts and High Courts	3 cases related to Eviction suits	Not ascertained
14	Employees, Ex employees	Labour Courts	Reinstatement and payment of back wages and other statutory and welfare dues of certain employees/ ex employees	Not ascertained
15	Director General of Foreign Trade	Director General of Foreign Trade	Show cause notice for non fulfilment of export obligation	Not ascertained
16	Department. of Company Affairs	Department. of Company Affairs	Alleged Violation of sections 224(8)(b) and 17/291 of the Companies Act 1956	Not ascertained
17	Department. of Company Affairs	Department. of Company Affairs	Alleged Violation of sections 205A(3) and 205A(2) of the Companies Act 1957	Not ascertained

3.2.6 Mr. Soni Philip, Company Secretary, Williamson Magor, is the Compliance Officer. The correspondence address is as below:
Mr. Soni Philip
Four Mangoe Lane
Surendra Mohan Ghosh Sarani
Kolkata 700 001, India
Tel: +91 33 2210 1221
Fax: +91 33 2248 8114
E-mail: soni_philip@wmg.co.in

3.2.7 **Mergers, demergers and / or spin-offs involving Williamson Magor during the last three years.**

Williamson Magor & Co. Limited was trifurcated to Williamson Magor & Co. Limited, Portside Estates Limited and DSK Real Estates Limited whereby two adjacent properties of Williamson Magor & Co. Limited with all its assets, liabilities, rights and obligations i.e. (1) Premises no. 34 Diamond Harbour Road, Kolkata and (2) Premises no.34/1 Diamond Harbour Road, Kolkata of Williamson Magor & Co. Limited were transferred to Portside Estates Limited and DSK Real Estates Limited respectively. In consideration thereof, Portside Estates Limited issued 60,50,000 Equity Shares of Rs. 10 and DSK Real Estates Limited issued 65,00,000 Equity Shares of Rs. 10 to the company.

The scheme of Arrangement between Williamson Magor and Port Side Estates Limited and DSK Real Estates Limited and their respective shareholders was sanctioned by the Hon'ble High Court at Calcutta on May 19, 2004. Upon completion of the legal requirements, the scheme became effective on July 23, 2004 with retrospective effect from the 'Appointed Date' i.e. April 1, 2002.

3.3 **Ichamati**

3.3.1 Ichamati is a company registered under the Companies Act and was incorporated on January 25, 1975. The objects of Ichamati include carrying on the business of an investment company. The registered office of Ichamati is located at 8, A.J.C. Bose Road, Kolkata – 700 017, India (Tel: +91 33 3058 7838). Ichamati is a part of the Williamson Magor Group, a diversified industrial group based out of Kolkata with interest in tea – bulk and packet, batteries, torchlights, and engineering. Ichamati is a privately held company and hence its shares are not listed on any stock exchange. The issued and paid up share capital of Ichamati constitutes of 300,000 equity shares of Rs. 10 each aggregating Rs. 0.30 crore. The shareholding pattern of Ichamati as on December 15, 2006 is as follows:

Shareholder	No. of shares	% holding
Deepak Khaitan	10,000	3.34
Ganesh Ch. Jha	100	0.03
Yashodhara Khaitan (Ms)	23,400	7.80
Vishwanath Agarwal	1,200	0.40
Metals Centre Limited	5,200	1.73
Shanti Khaitan (Ms)	15,000	5.00
Aditya Khaitan	42,100	14.03
Premlata Agarwal (Ms)	3,000	1.00
Brij Mohan Khaitan	90,000	30.00
Deepak Khaitan (HUF)	110,000	36.67
Total	300,000	100.00

3.3.2 As Ichamati does not hold any shares and has never held in the Target Company, provisions of Chapter II of the Regulations are not applicable.

3.3.3 As on the date of PA, the Board of Directors of Ichamati is as follows:

Name of Director	Experience	Qualifications	Date of Appointment	Address
Amritanshu Khaitan	Worked as executive in Eveready Industries India Limited for 4 years	B. Com (Hons)	September 30, 2004	10 Queens Park Kolkata 700 019
Suvamoy Saha	Whole time Director of Eveready Industries India Limited Earlier as VP Finance, Eveready Industries India Limited	C.A.	September 30, 2004	Flat No. 14, 8/7, Alipore Road, Woodland Syndicate, Kolkata 700 027
Kamal Kishore Baheti	Whole time Director of McLeod Russell India Limited	C.A., C.S., C.W.A.	September 30, 2004	Flat UD -07-0306 1050/1, Survey Park Kolkata 700 075
Kavita Khaitan (Ms)	Director and Shareholder	B.A.	March 28, 2005	10, Queens Park Kolkata 700 019
Shanti Khaitan (Ms)	Director and Shareholder	Matriculation	March 20, 2005	10, Queens Park Kolkata 700 019

None of the directors of Ichamati were on the board of the Target Comapny as on the date of the PA.

3.3.4 The financial information of Ichamati is given below, in compliance with the provisions of Clause 4.1.9 of the standard letter of offer format as prescribed by SEBI:

(Rs lakhs)

Profit and Loss Statement	FY2004	FY2005	FY2006	FY2007 (9 months)
Income from operations	47.30	316.75	905.57	739.62
Other income	17.09	22.71	520.79	167.77
Total Income	64.39	339.46	1,426.36	907.39
Total Expenditure	51.74	330.00	939.17	809.66
Profit before Depreciation, Interest and Taxes	12.65	9.46	487.19	97.73
Depreciation	0.02	0.01	0.01	0.19
Interest	-	1.12	40.83	31.97
Profit Before Tax	12.63	8.33	446.35	65.57
Provision for Tax	3.71	1.55	-	6.82
Profit After Tax	8.92	6.78	446.35	58.75

(Rs lakhs)

Balance Sheet Statement	FY2004	FY2005	FY2006	FY2007 (9 months)
Sources of Funds				
Paid-up Equity Share Capital	30.00	30.00	30.00	30.00
Reserves and surplus (excluding revaluation reserves)	191.92	198.71	644.98	703.58
Networth	221.92	228.71	674.98	733.58
Secured Loans	-	-	-	-
Unsecured Loans	-	22.00	225.39	518.38
Other Liabilities	-	-	-	-

Deferred Tax Liability	-	-	-	-
Total	221.92	250.71	900.37	1,251.96
Uses of Funds				
Net fixed Assets	0.11	0.09	0.08	5.39
Investments	9.14	2,69.15	462.37	491.00
Deferred Tax Asset	0.33	0.34	0.31	0.31
Net Current Assets	2,12.34	(18.88)	437.61	755.26
Total Miscellaneous Expenditure Not Written-Off	-	-	-	-
Total	9.58	(18.45)	900.37	1,251.96

Other Financial Data	**FY2004**	**FY2005**	**FY2006**	**FY2007 (9 months)**
Dividend per Share (%)	-	-	-	-
Earnings per Share (Rs)	2.97	2.26	148.78	19.58
Return on Networth (%)	4.10%	3.01%	98.78%	8.34%
Book Value per Share (Rs)	73.97	76.24	224.99	244.53

Source: Annual Reports of Ichamati for the years ended 31st March, 2004, 2005, 2006 and unaudited results reviewed by the statutory auditors for the 9 months ended December 31, 2006

Auditor to the report: M/s Salarpuria & Partners, Chartered Accountants, 7, Chittaranjan Avenue, Kolkata – 700 072; Tel: +91 33 2237 5400 Fax: +91 33 2215 7992

3.3.5 The company being an investment company has typically seen a non linear trend in profits over the years. The PAT for FY2006 was abnormally high due to other income booked by way of sale of investments.

3.3.6 Significant Accounting Policies for the year ended March 31, 2006

(a) Accounting Conventions

1) To prepare financial statement under historical cost convention and on going concern basis.

2) To prepare financial statements in accordance with the relative presentational and other requirements of the Companies Act, 1956 on accrual basis and in accordance with the applicable Accounting standards in India. A summary of important policies, which have been consistently followed are set out below.

(b) Fixed Assets are stated at cost less depreciation.

(c) Depreciation is being considered as per rates specified in schedule XIV of the Companies Act, 1956 on written down value method.

(d) Investments are valued at cost less permanent diminution, if any.

(e) Stock-in-trade is valued as cost or market value which ever is lower.

(f) Dividend is accounted for as and when received.

(g) Income are recognized and Expenditure are charged on accrual basis except otherwise stated.

(h) Retirement policies are dealt with in accordance with the applicable laws in the country.

3.3.7 **Details of companies promoted by Ichamati**

McLeod Russel India Limited

It was incorporated on 05.05.1998. It is engaged in growing, manufacturing and selling of Tea. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	FY04	**FY05**	**FY06**
Equity Capital	200.00	2,795.27	4,921.52
Reserves (Excluding Revaluation Reserves)	(193.68)	32,922.76	38,305.98
Total Income	-	34,439.84	56,748.54
Profit after Tax	(198.07)	(1,974.78)	2,292.20
Earning Per Share (Rs.)	(9.90)	(3.53)	2.33
Net Asset Value	6.32	35,718.03	43,227.50

Eveready Industries India Limited

It was incorporated on 20.06.1934. It is engaged in the manufacturing and selling of fast moving consumer goods, namely, dry cell batteries, flashlight, rechargeable batteries, packet tea and mosquito coil. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	FY04	FY05	FY06
Equity Capital	5,577.91	2,788.95	3,587.36
Reserves (Excluding Revaluation Reserves)	19,627.55	27,047.59	47,543.49
Total Income	89,315.00	68,083.07	81,094.68
Profit after Tax	(38.27)	4,631.09	7,965.74
Earning Per Share (Rs.)	(0.07)	8.30	13.04
Net Asset Value	23,138.62	29,800.31	50,996.70

Kilburn Engineering Limited

The company was incorporated on 07.09.1981. It is a manufacturer of Dryers, Heat Transfer Equipments, Centrifugal Fans & Blowers for Industrial Purpose, Absorption Systems, Offshore & Foil Field Systems, Material Handing Systems, and Caustic Soda Fabricated Equipment. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	Year ended Sep 30, 2003	Year ended Sep 30, 2004	18 months ended March 31, 2006
Equity Capital	674.79	674.79	1,349.58
Advance against share capital	825.00	825.00	
Reserves (Excluding Revaluation Reserves)	1,021.11	999.44	1,858.48
Total Income	2,167.38	2,538.43	6,723.33
Profit after Tax	(1,291.26)	4,094.03	1,926.84
Earning Per Share (Rs.)	(19.13)	60.67	28.04
Net Asset Value	1,559.03	1,674.23	3,184.42

Williamson Magor & Co. Limited

The company was incorporated on 10.03.1949. It is a non banking financial company. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	FY04	FY05	FY06
Equity Capital	1,095.64	1,095.64	1,095.64
Reserves (Excluding Revaluation Reserves)	491.55	5,353.08	9,267.05
Total Income	1,792.03	9,334.04	5,545.54
Profit after Tax	(2,018.90)	4,861.53	3,913.97
Earning Per Share (Rs.)	(18.43)	44.37	35.72
Net Asset Value	1,509.00	6,448.72	10,362.69

Metals Centre Limited

The company was incorporated on 20.12.1983. It is an investment company. It is not a sick company. The following are its financial details for the last three years.

Rs. Lakhs

	FY04	FY05	FY06
Equity Capital	200	200	200
Reserves (Excluding Revaluation Reserves)	(3915.08)	(4788.46)	(4175.61)
Total Income	176.36	251.68	1955.25
Profit after Tax	(470.36)	(873.38)	612.85
Earning Per Share (Rs.)	(235.18)	(436.69)	306.43
Net Asset Value	(3715.08)	(4588.46)	(4023.25)

3.3.8 There is no pending litigation against the company.

3.3.9 There have been no mergers / demergers, spin off involving Ichamati during last 3 years

3.4 **Disclosure in terms of Regulation 16(ix)**

Pursuant to the SPA and the open offer, the Acquirers McLeod Russel, Williamson Magor & Ichamati would acquire control over the Target Company. The Acquirers do not intend to dispose of or otherwise encumber any assets of the Target Company, except to the extent that may be required (i) in the ordinary course of business of the Target Company and/or (ii) for the purposes of restructuring, rationalising and/or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Notwithstanding the immediately preceding sentence, it will be the responsibility of the board of directors of Moran Tea to make appropriate decisions in these matters, in accordance with the requirements of the business of Moran Tea and in line with opportunities or changes in the economic scenario from time to time. Such approvals and decisions will be subject to the provisions of the relevant regulations or any other laws applicable in this regard . Further, the Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of Moran Tea, except with the prior approval of shareholders of Moran Tea.

3.5 **Future plans/strategies of the Acquirers with regard to the Target Company**

The Acquirers intend to review from time to time Moran Tea's business affairs and financial position. Based on such evaluation and review, as well as general economic and industry conditions existing at the time, the Acquirers may consider from time to time, various alternative courses of action. Such actions may include the acquisition of additional equity shares through open market purchases, privately negotiated transactions, tender offers, exchange offers or in any other manner; alternatively, such actions may involve the sale of all or a portion of the Shares in the open market, in privately negotiated transactions, or otherwise, subject to the provisions of the applicable law at the relevant time.

All owners of shares, registered or unregistered, except the Acquirers, deemed PACs and the Promoter Group of Moran Tea, are eligible to participate in the Offer anytime before closure of the Offer.

4. BACKGROUND OF MORAN TEA

4.1 Moran Tea was incorporated in on August 24, 1977 under the Companies Act, 1956 with the name of The Moran Tea Company (India) Limited. It produces tea at Dibrugarh and Sibsagar in Assam. The registered office of Moran Tea is located at Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata 700001, West Bengal, India. The administrative office is located at 5B Sarojini Naidu Sarani, (Rawdon Street) Kolkata 700 017, West Bengal, India. The shares of Moran Tea are listed on the CSE and GSE.

The registered offices McLeod Russel and Moran Tea are located at the same address on separate floors at 'Four Mangoe Lane' on Surendra Mohan Ghosh Sarani in the central business district of Dalhousie in Kolkata.

4.2 Moran Tea is engaged in the cultivation, manufacture and sale of black tea. It has tea factories in its gardens at Moran, Sepon, Attabarie and Lepetkatta Tea Estates in Dibrugarh and Sibsagar Districts in the state of Assam.

4.3 The following are the details of the equity shares and voting rights of the Target Company

Paid up Equity Shares of Target Company	No. of Shares/ voting rights	% of shares/voting rights
Fully paid up equity shares	2,100,000	100%
Partly paid up equity shares	-	-
Total paid up equity shares	2,100,000	100%
Total voting rights in Target company	2,100,000	100%

4.4 As on April 10, 2006, the total issued and paid up share capital of the Moran Tea constitutes of 2,100,000 equity shares of Rs. 10 each aggregating Rs. 2.1 crore. Further, there are no partly paid-up shares and there are no outstanding convertible instruments. The shares of Moran Tea are listed on CSE and GSE. The closing price of Moran Tea as on the CSE on December 4, 2006 (last available market price) was Rs. 35.95 (Source: CSE letter no. CSEA/LD/204/2007 dated April 12, 2007). The following table provides capital build-up of Moran Tea since inception:

Date of Allotment	No. & % of shares issued		Cumulative paid up Capital (Rs)	Mode of Allotment	Identity of Allottees	Status of Compliance
	No.	%				
21.09.1977	7	100.00	70	By way of subscribing to the MoA	7 subscribers mentioned in the MoA and AoA (Others)	N.A.
06.04.1979	20,000	2.86		Firm allotment under Prospectus	UTI (Others)	with the approval of the RBI and the SEs
	518,000	74.00		- do -	Moran Holdings plc (Promoters).	
	9,993	1.43		- do -	Employees (Others)	
	152,000	21.71		Through Prospectus	Public (Others)	
	699,993	100.00	7,000,000			
18.07.1990	350,000	N.A.	10,500,000	Bonus issue (1:2)	Existing shareholders	with the approval of the RBI and the SEs
25.06.1998	1,050,000	N.A.	21,000,000	Bonus issue (1:1)	Existing shareholders	with the approval of the RBI and the SEs

Moran Holdings Plc, the major shareholders of Moran Tea were allotted 518,000 shares on April 6, 1979. Since then no additional shares have been acquired by Moran Holdings Plc in Moran Tea. However a few shares were acquired by other promoters at later dates. The following tables show the capital build up for promoters:

Total Holdings (no of shares)

	FY97	FY98	FY99 *	FY00	FY01	FY02	FY03	FY04	FY05	FY06
Moran Holdings Plc.	777,000	777,000	1,554,000	1,554,000	1,554,000	1,554,000	1,554,000	1,554,000	1,554,000	1,554,000
Nirvan Commercial Co. Ltd	1,400	1,400	2,800	2,800	2,850	2,850	2,850	2,850	2,850	2,850
KRL Finance & Investment Ltd	50	50	100	100	100	100	100	100	100	100
Shree Durga Agencies Ltd	1,283	1,628	3,741	5,483	5,483	5,483	5,483	5,483	5,483	5,483
Saket Fiscal Services (P) Ltd	50	50	100	100	100	100	100	100	100	100
Total	779,783	780,128	1,560,741	1,562,483	1,562,533	1,562,533	1,562,533	1,562,533	1,562,533	1,562,533
% of paid up capital	74.27%	74.30%	74.32%	74.40%	74.41%	74.41%	74.41%	74.41%	74.41%	74.41%

Additional shares acquired/(sold)

	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06
Moran Holdings Plc.	-	-	-	-	-	-	-	-	-	-
Nirvan Commercial Co. Ltd	-	-	-	-	50	-	-	-	-	-
KRL Finance & Investment Ltd	-	-	-	-	-	-	-	-	-	-
Shree Durga Agencies Ltd	-	345	485	1,742	-	-	-	-	-	-
Saket Fiscal Services (P) Ltd	-	-	-	-	-	-	-	-	-	-

** A Bonus of 1:1 was declared during the year*

The following is the status of compliance** with Regulations 6 and 8 of the Regulations for the above companies*.

	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06
Moran Holdings Plc.	Y	N	N	N	N	N	N	N	N	N
Nirvan Commercial Co. Ltd	Y	Y	N	N	N	N	N	N	N	N
KRL Finance & Investment Ltd	Y	Y	Y	N	N	N	N	N	N	N
Shree Durga Agencies Ltd	Y	Y	N	N	N	N	N	N	N	N
Saket Fiscal Services (P) Ltd	Y	Y	Y	N	N	N	N	N	N	N

** Y implies that compliance was duly observed and N implies non compliance*

***In the event of non compliance with Regulation 8 of the Regulations, suitable action could be taken by SEBI at a later date,*

The shareholding pattern of Moran Tea as on December 15, 2006 is as below

Shareholder	No. of shares	% holding
Promoters' shareholding		
Moran Holdings Plc.	1,554,000	74.00%
Resident Bodies Corporate	8,707	0.41%
Total Promoters' shareholding	**1,562,707**	**74.41%**
Non-promoters' shareholding		
Institutional Shareholders	-	0.00%
Private Corporate Bodies	217,074	10.34%
NRIs/OCBs	74	0.00%
Indian Public	320,145	15.25%
Total non-promoter shareholding	**537,293**	**25.59%**
Total	**2,100,000**	**100.00%**

Moran Tea Company (India) Limited is promoted by Moran Holdings Plc. Moran Holdings Plc, incorporated in the U.K. is an investment company holding investments in a wide range of companies. The following table provides the major shareholders of Moran Holdings Plc:

Name of the Shareholder	% Shareholding
Bernstein Ltd. BVI	26.17%
Darnforth Holdings Ltd.	24.00%
Pelican Limited	13.65%
Mr. and Mrs. G. P. Theobald and family	9.07%
Chai Universal Trading Ltd.	5.09%
Mr. and Mrs. R. A. Knight and family	4.69%
Others	17.33%
Total	100.00%

4.5 The equity shares of the Target Company are listed on CSE and GSE. The Target Company has complied with all the provisions of the Listing Agreement except as mentioned in para 4.4. Further, no punitive action has ever been initiated against Moran Tea by any of the stock exchanges where its shares are listed.

4.6 The Board of Directors of Moran Tea comprised of the following :

Name of Director	Experience	Qualifications	Date of Appointment	Address
Brij Mohan Khaitan	Among the leading industrialists in Eastern India, Mr. Khaitan is a name to be reckoned with. Mr. Khaitan has great contributions to the tea industry with which he has been associated for over four decades. Apart from McLeod Russel, he is also the Chairman of Williamson Magor & Co. Limited and Eveready Industries India Limited and is on the board of directors of various other companies both within and outside Williamson Magor Group. The Chambers of Commerce have always found a strong supporter in him. In 1973, he was elected President of the Indian Chambers of Commerce and was also the President of the International Chamber of Commerce Indian National Committee during 1986-1987.	Mr. Khaitan is commerce graduate from Calcutta University.	01.06.1981	10 Queens Park, Kolkata – 700 019
Deepak Khaitan	Mr. D. Khaitan is associated with tea plantation activities for over 3 decades and has had in-depth exposure to and involvement in steering diverse businesses and gained rich experience and expertise in management of tea, batteries and engineering industries. Presently, Mr. Khaitan is the Executive Vice-Chairman and Managing Director of Eveready Industries India Limited. Besides, he is also holding directorships in a number of other companies in the Williamson Magor Group and outside.	Mr. D. Khaitan was educated in St. Xavier's School and College, Kolkata and has obtained his B. Com. (Hons.) degree from this college under Calcutta University. Following this he went abroad to pursue his higher management education and has obtained his MBA from Geneva (Switzerland).	23.06.2003	10 Queens Park, Kolkata – 700 019
Salil K Gupta	Mr. S K Gupta has been the past President of the Institute of Chartered Accountants of India, having over 48 years of experience in the field of Corporate Management & Finance Mr. Gupta is also holding Directorship in certainreputed Indian Companies	Mr. S K Gupta has obtained a B. Com (Hons) degree from Citi College, Kolkata and is a Fellow Member of the Institute of Chartered Accountants of India.	19.11.1992	538 Jodhpur Park, Ground Floor, Kolkata – 700 068
Harish Chandra Maneklal Parekh	Mr H M Parekh has over 46 years of experience in the Tea Industry. He retired as Chairman of J. Thomas & Co. P. Ltd., world's largest tea broking Company. He was the Chief Executive Officer of Project India Blend Ltd., and is currently marketing consultant to some top tea producing Companies.Mr. Parekh is also holding directorship in a number of Tea Companies and other Indian Companies.	Mr. Parekh was educated in Sydenham College of Commerce & Economics, Mumbai. & obtained his B.Com (Hons) degree from this college.	05.09.2000	3A, Navin Apartment, 29 Ballygunge Park, Kolkata – 700 019

Name of Director	Experience	Qualifications	Date of Appointment	Address
Noshir Faramji Tankariwala	Mr N F Tankariwala, Managing Director possesses over 46 years of experience in the Tea Industry. He possesses the relevant technical and financial expertise with respect to tea estate matters and Corporate Level Matters. He is currently a Member of the National Committee of Indian Tea Association and is an ex- officio Member of the Council of Management of the Tea Research Association having been its immediate past Chairman.	Mr N F Tankariwala has obtained his B.A. Economics (Hons.) Degree from N.Wadia College under University of Pune	01.10.1992	Flat No.1NW, 5 Queens Park, Kolkata – 700 019

4.7 The financial details of Moran Tea are as under, in compliance with the provisions of Clause 6.14 to the standard letter of offer format as prescribed by SEBI:

Rs Lakhs

Profit and Loss Statement	FY2004	FY2005	FY2006	FY2007 (9 months)
Income from operations	3,669.63	3,660.50	3,467.51	3,160.80
Other income	141.44	102.49	120.99	72.35
Total Income	3,811.07	3,762.99	3,588.50	3,233.15
Total Expenditure	3,517.61	3,518.63	3,358.72	2,534.14
Profit before Depreciation, Interest and Taxes	293.46	244.36	229.78	699.01
Depreciation	73.97	75.30	74.76	53.85
Interest	33.11	55.51	46.25	40.18
Profit Before Tax	186.38	113.55	108.77	604.98
Exceptional / Non-Recurring Items / Prior Period Items	-	33.56	21.10	-
Provision for Contingencies	-	-	-	-
Provision for Tax	25.86	17.36	27.92	-
Profit After Tax	160.52	129.75	101.95	604.98

Rs Lakhs

Balance Sheet Statement	FY2004	FY2005	FY2006	FY2007 (9 months)
Sources of Funds				
Paid-up Equity Share Capital	210.00	210.00	210.00	210.00
Reserves and surplus (excluding revaluation reserves)	2,002.88	2,072.77	2,114.86	2,719.84
Net worth	2,212.88	2,282.77	2,324.86	2,929.84
Secured Loans	125.00	470.74	474.66	168.07
Unsecured Loans	-	-	-	-
Other Liabilities	-	-	-	-
Deferred Tax Liability	89.77	80.24	62.62	62.62
Total	2,427.65	2,833.75	2,862.14	3,160.53
Uses of Funds				
Net fixed Assets	1,237.64	1,242.32	1,228.29	1,234.16
Investments	258.61	337.10	337.10	4.98
Net Current Assets	931.40	1,254.33	1,296.75	1,921.39
Total Miscellaneous Expenditure Not Written-Off	-	-	-	-
Total	2,427.65	2,833.75	2,862.14	3,160.53

The perceptible growth in earnings in the nine months of FY07 is because of the cyclical nature of the tea industry. The company is engaged in the business of growing, manufacturing and sale of tea. In the last quarter of the year there is considerably low production whereas expenses continued to be incurred, that will have a moderating effect on the profits for the year.

Other Financial Data	FY2004	FY2005	FY2006	FY2007 (9 months)
Dividend per Share (%)	25%	25%	25%	-
Earnings per Share	7.64	6.18	4.85	28.81
Return on Net worth (%)	7.42%	5.77%	4.43%	23.03%
Book Value per Share	105.38	108.70	110.71	139.52

Source: Annual Reports of Moran Tea for the years ended March 31, 2004, 2005, 2006 and unaudited results reviewed by the Statutory Auditors for the 9 months ended December 31, 2006.

The strong growth in the FY07's PAT is attributable to improved conditions in the India Tea Industry with growth in demand both in domestic as well as export markets.

4.8 The equity shareholding in Moran Tea before the Offer and after the Offer (assuming full acceptance of the Offer) is given in the table below:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition		Shares /voting rights agreed to be acquired which triggered off the and offer.		Shares/voting rights to be acquired in open offer (Assuming full acceptances) Regulations.		Share holding / voting rights after the acquisition and offer. i.e.	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group.								
1. Parties to agreement, if any	1,554,000	74.00%	(1,520,000)	(72.38%)	-	-	34,000	1.62%
2. Promoters other than (a) above	8,707	0.41%	-	-	-	-	8,707	0.41%
Total 1(a+b)	1,562,707	74.41%	(1,520,000)	(72.38%)	-	-	42,707	2.03%
(2) Acquirers								
1. Acquirers	-	-	1,520,000	72.38%	420,000	20.00%	1,940,000	92.38%
2. Deemed PACs *	50,050	2.38%	-	-	-	-	50,050	2.38%
Total 2(a+b)	50,050	2.38%	1,520,000	72.38%	420,000	20.00%	1,990,050	94.76%
(3) Parties to agreement other than(1) (a) & (2)	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, acquirers & PACs)								
1.FIs/MFs/FIIs/Banks, SFIs (indicate names)	-	-	-	-	-	-	-	-
2. Others	487,243	23.20%	-	-	(420,000)	(20.00%)	67,243	3.20%
Total (4)(a+b)	487,243	23.20%	-	-	(420,000)	-(20.00%)	67,243	3.20%
GRAND TOTAL (1+2+3+4)	2,100,000	100.00%	-	-	-	-	2,100,000	100.00%

Source: The above figures are based on the information as on December 15, 2006

**Metals Centre Limited and United Machine Co. Limited, companies belonging to the Williamson Magor Group own 38,848 and 11,202 fully paid-up equity shares respectively representing 1.85% and 0.53% respectively of the share capital of the Target Company. However the aforesaid companies do not form part of the acquirers and hence is included in the above table under the head, Acquirers as Persons Acting in Concert (PACs)..*

***The Acquirers i.e. McLeod Russel, Williamson Magor and Ichamati shall ensure compliance with Clause 40A of the Listing Agreement with regard to the Target Company post the completion of the open offer and the acquisition.*

4.9 As on December 8, 2006, there were 2,909 shareholders in Moran Tea.

4.10 The trading of its shares has neither been suspended by any stock exchange nor has there been any instance of refusal to list its shares.

4.11 **Status of Corporate Governance & Pending Litigation**

Corporate Governance

The status of compliance with corporate governance norms by Moran Tea is as given below:

1. Board of directors : Out of 5 directors, 4 are independent directors
2. Audit Committee comprises of 3 directors and 2 of them including the chairman are independent. The terms of reference of the Committee are in accordance with Clause 49 of the Listing Agreement and 292A.
3. Shareholders/Investors' Grievance Committee: The Committee comprises of 3 directors, the Chairman of the Committee is a non executive and independent director.
4. Remuneration of Directors; the remuneration of non executive directors is decided by the Board and all particulars of remuneration are disclosed in the Annual Report.
5. Board Procedure: At least 4 board meetings are held in each financial year. The time gap between two meetings does not exceed 4 months. All information stipulated in Annexure I is placed before the board. None of the directors hold membership of more than 10 board committees and chairmanship of more than 5 such committees.
6. Management: The Management Discussion and Analysis report forms part of Directors' Report.
7. Shareholders: All provisions stipulated in Clause 49 VI are complied with by the Company Report on Corporate Governance: The report on corporate Governance is annexed to the Directors' Report which contains all items mentioned in Annexure 2 as referred in Clause 49VII of the Listing Agreement.

Pending Litigation

Sl. No:	Opposite Party	Case Reference / Forum	Particulars of Case	Amount Involved
1.	M/S Radhkishore Flour Mill, Jorhat	CR No 30/94 High Court, Guwahati	Short delivery of 130 bags of rice at Sepon T.E.	Rs. 60200.40

4.12 Mr. H. U. Sanghavi, Company Secretary, Moran Tea, is the compliance officer. The correspondence address is as below:

Mr H U Sanghavi
5B Sarojini Naidu Saran (Rawdon Street)
Kolkata 700 017
Tel: + 91 33 2287-8804/2290-2052
Fax: + 91 33 2290-2065
E-mail: morantea@vsnl.com

4.13 There have been no mergers or demergers relating to Moran Tea in the last three years.

5. **OFFER PRICE AND FINANCIAL ARRANGEMENTS**

5.1 **Justification of Offer Price**

5.1.1 The Equity Shares of Moran Tea are listed on CSE and GSE. The Public Announcement by the Acquirers, pursuant to Regulation 10 and 12 and other applicable provisions of Chapter III of, and in compliance with, the Regulations was made on December 6, 2006. The annualised trading turnover during the preceding six calendar months ended December 6, 2006 on CSE & GSE is detailed in the table below.

Name(s) of stock exchange(s)	Total number of shares traded during six calendar months ended November 2006	Total number of listed shares shares	Annualised trading turnover (in terms % of total listed shares
CSE	0	2,100,000	0%
GSE	0	2,100,000	0%

Source: CSE, GSE

5.1.2 The Offer Price of Rs. 316.15 per Share is justified in terms of Regulation 20(11) of the Regulations, as it is determined taking into account the following:

a	Negotiated price under the Agreement referred to in Regulation 20(5)(a)	Rs. 273*
b	Highest price paid by the Acquirers for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the 26-week period prior to the date of the Public Announcement	Not Applicable

*As per SEBI's directive, Rs. 43.15 has been added to the negotiated price towards non compete premium

5.1.3 The shares of the Target Company are infrequently traded on CSE and GSE within the meaning of explanation (i) to Regulation 20(5) of the Regulations. The financial parameters based on the nine months results for the period ended December 31, 2006 for Moran Tea (reviewed by statutory auditors) are:

(a) Return on Average Networth of 23.03%

(b) Book Value per share of Rs. 139.52 (Adjusted for revaluation reserves)

(c) Earnings per Share (EPS) of Rs. 28.81 (based 9 months earnings) and

(d) P/E multiple: Not Available; and Industry P/E multiple of 28.98

(Source: Annual Report of Moran Tea for the year ended March 31, 2006, CMIE)

While a number of valuation approaches are feasible, the guideline of the erstwhile Comptroller of Capital Issues (CCI) substantially addresses the parameters contained in clause (c) of Sub-Regulation 20(5) of the Regulations:

i. Net Asset Value:-

a. The latest audited balance sheet available as at the valuation date is for the year ending on March 31, 2006 and forms the basis for estimating the NAV of the company.
b. The Net Asset Value of the company is estimated to be Rs. 110.71 per share.

ii. Profit Earning Capacity Value (PECV) :-

a. We have considered the last three years (FY04 to FY06) Audited Profit & Loss statements and for assessing the average profits.
b. The company showed a declining trend in profits in the last three years. However as per the unaudited nine months results for the period ending December 31, 2006 the profitably has improved substantially. It is to be noted that last quarter will show a loss which will moderate the profits earned during the year, as there is considerably low production of tea in the last quarter. Since the profits show a declining trend, the profits as per the last Audited Financial Statements pertaining to the Financial Year 2006 have only been considered for the valuation. As per the CCI guidelines, the PECV is Rs. 64.73 per share.

iii. Market Based Value:-

As the shares of Moran Tea have been very infrequently traded, no reliable value can be ascertained for market based value.

iv. Considering, the Supreme Court decision in the Hindustan Lever Employee Union Vs Hindustan Lever Limited, (1995) 83 Com Case 30, wherein the Honourable Court had opined that the fair value for a listed company could be assessed based on the following weightages :

- Market based Value : 2
- Earnings Based Value : 2
- Net Asset Value : 1

Given the NAV of Rs. 110.71 and a PECV of Rs. 64.73 as assessed above, if one were to apply this approach, the share price would be in the region of Rs. 80.06 per share.

In the opinion of the Manager to the Offer and the Acquirers, the Offer Price is justified as per Regulation 20(4) and Regulation 20(5) of the Regulation

5.2 **Financial Arrangement for the Offer**

5.2.1 The total fund requirement for implementation of the Offer at Rs. 316.15 per share is around Rs. 13.28 crore assuming that full acceptance for the Offer is received.

5.2.2 The Acquirers have made firm financial arrangements to implement the Offer and meet their obligations in full under the Offer. The Offer obligation shall be met from the internal accruals.

5.2.3 M/s Lovelock & Lewes, auditors to Williamson Magor, vide their letter dated April 12, 2007, have certified that the Acquirers have made adequate arrangements to meet the financial obligations under this Offer.

5.2.4 The Manager to the Offer confirms that it is satisfied about the ability of the Acquirers to implement the Offer in accordance with the Regulations as firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligations.

In accordance with Regulation 28 of the SEBI (SAST) Regulations, 1997, the Acquirers have created a lien in favour of ICICI Securities against a fixed deposit amounting Rs. 332 lakhs standing in the name of McLeod Russel with Kolkata branch of ICICI Bank Limited. This fixed deposit receipt is duly discharged in favour of ICICI Securities. The said fixed deposit amount is 25% of the amount required as per the said Regulations, viz., 25% of Rs. 13,27.83 lakhs, i.e. Rs. 331.96 lakhs. ICICI Securities has been authorised to realise the value of the fixed deposit.

6. **TERMS AND CONDITIONS OF THE OFFER**

6.1 The Offer to the shareholders of Moran Tea to acquire up to 420,000 fully paid-up equity shares representing 20% of the paid-up equity share capital of Moran Tea at Rs. 316.15 per Share is being made pursuant to Regulation 10 and 12 read with other applicable provisions of Chapter III of, and in compliance with, the Regulations.

6.2 Moran Tea has furnished the register of members as on the Specified Date. The Letter of Offer together with the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed to the shareholders of Moran Tea whose names appear on the Register of Members of Moran Tea and beneficial owners of the shares of Moran Tea, whose names appear as beneficiaries on the records of the respective depositories, at the close of the Business Hours on December 29, 2006 (the Specified Date), except to the Acquirers, deemed PACs and the Promoter Group in Moran Tea. Accidental omission to dispatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

6.3 Equity shares of Moran Tea that are subject matter of litigation or are held in abeyance due to pending court cases, wherein the shareholder(s) of Moran Tea may be precluded from transferring the shares during pendency of the said litigation are liable to be rejected in case directions / orders releasing these shares are not received together with the shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

6.4 The shares will be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

6.5 The Offer is not conditional on any minimum level of acceptance i.e. the Acquirers will acquire all the Shares that are tendered in terms of the Offer up to 420,000 Shares, subject to the conditions specified in the Public Announcement published on December 6, 2006 and this Letter of Offer (in paragraphs 6.1 to 6.4) and Form of Acceptance-cum-Acknowledgement.

6.6 If there is any further upward revision of the Offer price by the Acquirers till the last date for revision viz., April 25, 2007 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Public Announcement published on December 6, 2006 had appeared. Such revised Offer Price would be payable for all the shares tendered anytime during the Offer and accepted under the Offer.

6.7 Shareholders who wish to tender their Shares should submit documents in accordance with the procedure specified in Section 7 of this Letter of Offer and the Form of Acceptance-cum-Acknowledgement.

Shareholders who hold shares in physical form and who wish to tender their Shares will be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer – Maheshwari Datamatics Private Limited., by hand delivery to the collection centres during business hours (Mondays to Saturdays between 10.00 a.m. and 5.00 p.m.) or by registered post at Maheshwari Datamatics Private Limited, 6 Mangoe Lane, 2nd Floor, Kolkata 700 001, so that the same are received on or before the close of the Offer i.e. May 9, 2007, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement.

6.8 The Registrar to the Offer has opened a special depository account with Shree Bahubali International Limited, as the Depository Participant, in National Securities Depository Limited styled 'ESCROW A/C MORAN TEA OPEN OFFER'.

The details of the special depository account are as under:

DP Name	Shree Bahubali International Limited
Depository Identification Number (DP ID)	IN 300773
Client Identification Number (Beneficiary Client ID)	1018 0424

6.9 Beneficial owners (holders of shares in dematerialised form) who wish to tender their shares will be required to send their Form of Acceptance-cum-Acknowledgement along with a photocopy of the delivery instruction slip in "off-market" mode or counterfoil of the delivery instruction slip in 'off-market' mode, duly acknowledged by the Depository Participant ('DP'). The delivery instruction slip in favour of '**ESCROW A/C MORAN TEA OPEN OFFER'** should be sent to the Registrar to the Offer: Maheshwari Datamatics Private Limited., either by hand delivery during business hours (Mondays to Saturdays between 10.00 a.m. and 5.00 p.m.) or by registered post so as to reach on or before the closure of Offer i.e. May 9, 2007 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement. **Beneficial owners should ensure to credit their shares in favour of the special depository account before the closure of the Offer.**

Shareholders having their beneficiary account in CDSL will have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL, as mentioned in para 6.9 above.

6.10 **Locked-in Shares**

As per the publicly available information, there are no locked-in shares. However, no discrimination would be made with regard to locked-in shares.

6.11 **Eligibility for Accepting the Offer**

The present Offer is being made to all the shareholders of Moran Tea, except the Acquirers, deemed PACs and the Promoter Group of Moran Tea, whose names appear as on the Specified Date (i.e. December 29, 2006) and also to those persons, who own the shares at any time prior to the closure of the Offer but are not registered shareholders.

6.12 **Marketable Lot**

The marketable lot for the shares of Moran Tea is 1 (one) share as the shares of Moran Tea can be traded on the secondary market only in dematerialised form.

6.13 **Statutory Approvals and Conditions of the Offer**

The Offer is subject to the statutory and regulatory approvals mentioned in page 2 above. As on date, there are no other statutory and regulatory approvals required, other than those indicated above.

To the best of the knowledge of the Acquirers, as on the date of the public announcement, there are no other statutory or regulatory approvals required to implement the Offer, other than those indicated above. If any other statutory or regulatory approvals become applicable, the Offer would be subject to such statutory or regulatory approvals. The Acquirers will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused in terms of Regulation 27 of the Regulations.

In case of delay in receipt of statutory or regulatory approvals, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the shareholders of Moran Tea, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

7.1 Shareholders of Moran Tea who wish to avail of this Offer should forward the undermentioned documents by hand delivery or registered post to the Registrar at their Office – Maheshwari Datamatics Private Limited. who are acting as the Registrar to the Offer (the 'Registrar to the Offer'), either by hand delivery during business hours (Mondays to Saturdays between 10.00 a.m. and 5.00 p.m.) or by registered post so that the same are received on or before the closure of the Offer, i.e. by May 9, 2007. **Shareholders are advised to ensure that the Form of Acceptance-cum-Acknowledgement and other documents are complete in all respects otherwise the same is liable to be rejected. In the case of dematerialised 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 dematerialised shares not credited in favour of the special depository account before the closure of the Offer is liable to be rejected.**

Physical shares tendered under the Offer and subsequently withdrawn by the shareholders will be returned to the shareholders by registered post.

7.2 **Registered shareholders (holders of shares in physical form) 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 deed(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 Moran Tea and duly witnessed at the appropriate place(s)

7.3 **Beneficial owners (holders of shares in dematerialised form) should enclose:**

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of shares, as per the records of the DP
- Photocopy of the delivery instruction slip in 'Off-market' mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP

The details of the special depository account are as follows:

Name of the Depository Participant	Depository Identification No. (DP ID)	Client Identification No. (Beneficial Client ID)
Shree Bahubali International Limited	IN 300773	1018 0424

7.4 Unregistered shareholders should enclose:

- Form of Acceptance-cum-Acknowledgement or an application on plain paper, duly completed and signed in accordance with the instructions contained therein
- Original share certificate(s)
- Copy of the original contract note issued by the broker through whom the shares were acquired
- Proof of lodgement of shares for transfer and acknowledgement thereof by Moran Tea or its registrar and share transfer agent (if the share certificates have already been lodged for transfer)
- Valid share transfer deed(s) duly signed by a registered holder and an additional valid transfer deed duly signed by the unregistered shareholder as the transferor

No indemnity is required from the unregistered owners.

7.5 Owners of shares who have tendered their shares for transfer should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein
- Copy of the letter sent to Moran Tea for transfer of shares
- Valid share transfer deed(s) including valid transfer deed duly signed by the unregistered shareholder as the transferor

7.6 Shareholders who have sent their physical shares for dematerialisation may participate in the Offer by submitting the Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialisation request form duly acknowledged by the Depository Participant. Shareholders who have sent their physical shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the special depository account should be received on or before the closure of the Offer, i.e. by May 9, 2007, else the application would be rejected.

7.7 Valid share transfer deed/ 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 Moran Tea and duly witnessed at the appropriate place.

7.8 **The share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirers or the Target Company.**

7.9 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 numbers, folio numbers, 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. May 9, 2007 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 slip in "Off-market" mode or counterfoil of the delivery instructions slip in 'Off-market' mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer, i.e. May 9, 2007.

7.10 Alternatively, the Letter of Offer and Form of Acceptance-cum-Acknowledgement 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-cum-Acknowledgement from the SEBI's website and apply in the same.

7.11 While tendering the Shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of Moran Tea. In case the previous RBI approvals are not submitted, the Acquirers reserve the right to reject such Shares tendered.

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

a) **If any of the above stated documents (as applicable) are not enclosed along with the Form of Acceptance-cum-Acknowledgement, the Shares tendered under the Offer are liable to be rejected.**

b) **As per section 10(36) of the Income-tax Act, 1961, any income arising from the transfer of a long-term capital asset, being an equity share for which the transactions of purchase and sale of such share are entered into on a recognised stock exchange, is exempt from tax. However, gains on transfer of shares tendered under the Offer would not be eligible for the exemption under section**

10(36), as the transfer would not be effected through a recognised stock exchange. As such, gains on transfer of the shares offered pursuant to this letter of offer would be liable to tax as per the normal provisions of the Income-tax Act, 1961. This position has been intimated to the Acquirers by the tax advisers of the Acquirer. However, the Acquirers by this letter of offer, are not providing any tax advice to the shareholders and the shareholders are requested to seek their own advice on such matters.

7.13 The Form of Acceptance-cum-Acknowledgement along with the share certificate(s), signed transfer deed and other documents should be submitted at any of the collection centres below in accordance with the procedure as set out in the Letter of Offer. All the centres mentioned herein below would be open on all working days as follows :

Business Hours: Mondays to Saturdays 10.00 a.m. to 5.00 p.m. The centres will be closed on Sundays and any other public holidays.

City	Contact Person	Address	Tel. No.	Fax No.	Mode of Delivery
Kolkata	Mr. S. Rajagopal	Maheshwari Datamatics Private Limited 6 Mangoe Lane, 2nd Floor Kolkata 700001	033- 2243-5029/ 5809, 2248-2248	033-2248-4787	Registered post or hand delivery
Mumbai	Mr. Subodh	Maheshwari Datamatics Private Limited c/o Bigshare Services Pvt Ltd E-2, Ansa Industrial Estate Sakivihar Road, Saki Naka, Andheri (E) Mumbai – 400 072	022-2847-0652/53	022-2847-5207	Hand delivery only
New Delhi	Mr. Naresh K. Rajgaria	Maheshwari Datamatics Private Limited c/o Khandelia & Sharma Chartered Accountants 407, South Extn., Plaza II, Masjid Moth South Extn. Part II, New Delhi - 110049	011-2625-9733/9744	011-4164-3733	Hand delivery only
Ahmedabad	Mr. Manish Buchasia	Maheshwari Datamatics Private Limited c/o M.S.Buchasia & Associates 410, Satyam Mall, Near Kameshwar School, Jodhpur Cross Road, Satellite Ahmedabad - 380015	079-4003-0098	079-4003-0098	Hand delivery only
Chennai	Mr. Sushil Kumar Kochar	Maheshwari Datamatics Private Limited c/o K.K.S. & Co., 309, Citi Centre 232 Purasawalkam, High Road Chennai - 600010	044-2643-3273	N.A.	Hand delivery only
Bangalore	Mrs. Shobha	Maheshwari Datamatics Private Limited c/o G.V.Sunder & Co., 3/5 Tower Block, 4th Floor Unity Building, J.C. Road Bangalore – 560 002	080-2227-5160	080-2224-4189	Hand delivery only
Hyderabad	Mr. B.D. Gilda	Maheshwari Datamatics Private Limited c/o M/s. Bhagwan Das Gilda 3-5-141/1A Eden Bag Road Ramkot, Hyderabad – 500 001	040-2475-3803	040-2475-3803	Hand delivery only
Guwahati	Mrs. Ambika Barua	Maheshwari Datamatics Private Limited c/o H.S. Kumbhat & Co. NIFD Campus, 2nd Floor Opp. Goswami Service Station Chandmari, Guwahati – 781 003	0361-2661521	0361-2664572	Hand delivery only

7.14 Applicants who cannot hand deliver their documents at the collection centres referred to above, may send the same by Registered Post, at their own risk and cost, to the Registrar to the Offer at its address given below:

Maheshwari Datamatics Private Limited
6 Mangoe Lane, 2nd Floor
Kolkata 700 001, INDIA

7.15 The payment of consideration will be made by the Acquirers in cash through crossed account payee cheque, demand draft or pay order sent by Registered Post for amounts exceeding Rs. 1,500 and UCP otherwise to those shareholders / unregistered owners, which would be dispatched to the shareholders / unregistered owners at their own risk, whose shares / share certificates and other documents are found in order and accepted by the Acquirers. In case of joint registered holders, cheques / demand drafts / pay orders will be drawn in the name of the sole / first named holder / unregistered owner and will be sent to him / her. **It is desirable that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgement, so that the same can be incorporated in the cheque / demand draft / pay order.**

7.16 In case the Shares tendered in the Offer are more than the shares to be acquired under the Offer, the acquisition of Shares from each shareholder will be in accordance with Regulation 21(6) of the Regulations, on a proportionate basis.

7.17 Unaccepted share certificate(s), transfer deed(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. Except that, in case the share certificates tendered have to be split, the Acquirers will arrange to split the share certificates and send the balance share certificates (for Shares not accepted in the Offer) by Registered Post at the shareholders' / unregistered owners' sole risk to the sole / first named shareholder / unregistered owner. Unaccepted Shares held in dematerialised form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement or otherwise.

7.18 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-cum-Acknowledgement and the transfer deed(s), if any, on behalf of the shareholders / unregistered owner(s) of Moran Tea who have accepted the Offer, till the Acquirers complete the Offer obligations in terms of the Regulations latest by May 24, 2007. Upon completion of the above, the Registrar to the Offer will debit the special depository account to the extent of Shares accepted by the Acquirers and give instruction to credit the beneficial account of the Acquirers.

7.19 The Acquirers shall complete all procedures relating to the Offer latest by May 24, 2007. In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the shareholders, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

7.20 In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the closure of the Offer, i.e. by May 3, 2007. The withdrawal option can be exercised by submitting the Form of Withdrawal as per the instructions below, so as to reach the Registrar to the Offer at Maheshwari Datamatics Private Limited, 6 Mangoe Lane, 2nd Floor, Kolkata 700 001, INDIA, Tel: +91 33 2243 5029/ 5809, 2248 2248; Fax: +91 33 2248 4787 either by hand delivery on all days (excluding Sundays and public holidays): Mondays to Saturdays – 10.00 a.m. to 5.00 p.m. or by Registered Post, on or before May 3, 2007.

The withdrawal option can be exercised by submitting the Form of Withdrawal along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance cum Acknowledgement. In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:

· • In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares;

· • In case of dematerialised shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in 'off-market' mode or counterfoil of the delivery instruction in 'off-market' mode, duly acknowledged by the DP, in favour of **'ESCROW A/C MORAN TEA OPEN OFFER'.**

8. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, ICICI Securities Limited, ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and holidays, until the closure of the Offer:

a) Certificate of Incorporation, Memorandum of Association and Articles of Association of McLeod Russel, Ichamati and Williamson Magor
b) Certificate dated April 12, 2007 from M/s Lovelock & Lewes, Chartered Accountants, certifying that Williamson Magor & Co. Limited has adequate resources to meet the financial obligations relating to the Offer

c) Certificate of Incorporation, Memorandum of Association and Articles of Association of Moran Tea
d) Audited annual reports of McLeod Russel, Ichamati and Williamson Magor for the financial years ended March 31, 2004, 2005 and 2006
e) Unaudited results of McLeod Russel, Ichamati and Williamson Magor for the nine months ended December 31, 2006 duly certified by the respective Statutory Auditors
f) Audited annual reports of Moran Tea for the financial years ended March 31, 2004, 2005 and 2006
g) Unaudited results of Moran Tea for the nine months ended December 31, 2006 duly reviewed by the statutory auditors.
h) Copy of Public Announcement published on December 6, 2006
i) Copy of the letter no. CFD/DCR/TO/AG/90728/07 from SEBI dated April 9, 2007, in terms of proviso to Regulation 18(2) of the Regulations
j) Letters dated December 4, 2006 and April 13, 2007 from ICICI Bank confirming the amount placed in fixed deposit receipt, towards the proposed Offer, with a lien in favour of ICICI Securities Limited, Manager to the Offer
k) Copy of agreement dated December 4, 2006 with Shree Bahubali International Limited, Depository Participant for opening a special depository account for the purpose of the Offer
l) Certified true copy of Board Resolutions dated December 1, 2006 from the Acquirers authorising the Offer
m) Copy of the Share Purchase Agreement signed between McLeod Russel and Moran Holdings Plc
n) Copy of the Non-compete Agreement signed between McLeod Russel and Moran Holdings Plc
o) Certificate from M/s L. B. Jha & Co, Chartered Accountants justifying the price of equity shares offered to the shareholders of Moran Tea under the offer

9. DECLARATION BY THE ACQUIRERS

The Acquirers and the Boards of Directors of the Acquirers respectively accept full responsibility for the information contained in this Letter of Offer and Form of Acceptance-cum-Acknowledgement and Form of Withdrawal. The Acquirers shall be jointly and severally responsible for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Mr. K. K. Baheti, Mr. R. S. Jhawar and Mr. K. K. Baheti have been severally authorised by the boards of directors of McLeod Russel, Williamson Magor and Ichamati, respectively to be the authorised signatories to the Letter of Offer.

For and on behalf of the Acquirers

Sd/-	Sd/-	Sd/-
Authorised Signatory	Authorised Signatory	Authorised Signatory
McLeod Russel	Williamson Magor	Ichamati

Place : Kolkata
Date : April 16, 2007

Attached :

1. Form of Acceptance-cum-Acknowledgement
2. Form of Withdrawal
3. Share Transfer Deed (for physical shares)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this Form with enclosures to *Maheshwari Datamatics Private Limited*)

OFFER		
OPENS ON	:	April 20, 2007
LAST DATE OF WITHDRAWAL	:	May 3, 2007
CLOSES ON	:	May 9, 2007

From:
Name:
Address:

Tel No.: Fax No.: E-mail:

To,
The Acquirers – McLeod Russel India Limited, Williamson Magor & Co. Limited and Ichamati Investments Limited
C/o, Maheshwari Datamatics Private Limited
6 Mangoe Lane, 2nd Floor, Kolkata 700 001, India

Dear Sir/Madam,
Sub: Open Offer to acquire up to 420,000 fully paid-up equity shares of Rs 10 each representing 20% of paid up equity share capital (as defined in the Letter of Offer) of The Moran Tea Company (India) Limited ('Moran Tea' or 'Target Company') by McLeod Russel India Limited, Williamson Magor & Co. Limited and Ichamati Investments Limited at a price of Rs. 316.15 (Rupees three hundred sixteen and paise fifteen only) per fully paid up share, "Offer Price" payable in cash.
I/We refer to the Letter of Offer dated April 16, 2007 for acquiring the Shares held by me/us in The Moran Tea Company (India) Limited
I/We, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below.

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

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

SHARES HELD IN DEMAT FORM

I/We, holding shares in demat form, accept the Offer and enclose a photocopy of the Delivery Instructions duly acknowledged by my/our 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 depository account with Shree Bahubali International Limited at NSDL styled 'ESCROW A/C MORAN TEA OPEN OFFER' whose particulars are:

DP Name: Shree Bahubali International Limited	DP ID: IN 300773	Client ID: 1018 0424

Shareholders having their beneficiary account with CDSL will have to use inter-depository slip where available for purpose of crediting their shares in favour of the special depository account with NSDL.
Enclosures (Please tick as appropriate, if applicable)
• Power of Attorney • Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories • No Objection Certificate & Tax Clearance Certificate under Income-tax Act, 1961, for NRIs/OCBs/Foreign Shareholders as applicable • Death Certificate/ Succession Certificate • Others (please specify): ____
I/We confirm that the equity shares of The Moran Tea Company (India) Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.
I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers pays the purchase consideration as mentioned in the Letter of Offer.
I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.
I/We authorise the Acquirers to send by registered post/speed post/UCP the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.
I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirers makes payment of purchase consideration as mentioned in the Letter of Offer.
I/We authorise the Acquirers to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirers to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted. The Permanent Account No. (PAN/GIR No.) allotted under the Income Tax Act, 1961 is as under.

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

So as to avoid fraudulent encashment in transit, shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank ____________________________________	Branch ____________________________ City __________________________
Account Number ____________________________________	Savings/Current/Others (please specify) __________________________________

Yours faithfully,

Signed and Delivered
Shareholders having their beneficiary account with CDSL will have to use inter-depository slip where available for purpose of crediting their shares in favour of the special depository account with NSDL.
Enclosures (Please tick as appropriate, if applicable)

	Full name(s) of the holder	Signature(s)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings, all holders must sign. In case of body corporate, the Company seal should be affixed
Place: Date:

-- Tear along this line --

Acknowledgement Slip: The Moran Tea Company (India) Limited – Open Offer Sr. No.
(To be filled in by the shareholder) (Subject to verification)

Received from Mr./Ms.____
Address ____
Physical shares: Folio No. _____________ / Demat shares: DP ID ____________________; Client ID___________________
Form of Acceptance along with:
☐ Physical shares: No. of shares ____________________; No. of certificates enclosed_________
☐ Demat shares: Copy of delivery instruction for _____________________ number of shares enclosed
(Tick whichever is applicable)

Stamp of Collection Centre

Signature of Official _______________ Date of Receipt _________________

INSTRUCTIONS

1. In the case of demateralised 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 i.e. May 9, 2007. 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:
   a. 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 as per the instruction in the Letter of Offer.
   b. 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 The Moran Tea Company (India) Limited and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done.
      The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirers as buyer will be filled by the Acquirers 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.
      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 leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.
3. The share certificate(s) share transfer form(s) and the Form of Acceptance should be sent only to Maheshwari Datamatics Pvt. Ltd., the Registrar to the Offer and not to ICICI Securities Limited, the Manager to the Offer or the Acquirers or Target Company.
4. 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.
5. Non-resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in The Moran Tea Company (India) 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 Acquirers before remittance of consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer.
7. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at any of the Collection Centers of Maheshwari Datamatics Private Limited as stated in Paragraph 7.13 of the Letter of Offer.
8. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at any of the collection centres below on all days (excluding Sundays and Public holidays): Monday to Saturday – 10.00 a.m. to 5.00 p.m.

Collection Centres

City	Contact Person	Address	Tel. No.	Fax No.	Mode of Delivery
Kolkata	Mr. S. Rajagopal	Maheshwari Datamatics Private Limited 6 Mangoe Lane, 2nd Floor Kolkata 700001	033- 2243-5029/ 5809, 2248-2248	033-2248-4787	Registered post or hand delivery
Mumbai	Mr. Subodh	Maheshwari Datamatics Private Limited c/o Bigshare Services Pvt Ltd E-2, Ansa Industrial Estate Sakivihar Road, Saki Naka, Andheri (E) Mumbai – 400 072	022-2847-0652/53	022-2847-5207	Hand delivery only
New Delhi	Mr. Naresh K. Rajgaria	Maheshwari Datamatics Private Limited c/o Khandelia & Sharma Chartered Accountants 407, South Extn., Plaza II, Masjid Moth South Extn. Part II, New Delhi - 110049	011-2625-9733/9744	011-4164-3733	Hand delivery only
Ahmedabad	Mr. Manish Buchasia	Maheshwari Datamatics Private Limited c/o M.S.Buchasia & Associates 410, Satyam Mall, Near Kameshwar School, Jodhpur Cross Road, Satellite Ahmedabad - 380015	079-4003-0098	079-4003-0098	Hand delivery only
Chennai	Mr. Sushil Kumar Kochar	Maheshwari Datamatics Private Limited c/o K.K.S. & Co., 309, Citi Centre 232 Purasawalkam, High Road Chennai - 600010	044-2643-3273	N.A.	Hand delivery only
Bangalore	Mrs. Shobha	Maheshwari Datamatics Private Limited c/o G.V.Sunder & Co., 3/5 Tower Block, 4th Floor Unity Building, J.C. Road Bangalore – 560 002	080-2227-5160	080-2224-4189	Hand delivery only
Hyderabad	Mr. B.D. Gilda	Maheshwari Datamatics Private Limited c/o M/s. Bhagwan Das Gilda 3-5-141/1A Eden Bag Road Ramkot, Hyderabad – 500 001	040-2475-3803	040-2475-3803	Hand delivery only
Guwahati	Mrs. Ambika Barua	Maheshwari Datamatics Private Limited c/o H.S. Kumbhat & Co. NIFD Campus, 2nd Floor Opp. Goswami Service Station Chandmari, Guwahati – 781 003	0361-2661521	0361-2664572	Hand delivery only

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 Maheshwari Datamatics Private Limited, 6 Mangoe Lane, 2nd Floor, Kolkata 700 001, India so as to reach the Registrars to the Offer on or before the last date of acceptance i.e. May 9, 2007.

FORM OF WITHDRAWAL

OFFER		
OPENS ON	:	April 20, 2007
LAST DATE OF WITHDRAWAL	:	May 3, 2007
CLOSES ON	:	May 9, 2007

From:

Name:

Address:

To:
Maheshwari Datamatics Private Limited,
6 Mangoe Lane, 2nd Floor, Kolkata 700 001, India

Dear Sir,

Sub : Open Offer to acquire up to 420,000 fully paid-up equity shares of Rs 10 each representing 20% of paid up equity share capital (as defined in the Letter of Offer) of The Moran Tea Company (India) Limited (Moran Tea) by McLeod Russel India Limited, Williamson Magor & Co. Limited and Ichamati Investments (Acquirers), at a price of Rs. 316.15 (Rupees three hundred sixteen and paise fifteen only) per fully paid up share, "Offer Price" payable in cash.

I/We refer to the Letter of Offer dated April 16, 2007 for acquiring the equity shares held by me/us in Moran Tea.

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

I/We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/we further authorise the Acquirers 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 Acquirers/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 centres mentioned in the Letter of Offer or as mentioned overleaf as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. May 3, 2007.

I/We note that the Acquirers/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 DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirers 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 Depositories from time to time.

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
Total No. of Shares (in case of insufficient space, please attach a separate sheet)					

I/We hold the following Shares in dematerialised form and had done an off-market transaction for crediting the shares to the 'ESCROW A/C MORAN TEA OPEN OFFER' as per the following particulars:-

Name of the Depository Participant	Depository Identification No. (DP ID)	Client Identification No. (Beneficiary Client ID)
Shree Bahubali International Limited	IN 300773	1018 0424

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my/our Shares have been tendered are as detailed below:-

Name of Depository Participant (DP)	DP Identification Number	Client Identification Number	Number of Shares	Name of Beneficiary

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) of the Holder(s)	PAN Number(s)	Signature(s)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings, all shareholders must sign.

Place: Date:

-- Tear along this line --

ACKNOWLEDGEMENT SLIP

Received Form of Withdrawal from Mr./Ms. ______________________________;

Address ____

____

Physical shares: Folio No. ______________ / Demat shares: DP ID __________________; Client ID______________

for ______________ number of shares.

Stamp of collection centre ____________ Signature of Official _______________ Date of Receipt ___________

INSTRUCTIONS

1. Shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the close of the Offer, i.e. May 3, 2007.
2. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgement.
3. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at any of the collection centres below on all days (excluding Sundays and Public holidays): Monday to Saturday – 10.00 a.m. to 5.00 p.m.

Collection Centres

City	Contact Person	Address	Tel. No.	Fax No.	Mode of Delivery
Kolkata	Mr. S. Rajagopal	Maheshwari Datamatics Private Limited 6 Mangoe Lane, 2nd Floor Kolkata 700001	033- 2243-5029/ 5809, 2248-2248	033-2248-4787	Registered post or hand delivery
Mumbai	Mr. Subodh	Maheshwari Datamatics Private Limited c/o Bigshare Services Pvt Ltd E-2, Ansa Industrial Estate Sakivihar Road, Saki Naka, Andheri (E) Mumbai – 400 072	022-2847-0652/53	022-2847-5207	Hand delivery only
New Delhi	Mr. Naresh K. Rajgaria	Maheshwari Datamatics Private Limited c/o Khandelia & Sharma Chartered Accountants 407, South Extn., Plaza II, Masjid Moth South Extn. Part II, New Delhi - 110049	011-2625-9733/9744	011-4164-3733	Hand delivery only
Ahmedabad	Mr. Manish Buchasia	Maheshwari Datamatics Private Limited c/o M.S.Buchasia & Associates 410, Satyam Mall, Near Kameshwar School, Jodhpur Cross Road, Satellite Ahmedabad - 380015	079-4003-0098	079-4003-0098	Hand delivery only
Chennai	Mr. Sushil Kumar Kochar	Maheshwari Datamatics Private Limited c/o K.K.S. & Co., 309, Citi Centre 232 Purasawalkam, High Road Chennai - 600010	044-2643-3273	N.A.	Hand delivery only
Bangalore	Mrs. Shobha	Maheshwari Datamatics Private Limited c/o G.V.Sunder & Co., 3/5 Tower Block, 4th Floor Unity Building, J.C. Road Bangalore – 560 002	080-2227-5160	080-2224-4189	Hand delivery only
Hyderabad	Mr. B.D. Gilda	Maheshwari Datamatics Private Limited c/o M/s. Bhagwan Das Gilda 3-5-141/1A Eden Bag Road Ramkot, Hyderabad – 500 001	040-2475-3803	040-2475-3803	Hand delivery only
Guwahati	Mrs. Ambika Barua	Maheshwari Datamatics Private Limited c/o H.S. Kumbhat & Co. NIFD Campus, 2nd Floor Opp. Goswami Service Station Chandmari, Guwahati – 781 003	0361-2661521	0361-2664572	Hand delivery only

Sri Ujjwal Roy
Registrar of Companies
West Bengal

11.04.2007

Date of Presentation to the
Prescribed Authority

FORM 7B

SHARE TRANSFER FORM

[Pursuant to section 108 (1A) of the Companies Act, 1956]

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named, the shares specified below subject to the conditions on which the said shares are now held by the Transferor(s) and Transferee(s) do hereby agree to accept and hold the said shares subject to the conditions aforesaid.

FULL NAME OF COMPANY	NAME OF THE RECOGNISED STOCK EXCHANGE WHERE DEALT IN, IF ANY
THE MORAN TEA COMPANY (INDIA) LTD.	The Calcutta Stock Exchange Association Ltd.

DESCRIPTION OF EQUITY / PREFERENCE SHARES			Consideration (in words)
No. of Figures	Number in words	Consideration (in figures)	

Distinctive numbers	From					
	To					
Corresponding Certificate Nos.						

TRANSFEROR(S) [SELLER(S)] PARTICULARS

Regd. Folio No. :

Name(s) in Full

1. ____
2. ____
3. ____
4. ____

Signature (s)

1. ____
2. ____
3. ____
4. ____

ATTESTATION

I, hereby attest the Signature of the Transferor(s) herein mentioned

Signature

Name

Address / Seal

Please see overleaf instructions

Signature of Witness

Name & Address of Witness

PIN

TRANSFEREE (S) [BUYER(S)] PARTICULARS

Name(s) in Full

1. ____
2. ____
3. ____

Signature (s)

1. ____
2. ____
3. ____

	OCCUPATION	ADDRESS	FATHER'S / HUSBAND'S NAME
1.			
2.			
3.			

Transferee(s) existing Folio If any, in same Order of Names

Value of Stamps affixed Rs.

DATED this ____ day of ____ Two Thousand ____ PLACE ____

For Office use only :

Checked by ____

Signatures tallied by ____

Entered in Register of Transfer No. ____

Approval Date ____

Folio

Company Code

Specimen Signature(s) of Transferee(s)

1. ____
2. ____
3. ____

Continuation of front page (Herein enter the Distinctive numbers when the space on the front page is found to be insufficient)

Distinctive numbers	From					
	To					
Corresponding Certificate Nos.						

* INSTRUCTIONS FOR ATTESTATION :

Attestation, where required (thumb impression, marks, signature difference, etc.) should be done by a Magistrate. Notary Public or Special Executive Magistrate or a similar Authority holding a Public Office and authorised to use the Seal of his office or a member of a recognised Stock Exchange through whom the shares are introduced or a manager of the transferor's bank.

NOTE : Names must be rubber stamped preferably in a straight line. Chronological order should be maintained. Broker's Clearing Number should be stated when delivery is given by a Clearing Member Bank.

Name of Delivery Broker or Clearing Number	Date

POWER OF ATTORNEY	PROBATE	DEATH CERTIFICATE
LETTERS OF ADMINISTRATION		

Registered with the Company

No. ____________ Date ____________

[Signature (not initials) of Broker, Bank, Company or Stock Exchange Clearing House]

\+ LODGED BY ____________

FULL ADDRESS ____________

SHARE CERTIFICATES TO BE RETURNED TO

(Fill in the name and address to which the Certificate are required to be returned)

NAME & ADDRESS ____________

SHARE TRANSFER STAMPS

\+ To be filled only if the documents are lodged by a person other than the Transferee.

Printed by Dipak Kumar Seal, 10B, Kanai Dhar Lane, Calcutta-700012 for the Stock Exchange, Calcutta.