PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

STI INDIA LIMITED

Registered Office: Rau-Pithampur, Link Road, Tehsil – Mhow, District Indore (M.P) 453 332, India, Tel: 0731-4014400 Fax: 0731 – 4020011.

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM THE EQUITY SHAREHOLDERS OF STI INDIA LIMITED

This Public Announcement **("PA")** is being issued by Axis Bank Limited, (**"Manager/ Manager to the Offer")** on behalf of Bombay Rayon Fashions Limited **("Acquirer")** to the equity shareholders of STI India Limited **("Target Company")** pursuant to and in compliance with, among others, regulations 10 and 12 **("Offer")** of Chapter III of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (**"Takeover Regulations"**/ **"Regulations")**. No person / entity is acting as Person acting in concert **("PAC")** alongwith the Acquirer. This Offer is pursuant to a substantial acquisition of equity shares of and control over the Target Company by the Acquirer.

I. BACKGROUND TO THE OFFER

1. The Acquirer is a company incorporated under the Companies Act, 1956 and having its registered office at D-1st Floor, Oberoi Garden Estates, Chandivali Farms Road, Chandivali, Andheri (E), Mumbai 400072, Maharashtra, India.
2. This Open Offer is being made under regulations 10 and 12 of the Regulations, by the Acquirer to the equity shareholders of the Target Company.
3. a) On October 27, 2010 the Acquirer has acquired 86,47,336 equity shares of Rs. 10 each of the Target Company representing 29.82% of the issued and paid up equity share capital and voting rights of the Target Company through four block deals on the floor of the National Stock Exchange of India Limited at a price of Rs. 29.00 per equity share, for a total consideration of Rs. 25,07,72,744/- (Rupees Twenty Five Crores Seven Lacs Seventy Two Thousand Seven Hundred and Forty Four Only).

   b) These equity shares of the Target Company were acquired by the Acquirer from (i) Eight Capital Master Fund Limited **("Eight Capital")** having its registered office at C/o M&C Corporate Services Limited P.O. Box 309CEI, Ugland House South Church Street, George Town Grand Cayman, Cayman Islands, (ii) Spinnaker Global Emerging Market Fund Limited, **("Spinnaker Global Emerging")** having its registered Office at C/o. Maples Finance BVI Limited, Sea Meadow House, P. O. Box 173, Road Town, Tortola, British Virgin Islands; (iii) Spinnaker Global Opportunity Fund Limited **("Spinnaker Global Opportunity")** having its registered office at C/o. Maples Finance BVI Limited, Sea Meadow House, P. O. Box 173, Road Town, Tortola, British Virgin Islands and (iv) Spinnaker Global Strategic Fund Limited **("Spinnaker Global Strategic")** having its registered office at C/o. Maples Finance BVI Limited, Sea Meadow House, P. O. Box 173, Road Town, Tortola, British Virgin Islands (**Eight Capital, Spinnaker Global Emerging, Spinnaker Global Opportunity and Spinnaker Global Strategic** collectively referred to as **"Sellers"**).
4. a) After the block trades as above, the Sellers and the Acquirer have entered into a Purchase Agreement dated October 27, 2010 (**"Purchase Agreement"**) wherein the Sellers **("OCD Holders")** have agreed to sell 3,21,80,000 optionally convertible debentures (**"OCD's"**) of the Target Company and the Acquirer has agreed to purchase the OCDs for an aggregate transaction consideration of Rs. 44,92,27,256/- (Rupees Forty Four Crores Ninety Two Lacs Twenty Seven Thousand Two Hundred and Fifty Six Only). The Sellers and the Acquirer have also entered into two agreements dated October 27, 2010 (**"Other Agreements"**) wherein the Sellers have agreed to assign to the Acquirer the benefits of all the underlying security in respect of the OCDs along with 1,18,14,114 equity shares of Rs. 10 each of the Target Company representing 40.74% of the issued and paid up equity share capital and voting rights of the Target Company held by the IDBI Trusteeship Services Limited ("**ITSL**") as security trustee on behalf of the OCD holders.

   b) These 1,18,14,114 equity shares of the Target Company were pledged by the existing promoters and another shareholder of the Target Company with ITSL as collateral for securing payment of amounts due in respect of the OCDs. The Target Company defaulted on repayment of principal and interest on the OCDs and accordingly ITSL pursuant to instructions of the OCD holders had invoked the pledge and since then have held the said equity shares on behalf of and for the benefit of the OCD holders. The option to convert the OCDs into equity shares of the Target Company lapsed in the financial year 2008-09 and the OCDs are now in the nature of secured redeemable debentures.

   c) Pursuant to the execution of the Purchase Agreement and the Other Agreements as above, the Acquirer has acquired the ownership of 3,21,80,000 OCDs and the benefit of underlying security along with 1,18,14,114 equity shares of the Target Company representing 40.74% of the issued and paid up equity share capital and voting rights of the Target Company. These 1,18,14,114 equity shares of the Target Company have been transferred by ITSL to the Acquirer on October 28, 2010.
5. a) Pursuant to acquisition of 86,47,336 equity shares of the Target Company representing 29.82% of the issued and paid up equity share capital and voting rights of the Target Company through four block deals as above and the Acquirer's intention to control the Target Company, the Offer is being made in compliance with regulations 10 and 12 and other applicable provisions of the Regulations to the equity shareholders of the Target Company to acquire 58,00,000 equity shares of the Target Company representing 20.00% of the issued and paid up equity share capital of the Target Company **("Open Offer Shares")**.

   b) As of the date of the PA, , the Acquirer holds 2,04,61,450 equity shares of the Target Company representing 70.56% of the issued and paid up equity share capital and voting rights of the Target Company, of which 86,47,336 equity shares were acquired through block deals while the balance 1,18,14,114 equity shares were transferred by ITSL.

II. THE OFFER

6. Pursuant to the substantial acquisition of equity shares and intention to control the Target Company, this mandatory Offer is being made by the Acquirer in compliance with regulations 10 and 12 and other applicable provisions of the Regulations. The Acquirer hereby makes this Offer to the equity shareholders of the Target Company to acquire the Open Offer Shares at a price of Rs. 29.00 (Rupees Twenty Nine Only) per equity share (**"Offer Price"**) payable in cash, in accordance with the Regulations and subject to the terms and conditions mentioned in the PA and in the letter of offer that will be circulated to the equity shareholders of the Target Company in accordance with the Regulations (**"Letter of Offer"**).
7. The Acquirer holds 2,04,61,450 equity shares of the Target Company as on the date of the PA representing 70.56% of the issued and paid up equity share capital and voting rights of the Target Company. Pursuant to the completion of all the Offer formalities (assuming full acceptance in the Offer) the Acquirer would hold a maximum of 2,62,61,450 equity shares of the Target Company representing 90.56% of the issued and paid up equity share capital and voting rights of the Target Company.
8. Subject to the receipt of statutory / other approvals required for the Offer as set out in section VII below, and other terms and conditions as set out in the PA and the Letter of Offer to be sent to the equity shareholders of the Target Company, the Acquirer will acquire equity shares of the Target Company validly tendered pursuant to the Offer up to the number of Open Offer Shares.
9. This Offer is not conditional upon any minimum level of acceptance by the equity shareholders of the Target Company.
10. Neither the Acquirer nor their respective directors have acquired any equity shares of Target Company during the 12 (twelve) months period prior to the date of the PA.
11. This is not a competitive bid.
12. The Acquirer may purchase additional equity shares of the Target Company from the open market or through negotiations or otherwise after the date of the PA in accordance with regulation 20(7) of the Regulations and the details of such acquisition will be disclosed by the Acquirer within 24 hours of such acquisition to the stock exchanges where the equity shares of the Target Company are listed and to the Manager to the Offer in terms of regulation 22(17) of the Regulations.
13. This Offer is not pursuant to an indirect acquisition of equity shares of or control over the Target Company.
14. There are no partly paid-up equity shares of the Target Company as on the date of the PA.
15. The equity shares of the Target Company validly tendered pursuant to the Offer will be acquired by the Acquirer 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 thereof.
16. The Manager to the Offer does not hold any equity shares in the Target Company as at the date of the PA. The Manager to the Offer will not deal with the equity shares of the Target Company until the expiry of fifteen days from the date of closure of the Offer.
17. The PA is being released as per regulation 15(1) of the Regulations in The Economic Times, English national daily – all editions, Navbharat Times, Hindi national daily, Dainik Bhaskar, regional language daily – Indore edition, as the registered office of the Target Company is situated in Indore and Maharashtra Times, Marathi regional language daily as the equity shares of the Target Company are most frequently traded on the National Stock Exchange of India Ltd situated in Mumbai.

III. THE OFFER PRICE

18. Equity shares of the Target Company are presently listed and traded on the Bombay Stock Exchange Ltd (**"BSE"**) and the National Stock Exchange of India Ltd (**"NSE"**). As on the date of the PA, the paid up equity share capital of the Target Company is Rs. 29,00,00,000 (Rupees Twenty Nine Crores) represented by 2,90,00,000 equity shares of Rs. 10/- each. The annualized trading turnover based on the trading volume in the shares of the Target Company on BSE and NSE during May 2010 to October 2010 i.e. six calendar months preceding the date of the PA, were 6.92% and 62.83% respectively as during the said period 20,06,858 equity shares were traded on BSE whereas NSE reported trading of 1,82,20,522 shares. *[Source: www.bseindia.com and www.nseindia.com]*
19. As the annualized trading turnover is more than 5% of the total number of listed shares on BSE and NSE, the equity shares are deemed to be frequently traded on BSE and NSE within the meaning of the Explanation (i) of Regulation 20(5) of the Regulations. Consequently, the minimum Offer Price to be computed for this Offer would be governed by Regulation 20(4) of the Regulations as per the applicable parameters viz., (a) Negotiated price i.e., Rs. 29.00, (b) Highest price paid by the Acquirer for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA i.e., N.A.,(c) Average of weekly high and low of the closing prices of the Target Company for the 26 weeks period ended on October 29, 2010 i.e., the date preceding the PA, on the stock exchange, where shares are most frequently traded i.e. NSE is Rs. 13.02 per share and (d) Average of daily high and low prices of the Target Company for the 2 weeks period ended on October 29, 2010 i.e., the date preceding the PA, on the stock exchange, where shares are most frequently traded i.e. NSE is Rs. 25.79 per share.
20. The Offer Price of Rs. 29.00 per share is therefore justified in terms of Regulation 20(4) of the Regulations, applicable for companies whose shares are frequently traded.
21. The Acquirer is permitted to revise this Offer upward up to seven working days prior to the date of closure of the Offer. In the event of such revision, a public announcement will be made in the same newspapers where this PA has appeared and the additional amount based on the revised offer size would be deposited in the escrow account and the revised offer price would be paid to all the equity shares of the Target Company tendered anytime during the Offer.

IV. INFORMATION ON THE ACQUIRER

22. The Acquirer was originally incorporated as a private limited company by name of Mudra Fabrics Private Limited on May 21, 1992. The name of the Acquirer was changed to Mudra Fabrics Limited w.e.f. 13 October 1992 when it was converted into a public limited company; the name was further changed to Bombay Rayon Fashions Limited w.e.f. September 30, 2004. The registered office of the Acquirer is situated at D-1st Floor, Oberoi Garden Estates, Chandivali Farms Road, Chandivali, Andheri (East), Mumbai 400 072, India, Tel: +91 22 40821800, Fax: +91 22 28476992.
23. The Acquirer started off as a 100 percent fabrics company, and has since then moved up the value chain into high-margin garment business. Today the Acquirer manufactures and exports a wide range of fabrics and garments. The Acquirer is the flag-ship company of the BRFL Group and is amongst India's largest, vertically integrated textile group, engaged in the manufacture of fabrics and garments and export of high-end garments business predominantly designer shirts & tops for men, women and children. The Acquirer enjoys a strong presence across the entire value chain of yarn dyeing, weaving, fabric processing, design and garment manufacturing. The Acquirer owns 32 manufacturing facilities across several locations including Bangalore, Chennai, Thiruvananthpuram, Navi Mumbai, Silvassa, Sonale, Ichalkaranji, Islampur, Tarapur, Latur, and Osmanabad. These units are fully supported by facilities for product development, design studios and efficient sampling infrastructure, which allows the Acquirer to provide quality services to the customers of the Acquirer in India and abroad. The Acquirer products are finished fabric and readymade garments.
24. The promoters of the Acquirer are Mr. Janardan Agrawal, Mr. Aman Agrawal and Mr. Prashant Agrawal. The promoters hold 35.08% of the issued and paid up equity share capital and voting rights of the Acquirer.
25. The directors on the board of the Acquirer are as follows: Mr. Janardan Agrawal, Mr. Aman Agrawal, Mr. Prashant Agrawal, Mr. Naseer Ahmed, Mr. Uday Mogre, Mr. A.R. Mundra, Dr. Pravin P. Shah, Dr. B.S. Bhesania, Mr. S.B. Agarwal, Mr. K. Muthukumaran, Mr. A. Arumugham and Mr. Suresh Vishwasrao. None of the directors of Acquirer are on the board of the Target Company.
26. The Acquirer has not been prohibited by Securities and Exchange Board of India **("SEBI")** from dealing in securities, in terms of directions issued under section 11B of the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") as amended or under any other regulation made under the SEBI Act.
27. The equity shares of the Acquirer are listed on the BSE and the NSE, while the global depository receipts of the Acquirer are listed on the Singapore Exchange Securities Limited **("SGX:ST").**
28. The Acquirer is complying with the listing requirements of BSE, NSE and SGX:STand there are no arrears of listing fee.
29. As on the date of the PA, the authorized share capital of the Acquirer is Rs.150,00,00,000 (Rupees One Hundred Fifty Crores Only) divided into 15,00,00,000 equity shares of Rs.10 each and the issued and subscribed Equity Share capital is Rs. 127,90,00,000 (Rupees One Hundred and Twenty Seven Crores and Ninety Lacs Only) divided into 12,79,00,000 equity shares of Rs.10 each fully paid-up. There are no partly paid-up equity shares of Acquirer. As on the date of the PA, there are 3,50,00,000 outstanding global depository receipts representing equivalent number of equity shares of Rs. 10 each fully paid-up. There are also 1,42,00,000 outstanding warrants issued to the promoter group companies pending for conversion.
30. The financial information of Acquirer is as follows:

(Rs. in crores except as indicated)

Particulars	Standalone Unaudited for the first quarter ended June 30, 2010	Consolidated Audited for the financial year ended March 31, 2010	Consolidated Audited for the financial year ended March 31, 2009	Consolidated Audited for the financial year ended March 31, 2008
Net Sales	502.70	1801.45	1514.51	1089.05
Profit/(Loss) after Tax	52.17	161.59	136.67	122.75
Equity Share Capital	111.90	111.90	69.10	63.00
Net worth	NA	1897.15	1182.68	616.66
Diluted Earnings Per Share (Rs.)	4.49	17.07	15.92	17.76
Book Value Per Share (Rs.)	NA	169.54	171.15	97.88
Return on Networth (%)	NA	8.52%	11.56%	19.91%

The PE multiple based on the diluted earnings per share as on March 31, 2010 and the closing price on NSE as on October 29, 2010 is 12.88.

V. INFORMATION ON THE TARGET COMPANY

(Source: Publicly available data and Annual Report of the Target Company for 2008-09)

31. The Target Company was incorporated on August 7, 1984, under the Companies Act, 1956 as STI Biplus Tubing (India) Limited. The name of the Target Company was changed to STI India Limited with effect from September 20, 1994. The registered office of the Target Company as well as the plant is situated at Rau-Pithampur Link Road, Tehsil: Mhow, District: Indore 453 332, Madhya Pradesh, India.
32. The equity shares of the Target Company are presently listed on the BSE and NSE. Dr. R B Baheti, his family and his group companies are the current promoters of the Target Company and jointly hold around 5.41% of the issued and paid up equity share capital and voting rights of the Target Company.
33. The Target Company has been referred to the Board for Industrial and Financial Reconstruction ("BIFR") and has been declared as a sick company in terms of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.The proceedings before the BIFR are ongoing.
34. The Target Company is an established manufacturer of cotton yarn and cotton knitted fabrics. Its main products are 100% cotton yarns, both super combed & super carded and knitted fabrics.
35. As on the date of the PA, the authorized share capital of the Target Company is Rs.45,00,00,000 (Rupees Forty Five Crores Only) comprising of 4,00,00,000 equity shares of Rs.10 each and 5,00,000 preference shares of Rs. 100 each. The issued and paid up share capital of the Target Company consists of 2,90,00,000 fully paid up equity shares of Rs. 10 each aggregating to Rs. 29,00,00,000 (Rupees Twenty Nine Crores Only). There are no partly paid-up equity shares in the Target Company.
36. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures which are convertible into equity shares of the Target Company at any later date. The Target Company had issued OCDs but the option to convert the said OCDs into equity shares of the Target Company has lapsed in the financial year 2008-09. As on date of the PA, there are no partly paid-up equity shares of the Target Company, further there are no equity shares of the Target Company which are under lock-in period.
37. The financial information of the Target Company is as follows:

(Rs. in crores except indicated otherwise)

Particulars	Unaudited for the first quarter ended June 30, 2010	Unaudited for the financial year ended March 31, 2010*	Audited for the financial year ended March 31, 2009	Audited for the financial year ended March 31, 2008
Net Sales	49.84	176.36	175.57	160.08
Profit/(Loss) after Tax	1.22	(6.79)	(39.60)	(28.06)
Equity Share Capital	29.00	29.00	29.00	29.00
Networth	-	(47.60)	(40.80)	(1.20)
Earnings Per Share (Rs.)	0.42	(2.34)	(13.66)	(9.67)
Book Value Per Share (Rs.)	-	(16.41)	(14.07)	(0.41)
Return on Networth (%)	-	-	-	-

* The Target Company has not reported audited financial for the FY 2009-10

38. As on date of the PA, the Target Company has 7(seven) directors on its board viz., Dr. Ramesh Baboolal Baheti, Dr. Shashank Narendra Desai, Mr. T.N. Anand Reddy, Mr. S Sreedhar Reddy, Mr. A.V. Narasimha Reddy, Mr. Kailash Narayanlal Garg and Mr. Upkar Singh Kohli.
39. As on date of the PA, the Target Company has no subsidiary company.
40. As on the date of the PA, none of the directors of the Acquirer are on the board of the Target Company.

VI. REASONS FOR THE ACQUISITION, RATIONALE FOR THE OFFER AND FUTURE PLANS

41. The Offer is being made in compliance with regulations 10 and 12 and other applicable provisions of Regulations, for the purpose of substantial acquisition of shares and voting rights of the Target Company, accompanied with intention to control the Target Company. The Acquirer may seek appointment of its nominee(s) on the Board of the Target Company, in accordance with the provisions of the Companies Act, 1956, Regulations and other applicable laws. With acquisition of equity shares of the Target Company as mentioned above, the Acquirer has become a principal shareholder and intends to become the promoter of the Target Company.
42. This Offer is being made for the purpose of substantial acquisition of shares and voting rights accompanied with change in control in order to facilitate restructuring the business of the Target Company. The Target Company is a synergic fit for the Acquirer as the Acquirer is present in the manufacturing and selling of fabrics and garments. On the other hand the Target Company is predominantly into manufacturing of cotton yarn. The Acquirer would continue to support the existing business of the Target Company. The Acquirer would become the promoter of the Target Company and intends to grow the existing business of the Target Company and strengthen its position in the industry. The control over the Target Company will allow the Acquirer to establish itself as a fully integrated player in the Textile sector.
43. The Target Company has been experiencing financial difficulties over the past few years due to high cost of old borrowings, absence of working capital support and adverse economic conditions prevailing in the past. Due to foregoing reasons, the Target Company was unable to service its debt repayment obligations. Consequently, the Target Company has been driven to restructure its outstanding debt. The Acquirer believes that the Target Company has a potential for strong growth in the future and has acquired substantial stake in the Target Company to facilitate the restructuring process currently being undertaken by it.
44. Acquirer do not currently have any plans to dispose of or otherwise encumber any assets of the Target Company in the two years from the date of the closure of this Offer except in the ordinary course of business or to the extent permitted by applicable laws. It will be the responsibility of the board of directors of the Target Company to make appropriate decision in this matter in accordance with the requirements of the business. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time. Further during this period, Acquirer undertakes not to sell, dispose of or otherwise encumber any substantial assets of the Target Company, except with the prior approval of the equity shareholders of the Target Company.

VII. STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

45. Non-resident equity shareholders who wish to tender their equity shares of the Target Company in this Offer will be required to submit all the previous Reserve Bank of India **("RBI")** approvals (final/specific) that they would have obtained for acquiring, the equity shares of the Target Company. In case previous RBI approvals are not submitted, the Acquirer reserves the right to reject the equity shares tendered in the Offer.
46. The Offer is subject to the approval(s) from RBI under the Foreign Exchange Management Act, 1999 ("FEMA") for acquisition of equity shares from non-resident equity shareholders under the Offer. The Acquirer will make application for the requisite approval(s) from the RBI, if any, at the appropriate time.
47. To the best of the knowledge of the Acquirer, as on the date of the PA, 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 Regulations, will have a right not to proceed with the Offer in the event the statutory approval(s) indicated above are refused.
48. The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the closure of the Offer.
49. 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 equity shareholders of the Target Company, subject to the Acquirer 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 willful default by the Acquirer in obtaining the requisite approvals, regulation 22(13) of the Regulations will also become applicable.
50. To the best of their knowledge, no consents are required by the Acquirer from any financial institutions or banks for the Offer.

VIII. CONTINUOUS LISTING

51. Pursuant to this Offer and assuming full acceptance the public shareholding of the Target Company will fall below the minimum public shareholding required under clause 40(A)(i) of the Listing Agreement. Since the Target Company has been referred to the BIFR, in terms of clause 40A(x) of the Listing Agreement the Target Company is presently exempted from the strict compliance of maintaining a minimum public shareholding under clause 40(A)(i) of the Listing Agreement required for continuous listing of its equity shares on the stock exchanges. Post this Offer and in the eventuality the Target Company ceases to be a sick company or the aforesaid exemption is not available to the Target Company the Acquirer shall take necessary steps to facilitate compliance by the Target Company of the relevant provisions of the applicable law pertaining to maintenance of the minimum level of public shareholding.

IX. FINANCIAL ARRANGEMENT

52. The maximum offer consideration payable by the Acquirer in case of full acceptance of this Offer would be Rs. 16,82,00,000/- (Rupees Sixteen Crores Eighty Two Lacs Only) **["Total Offer Consideration"]** for acquisition of Open Offer Shares at the Offer Price. For the purpose of this Offer, the Acquirer and Manager to the Offer have entered into an Escrow Agreement dated October 29, 2010 with Axis Bank Limited (as an Escrow Agent). The Acquirer have opened cash escrow account with Axis Bank Limited, having its office at Universal Insurance Building, Ground Floor, Sir P. M. Road, Fort, Mumbai- 400 001 and have deposited a sum of Rs. 4,20,50,000 (Rupees Four Crores Twenty Lacs Fifty Thousand Only) in the said cash escrow account being 25.00% of the Total Offer Consideration payable under the Offer assuming full acceptance at the aforesaid Offer Price in accordance with regulation 28 of the Regulations.
53. The Acquirer confirms that the funds lying in the above mentioned cash escrow account will be utilized exclusively for the purpose of the Offer. Further, Manager to the Offer has been empowered to operate the cash escrow account in compliance with regulation 28 of the Regulations.
54. M/s. V K Beswal & Associates, Chartered Accountants, Mumbai the Statutory Auditors of the Acquirer have certified vide their letter dated October 30, 2010 that the Acquirer has adequate financial resources to finance the acquisition of Open Offer Shares and that firm arrangement for financial resources required to implement the Offer i.e., funds and money for payment through verifiable means is already in place.
55. In view of above, the Manager to the Offer is satisfied that firm arrangements for financial resources required to implement the Offer i.e., funds and money for payment through verifiable means are in place to fulfill the obligations of the Acquirer under the Offer and is satisfied that the Acquirer have adequate resources to meet the financial requirements of the Offer and ability to implement the Offer in accordance with the Regulations.

X. OTHER TERMS OF THE OFFER:

56. The Letter of Offer along with Form of Acceptance cum Acknowledgment shall be mailed on or before Saturday, December 11, 2010 to all those equity shareholders of Target Company (except the Acquirer and Sellers/OCD Holders) whose name appear on the register of members of Target Company and to those beneficial owners of the equity shares of Target Company, whose names appear as beneficiaries on the records of the respective depository participants ("DP"), at the close of business hours on Friday, November 26, 2010 ("**Specified Date**").
57. The Registrar to the Offer, Link Intime India Private Limited ("**Registrar to the Offer**") has opened a special depository account with National Securities Depository Limited ("**NSDL**") called **"LIIPL – STIIL Offer Escrow Account" ("Special Depository Account")**. Beneficial owners are required to fill in the following details in the delivery instructions for the purpose of crediting their equity shares in the special deposit account:

DP Name	Ventura Securities Limited
DP ID	IN303116
Client ID	10640246
Account Name	LIIPL – STIIL Offer Escrow Account
Depository	NSDL

58. Equity shareholders having their beneficiary account in Central Depository Services (India) Limited ("**CDSL")** have to use inter depository delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account.
59. Equity shareholders who hold equity shares of the Target Company in physical form and wish to tender their equity shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, original share certificate(s) and duly signed and executed transfer deed(s) to the Registrar to the Offer.
60. Beneficial owners and equity shareholders who hold equity shares of the Target Company in the dematerialised form and wish to tender their equity shares will be required to send their Form of Acceptance cum Acknowledgement along with 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 the special depository account, to the Registrar to the Offer.
61. Equity shareholders who have sent their equity shares of the Target Company for dematerialization need to ensure that the process of getting equity shares dematerialized 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, else the application would be rejected.
62. All owners of the equity shares of the Target Company, registered or unregistered (except the Acquirer, and the Sellers/OCD Holders) who own the equity shares any time prior to the closing of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address(es) of Joint Holder(s), if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original share certificate(s), valid Transfer Deeds and the original Contract Note issued by the Broker through whom they acquired their equity shares of the Target Company. No indemnity is required from unregistered owners.
63. In case of non-receipt of the Letter of Offer, the eligible persons may download the same from the website of SEBI at www.sebi.gov.in or alternatively send their consent to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Distinctive Number, Folio Number and Number of Shares offered, along with documents as mentioned in above point 62, so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. Wednesday, January 05, 2011 or by registered post so as to reach on or before the Closing of the Offer, i.e. Wednesday, January 05, 2011 or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of equity shares held, number of equity shares tendered, DP name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in 'Off-Market' mode or counterfoil of the delivery instruction in 'Off-Market' mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Registrar to the Offer, on or before the Closing of the Offer, i.e. Wednesday, January 05, 2011 or by registered post so as to reach on or before the Closing of the Offer, i.e. Wednesday, January 05, 2011.
64. The share certificate(s), share transfer form, Form of Acceptance and other documents, if any should be sent only to the Registrar to the Offer, at the collection centres mentioned below. **They should not be sent to the Manager to the Offer or the Acquirer or the Target Company.** The above-mentioned documents can be sent to the following collection centres on all days except Saturdays, Sundays and public holidays between 10:00AM to 4:30PM.

City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
Mumbai	Mr. Nilesh Chalke	Link Intime India Pvt. Ltd, C 13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.	022-25960320	022-25960329	nilesh.chalke@linkintime.co.in	Hand Delivery & Registered Post
Mumbai	Mr. Vivek Limaye	Link Intime India Pvt. Ltd, 203, Davar House, Next to Central Camera, D N Road, Fort Mumbai- 400 001	022-22694127	022-25960329	vivek.limaye@linkintime.co.in	Hand Delivery

65. Equity shareholders who cannot hand deliver their documents at the collection centres referred to above may send the same by registered post, at their own risk, to the Registrar to the Offer at their office at Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400 078, India and not to any other collection centre so that the same are received on or before 4:30 PM on the Offer Closing Date i.e. Wednesday, January 05, 2011.
66. The Registrar to the Offer will hold in trust the Share Certificates, equity shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form/s on behalf of the equity shareholders of Target Company who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted equity shares/share certificates are dispatched / returned.
67. Share certificates, transfer forms and other documents in respect of equity shares not accepted under the Offer, if any, will be returned by registered post at the shareholders/ 'unregistered owners' sole risk to the sole/first shareholder. Equity shares held in dematerialized form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.
68. Payment to those equity shareholders whose share certificates and/or other documents are found valid and in order and are approved by the Acquirer will be by way of a crossed account payee cheque / demand draft / pay order or through Direct Credit **("DC")**, National Electronic Funds Transfer **("NEFT")**, Real Time Gross Settlement **("RTGS")**, National Electronic Clearing Services **("NECS")**, at specified centers where clearing houses are managed by the Reserve Bank of India within 15 days from the date of closure of Offer. Equity shareholders who opt for receiving consideration through DC/ NEFT/RTGS/ECS are requested to give the authorization for the same in the Form of Acceptance cum Acknowledgment and enclose a photocopy of cheque along with the Form of Acceptance cum Acknowledgment. The decision regarding the acquisition (in part or full), or rejection of, the equity shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired equity shares and/or (ii) share certificates for any rejected equity shares or equity shares withdrawn, will be dispatched to the equity shareholders by registered post or by ordinary post as the case may be at the equity shareholder's sole risk (dispatches involving payment of a value in excess of Rs. 1,500/- will be made by Registered Post at the equity shareholder's sole risk and all other dispatches will be made by ordinary post at the equity shareholder's sole risk). Equity shares held in dematerialized form to the extent not acquired or equity shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance cum Acknowledgement.
69. In terms of Regulation 22(5A) of the Regulations, equity shareholders who have tendered their equity shares in the Offer shall have the option to withdraw acceptances tendered up to three (3) working days prior to the Offer Closing date by submitting the Form of Withdrawal enclosed with Letter of Offer to the Registrar. In case of non-receipt of Form of Withdrawal the withdrawal can be exercised by making it on plain paper along with the details as mentioned in point '62' and '63' above. The equity shares (held in physical mode) withdrawn by the equity shareholders, if any, would be returned by Registered Post.
70. If the number of equity shares tendered by the equity shareholders are more than the Offer size, the acquisition from each shareholder will be as per regulation 21(6) of the Regulations on a proportionate basis in consultation with the Manager to the Offer thereby ensuring that the basis of acceptance is decided in a fair and equitable manner. The acquisition of equity shares from a equity shareholder of the Target Company shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. As the equity shares trade in the compulsory dematerialized settlement segment of BSE and NSE, the minimum marketable lot for the equity shares is 1 (one).
71. While tendering their equity shares of the Target Company under the Offer, NRIs, OCBs and other non-resident equity shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate ("TCC") or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the equity shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such equity shareholder.
72. As per the provisions of Section 196D (2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision. For interest payments, if any, NRIs, OCBs and other non-resident equity shareholders will be required to submit a NOC or TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the equity shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such equity shareholder.
73. In case of resident equity shareholders, tax will be deducted on the interest component exceeding Rs. 5,000/- at the applicable current prevailing rates. If the resident equity shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such equity shareholders will be required to submit a NOC or TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer or a self-declaration in form 15G of Form 15H as may be applicable. Equity shareholders eligible to receive interest component exceeding Rs. 5,000/- would be required to submit their Permanent Account Number for income tax purposes. Clauses relating to payment of interest will become applicable only if the Acquirer becomes liable to pay interest for delay in release of purchase consideration.
74. A Schedule of some of the major activities in respect of the Offer is given hereinafter:

Particulars	Day and Date
Date of PA	Monday, November 01, 2010
Specified Date*	Friday, November 26, 2010
Last Date of Competitive Bid	Monday, November 22, 2010
Date by which Letter of Offer to be dispatched to the equity shareholders	Saturday, December 11, 2010
Date of opening the Offer	Thursday, December 16, 2010
Last date for revising the Offer Price/Number of equity shares	Monday, December 27, 2010
Last date for withdrawal of acceptance by equity shareholders who have accepted the Offer	Friday, December 31, 2010
Date of Closing of the Offer	Wednesday, January 05, 2011
Last Date by which communicating acceptance / rejection and payment of consideration for accepted shares / dispatch of Share Certificate in case of rejection	Thursday, January 20, 2011

* Specified date is only for the purpose of determining the names of the equity shareholders of the Target Company as on such date to whom the Letter of Offer would be sent, being all the equity shareholders of the Target Company (except the Acquirer and the Sellers/ OCD Holders) whose names appear on the register of member of the Target Company and as regards the beneficial owners of the dematerialized equity shares, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on Monday, November 26, 2010

XI. GENERAL:

75. Equity shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA / Letter of Offer, can withdraw the same up to 3 (three) working days prior to the date of Closing of the Offer i.e. Friday, December 31, 2010.
76. If there is any upward revision in the Offer Price up to 7 (seven) working days prior to the date of Closing of the Offer i.e. Monday, December 27, 2010 or withdrawal of the Offer, the same would be informed by way of public announcement in the same newspapers where the original PA appeared and such revised Offer Price would be payable to all the equity shareholders who have tendered their equity shares any time during the Offer and accepted under the Offer.
77. **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 7 (Seven) working days prior to the closing date of the offers/ bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**
78. The Acquirer have not been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B of SEBI Act or under any other Regulations made under the SEBI Act. Based on publicly available information, the Sellers/OCD Holders and the Target Company do not appear to have been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of SEBI Act or under any other Regulations made under the SEBI Act.
79. Pursuant to regulation 13 of the Regulations, the Acquirer has appointed Axis Bank Limited as Manager to the Offer.
80. The Acquirer have appointed Link Intime India Private Limited as Registrar to the Offer, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai – 400 078, India, Telephone: (+91) 22 25960320 Fax: (+91) 22 25960329 Email: sti.offer@linkintime.co.in , Name of the Contact Person Mr. Nilesh Chalke.
81. The PA is expected to be available on the website of SEBI at www.sebi.gov.in
82. The board of directors of the Acquirer accepts full responsibility for the information (except that which pertains to the Target Company and has been compiled from publicly available sources) contained in the PA and also accept responsibility for the obligations of the Acquirer laid down in the Regulations.

MANAGER TO THE OFFER

AXIS BANK

Axis Bank Limited
Central Office, Maker Tower 'F',
11th Floor, Cuffe Parade, Colaba,
Mumbai 400 005, India.
Tel: (+91) 22 67071725
Fax: (+91) 22 2216 2467
Email: axbmbd@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Amit Shah
SEBI Registration No.: INM000006104

REGISTRAR TO THE OFFER

LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD)

C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup West, Mumbai – 400 078, India,
Telephone: (+91) 22 25960320, Fax: (+91) 22 25960329
Email: sti.offer@linkintime.co.in
Contact Person Mr. Nilesh Chalke
SEBI Registration No.: INR000004058

Issued by the Manager to the Offer for and on behalf of the Acquirer

Dated : October 30, 2010
Place : Mumbai

CONCEPT

Size: 50x32.9 sq. cm