

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

GMR INDUSTRIES LIMITED

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CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM THE SHAREHOLDERS OF GMR INDUSTRIES LIMITED

This Public Announcement (“PA” or “Public Announcement”) is being issued by Enam Securities Private Limited (“ENAM”), the Manager to the Offer, on behalf of E.I.D. - Parry (India) Limited (“EID” or the “Acquirer”), to the equity shareholders of GMR Industries Limited (“GIL” or “Target”) pursuant to and in compliance with regulations 10 and 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereto (“SEBI (SAST) Regulations” or the “Regulations”) (“Offer” or “Open Offer”).

I. Background to the Offer

- This Open Offer is being made under regulations 10 and 12 of the Regulations, by E.I.D. - Parry (India) Limited, the Acquirer to the equity shareholders of GMR Industries Limited.
- On April 25, 2010 the Acquirer executed a share purchase agreement (“Agreement” or “SPA”) with GMR Holdings Private Limited (“GMR Holdings” or “Seller”) for the acquisition of up to 1,29,75,110 but not less than 1,01,80,471 equity shares of the Target at a price of Rs. 54.85 (“Equity Purchase Price”) per equity share (“Sale Shares”) of par value of Rs. 10 each, constituting up to 65% but not less than 51% of the issued and paid up equity share capital of the Target, for an aggregate consideration of up to Rs. 71,16,84,783.50 (Rupees Seventy-one crores sixteen lakhs eighty-four thousand seven hundred eighty-three and fifty paise only) but not less than Rs. 55,83,98,834.35 (Rupees Fifty-five crores eighty-three lakhs ninety-eight thousand eight hundred thirty-four and thirty-five paise only). The Seller has also agreed to sell 1,28,31,880, 8% non-cumulative redeemable preference shares of Rs. 11 each at Rs 11 (“Preference Purchase Price”) aggregating to Rs. 14,11,50,680 (Rupees Fourteen crores eleven lakhs fifty thousand six hundred and eighty only).
- In addition, the Acquirer has agreed to pay to the Seller, on or prior to January 15, 2011, an amount representing the actual percentage of Sale Shares transferred to the Acquirer on the closing date under the SPA, of any income not exceeding Rs. 5,00,00,000 (Rupees Five crores only) realised by the Target for the period between April 01, 2010 and December 31, 2010 on account of CER (“CER Price”). For this purpose CER has been defined under the SPA to mean carbon credits that are to be issued for the period from 1st October 2007 to 31st March 2010 (estimated to be 71,725 CERs) by the Clean Development Mechanism- Executive Board of the United Nations Framework Convention on Climate Change for emission reductions achieved by the CDM Project Number 0505, i.e., methane recovery and power generation in the distillery plant of the Target at its plant in Sankili, Andhra Pradesh. The negotiated price for the purpose of calculation of the offer price under this Open Offer takes into account the CER Price. The negotiated price under the SPA, assuming maximum payment for CER is, Rs. 57.35 per Sale Share.
- The above SPA will result in acquisition of up to 65% but not less than 51% of the issued and paid up equity share capital of GIL. The Seller has agreed to transfer a minimum of 1,01,80,471 equity shares i.e. constituting at least 51% of the paid up equity share capital of GIL. In the event that the public shareholding tendered to the Acquirer in this Open Offer constitutes less than 14% of the equity share capital of GIL, the Seller shall sell to the Acquirer such additional number of Sale Shares at Rs. 54.85 per share such that the shareholding of the Acquirer post acquisition shall be not less than 65% of the issued and paid up equity share capital of GIL.
- The Acquirer and the Seller have also entered into an escrow agreement on April 25, 2010 with ING Vysya Bank Limited having its registered and corporate office at ING Vysya House, 22, M.G.Road, Bangalore- 560 001 (the “Escrow Agent”) pursuant to which, the aforesaid 1,01,80,471 Sale Shares constituting 51% of the equity share capital (“SPA Escrow Shares”) and the Preference Shares will be held in an escrow account administered by the Escrow Agent, and the SPA Escrow Shares and the Preference Shares will continue to remain in the escrow account until completion of the Open Offer formalities.
- Details of the “Seller” who is the shareholder of GIL are mentioned hereunder:-

Name of the Seller	Registered Address	Number of shares held as on the date of PA	% of outstanding Equity share capital held as on the date of SPA in GIL	Number of shares being sold to the Acquirer as per SPA	% of fully paid up equity share capital in GIL being sold to the Acquirer as per the SPA
GMR Holdings Private Limited	25/1 Skip House, Museum Road, Bangalore – 560025, Karnataka	1,49,40,288	74.84%	Up to 1,29,75,110 but not less than 1,01,80,471 equity shares; and 12,831,880 Preference Shares of Rs. 11 each	Upto 65% but not less than 51% of the equity share capital and 100% of the preference share capital

7. Certain key terms of the SPA are as follows:

- On or after Closing Date, the transfer of the Sale Shares from the Seller to the Acquirer can occur either by way of a block deal through the floor of the stock exchange or through an off-market transfer on a spot delivery basis. The transfer of the Preference Shares shall be effected off-market.
 - The Seller has agreed to transfer a minimum of 1,01,80,471 equity shares i.e. constituting at least 51% of the issued and paid up equity share capital of GIL. In the event that the public shareholding tendered to the Acquirer in this Open Offer constitutes less than 14% of the equity share capital of GIL, the Seller shall sell to the Acquirer such additional number of Sale Shares at Rs. 54.85 per share such that the shareholding of the Acquirer post acquisition shall be not less than 65% of the issued and paid up equity share capital of GIL.
 - In addition to the consideration payable by the Acquirer to the Seller calculated at the Equity Purchase Price for the Sale Shares, and the Preference Purchase Price for the Preference Shares, the Acquirer has also agreed to pay the CER Price in terms of the SPA.
 - The Seller and the Acquirer have entered into an escrow agreement with ING Vysya Bank Limited for the purpose of securing the due performance by them of their obligations under the SPA.
 - The Seller and Acquirer have agreed, that at the option of the Acquirer, the Seller shall cause the Company to appoint one nominee director of the Acquirer to its Board forthwith upon the Acquirer depositing (at its option), the entire purchase price payable under this Open Offer into an escrow account in terms of Regulation 22(7) of the Regulations.
 - The Acquirer shall have the obligation to acquire the Sale Shares and the Preference Shares of the Seller subject to the satisfaction of certain conditions precedent as detailed in the SPA including inter alia:
 - Completion by the Acquirer of all its obligations under this Open Offer, as certified to the Acquirer by ENAM as the Manager to the Offer;
 - The Seller not being in breach of any of its obligations under the Agreement to the extent to be complied with prior to closing date under the SPA;
 - The Seller having obtained an in-principle approval from the lenders of the Target for the consummation of the transactions set out in the Agreement provided that the Acquirer is obligated to provide all necessary assurances and comfort as may be required by the lenders for providing a mutually acceptable alternate security, to enable release of the security created in favour of the lenders over certain fixed deposits and guarantees provided by the Target’s group companies to secure the borrowings of the Target or alternatively retire the facility on the closing date under the SPA.
 - The Acquirer shall assume control and shall be the “promoter” of GIL, as the term is understood under applicable law. The existing promoters of the Target i.e., GMR Holdings and Mr. Srinivasa Bommidala, shall be de-classified as “promoters” of the Target.
 - The board of directors of the Target will be constituted on the date of purchase of the Sale Shares so as to provide the Acquirer control. The existing promoters shall be entitled to appoint one nominee director on the board of directors of the Target until such time that they collectively hold at least (i) 10% of the equity share capital of the Target; or (ii) 7.5% of equity share capital of the Target, in the event that inter alia the Seller is required to sell Sale Shares constituting more than 51% of the equity share capital of the Target.
 - In consideration of the aggregate purchase price being received by the Seller under the SPA from the Acquirer, the Seller has agreed to undertake customary non-competition and non-solicitation obligations.
 - The SPA also contains customary provisions including provisions in relation to representations, warranties and related indemnity obligations.
 - The Acquirer shall promptly take all necessary action to ensure that within 60 (sixty) days of the Closing Date or such other extended time as may be mutually agreed between the Parties: (i) the name of the Company is changed such that it does not contain or reference the words “GMR”; and (ii) the Company ceases to use its current logo.
 - The SPA contains a provision that the parties to the SPA shall not act upon the sale and purchase of the Sale Shares in the event of non-compliance with the provisions of the Regulations by the Acquirer.
- Pursuant to the substantial acquisition of equity shares and control, this mandatory Offer is being made by the Acquirer in compliance with regulations 10 and 12 and other applicable provisions of SEBI (SAST) Regulations (the “Offer” or “Open Offer”). The Acquirer hereby makes this Offer to the shareholders of the Target (other than the parties to the SPA) to acquire up to 39,92,342 equity shares of the Target of face value of Rs. 10 each representing in aggregate 20% of the fully paid up equity share capital of the Target at a price of Rs. 110.69/- (Rupees One hundred ten and sixty-nine paise only) per fully paid up equity share (“Offer Price”) payable in cash subject to the terms and conditions mentioned in this PA and in the Letter of Offer that will be sent to the shareholders in accordance with the SEBI (SAST) Regulations (the “Letter of Offer”). This Offer is not subject to any minimum level of acceptance.

II. The Offer

- This Offer is being made by the Acquirer as a result of proposed acquisition of upto 65% of the issued and paid up equity share capital and control of the Target by the Acquirer as stated in clause I above.
- In view of the above, the Offer is a mandatory Open Offer under regulations 10 and 12 of the SEBI (SAST) Regulations.
- For the purpose of this Offer, there is no PAC to the Offer with the Acquirer within the meaning of regulation 2(1)(e) of the Regulations.
- The Acquirer is making an Open Offer to acquire up to 39,92,342 equity shares of the face value of Rs. 10 each, representing in aggregate 20% of the fully paid up equity share capital of the Target in terms of regulation 21(1) of the SEBI (SAST) Regulations, at a price of Rs. 110.69/- (Rupees One hundred ten and sixty-nine paise only) per fully paid up equity share payable in cash subject to the terms and conditions set out in this PA and the Letter of Offer that will be sent to the shareholders in accordance with the SEBI (SAST) Regulations.
- This Offer is being made to all the shareholders of the Target (other than the parties to the SPA). The Acquirer will acquire all the shares of the Target that are validly tendered as per terms of the Offer subject to a maximum of 39,92,342 equity shares being 20% of the fully paid up equity share capital of the Target.
- This Offer is not conditional upon any minimum level of acceptance.
- This Offer is subject to the receipt of the statutory and other approvals mentioned in paragraphs 40 to 42 of this PA. In terms of regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- The Acquirer does not hold any equity shares in the Target as of the date of this Public Announcement save and except those acquired as stated in clause I above.
- Neither the Acquirer nor any of its directors have acquired any equity shares of the Target during the last 12 months period prior to the date of this Public Announcement, save and except those acquired as stated in clause I above.
- The equity shares of the Target will be acquired by the Acquirer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereon.

III. The Offer Price

- The equity shares of the Target are listed on The Bombay Stock Exchange Limited, Mumbai (“BSE”) and The National Stock Exchange of India Limited (“NSE”).
- The equity shares of the Target are frequently traded on NSE and infrequently traded on BSE within the meaning of explanation (1) to regulation 20(5) of the SEBI (SAST) Regulations.
- The annualized trading turnover in the shares of the Target in the above mentioned Stock Exchanges based on trading volume during October 1, 2009 to March 31, 2010, viz. six calendar months preceding the month in which the PAs is made is as given below:

Stock Exchange	Total No. of equity shares traded during 6 calendar months prior to the month in which the PA is made	Total No. of Listed equity shares	Annualized Trading Turnover (as % of Total equity shares Listed)
BSE	4,49,227	1,99,61,707	4.50%
NSE	7,00,585	1,99,61,707	7.02%

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

21. The Offer Price of Rs. 110.69/- (Rupees One hundred ten and sixty-nine paise only) per fully paid up equity share is justified in terms of regulation 20(4) and 20(5) of the SEBI (SAST) Regulations being the highest of the following:

(a) The negotiated price under SPA	Rs. 57.35 per share*
(b) Highest price paid by the Acquirer for acquisitions during the 26 weeks prior to the date of Public Announcement	N.A.
(c) The average of the weekly high and low of closing prices of the shares on NSE of the Target for the 26 weeks preceding the date of the Public Announcement (i.e. April 26, 2010)	Rs. 110.40 per share
(d) The average of the daily high and low prices of the shares on NSE of the Target for the two weeks preceding the date of the Public Announcement (i.e. April 26, 2010)	Rs. 110.69 per share
(e) Other parameters based on the consolidated audited accounts of the Target for financial year ended on March 31, 2010.	
(i) Return on Average Networth (%)	Negative
(ii) Book Value per Share (Rs.)	Rs. 27.35
(iii) (a) Earning Per Share (Rs.) – Basic	Negative
(b) Earnings Per Share (Rs.) – Diluted	Negative
(iv) Price Earning Ratio	N.A. (Since EPS is negative)

* This negotiated price under SPA includes the SPA price of Rs. 54.85 and maximum price that would be paid for CERs. The Target is engaged in manufacturing of equity shares which falls under industry segment “Sugar” with an industry P/E of 8.6 (Source: Capital Market Volume: XXV/04-April 19-May 02, 2010). The industry PE is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to GIL and also vary widely in terms of financial parameters with GIL.

Mr. Parag Vaid of M/s. SSPA & Co., Chartered Accountants, Membership No. 102432, has vide their report dated April 25th, 2010 stated that, based on the decision of Hon’ble Supreme Court of India in the case of Hindustan Lever Employee Union Vs. Hindustan Lever Limited, 1995 (83 Com case 30), the fair value per share (on weighted average basis) of the Target would be Rs. 52.87/- per share.

In view of the above, the Offer Price of Rs. 110.69 (Rupees One hundred ten and sixty-nine paise only) is justified in terms of regulations 20(5) of the Regulations.

- If the Acquirer acquires equity shares of the Target after the date of this Public Announcement and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer.

IV. Information on Acquirer

- The Acquirer, E.I.D. - Parry (India) Limited, is a public limited company incorporated on September 22, 1975 under the Companies Act, 1956 and having its registered office at Dare House, Parrys Corner, Chennai – 600 001. The telephone number is 044-2530 6789 and the fax number is 044-2534 1609. The Shares of the Company are listed on the Madras Stock Exchange Limited (“MSE”), the Bombay Stock Exchange Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”). The Global Depository Receipts (GDRs) are listed on Luxembourg Stock Exchange. The Acquirer has applied to NSE for voluntary delisting of its Equity Shares under SEBI Delisting of Equity Shares Regulations 2009 and the application is pending.
- The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other regulation made under the SEBI Act.
- The names of the Directors of the Acquirer are as follows: Mr. A. Vellayan, (Chairman), Mr. K. Raghunandan (Managing Director), Mr. Anand Narain Bhatia, Mr. V. Manickam, Mr. R. A. Savor, Mr. V. Ravichandran and Mr. M.B.N. Rao.
- In January 1976, under a scheme of amalgamation, EID Parry acquired the assets and liabilities of E.I.D. Parry Limited, a limited liability company incorporated under the Companies Act 1862-1893 of the United Kingdom which had its origins in the House of Parry established in Madras by Thomas Parry in 1788.

E.I.D. - Parry (India) Limited manufactures and markets Sugar, Power, Industrial Alcohol, Bio-Products and Nutraceuticals and has been a pioneer in many fields, including setting up one of India’s first chemical fertiliser plant - at Ennore, Sugar plant - at Nellikuppam and Santaryware plant - at Ranipet. The Company was directly engaged in the santaryware business under the brand name “Parryware” since 1952 upto February 2006 and through a joint venture with Roca Sanitario, SA, upto July 2008.

The Acquirer has following subsidiaries: Coromandel International Ltd., Parry Chemicals Ltd., CFL Mauritius Ltd., Coromandel Brasil Ltda., Sadashiva Sugars Ltd., Parrys Investments Ltd., Parrys Sugar Ltd., Parry America Inc. Coromandel Bathware Ltd., Parry Infrastructure Company Private Ltd. and Parry Phytoremedies Private Ltd.

- The promoter and promoter group of the Acquirer includes Parry Agro Industries Ltd., New Ambadi Estates Pvt.Ltd, Ambadi Enterprises Ltd., S Vellayan, A Venkatachalam, A Vellayan, M V Subbiah, M V Valli Murugappan, A V Arunachalam, Arun Alagappan, Lalitha Vellayan, M M Muthiah, M M Veerappan, M M Murugappan, M V Muthiah, M V Subramanian, A M M Arunachalam & Sons Pvt.Ltd, M V Murugappan, M A M Arunachalam, A A Alagammai, Meyyammai Venkatachalam, V Narayanan, V Arunachalam, M A R Meenakshi, M A Alagammai, M A Alagappan, M M Venkatachalam, Sigappi Arunachalam, M V Seetha Subbiah, AR Lakshmi Achi Trust, Cholamandalam MS General Insurance Company Ltd, Lakshmi Venkatachalam, M V Murugappan, A M M Vellayan Sons Pvt.Ltd, Karthik Subbiah, Kabir Subbiah, Meenakshi Murugappan, M Seethalakshmi, A Keertika Unnamalai, Carborundum Universal Ltd, Pranav Alagappan, M M Muthiah Sons Pvt.Ltd, M M Seethalakshmi with aggregate holding of 4,07,47,207 shares representing 47.18% stake. The Acquirer was taken over by the Murugappa group in 1981 and is a member of the Murugappa Group.
- The standaloned audited financial highlights of the Acquirer are as given below:

Particulars	For Fiscal 2010	For Fiscal 2009	For Fiscal 2008@
Total Income	1,29,682	1,67,772	70,044
Profit After Tax	20,528	69,196	1,658
Equity Capital	1,727	1,722	1,785
Reserves and Surplus*	1,07,339	94,628	48,833
Net-worth	1,09,066	96,350	50,618
Earnings per Share (EPS) of Rs. 10 each			
Basic – Rs.	23.81	77.80	(1.86)
Diluted – Rs.	23.62	77.80	(1.85)
No. of equity shares	8,63,58,470	8,61,13,814	8,92,48,515
Book Value Per Share* (Rs.)	126	113	57
Return On Net-worth†	19%	72%	NA

*Excluding Revaluation Reserves

V. Information on the Target

- GMR Industries Limited is a company incorporated on June 30, 1986 under the Companies Act, 1956 and having its registered office at 25/1 Skip House, Museum Road, Bangalore – 560025, Karnataka. The name of the Company was changed to GMR Vasavi Industries Limited on February 1, 1994. The name of the Company was further changed to GIL Technologies & Industries Limited on April 12, 2000 and was further again, changed to GMR Industries Limited on January 30, 2004.
- GMR Industries Limited (GIL) is a distinguished and rapidly expanding sugar producer in India. GIL is the agri-business division of GMR Group, one of the fastest growing organizations in India. GIL is primarily engaged in the business of production of sugar and other associated products and also cogeneration of power.
- The subscribed, issued and paid up share capital of the Target consists of 1,99,61,707 equity shares of Rs. 10/- each aggregating Rs. 19,96,17,070 and 1,28,31,880 8% non-cumulative redeemable preference shares of Rs. 11/- each aggregating to Rs. 14,11,50,680. There are no partly paid up shares in the Target.
- The Target has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other regulation made under the SEBI Act. The equity shares of the Target are listed on the BSE and NSE. The Target was earlier listed on Hyderabad Stock Exchange Limited (“HSE”) from 4th June, 1992 onwards till the Hyderabad Stock Exchange was de-recognized with effect from September 19, 2007 and since then the Target shares are not traded on HSE. The Target shares are frequently traded on NSE and infrequently traded on BSE.
- The names of the Directors of the Target are as follows: Mr. K. Balasubramanian, Mr. R. Ramakrishnan (Managing Director), Mr. T. C. S. Reddy, Mr. A. Sankara Rao, Mr. Viswanath Prasad Singh, Mr. Uday M. Chitale, Mr. S. Sandilya and Mr. N. V. Varadaraju.
- The Promoter and Promoter Group of the Target collectively held 14,941,280 fully paid up equity shares in the Target constituting 74.85% of the fully paid up equity share capital. As explained in clause I, the Seller, who is one of the Promoters of the Target has agreed to sell, up to 1,29,75,110 equity shares (65%) but not less than 1,01,80,471 (51%) equity shares of the fully paid up equity share capital.

35. The consolidated/standalone audited financial highlights of the Target are as given below:

Particulars	For Fiscal 2010	For Fiscal 2009	For Fiscal 2008@
Total Income	22,756.25	13,490.99	16,188.66
Profit After Tax*	(5,843.09)	61.30	650.64
Share Capital†	3,407.68	3,407.68	3,407.68
Reserves (excluding revaluation Reserves)	3,467.28	9,310.37	9,288.72
Networth	6,874.96	12,718.05	12,696.40
Earning per Share (EPS) (in Rs.)	(29.93)	(0.35)	2.60
Book Value per share (BV) (in Rs.)	27.37	56.64	56.53
Return On Networth (%)	(29.27%)	0.48%	5.12%

*Includes Preference Capital of Rs. 1,411.51 lacs

† After minority interests

© The company had no subsidiaries and hence no consolidated accounts in fiscal 2008

Source: Annual reports

VI. Reasons for Acquisition and Offer

- The Offer is being made pursuant to acquisition of up to 1,29,75,110 but not less than 1,01,80,471 equity shares representing upto 65% but not less than 51% of the issued and paid up equity share capital through the SPA dated April 25, 2010 as stated in clause I above. This will result in substantial acquisition of equity shares in and change in control of the Target in terms of the SEBI (SAST) Regulations. Hence, this Open Offer is being made in compliance with regulations 10 and 12 read with other applicable provisions of the SEBI (SAST) Regulations.
- The Acquirer’s major business is sugar and is one of the largest sugar producers in Tamil Nadu. Hence the Acquirer believes that the Target’s business of sugar production fits into its overall strategy and complement its existing business model. Acquiring the Target will accelerate the Acquirer’s strategy of growth. This acquisition will help the Acquirer to gain significant presence in the neighbouring states which offers high cane potential, good water availability and access to a main sugar markets.
- To the extent required and to optimize the value to all shareholders, the Acquirer may, subject to applicable shareholders’ resolutions, undertake various corporate actions, including, merger, restructuring, reorganization, rationalizing and/or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of the Target. The Board of Directors of Target will take appropriate decisions in these matters in line with the requirements of the business and opportunities from time to time. As of the date of this PA, the Acquirer does not have any plan to dispose off or otherwise encumber any asset of the Target in the next two years except in the ordinary course of business of Target and except to the extent mentioned above.
- The Acquirer undertakes that they shall not sell, dispose off or otherwise encumber any substantial assets of Target, other than in the ordinary course, except with the prior approval of the shareholders of Target.

VII. Statutory / Other Approvals Required for the Offer

- The Offer may be subject to approval from Reserve Bank of India (“RBI”) as may be required under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.
 - To the best of the knowledge of the Acquirer, as on the date of this Public Announcement, there are no other statutory approvals required to implement the Offer, other than those indicated above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirer, in terms of regulation 27 of SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused.
 - In case of delay in receipt of the above statutory approval, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the shareholders of the Target, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.
- VIII. Disclosure under Regulation 21(2) of the SEBI (SAST) Regulations, 1997
- Upon completion of the Offer, assuming full acceptances in the Offer and acquisition of equity shares as mentioned in clause I, the Acquirer will hold 1,41,72,813 equity shares constituting 71% of the issued and paid up equity share capital of the Target and this will not result in public shareholding falling below the limit specified in Clause 40A of the Listing Agreement.

IX. Funding Arrangement for the Offer

- The Acquirer has made firm financial arrangement for financing the acquisition of equity shares under the Open Offer, in terms of Regulation 16 (xiv) of the Regulations.
- The total funds required for implementation of the Offer at Rs. 110.69/- (Rupees One hundred ten and sixty-nine paise only) per fully paid up equity share is Rs. 44,19,12,335.98 (Rs. Forty-four crores nineteen lakhs twelve thousand three hundred and thirty-five and ninety-eight paise only); assuming that full acceptance for the Offer is received (“Offer Consideration”). In accordance with regulation 28 read with regulation 22(7) of the SEBI (SAST) Regulations, the Acquirer has deposited cash amounting to Rs. 44,19,12,335.98 (Rupees Forty-four crores nineteen lakhs twelve thousand three hundred and thirty-five and ninety-eight paise only) (“Escrow Amount”) with the HDFC Bank Fort Branch (“HDFC Bank”), a banking company incorporated under the Companies Act and whose registered office is HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013, (hereinafter referred to as “HDFC”) in the account name “EIL-GIL Escrow Account” (having account number 0060035004084) empowering ENAM, the Manager to the Offer, to issue instructions. The Escrow Amount represents 100% of the Offer Consideration, in accordance with regulation 28 of the SEBI (SAST) Regulations read with the second proviso to Regulation 22(7). In accordance with regulation 28 of the SEBI (SAST) Regulations, ENAM has been duly authorized to issue instructions to HDFC Bank.
- Mr. Parag Vaid of M/s. SSPA & Co., Chartered Accountants, Membership No. 102432, located at 1st floor “Arun”, Plot No. 6A, V.P. Road, Andheri West, Mumbai 400058, has by its letter dated, April 25, 2010 certified that Acquirer has adequate resources to meet the financial requirements of the Offer.
- Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

X. Other Terms of the Offer

- A Letter of Offer specifying the detailed terms and conditions of the Offer, together with a Form of Acceptance-cum-Acknowledgement (“FOA”) will be mailed on or before June 07, 2010 to the shareholders of the Target (other than parties to the SPA), whose names appear on the Register of members of the Target and to the owner of the equity shares whose names appear as beneficiaries on the records of the respective depositories at the close of business hours on April 30, 2010 (the “Specified Date”). Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Offer is subject to terms and conditions set out herein and in the Letter of Offer that would be sent to the shareholders of the Target as on the Specified Date (as defined later).
- Shareholders who wish to tender their equity shares, held in physical form, will be required to send the FOA, original share certificate(s) and transfer deed(s) duly signed to the registrar to the Offer, Karvy Computershare Private Limited either by hand delivery on weekdays or by Registered Post, at their sole risk, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than July 07, 2010 in accordance with the instructions to be specified in the Letter of Offer and in the FOA.
- The Registrar to the Offer, Karvy Computershare Private Limited, has opened a special depository account with National Securities Depository Limited (“NSDL”) called, “GIL Escrow Demat Account”. Beneficial owners are requested to fill in

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

Depository Participant (“DP”) Name	Karvy Stock Broking Limited
DP ID	IN300394
Client ID	17618062
Account Name	GIL Escrow Demat Account
Depository	NSDL

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

- All owners of equity shares demat/physical, registered/unregistered (other than parties to the SPA) are eligible except as mentioned in paragraph 13 above, to participate in the Offer anytime before closure of the Offer. All registered owners can send duly completed FOA, filled and signed in accordance with the instructions contained in the Letter of Offer and FOA, to the Registrar to the Offer, at the collection centres mentioned in paragraph 53 below, before the closure of the Offer i.e., July 07, 2010. No indemnity shall be required from the unregistered shareholders.
- Beneficial owners (holders of equity shares in dematerialized form) who wish to tender their equity shares will be required to send their FOA along with the photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instructions in “Off-market” mode, duly acknowledged by the DP, in favour of the special depository account to the Registrar to the Offer, either by hand delivery on weekdays or by Registered Post, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than July 07, 2010, in accordance with the instructions to be specified in the Letter of Offer and in the FOA. The credit for the delivered equity shares should be received in the special depository account on or before close of the Offer, i.e., no later than July 07, 2010.
- In addition to the above, the shareholders of the Target, who wish to avail of and accept the Offer, can also deliver the FOA along with all the relevant documents at the collection centres below in accordance with the procedure as set out in the Letter of Offer. (Monday to Friday 10 am to 3 pm & Saturdays 10 am to 1 pm.)

Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of delivery
1. Mumbai	Karvy Computershare Pvt.Ltd. 24, Maharashtra Chamber of Commerce Lane, Opp. MSC Bank, Fort, Mumbai – 400 023	Ms. Nutan Shirke	022-66381747 & 22842666	022-66331135	Hand Delivery
2. New Delhi	Karvy Computershare Pvt.Ltd. 105-108, Arunachal Bldg., 19, Barakhamba Road, New Delhi –110 001	Mr. Rakesh Kr.Jamwal/ Mr. Vinod Singh Negi	011-43509200	011-41036370	Hand Delivery
3. Ahmedabad	Karvy Computershare. Pvt.Ltd. 201-203,Shall.Opp. Madhusudhan House, Behind Girish Cold Drinks, Off C G Road, Ahmedabad- 380 006	Mr. Aditya Gupta/ Mr. Robert Joeboy	079-26400528/ 66614772	079-26565551	Hand Delivery
4. Chennai	Karvy Computershare. Pvt.Ltd. No. 33/1, Venkatraman Street, T.Nagar, Chennai- 600017	Mr. Gunasekhar	044 – 28151793/ 28151794	044-28153181	Hand Delivery
5. Hyderabad	Karvy Computershare. Pvt.Ltd. Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad- 500 081	Ms. Rinki Sareen	040-23420818-23	040-23431551	Hand Delivery/ Regd Post
6. Kolkata	Karvy Computershare. Pvt.Ltd. 49, Jatin Das Road, Nr.Deshpoya Park, Kolkata - 700 029	Mr. Sujit Kundu/ Mr. Debnath	033-24644891	033-24644866	Hand Delivery
7. Bengaluru	Karvy Computershare. Pvt.Ltd. No.59, Skanda, Putana Road, Basavanagudi, Bengaluru-560004	Mr. Kumaraswamy/ Ms. V Sudha	080-26621192	080-26621169	Hand Delivery
8. Jaipur	Karvy Computershare Pvt.Ltd. S-16/A, Land mark.Opp. Jaiclub Mahaveer Marg C-Scheme, Jaipur - 302001	Mr. Vinod	0141-2375099	N A	Hand Delivery
9. Pune	Karvy Computershare Pvt.Ltd. Shrinath Plaza, C.wing, Office No.58&59,3rd Floor, Dyanneshwar paduka chowk, S.no. 18/4/4 Off-FC Road, Pune - 411004	Ms. Sandhya	020-25532078/ 783	N A	Hand Delivery
10. Visakhapatnam	Karvy Computershare Pvt.Ltd. 47-14-4, Eswar Paradise, Dwaraka Nagar, Main Road, Visakhapatnam - 530016	Mr. Seetharam	0891-2752915-18	0891-2752872	Hand Delivery