

**LETTER OF OFFER**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

This Letter of Offer is sent to you as a Shareholder(s)/beneficial owner(s) of **Securities Capital Investments (India) Limited (SCIL)**. If you require any clarification about the action to be taken, you may consult your Stock Broker or Investment consultant or Manager to the Offer/Registrar to the Offer. In case you have sold your Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

**SHRI RAJASHEKAR S IYER**

A-4, Palm Beach Apartments, J P Road, Versova, Mumbai 400 061  
Tel No. (022) 2634 8406 E mail ID: [rajashekar.iyer@gmail.com](mailto:rajashekar.iyer@gmail.com)

**MAKES A CASH OFFER AT Rs. 53/90 ( RUPEES FIFTY THREE PAISE NINETY ONLY)  
(INCLUDING INTEREST OF Rs. 1/90) PER FULLY PAID EQUITY SHARE TO ACQUIRE**

6,88,172 Equity Shares of Rs. 10/- each, representing 21.50 % of the paid up and voting capital of the Target Company

**SECURITIES CAPITAL INVESTMENTS (INDIA) LIMITED (SCIL)**

**Regd. Office:** 112 - B, Andheri Industrial Estate, Off. Veera Desai Road, Andheri ( West), Mumbai 400 053

Tel. No. (022) 2673 0271, 2673 0862 Fax No. (022) 2673 0270

E-mail ID: [vinews@vsnl.com](mailto:vinews@vsnl.com)

**Notes:**

- This Offer is made pursuant to and in compliance with Regulations 11(1) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereof.
- This Offer is not conditional as to any minimum level of acceptance.
- This is not a competitive bid.
- The Offer price as per original PA was Rs. 52/-. The Offer price has been revised to Rs. 53/90 by adding interest of Rs. 1/90 calculated @ 10% p.a. from 27th May 2007 till date of payment under this Offer and rounded to the next 5 paise.
- As on the date of this Letter of Offer, no approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.
- **Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public announcement / Letter of Offer, can withdraw the same upto 3 working days prior to the date of closure of the Offer. The Last date for such withdrawal is Friday, September 14, 2007.**
- The Acquirer can revise the Offer price upto 7 working days prior to the date of closure of the Offer. The last date for such revision is Monday, September 10, 2007. Any upward revision or withdrawal of the Offer would be informed by way of a Public Announcement in the same Newspapers where the original Public Announcement had appeared. **Consideration at the same rate will be paid for all Equity Shares tendered anytime during the Offer period.**
- Details of Competitive bids , if any : **There is no competitive bid**
- **If there is a competitive bid, the public offers under all the subsisting bids will close on the same date.**
- The Registration of all the Intermediaries associated with the Offer, viz. Fedex Securities Ltd, Manager to the Offer and Sharepro Services (India) Pvt. Ltd, Registrar to the Offer are valid and no action has been initiated by SEBI or any other Government body against them.
- A copy of this Letter of Offer (including the Form of Acceptance and Acknowledgement, Form of Withdrawal) and Copies of the Public Announcement and Corrigendum to Public Announcement are available on SEBI's web-site: [www.sebi.gov.in](http://www.sebi.gov.in)

**MERCHANT BANKER TO THE OFFER**



**FEDEX SECURITIES LIMITED**

SEBI Regn. No. INM 000010163  
3rd Floor, Jay Chambers, Service Road,  
Adj. Western Express Highway,  
Vile Parle (East), Mumbai - 400 057  
Tel. Nos. (022) 2613 6460/61  
Fax No. (022) 2618 6966  
E Mail: [fedex@vsnl.com](mailto:fedex@vsnl.com)

**Contact Person: Shri. R. Ramakrishnan**

**REGISTRARS TO THE OFFER**



**SHAREPRO SERVICES (INDIA) PVT. LTD**

SEBI Regn. No. INR 00001476  
3rd Floor, A Wing, Satam Industrial Estate,  
Cardinal Gracious Road, Chakala,  
Andheri (East), Mumbai - 400 099  
Tel Nos. (022) 28593443, 28508922, 28502824  
Fax No. (022) 28508927  
E mail Id: [kumaresh@shareproservices.com](mailto:kumaresh@shareproservices.com)

**Contact Person: Shri. V Kumareshan**

**The Schedule of activities is as follows:**

Activity	Original	Revised
Public Announcement (PA)	Monday, March 12, 2007	Monday, March 12, 2007
Corrigendum to PA		Tuesday, August 21, 2007
Specified date	Friday, April 06, 2007	Friday, April 06, 2007
Last date for a competitive bid	Monday, April 02, 2007	Monday, April 02, 2007
Letter of Offer to be posted to shareholders	Wednesday, April 25, 2007	Saturday, August 25, 2007
Date of opening of the Offer	Thursday, May 03, 2007	Friday, August 31, 2007
Last date for withdrawing acceptance from the Offer	Thursday, May 17, 2007	Friday, September 14, 2007
Date of closing of the Offer	Tuesday, May 22, 2007	Wednesday, September 19, 2007
Last date for revising the Offer price/ number of Shares.	Friday, May 11, 2007	Monday, September 10, 2007
Last date of communicating rejection/ acceptance and payment of consideration for applications accepted	Wednesday, June 06, 2007	Thursday, October 04, 2007

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### **Risk Factors relating to the transaction, the proposed Offer and probable risks involved in associating with the Acquirer**

1. Association of SCIL with the Acquirer does not warrant any assurance with respect to the future financial performance of SCIL
2. Shareholders accepting this Offer will be tendering their Equity Shares before getting payment of consideration as the Acquirer has 15 days time from date of closure of offer to make payment of consideration. Further, they will not be able to take advantage of any favorable price movements in the market.
3. As on date of this Letter of Offer, no statutory approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date. The Despatch of consideration can be delayed beyond 15 days from date of closure of offer, in case any statutory approval, which becomes so applicable on a later date, is not received. In terms of Regulation 22(12) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment, subject to, the Acquirer agreeing to pay interest to the Shareholders for delay beyond 15 days from date of closure of Offer.

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**SECURITIES CAPITAL INVESTMENTS (INDIA) LIMITED**

**DEFINITIONS/ABBREVIATIONS**

1	SCIL/Target Company	Company whose Equity Shares are proposed to be acquired viz. Securities Capital Investments (India) Limited.
2	Acquirer	Shri. Rajashekar S Iyer, who is offering to acquire Shares through this Offer
3	RBI	Reserve Bank of India
4	SEBI/Board	Securities and Exchange Board of India
5	Merchant Banker/ Manager to the Offer	Fedex Securities Limited
6	Registrar to the Offer	Sharepro Services (India) Private Limited
7	PA/ Public Announcement	Announcement of the Offer made by the Acquirer in dailies, on Monday, March 12, 2007
8	Corrigendum to PA	Corrigendum to the Public Announcement made on Tuesday, August 21, 2007
9	Offer	Cash offer being made by the Acquirer to the Shareholders of the Target Company
10	Offer Price	The consideration payable for every Fully paid equity Share tendered in this Offer i.e. Rs. 53/90 (Rupees fifty three paise ninety only) which includes interest of Rs. 1/90.
11	Shares	Equity Shares
12	EPS	Earnings per Equity Share, for the period under reference and annualized
13	Book Value	Book Value of each Equity Share as on the date referred to
14	Regulations/Takeover Regulations/ SEBI(SAST) Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 as amended till date
15	NAV	Net Asset Value of Equity Shares
16	Persons not eligible to participate in the Offer	Promoter group Shareholders of the Target Company including the Acquirer
17	Persons eligible to participate in the Offer	All Equity Shareholders of the Target Company, other than the promoter group Shareholders of the Target Company. Both registered and unregistered Shareholders can participate in the Offer
18	BSE	Bombay Stock Exchange Ltd
19	RNW	Return on Net Worth
20	FII	Foreign Institutional Investors
21	NRI	Non Resident Indians and persons of Indian origin residing abroad
22	FI	Financial Institutions
23	SFI	State level Financial Institutions
24	UTI	Unit Trust of India
25	NBFC	Non Banking Finance Company, registered with RBI
26	PAT	Profit after Tax
27	SEBI Insider Trading Regulations	SEBI((Prohibition of Insider Trading Regulations) 1992 as amended.
28	ASE	Ahmedabad Stock Exchange Ltd
29	NSDL	National Securities Depository Ltd
30	CDSL	Central Depository Services (India) Ltd

## LETTER OF OFFER

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### 1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA (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 SECURITIES CAPITAL INVESTMENTS (INDIA) LIMITED (SCIL), THE TARGET COMPANY, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES 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 ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES HIS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER M/S. FEDEX SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 21, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF.

### 2. DETAILS OF THE OFFER

#### 2.1 Background of the Offer

- 2.1.1. This Offer is in compliance with Regulations 11(1) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereof (hereinafter referred to as the "Regulations"). Shri. Rajashekar S Iyer, residing at A-4, Palm Beach Apartments, J P Road, Versova, Mumbai 400 061 (Tel No. (022) 2634 8406 E mail ID: rajashekar.iyer@gmail.com), (hereinafter referred to as " the Acquirer"), one of the promoter group shareholders of Securities Capital Investments ( India) Ltd, is making an open Offer to the Public Shareholders (i.e. Shareholders other than the Acquirer, & promoter group shareholders of SCIL) of Securities Capital Investments (India) Limited (" SCIL", "the Target Company") to acquire 6,88,172 Equity Shares of Rs. 10/- each, , representing 21.50 % of issued, subscribed, paid up & voting Capital of SCIL, at a price of Rs. 53/90 (Rupees Fifty three and paise ninety only) which includes price @ Rs.52/- (Rupees Fifty two only) and interest of Rs. 1/90 ( Rupees one paise ninety only) being simple interest @ 10% p.a. on Rs. 52/- from 27th May 2007 till date of payment of consideration under this Offer .The Offer price is Rs.53/90 (Rupees fifty three paise ninety only), (inclusive of interest Rs. 1/90) per Equity Share fully paid up ("the Offer Price"), payable in cash ("the Offer"), subject to the terms and conditions mentioned hereinafter. There are no partly paid Shares.
- 2.1.2 The purpose of the acquisition is to consolidate holding of the promoters/promoter group.
- 2.1.3 The Acquirer presently holds 16, 96,698 Equity Shares of SCIL representing 53.00 % of the voting Capital. The promoter group of SCIL (including the Acquirer) together holds 17, 09,298 Equity Shares of SCIL constituting 53.40 % of the voting capital.
- 2.1.4 The Acquirer, promoters/Directors of SCIL, the Target Company, its promoters/Directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act. No other action has been taken against them by SEBI.
- 2.1.5 Shri. Rajashekar S Iyer is Managing Director of SCIL. Smt. Hema Rajasekhar Iyer, his spouse, is the Executive Director of SCIL. They represent the Acquirer in the Board of Directors of SCIL and they shall recuse themselves and not participate in any matter(s) concerning or 'relating' to the offer including any preparatory steps leading to the offer. There is no other person in the Board of the Target Company, representing the Acquirer.
- 2.1.6 The Offer will not result in change in control of SCIL. No changes in the Board of Directors of SCIL are contemplated by the Acquirer, consequent to this acquisition.

#### 2.2 Details of the proposed Offer

- 2.2.1. A Public Announcement, as per Regulation 15 (1) of the Regulations, was made in all editions of one English language daily with wide circulation, one Hindi national daily with wide circulation and one vernacular daily published at the place where the registered office of the Target Company is situated which is also the place where the Equity Shares of the Target Company are most actively traded, in the following Newspapers, as detailed below. A Corrigendum to

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**SECURITIES CAPITAL INVESTMENTS (INDIA) LIMITED**

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the Public Announcement was also made in the same newspapers. The Public Announcement and Corrigendum thereof are also available at SEBI's Website : [www.sebi.gov.in](http://www.sebi.gov.in).

<b>Newspaper</b>	<b>Language</b>	<b>Editions</b>	<b>Date of PA</b>	<b>Date of Corrigendum</b>
Business Standard (covers all editions)	English	Mumbai, Delhi, Kolkatha, Bangalore, Chennai, Hyderabad , Lucknow, Chandigarh, Kochi & Ahmedabad editions	Monday, March 12, 2007	Tuesday, August 21, 2007
Prathakaal (covers all editions)	Hindi	Mumbai Edition Udaipur Edition Jaipur Edition	Monday, March 12, 2007	Tuesday, August 21, 2007
Mumbai Lakshadweep, Mumbai	Marathi	Mumbai	Monday, March 12, 2007	Tuesday, August 21, 2007

- 2.2.2 The Offer is to acquire 6,88,172 Equity Shares of Rs. 10/- each, representing 21.50% of the issued, subscribed and voting Capital of SCIL.
- 2.2.3 The Offer price is Rs. 53/90 (Rupees Fifty three paise ninety only) which includes interest of Rs. 1/90 ( Rupees One paise ninety only ) per each fully paid up Equity Share. There are no partly paid Shares.
- 2.2.4 The consideration will be paid in Cash. There is no differential price since entire consideration is payable in cash.
- 2.2.5 This is not a competitive bid.
- 2.2.6 This Offer is not conditional as to any minimum level of acceptance.
- 2.2.7 The Acquirer has not made any further acquisition of Shares since the Public Announcement was made and till date of this Letter of Offer
- 2.2.8 Details of competitive bids, if any: **There is no competitive bid**
- 2.2.9 Fedex Securities Limited, Manager to the Offer does not hold any Equity Shares in the Target Company. They declare and undertake that they shall not deal in the Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of fifteen days from the date of closure of the offer
- 2.2.10 There is no agreement by the Acquirer with any person/entity, in connection with this offer. The entire Shares proposed to be acquired under this Offer will be acquired by the Acquirer and no other person/entity proposes to take part in the acquisition.
- 2.2.11 The Acquirer has not acquired any Equity Share of SCIL after the date of PA. In the event of any further acquisition of Equity Shares from the date of P.A. till 7 days prior to closure of Offer by the Acquirer at a price higher than the Offer Price, then the Offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, the Acquirer shall not be acquiring any Equity Shares of SCIL during the period of 7 working days prior to the date of closure of the Offer.

### **2.3 OBJECTS AND PURPOSE OF ACQUISITION AND FUTURE PLANS**

- 2.3.1 The objects of the acquisition are substantial acquisition of Shares of SCIL for consolidation of holdings of the promoter/ promoter group.
- 2.3.2 Barring unforeseen circumstances, the Acquirer is confident of ensuring sustained growth. SCIL is presently engaged in Investments and financial/investment consultancy. A substantial part of the Income in the last few years has been on account of Capital gains from Investments. The Acquirer is of the view that the growth seen in the Equity markets in the last few years may not be sustainable and hence SCIL may not be able to maintain the same growth rate. However, the Acquirer will endeavor to maintain steady growth.
- 2.3.3 The Offer will not result in change in control of SCIL. No changes in the Board of Directors of SCIL are contemplated by the Acquirer, consequent to this acquisition.

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2.3.4 The Acquirer does not have any plan to dispose off or otherwise encumber any assets of SCIL in the succeeding two years from the date of closure of the Offer, except in the ordinary course of business as may be permissible. He undertakes that he shall not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.

2.3.5 There is no conflict of interest or potential conflict of interest between the other ventures of the Acquirer and the Target Company.

### 3. BACKGROUND OF THE ACQUIRER

3.1.1 The Acquirer is Shri. Rajashekar S Iyer, an individual

3.1.2 Shri. Shri. Rajashekar S Iyer, aged 50 years, B Com, ACA, residing at A-4, Palm Beach Apartments, J P Road, Versova, Mumbai 400 061 (Tel No. (022) 2634 8406 E mail ID: rajashekar.iyer@gmail.com) is a Chartered Accountant by qualification. He started off his career by working with audit firms such as S B Billimoria & Co, and KPMG, Bahrain, for about six years. During this period, he gained experience in audit, taxation, investments, management consultancy etc. Since 1987, he is actively involved in research, study and analysis of the Equity markets. He has held senior positions in Kotak Securities Ltd and Reliance Capital Ltd in India. Presently, he is the promoter and Managing Director of SCIL.

3.1.3 Shri. Rajashekar S Iyer is Managing Director of SCIL. Smt. Hema B Rajashekar, his spouse, is the Executive Director of SCIL.

3.1.4 The Acquirer is not on the Board of any other listed Company. He is a Director in Securities Analysis (India) Pvt. Ltd & Securities Holdings (India) Pvt. Ltd, both unlisted Companies.

3.1.5 The Acquirer presently holds 16, 96,698 Equity Shares of SCIL representing 53.00 % of the voting Capital. The promoter group of SCIL (including the Acquirer) together holds 17, 09,298 Equity Shares of SCIL constituting 53.40 % of the voting capital.

3.1.6 Shri. Rajashekar S Iyer does not belong to any Group.

3.2.1 There is no person acting in concert with the Acquirer.

3.2.2 Shri. Rajashekar S Iyer is Managing Director of SCIL. Smt. Hema B Rajashekar, his spouse, is the Executive Director of SCIL. They represent the Acquirer in the Board of Directors of SCIL and they shall recuse themselves and not participate in any matter(s) concerning or 'relating' to the offer including any preparatory steps leading to the offer. There is no other person in the Board of the Target Company, representing the Acquirer.

3.2.3 As per Certificate dated 8th March 2007 from Shri. R.B.Kanvinde (Membership No. 9165), Chartered Accountant, A/1, Vastushilpa CHS, Off Veera Desai Road, Andheri (West), Mumbai - 400 058 (Tel. No. (022) 2683 3564, E Mail ID: rbkanvin@gmail.com) the Net worth of Shri. Rajashekar S Iyer as on 28th February 2007 is Rs. 18.78 Crores.

3.2.4 Shri R.B.Kanvinde, (Membership No. 9165), Chartered Accountant, A/1, Vastushilpa CHS, Off Veera Desai Road, Andheri (West), Mumbai - 400 058 (Tel. No. (022) 2683 3564, E Mail ID: rbkanvin@gmail.com) vide his Certificate dated 8th March 2007, has certified that the Acquirer has adequate liquid resources to meet the funds requirements of the Offer. The liquid resources available with the Acquirer as on 28.02.2007 are Bank & Cash balances Rs. 163.29 Lacs and market value of quoted investments (other than SCIL) Rs. 564.87 Lacs.

3.2.5 The applicable provisions of Regulations 6, 7 & 8 of Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 have not been complied with by the Acquirer/other promoter group Shareholders. The non compliances are (i) Filing under Regulation 6 was not made within the time stipulated, but filed on 6.10.2004 only. (2) Filings under Reg. 8 till 31.3.2002 was not made in time, but filed late on 6.10.2004. (3) Reporting under Regulation 7(1A) have not been done for several purchases/sales, Advance reporting to Stock Exchanges have not been made in respect of a few inter se transfer among promoter group Shareholders. (4) Inter se transfers made on 29.05.1998, 19.11.1999, 28.03.2005 & 16.09.2005 are found ineligible for exemption from making open offer as all the conditions laid down under the Regulations have not been satisfied. Further, the said inter se transfers have not been reported to SEBI as required under Reg. 3(4) within the stipulated time. (5) In respect of inter se transfer made on 26.02.2007, condition that the transferor and transferee should have complied with Regulations 6, 7 and 8 was not satisfied as filings under Regulations 6 & 8 till 2002 were delayed and there were a few non filings under Reg. 7 relating to a few past acquisitions. The report as required under Reg. 3(4) was not submitted to SEBI within the stipulated time. For non compliance with the provisions of Chapter II as well as other Regulations under SEBI (SAST) Regulations, SEBI may take suitable action in terms of the Regulations and SEBI Act.

3.2.6 There are no pending litigations against Acquirer & promoters of SCIL.

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3.2.7 The Acquirer, promoters/ Directors of SCIL, the Target Company, its promoters/Directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act. No other action has been taken by SEBI against them.

**3.2.8 BRIEF DETAILS OF THE ACQUIRER AS ON DATE OF PA ARE TABULATED BELOW:**

<b>Name, address and contact details</b>	<b>Relationship, if any, with any other Acquirer</b>	<b>Net Worth as certified by Chartered Accountant</b>	<b>Companies in which is a full time Director</b>
<b>SHRI. RAJASHEKAR S IYER</b> A-4, Palm Beach Apartments J P Road, Versova Mumbai 400 061 Tel No. (022) 2634 8406 E mail ID: rajashekar.iyer@gmail.com	N.A.	As on 28.02.2007 Rs. 18.78 Crores Certificate dated 8.03.2007	<b>Listed</b> Securities Capital Investments (India) Ltd. <b>Unlisted</b> Securities Analysis (India) Pvt. Ltd. Securities Holdings (India) Pvt. Ltd.

3.2.9 There are no PACs.

3.3. **Compliance with Regulation 21(2) & Clause 40A of the Listing Agreement:** The acquisition of 21.50 % Equity Shares of the Target Company by the Acquirer under this Offer together with the Equity Shares being held by the promoter group shareholders of SCIL will not result in public Shareholding falling below the level required for continued Listing and hence continued listing will be ensured. Assuming full acceptance under this Offer, the post offer holding of the Public shall be 25.10 % of the voting Capital. In the event of further acquisition by the Acquirer during the Offer period and if consequent to such acquisition, the public holding falls below the level required for continued listing, then Acquirer will comply with the relevant provisions of Clause 40A of the listing agreement in this regard, within the time limits stipulated therein. In the event of any further Acquisition by the Acquirer/promoter group Shareholders of SCIL, during the Offer period and in the event of such acquisition price being higher than the price offered under this Offer, the Offer price will be revised upwardly to ensure that the price offered under this Offer is not less than the highest price paid for any such acquisitions.

**3.4 FUTURE PLANS OF THE ACQUIRER WITH RESPECT TO SCIL**

The Acquirer proposes to continue with the existing activities viz. advisory services in investments. Surplus funds are deployed in investments in Equity and equity related instruments. The present activities will be continued. The Acquirer is confident of utilizing his experience in investments and investment related services to ensure sustained growth.

**4. BACKGROUND OF THE TARGET COMPANY**

4.1.1 SCIL was incorporated on 24th August 1994 at Mumbai, Maharashtra State, under the Companies Act, 1956 as a public limited Company. SCIL made its maiden public issue of Equity Shares in March 1995 and got its Equity Shares listed at ASE & BSE. The Equity Shares were subsequently delisted from ASE.

The Registered Office of SCIL is situated at 112 - B, Andheri Industrial Estate, Off. Veera Desai Road, Andheri (West), Mumbai 400 053. SCIL does not have any other office.

The Directors of SCIL are Shri. Rajashekar S Iyer (Managing Director), Smt. Hema B Rajashekar (Executive Director), Shri. Darshan Mehta (Non Executive, Independent) and Shri. N Narayanan (Non Executive, Independent).

4.1.2 SCIL has, as its main objects, "to carry on the business of analysis and research of the financials and other parameters of Companies, corporations or undertakings of whatever nature, whether incorporated or otherwise and whatsoever constituted, both listed or unlisted on the Stock Exchanges of India and abroad, with a view to advise clients as to whether an investment can be made or otherwise in Shares, stock, units, debentures, debenture stocks, bonds, mortgages and securities issued by these companies, corporations and undertakings"

4.1.3 The Authorized Capital of SCIL is Rs. 400 Lacs, divided into 40,00,000 Equity Shares of Rs. 10/- each. The paid up Equity Share Capital is 32,00,800 Equity Shares of Rs. 10/- each aggregating Rs. 320.08 Lacs. All the outstanding Equity Shares are fully paid up. All the Equity Shares are listed and admitted for trading.

4.1.4 The Fixed Assets held by SCIL are Computer Systems, Furniture and fixtures, Office Equipments, Vehicles and office premises.

4.1.5 As on date of this Public Announcement, the promoter group/persons in control, hold 17,09,298 Equity Shares, constituting 53.40 % of the listed Capital.

4.1.6 SCIL has signed agreements with NSDL and CDSL for offering Shares in dematerialized form and is traded in compulsory demat mode. The Marketable lot for the Shares of SCIL is 1 (one only). The ISIN Number is INE 613D01016.

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- 4.1.7 SCIL is presently engaged in advisory services in investments. Surplus funds are deployed in investments in equity and equity related instruments.
- 4.1.8 There has not been any merger or demerger or spin-off of activity in the preceding 3 years.
- 4.1.9 SCIL has no Subsidiaries
- 4.1.10 SCIL is not a Sick Company
- 4.1.11 SCIL is not registered as a Non Banking Finance Company(NBFC). SCIL is also not registered with SEBI in any capacity
- 4.1.12 The Equity Shares of SCIL are presently listed only at BSE. The Shares are not admitted as a permitted security at any other Stock Exchange. All the outstanding issued Equity Shares of SCIL are listed and admitted for trading. There are no partly paid Equity Shares or outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. No Shares are subject to lock in.
- 4.1.13 SCIL has no arrears of listing fee to Stock Exchanges. SCIL faced action of suspension of trading of its shares by the BSE from 21st December 2004 to 13th January 2005, for non-compliance with Clause 51 of the listing agreement (pertaining to EDIFAR). Trading was resumed on 14th January 2005, following necessary corrective action by SCIL. SCIL is at present complying with the listing requirements of the Stock Exchanges.
- 4.1.14 SCIL is complying with the provisions of Clause 49 of the Listing Agreement.
- 4.1.15 The filing of returns under Chapter II of SEBI (SAST) Regulations were not made as per the Regulations till 2002. All the returns under Reg. 6 & 8 upto and including 2002 were filed on 7.10.2004. For the years 2003 to 2006 ( both years inclusive) filing has been done on time. SEBI has, vide its letter no. CFD/DCR/RC/TO/13060/04 dated September 10, 2004, given an option to SCIL for settlement by Consent Order for the violations from 1997 to 2002, by imposing a penalty of Rs. 1,75,000/- on consent terms and SCIL has, vide its letter dated 7th October 2004, consented to the same . For non compliance with Regulations 6 & 8 by the Target Company for the years 1997 to 2002, SEBI may initiate suitable action in terms of the Regulations and provisions of the SEBI Act. The promoters of SCIL have filed returns under Regulations 6 & 8 from 1997 to 2002, on 6.10.2004 only i.e. filed late. For the years 2003 to 2006, the filings have been done in time. Filings under Reg. 7 by the Target Company as well as promoters have also been done as per the Regulations in a few occasions. For non compliance with the provisions of Chapter II of the Regulations by the promoters of SCIL for the years 1997 to 2002, & Reg. 7 by the Target Company/its promoters, SEBI may initiate suitable action in terms of the Regulations and provisions of SEBI Act.
- 4.1.16 SCIL has no overdue liabilities to Banks/FIs. There are no pending litigations against SCIL.
- 4.1.17 The Compliance Officer of SCIL is Shri. Adnan Kewal, residing at 81/83, 3rd Floor, Amina Manzil, S K Burhan Kamruddin Street, Near J.J. Hospital, Mumbai - 400008, Tel. No. (022) 2346 8331, Mumbai 400 008, E mail ID: adnan.kewal@gmail.com, who will be available at the registered office address of SCIL and shall attend to all investor grievances.

### 4.2.1 Equity Share Capital Structure of SCIL as on Monday, March 12, 2007, the date of PA.

Paid up Equity Shares of SCIL	No. of Shares	% of Shares	Voting Rights	% of voting rights
Fully paid up Equity Shares	32,00,800	100	32,00,800	100
Partly paid up Equity Shares	0	0	0	0
Total paid up Equity Shares	32,00,800	100	32,00,800	100
Total voting rights in Target Company	32,00,800	100	32,00,800	100

### 4.2.2 Build Up of Current Capital

#### 4.2.2.1 Build up of Authorized capital

(In Rs.)

Date	From	To	Authorized Capital after enhancement
On Incorporation	0	50,00,000	50,00,000
25.08.1994	50,00,000	4,00,00,000	4,00,00,000

The Authorized Capital consist of Equity Share Capital only.

**4.2.2.2 Build up of Current paid up Capital**

<b>Date of allotment</b>	<b>No. of Shares Issued</b>	<b>Cumulative paid up capital (Rs.)</b>	<b>Mode of allotment</b>	<b>Identity of allottees (e.g.-promoters /others</b>	<b>Status of compliance With SEBI (SAST) Regulations and other Regulations under SEBI Act 1992</b>
07-09-1994	7,40,000	7,40,000	For cash	Signatories to the Memorandum, promoters, friends, relatives and associates	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable
09-11-1994	7,56,200	14,96,200	For cash	Signatories to the Memorandum, promoters, friends, relatives and associates	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable
04-05-1995	7,43,800	22,40,000	For cash	Promoters, friends, relatives and associates as part of Public Issue	Provisions of Companies Act, complied with. SEBI Clarifications on Public Issues, complied with, to the extent applicable to promoter's contribution
04-05-1995	9,60,800	32,00,800	For cash	Indian Public	Provisions of Companies Act, complied with. SEBI Clarifications on Public Issues, complied with

**4.2.2.3 Change in Shareholding of promoters and position of Compliance**

<b>Date of allotment/ acquisition</b>	<b>No. of Shares Issued /acquired/ sold/ reduced</b>	<b>Cumulative Shareholding (Shares)</b>	<b>Mode of allotment/ Acquisition</b>	<b>Identity of allottees (e.g.- promoters /others</b>	<b>Status of compliance with SEBI (SAST) Regulations other Regulations under SEBI Act 1992 &amp; other statutory requirements, as applicable</b>
Position of holding as on 31.3.1996		10,90,500 ( 34.07% of the listed Capital)	All allotments till 04.05-95	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable.
16-01-1997	Purchased 3000 Shares (0.09% of listed Capital)	10,93,500 ( 34.16% of the listed Capital)	Off market purchase	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable.
Date of purchase not available. Included in reporting under Reg. 6 & 8 for 1997.	Purchased 1100 Shares (0.03% of listed Capital)	10,94,600 ( 34.20% of the listed Capital)	Market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since there is no purchase in excess of 2% in a period of 12 months. There is no purchase of 2% or above.
10-04-1997	Purchased 55,200 Shares (1.72% of listed Capital)	11,49,800 ( 35.92% of the listed Capital)	Off market purchase	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since there is no purchase in excess of 2% in a period of 12 months.

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31-03-1998	Added 2000 Shares being holding of one of the then Directors under promoter group holding(0.06 % of listed Capital)	11,51,800 ( 35.98% of the listed Capital)	No fresh purchase or sale.	Actually held by a Director only, who do not belong to Promoters/ Promoter group.	No fresh purchase or sale. Addition on account of inclusion of holding of a Director under promoter group. Actually not part of promoter group. Rectified in reporting done in March 2004. Was Director from 1-4-97 to 30-06-2003
29-05-1998	Inter se transfer of 1,00,000 Shares among promoter group shareholders (3.12% of listed capital)	11,51,800 ( 35.98% of the listed Capital)	Inter se transfer	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 applicable since the inter se transfer is in excess of the limits under Reg. 11(1). The exemption under Reg. 3(1)(e) not available as the transferor and transferee had not complied with Reg. 6, 7 & 8 at that time. Reporting requirement under the Regulation 7(1A) not in force at that time. Not reported 4 days in advance to Stock Exchanges. Not reported to SEBI within 21 days as required under Reg. 3(4). Other conditions satisfied
30-05-1998	Purchased 48,500 Shares (1.51% of listed Capital)	12,00,300 (37.50% of the listed Capital)	Off market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since there is no purchase in excess of 2% in a period of 12 months and hence within the limits under Reg. 11(1). Reporting requirement under the Regulations 7(1A) not in force. If the inter se transfer (given earlier in this table) is considered not eligible for exemption under Reg. 3(1)(e), then acquisition in 12 months period exceeds the limits under Reg. 11(1)
20-06-1999	Purchased 1,30,500 Shares (4.07 % of listed Capital)	13,30,800 (41.58 % of the listed Capital)	Off Market Purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 applicable since the acquisition is in excess of the limits under Reg. 11(1).
19-11-1999	Sold 75,000 Shares (2.34%)	12,55,800 (39.23% of listed Capital)	Off Market Sales	Promoters/ promoter group Shareholders	Sales. Reporting not done under Regulation 7(1A).
19-11-1999	Inter se transfer of 1,00,000 Shares among promoter group shareholders (3.12 % of listed capital)	12,55,800 (39.23% of the listed Capital)	Inter se transfer	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 applicable since the inter se transfer together with acquisition(including inter se transfers) in the preceding 12 months is in excess of the limits under Reg. 11(1). This is applicable only if the exemption under Reg. 3(1)(e) is considered not available as the transferor and transferee had not complied with Reg. 6, 7 & 8 at that time.

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					Reporting requirement under the Regulation 7(1A) not in force. Not reported 4 days in advance to Stock Exchanges. Not reported to SEBI within 21 days of the transaction. Other conditions satisfied
05-01-2000	Purchased 16,500 Shares (0.52% of listed Capital)	12,72,300 (39.75% of listed Capital)	Off Market Purchase	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisitions (excluding inter se transfers) together with acquisition in the preceding 12 months is not in excess of the limits under Reg. 11(1). This is applicable only if the exemption under Reg. 3(1)(e) is available for the inter se transfers in the preceding 12 months. Reporting requirement under the Regulation 7(1A) not in force.
Between 31-3-2000 and 31-3-2001		Only 200 Shares sold on 28-03-2001, delivered after 31-3-2001 and reported in the next year only (based on delivery and payment at the Exchange) by promoters/Target Company. No purchases.			
01-04-2001	Sold 200 shares (0.006% of listed Capital)	12,72,100 (39.75% of listed Capital)	Market sales	Promoter/promoter group Shareholders	SEBI (SAST) Regulations not 1997 applicable as it is sales.
14-12-2001	Purchased 66,500 Shares (2.08% of listed Capital)	13,38,600 (41.83% of listed Capital)	Off Market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the preceding 12 months is not in excess of the limits under Reg. 11(1). Reporting requirement under the Regulation 7(1A) not in force.
26-12-2001	Purchased 70,000 Shares (2.19% of listed Capital)	14,08,600 (44.01% of listed Capital)	Off Market	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the preceding 12 months is not in excess of the limits under Reg. 11(1). Reporting requirement under the Regulation 7(1A) not in force. (From 24.10.2001 to 9.9.2002 creeping limit was 10%)
31-12-2001	Purchased 55,900 Shares (1.75% of listed Capital)	14,64,500 (45.75% of listed Capital)	Off Market Purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the preceding 12 months is not in excess of the limits under Reg. 11(1). Reporting requirement under the Regulation 7(1A) not in force.

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04-05-2002	Purchased 8,600 Shares (0.27% of listed Capital)	14,73,100 (46.02% of listed Capital)	Off Market Purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the preceding 12 months is not in excess of the limits under Reg. 11(1). Reporting requirement under the Regulation 7(1A) not in force.
29-10-2002	Purchased 1,08,900 Shares (2.19% of listed Capital)	15,82,000 (49.43 % of listed Capital)	Off Market Purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisitions in the financial year (as per amendment dated 9.9.2002) is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A).
Reporting under Chapter II for 31.3.2003 Additions made	Added 50,700 Shares held by relatives of promoters in reporting under Reg. 8 (1.58% of listed capital)	As on 31.3.2003 16,32,700 Shares (51.009% of listed Capital)	Addition to list of relatives	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable. Holding of 3 relatives of promoters included in the reporting under Chapter II.
20-11-2003	Sold 100 Shares (0.003 of listed Capital)	16,32,600 (51 % of listed capital)	Market sales	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable
26-12-2003	Purchased 1,56,500 Shares (4.89% of listed Capital)	17,89,100 (55.90 % of listed capital)	Off market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A).
19-03-2004	Sold 1,50,000 Shares (4.69% of listed capital)	16,39,100 (51.21% of listed Capital)	market sales	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since it is sale. Not complied with reporting requirement under the Regulation 7(1A).
22-03-2004	Purchased 2000 Shares (0.06% of listed Capital)	16,41,100 (51.27 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A).
Removals/sales made in March 2004	Removed 52,700 Shares held by relatives of promoters in reporting under Reg. 8 (1.64% of listed capital)	As on 31.3.2004 15,88,400 Shares (49.63 % of listed Capital)	Removal of holdings of relatives of promoters.	Promoters/ promoter group Shareholders and one Director	SEBI (SAST) Regulations 1997 not applicable. Holding of 2000 shares held by one Director which was mistakenly included under promoter group holding in 1998 removed. Balance 50,700 Shares is sales by relatives of promoters (Forming part of promoter group and included in the reporting under Chapter II in the year 2003. Exact date of sales not available).

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10-09-2004	Purchased 50 Shares (0.003% of listed Capital)	15,88,450 (49.63 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
13-09-2004	Purchased 400 Shares (0.01% of listed Capital)	15,88,850 (49.64 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
14-09-2004	Purchased 700 Shares (0.02% of listed Capital)	15,89,550 (49.66 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
15-09-2004	Purchased 600 Shares (0.02% of listed Capital)	15,90,150 (49.68 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
16-09-2004	Sold 400 Shares (0.012% of listed Capital) Purchased 100 Shares (0.003% of listed Capital)	15,89,850 (49.67 % of listed capital)	market sales/ purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
17-09-2004	Purchased 1000 Shares (0.03% of listed Capital)	15,90,850 (49.70 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
20-09-2004	Purchased 200 Shares (0.006% of listed Capital)	15,91,050 (49.71 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
21-09-2004	Purchased 500 Shares (0.02% of listed Capital)	15,91,550 (49.72 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
09-10-2004	Purchased 100 Shares (0.003% of listed Capital)	15,91,650 (49.72 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
07-12-2004	Purchased 30,500 Shares (0.95% of listed Capital)	16,22,150 (50.68 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
08-12-2004	Purchased 6,300 Shares (0.20% of listed Capital)	16,28,450 (50.88 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).

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10-12-2004	Purchased 100 Shares Sold 100 shares (0.003% of listed Capital)	16,28,450 (50.88 % of listed capital)	market purchases/ sales	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
13-12-2004	Purchased 300 Shares (0.009% of listed Capital)	16,28,750 (50.89 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
14-12-2004	Purchased 700 Shares (0.02% of listed Capital)	16,29,450 (50.91 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
15-12-2004	Purchased 100 Shares (0.003% of listed Capital)	16,29,550 (50.91 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
16-12-2004	Purchased 500 Shares (0.015% of listed Capital)	16,30,050 (50.92 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
17-12-2004	Purchased 800 Shares (0.025% of listed Capital)	16,30,850 (50.95 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
20-12-2004	Purchased 498 Shares (0.16% of listed Capital)	16,31,348 (50.97 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1).
23-12-2004	Purchased 58,200 Shares (1.82 % of listed Capital)	16,89,548 (52.78 % of listed capital)	Off market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A) as aggregate purchase during the financial year exceeds 2%.
11-01-2005	Purchased 2,500 Shares (0.08% of listed Capital)	16,92,048 (52.85 % of listed capital)	Off market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A) as aggregate purchase during the financial year exceeds 2%.

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14-01-2005	Purchased 1,390 Shares (0.04% of listed Capital)	16,93,438 (52.90 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A) as aggregate purchase during the financial year exceeds 2%.
17-01-2005	Purchased 1010 Shares (0.03% of listed Capital)	16,94,448 (52.94 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A) as aggregate purchase during the financial year exceeds 2%.
19-01-2005	Purchased 2000 Shares (0.06% of listed Capital)	16,96,448 (53.00 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A) as aggregate purchase during the financial year exceeds 2%.
20-01-2005	Purchased 2,400 Shares (0.07% of listed Capital)	16,98,848 (53.08 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A) as aggregate purchase during the financial year exceeds 2%.
24-01-2005	Purchased 494 Shares (0.015% of listed Capital)	16,99,342 (53.09 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A) as aggregate purchase during the financial year exceeds 2%.
09-02-2005	Purchased 2,800 Shares (0.09% of listed Capital)	17,02,142 (53.18 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A) as aggregate purchase during the financial year exceeds 2%.

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10-03-2005	Purchased 1,600 Shares (0.05% of listed Capital)	17,03,742 (53.23 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A) as aggregate purchase during the financial year exceeds 2%.
15-03-2005	Purchased 10,400 Shares (0.32% of listed Capital)	17,14,142 (53.55 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since the acquisition in the financial year is not in excess of the limits under Reg. 11(1). Not complied with reporting requirement under the Regulation 7(1A) as aggregate purchase during the financial year exceeds 2%.
28-03-2005	Sold 1,00,000 Shares (3.12 % of listed Capital)	16,14,142 (50.42 % of listed capital)	market sales	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since it is sales. Complied with reporting requirement under the Regulation 7(1A) as aggregate purchase/sale during the financial year exceeds 2%.
28-03-2005	Purchased 98,100 Shares (3.06 % of listed Capital)	17,12,242 (53.49 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 applicable since aggregate purchase during the financial year exceeds limits under Reg. 11(1). Complied with reporting requirement under the Regulation 7(1A) as aggregate purchase/sale during the financial year exceeds 2%.
29-03-2005	Purchased 10,000 Shares (0.31 % of listed Capital)	17,22,242 (53.81 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 applicable since aggregate purchases exceeds the limits under Reg. 11(1) Complied with reporting requirement under the Regulation 7(1A) as aggregate purchase/sale during the financial year exceeds 2%.
29-03-2005	Sold 10,000 Shares (0.31 % of listed Capital)	17,12,242 (53.49 % of listed capital)	Market sales	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable since it is sales. Complied with reporting requirement under the Regulation 7(1A) as aggregate purchase/sale during the financial year exceeds 2%.
30-03-2005	Purchased 32,800 Shares (1.02 % of listed Capital)	17,45,042 (54.52 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable. Complied with reporting requirement under the Regulation 7(1A) as aggregate purchase/sale during the financial year exceeds 2%.

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Removals made in reporting under Chapter II for 31.3.2005	Removed 97,400 Shares held by one erstwhile promoter and his relatives in reporting under Reg. 8 (3.04% of listed capital)	As on 31.3.2005 16,47,642 Shares (51.48 % of listed Capital)	Removal of holdings of erstwhile promoter and his relatives as he is no longer considered promoter and is not involved any way in management of affairs or is having control/joint control.	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable. The Shares removed were held by one of the original promoters who is no longer considered promoter by the Company.
07-04-2005	Purchased 2500 Shares (0.08 % of listed Capital)	16,50,142 (51.55 % of listed capital)	Off market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable. Reporting requirement under the Regulation 7(1A) not applicable as aggregate purchase/sale during the financial year do not exceed 2%.
11-04-2005	Purchased 48,000 Shares (1.50 % of listed Capital)	16,50,142 (53.05 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable. Reporting requirement under the Regulation 7(1A) not applicable as aggregate purchase/sale during the financial year do not exceed 2%.
26-04-2005	Purchased 12,550 Shares (0.39 % of listed Capital)	17,10,692 (53.45 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable. Reporting requirement under the Regulation 7(1A) not applicable as aggregate purchase/sale during the financial year do not exceed 2%.
19-07-2005	Sold 65,000 Shares (2.03 % of listed Capital)	16,45,692 (51.42 % of listed capital)	market sales	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable as it is sales. Not reported under Reg. 7(1A) as required since the sale is 2% or above.
20-07-2005	Sold 8000 Shares (0.25 % of listed Capital)	16,37,692 (51.17 % of listed capital)	market sales	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable as it is sales. Not reported under Reg. 7(1A) as required since the sale during the financial year is 2% or above.
21-07-2005	Sold 2000 Shares (0.06 % of listed Capital)	16,35,692 (51.10 % of listed capital)	market sales	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable as it is sales. Not reported under Reg. 7(1A) as required since the sale during the financial year is 2% or above.

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16-09-2005	Inter se transfer of 1,95,000 Shares among promoter group shareholders (6.09 % of listed capital)	16,35,692 (51.10 % of listed capital)	Inter se transfer among promoters/promoter group	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 may not be applicable since the same is inter se transfer which is exempted under Reg. 3(1)(e). Not reported 4 days in advance to Stock Exchanges. Not reported to SEBI within 21 days of the transaction. Other conditions satisfied.  The transferor and transferee had complied with Reg. 6 & 8, though the filings under 6 & 8 till 2002 is made late. Complied with reporting requirement under Regulation 7(1A).
16-09-2005	Sold 400 Shares (0.012 % of listed Capital)	16,35,292 (51.10 % of listed capital)	market sales	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable as it is sales. Reported under Reg. 7(1A) as required since the sale during the financial year is 2% or above.
04-04-2006	Purchased 4,604 Shares (0.14 % of listed Capital)	16,39,896 (51.23 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the sale during the financial year is less than 2%.
07-04-2006	Purchased 1,100 Shares (0.03 % of listed Capital)	16,40,996 (51.27 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
24-04-2006	Purchased 1,331 Shares (0.04 % of listed Capital)	16,42,327 (51.31 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
25-04-2006	Purchased 384 Shares (0.01 % of listed Capital)	16,42,711 (51.32 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
26-04-2006	Purchased 600 Shares (0.02 % of listed Capital)	16,43,311 (51.34 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.

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27-04-2006	Purchased 3,050 Shares (0.10 % of listed Capital)	16,46,361 (51.43 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
28-04-2006	Purchased 29,055 Shares (0.91 % of listed Capital)	16,75,416 (52.34 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
02-05-2006	Sold 100 Shares (0.003 % of listed Capital)	16,75,316 (51.34 % of listed capital)	market sales	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable as it is sales. Sales not 2% or above and hence Reg. 7(1A) not applicable
17-05-2006	Purchased 100 Shares (0.003 % of listed Capital)	16,75,416 (52.34 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
19-05-2006	Purchased 1000 Shares (0.03 % of listed Capital)	16,76,416 (52.37 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
22-05-2006	Purchased 3,550 Shares (0.11 % of listed Capital)	16,79,996 (52.48 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
24-05-2006	Purchased 1,000 Shares (0.03 % of listed Capital)	16,80,996 (52.52 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
25-05-2006	Purchased 2,100 Shares (0.07 % of listed Capital)	16,83,066 (52.58 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
31-05-2006	Purchased 3,255 Shares (0.10 % of listed Capital)	16,86,321 (52.68 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.

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02-06-2006	Purchased 4,000 Shares (0.12 % of listed Capital)	16,90,321 (52.81 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
05-06-2006	Purchased 400 Shares (0.01 % of listed Capital)	16,90,721 (52.82 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
06-06-2006	Purchased 231 Shares (0.007 % of listed Capital)	16,90,952 (52.83 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
07-06-2006	Purchased 6,000 Shares (0.19 % of listed Capital)	16,96,952 (53.01 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not applicable since the purchase during the financial year is less than 2%.
08-06-2006	Purchased 4,657 Shares (0.15 % of listed Capital)	17,01,609 (53.16 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Reporting under Reg. 7(1A) not done. The purchase during the financial year has crossed 2% with this purchase.
14-06-2006	Purchased 2,400 Shares (0.07 % of listed Capital)	17,04,009 (53.23 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Not reported under Reg. 7(1A) as required since the purchase during the financial year is 2% or above.
15-06-2006	Purchased 2,600 Shares (0.08 % of listed Capital)	17,06,609 (53.32 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Not reported under Reg. 7(1A) as required since the purchase during the financial year is 2% or above.
16-06-2006	Purchased 750 Shares (0.02 % of listed Capital)	17,07,359 (53.34 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Not reported under Reg. 7(1A) as required since the purchase during the financial year is 2% or above.

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19-06-2006	Purchased 869 Shares (0.03 % of listed Capital)	17,08,228 (53.37 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Not reported under Reg. 7(1A) as required since the purchase during the financial year is 2% or above.
21-06-2006	Purchased 100 Shares (0.003 % of listed Capital)	17,08,328 (53.37 % of listed capital)	market purchases	Promoters/ promoter group Shareholders	SEBI(SAST) Regulations 1997 not applicable as it is within the limits under Regulation 11(1) Not reported under Reg. 7(1A) as required since the purchase during the financial year is 2% or above.
21-06-2006	sold 30 Shares (negligible % of listed Capital)	17,08,298 (53.38 % of listed capital)	market sales	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable as it is sales. Sales during the year less than 2% and hence Reg.7(1A) not applicable
01-04-2007	1000 Shares (0.03 % of listed Capital)	17,09,298 (53.40% of listed Capital)	Market purchases by one of the relatives of promoters	Promoters/ promoter group Shareholders	SEBI (SAST) Regulations 1997 not applicable as it is within the limits
26-02-1997	Inter se transfer of 2,85,000 Shares among promoter group shareholders(8.90 % of listed Capital)	17,09,298 (53.40% of listed Capital)	Inter se by promoter group shareholders		SEBI (SAST) Regulations 1997 may not be applicable since the same is inter se transfer which is exempted under Reg. 3(1)(e). Reported 4 days in advance to Stock Exchanges. Not reported to SEBI within 21 days of the transaction (Reg.3 ( 4)). Other conditions satisfied. The transferor and transferee had complied with Reg. 6 & 8, though the filings under 6 & 8 till 2002 is made late. Complied with reporting requirement under Regulation 7(1A).

**Note:** The promoters/promoter group Shareholders have made inter se transfer among themselves on 29.05.1998, 19.11.1999, 28.03.2005 , 16.09.2005 & 26.02.2007. The details of the inter se transfers are given in the table above. The inter se transfers on 29.05.1998, 19.11.1999, 28.03.2005 & 16.09.2005 are not eligible for exemption ( from making an open Offer) as all the conditions laid down under Regulation 3(1)(e) are not satisfied. Further, the promoter group has not submitted necessary reports to the Stock Exchanges as well as SEBI as required under Regulations 3(3) and 3(4).

As regards inter se transfer made on 26.02.2007, the condition regarding compliance with filings under Reg. 6, 7 & 8 was not satisfied as there was delay in filing under Reg. 6 for 1997 and under Reg. 8 from 1997 to 2002. Filings under Reg. 7 were also not made in time for a few acquisitions in the past. Report to SEBI as required under Reg. 3(4) was also delayed.

In view of these non compliances, the said inter se transfers will result in the acquisitions by promoter group exceeding the creeping acquisition limits set out under Regulation 11(1) during the respective periods i.e. as per the regulations in force at the time of the respective acquisitions. For non compliance with the provisions with regard to inter se transfers, SEBI may initiate appropriate action against the promoters/promoter group shareholders.

- 4.3 There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later date.
- 4.4 All the issued Equity Shares of SCIL are listed at the Stock Exchanges.
- 4.5. Save and except for the actions disclosed under 4.1.3 above, the Stock Exchanges have not awarded any penalties/ initiated action against the Target Company, its promoters/Directors.

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### 4.6.1 Board of Directors as on Monday, March 12, 2007, the date of PA:

Name	Date of appointment	Residential Address/Contact details	Designation
Shri. Rajashekar S Iyer	24-08-1994	A-4, Palm Beach Apartments J P Road, Versova, Mumbai 400 061 Tel No. (022) 2634 8406 E mail ID:rajashekar.iyer@gmail.com	Managing Director
Smt. Hema B Rajashekar	05-04-2004	A-4, Palm Beach Apartments J P Road, Versova, Mumbai 400 061 Tel No. (022) 2634 8406 E mail ID:hema.rajashekar@gmail.com	Executive Director
Shri. Darshan Mehta	25-08-1994	3, Law Garden, Apartment D, Scheme I, Ellisbridge, Ahmedabad 380 006 Tel No. (079) 2656 5566 E Mail id:mifl_in@yahoo.com	Director (Non Executive, Independent)
Shri. N Narayanan	13-03-1995	73, Jawahar Street, New Town, Karaikudi 630 001, Tamil Nadu Tel. No. (0456) 5310480 E Mail Id : aiyar@pobox.com	Director (Non Executive, Independent)

### 4.6.2 There has been the following change in Board of Directors in the last three years.

Name	Date of change	Nature of change
Shri. Vinod Nathuram Ohri	30-04-2004	Resigned as Director
Shri. Victor Gasper Fernandes	01-08-2005	Appointed as Director
Shri. Victor Gasper Fernandes	13-03-2006	Resigned as Director

**Note:** None of the above appointees are related to the Acquirer

### 4.6.3 Experience, Qualification and date of appointment of the Board of Directors

Name	Date of appointment	Age, Qualification, Occupation	Experience , in brief
Shri. Rajashekar S Iyer	24-08-1994	Age : 50 years Qualification : B Com, ACA	A Chartered Accountant by qualification. Experience of about 27 years. He spent first 6 years of his career with S B Billimoria & Co and KPMG, Bahrain and during this period acquired experience in accounting, audit and management consultancy. Since 1987, actively engaged in studying and analysis of the Equity markets . Has held senior positions in Kotak Securities Ltd and Reliance Capital Ltd .
Smt. Hema B Rajashekar	05-04-2004	Age : 42 years Qualification : B. Com, MMS	About 20 years work experience in merchant banking, financial journalism and macro industry research. After acquiring management degree from S P Jain Institute of Management , Mumbai she joined DSP Financial Consultants as Deputy Manager in Merchant Banking. Thereafter, worked with publications such as Economic Times, Business India and Business Today as a financial journalist. Was head of the Industry Research Division of CMIE between 1998 and 2004. Presently Executive Director of SCIL.
Shri. Darshan Mehta	25-08-1994	Age : 50 years Qualification : B. Com, LLB, ACS, ACA	Over 20 years experience in Merchant Banking as Director of Mehta Integrated Finance Ltd.
Shri. N Narayanan	13-03-1995	Age : 48 years Qualification : B. Com	About 20 years experience in tax and investment consultancy. He is presently an Equity Analyst and Tax consultant.

4.7 There has not been any mergers/demergers involving the Target Company nor was there any spin off of activity during the last three years. There has been no change of name since Incorporation.

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4.8. **Brief published Audited Financial data for the last three years and for the nine months ended 31.12.2006 (audited) are given hereunder:**

	(Rs. in Lacs)			
<b>Profit &amp; Loss Statement</b>	<b>31.12.06 (9 Months)</b>	<b>31.03.06</b>	<b>31.03.05</b>	<b>31.03.04</b>
Income from Main activity	0.00	21.90	16.67	21.00
Other Income	889.64	754.63	276.49	66.81
Exceptional items ( provision no longer required, written back)	0.00	1.00	0.00	0.00
<b>Total Income</b>	<b>889.64</b>	<b>777.53</b>	<b>293.16</b>	<b>87.81</b>
Total Expenditure	29.43	53.83	56.30	23.33
Profit before Interest, Depn. and Tax and extra ordinary items	860.21	722.70	236.86	64.48
Finance Charges	0.06	0.19	0.31	0.04
Depreciation	2.99	4.27	1.49	0.52
Exceptional and prior period expenses	0.17	2.28	0.00	0.00
Extraordinary expenditure	0.00	0.00	0.00	0.00
Profit Before Tax before extraordinary /exceptional items	857.16	718.24	235.06	63.92
Profit Before Tax after extraordinary/exceptional items	856.99	716.96	235.06	63.92
Provision for Taxes	95.85	26.88	13.20	17.95
<b>Profit After Tax</b>	<b>761.14</b>	<b>690.08</b>	<b>221.86</b>	<b>45.97</b>

<b>Balance Sheet Statement</b>	<b>31.12.06</b>	<b>31.3.06</b>	<b>31.3.05</b>	<b>31.3.04</b>
<b>Sources of funds</b>				
Paid up Equity Share Capital	320.08	320.08	320.08	320.08
Reserves & Surplus ( Accumulated loss in brackets)	1603.84	842.70	152.62	(69.24)
Less: Misc. Expenses not written off	0.00	0.00	0.00	0.98
<b>Net Worth</b>	<b>1923.92</b>	<b>1162.78</b>	<b>472.70</b>	<b>249.86</b>
Secured Loans	0.19	1.86	3.99	5.98
Unsecured Loans	0.00	0.00	0.00	0.00
<b>Total Source of funds</b>	<b>1924.11</b>	<b>1164.64</b>	<b>476.69</b>	<b>255.84</b>
<b>Uses of funds</b>				
Net Fixed Assets	37.38	40.31	34.67	12.32
Investments	1759.62	796.44	356.78	131.87
Net Current Assets	127.11	327.89	85.24	111.49
Deferred Tax Assets	0.00	0.00	0.00	0.16
<b>Total</b>	<b>1924.11</b>	<b>1164.64</b>	<b>476.69</b>	<b>255.84</b>
<b>Other Financial Data</b>				
Dividend (%)	NIL	NIL	NIL	NIL
Earnings per Share (Rs.) ( 31.12.06 annualized)	31.71	21.56	6.93	1.44
Return on Net Worth (%) ( Negative in Brackets) (30.12.2006 annualized) (Profit after Tax X100/Net Worth)	52.75	59.35	46.93	18.40
Book Value Per Share (Rs.) (Net Worth/No. of Shares)	60.11	36.33	14.77	7.81

**Details of Other Income during the above period**

	(Rs. In Lacs)			
<b>OTHER INCOME</b>	<b>31.03.06</b>	<b>31.03.06</b>	<b>31.03.05</b>	<b>31.03.04</b>
Profit on Sale of Investments	880.05	746.80	267.96	62.98
Interest received	0.00	0.00	0.10	0.31
Dividend received	9.55	7.80	7.72	3.52
Other Misc. Income	0.04	0.03	0.71	
<b>Total of Other Income</b>	<b>889.64</b>	<b>754.63</b>	<b>276.49</b>	<b>66.81</b>

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### The above financials are furnished after

- Making adjustments / rectification for all incorrect accounting policies or failures to make provisions or other adjustments which resulted in Audit qualifications; Material amounts relating to adjustments for last three years, if any have been identified and adjusted in arriving at the profits of the years to which they relate.
- Where there has been a change in accounting policy during the last three years, the profits or losses of those years have been re-computed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years. However, in respect of any incorrect accounting policy being followed, the re-computation of the financial statements have been made in accordance with correct accounting policies. There has been no change in the accounting policies in the above period.
- Statement of profit or loss discloses both the profit or loss arrived at before considering extraordinary/exceptional items and after considering the profit or loss from extraordinary items/exceptional items.
- The statement of assets and liabilities have been prepared after deducting the balance outstanding on revaluation reserve account, if any, from both fixed assets and reserves and the net worth arrived at after such deductions. There is no revaluation reserves.
- Details of Extraordinary Income, Extraordinary Expenditure , Exceptional items etc. are given in the above table itself.
- The details of other Income is given in above table itself.
- There is unusual fall or rise in Total Income and PAT in the above period. Income from main activity, advisory services has fallen in the year 2004-05. The contributor to significant increase in Gross Income and PAT in each of the above years in comparison to the immediately preceding year is profit on Sale of Investments. SCIL had been investing surplus resources in Equity and Equity related instruments and the boom in the Equity Markets since 2003 has led to significant appreciation in market value of SCIL's investments and SCIL has booked Long term Capital Gains.
- There is no significant qualification by Auditors during the above period, having a bearing on the financials and profitability
- The Investments are mostly in listed Equity and Equity related instruments such as Mutual Funds.

### 4.9. Pre and Post- Offer Share holding pattern of SCIL shall be as follows:

Shareholders' category	Shareholding prior to the agreement/ Acquisition and offer.		Shares Acquired/to be acquired which triggered off the Regulations		Shares to be Acquired in Open Offer (Assuming full acceptances)		Share holding after the acquisition and Offer	
	(A)		(B)		(C)		(D)	
	No.	%	No.	%	No.	%	No.	%
1. Promoter group								
Shri. Rajashekar S lyer ( the Acquirer)	16,96,698	53	0	0	6,88,172	21.50	23,84,870	74.50
Other promoter group Shareholders	12,600	0.40	0	0	0	0	12,600	0.40
Total of 1 ( Total promoter holding)	17,09,298	53.40	0	0	6,88,172	21.50	23,97,470	74.90
2 Public Holding								
a. Indian Public	14,90,191	46.56	0	0	(6,88,172)	(21.50)	8,03,330	25.10
b. FIs/FIs/Mutual Funds/Banks	0	0.00						
c. NRIs	1,311	0.04						
Total 2 (a+b+c)	14,91,502	46.60	0	0	(6,88,172)	(21.50)	8,03,330	25.10
Total (1+2)	32,00,800	100					32,00,800	100

#### Notes:

- There are no Shares, which are subject to Lock in.
- The Acquirer has not acquired any Shares from the date of the Public Announcement till date of this Letter of Offer.
- The number of Shareholders under Public Category, i.e. under 2 above, on the Specified Date is 965

**5. OFFER PRICE AND FINANCIAL ARRANGEMENTS**

**5.1 Justification of Offer price**

5.1.1. The Equity Shares of SCIL are listed at The Bombay Stock Exchange Ltd.(BSE). The Shares are not admitted as permitted Security in any other Stock Exchange.

5.1.2 The annualized trading turnover of Shares of SCIL, during the preceding 6 calendar months prior to the month in which Public Announcement was made, i.e. during the months September 2006 to February 2007 (both inclusive) is given below.

<b>Name of Stock Exchange(s)</b>	<b>Total no. of Shares traded during the 6 calendar months prior to the month in which the P A was made</b>	<b>Total No. of listed Shares</b>	<b>Annualized Trading turnover (in terms of % to total listed Shares)</b>
The Bombay Stock Exchange Ltd (BSE)	7, 62,121	32,00,800	47.62%

The trading volume data has been taken from the BSE's website [www.bseindia.com](http://www.bseindia.com).

The Shares are thus not infrequently traded in terms of Regulation 20 (5), explanation (i) at the Stock Exchanges

5.1.3 Since the Equity Shares of the Target Company has not been infrequently traded as per explanation (i) to Regulation 20(5) at the Stock Exchanges during the 6 calendar months preceding the month in which the Public Announcement is made, the Offer price has been justified, taking into account, the following parameters, as set out under Regulations 20(4):

1	Negotiated price paid by the Acquirer or persons acting in concert under any Agreement referred to in sub regulation (1) of Regulation 14.	N.A.
2	Highest price paid by the Acquirer or PACs for acquisition including by way of allotment in a Public or Rights issue, if any, during the twenty-six week period prior to the date of PA (In this case: Inter se transfer)	Rs. 52/-
3	The price at which any preferential allotment of Equity Shares is made to the Acquirer/any promoter group Shareholder in the 26 weeks preceding the date of Public Announcement.	N.A.
4	The average of the weekly high and low of the closing prices at BSE in the 26 weeks preceding the date of Public Announcement	Rs 48/-
5	The average of the daily high and low of the traded prices at BSE in the 2 weeks preceding the date of Public Announcement	Rs. 47/27
6	Highest of the above	Rs. 52/-

(Source of Information: BSE Website : [www.bseindia.com](http://www.bseindia.com))

**5.1.3.1 Trading data at Bombay Stock Exchange Limited (BSE)**

a. The Weekly High and Low of the closing prices of the Equity Shares of SCIL at Bombay Stock Exchange Limited during the 26 Weeks preceding the date of the Public Announcement is as under:

<b>Week Nos.</b>	<b>Week ended</b>	<b>High</b>	<b>Low</b>	<b>Average</b>	<b>Volume</b>
1	15-Sep-06	41.90	35.00	38.45	9423
2	22-Sep-06	44.00	38.65	41.33	8672
3	29-Sep-06	41.70	38.20	39.95	8815
4	6-Oct-06	38.35	37.60	37.98	2135
5	13-Oct-06	39.95	37.35	38.65	10955
6	21-Oct-06	41.65	39.75	40.70	9058
7	27-Oct-06	41.50	38.95	40.23	7252
8	3-Nov-06	42.60	40.00	41.30	8210
9	10-Nov-06	44.95	42.55	43.75	28721
10	17-Nov-06	55.80	47.85	51.83	114111
11	24-Nov-06	57.95	53.45	55.70	19209
12	1-Dec-06	52.00	46.20	49.10	18274

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13	8-Dec-06	48.00	45.25	46.63	9445
14	15-Dec-06	48.90	46.50	47.70	6775
15	22-Dec-06	49.10	46.05	47.58	10407
16	29-Dec-06	51.55	47.85	49.70	10304
17	5-Jan-07	55.60	50.20	52.90	22942
18	12-Jan-07	59.05	55.95	57.50	23940
19	19-Jan-07	63.80	58.80	61.30	24450
20	25-Jan-07	62.60	59.00	60.80	6945
21	1-Feb-07	59.10	54.25	56.68	39509
22	9-Feb-07	54.70	51.35	53.03	17977
23	15-Feb-07	49.80	48.85	49.33	17501
24	23-Feb-07	52.50	49.75	51.13	26725
25	2-Mar-07	50.15	48.25	49.20	294616
26	9-Mar-07	47.45	43.75	45.60	9387
	<b>Total</b>	<b>1294.65</b>	<b>1201.35</b>	<b>1248.00</b>	<b>765758</b>
	<b>Average Price</b>		<b>48.00</b>	<b>48.00</b>	
	<b>Total Volume</b>				<b>765758</b>

(Source: BSE Website : [www.bseindia.com](http://www.bseindia.com))

- b. The daily High and Low of the traded prices of SCIL at Bombay Stock Exchange Limited in the two Weeks preceding the date of the Public Announcement is as under:

(Price in Rs.)

Day	Date	High	Low	Average	Volume
1	26-Feb-07	52.00	47.30	49.65	285907
2	27-Feb-07	51.65	50.15	50.90	2250
3	28-Feb-07	50.00	47.65	48.83	2301
4	1-Mar-07	49.30	46.00	47.65	558
5	2-Mar-07	51.25	49.90	50.58	3600
6	5-Mar-07	48.00	47.45	47.73	2765
7	6-Mar-07	46.00	46.00	46.00	500
8	7-Mar-07	44.00	43.75	43.88	150
9	8-Mar-07	43.75	43.75	43.75	3503
10	9-Mar-07	45.85	41.60	43.73	2469
	<b>Total</b>	<b>481.80</b>	<b>463.55</b>	<b>472.68</b>	<b>304003</b>
	<b>Average Price</b>	<b>47/27</b>		<b>47/27</b>	

(Source: BSE Website : [www.bseindia.com](http://www.bseindia.com))

**Note:** There was no trading in the Exchange on 1/05/2007 and 2/05/2007.

- 5.1.4. This is not an indirect acquisition/control.
- 5.1.5 **Non Compete Fee:** There is no non-compete agreement for payment to any person.
- 5.1.6 The Offer price is justified in terms of Regulation 20 (11) of the Regulations. In the opinion of the Manager to the Offer and the Acquirer, the Offer price is justified. The price paid for acquisition by the Acquirer for the inter se transfer (among promoter group) of 2,85,000 Equity Shares on 26th February 2007 which is also the highest price paid by the promoter group (including the Acquirer) for any acquisition of Shares in the 26 weeks preceding the public announcement is Rs. 52/-. As the said inter se transfer is found to be ineligible for exemption under Regulation

**SECURITIES CAPITAL INVESTMENTS (INDIA) LIMITED**

3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 as amended, interest is also payable to the shareholders who accept this Offer and accordingly simple interest is calculated @ 10% p.a. for the delayed period. The interest works out to Rs. 1/89 which has been rounded to Rs. 1/90. Accordingly the offer price is revised to Rs. 53/90(inclusive of interest). The Offer price is also higher than the weekly high and low of the closing prices of the Equity Shares of SCIL as quoted at BSE in the 26 weeks preceding the date of the Public Announcement and is also and also higher than the average of the daily high and low prices as quoted at BSE during the 2 weeks preceding the date of the Public Announcement. There are no partly paid Shares. There have been the following inter se transfers among promoters /promoter group shareholders who are found ineligible for exemption under Reg. 3(1) (e) read with sub clauses and explanations thereof.

(Price in Rs.)

<b>DATE OF INTER SE TRANSFER</b>	<b>29.05.1998</b>	<b>20.06.1999</b>	<b>28.03.2005</b>	<b>16.09.2005</b>	<b>26.02.2007</b>
NUMBER OF SHARES	100000	130500	98100	195000	285000
PRICE AT WHICH TRANSFERRED	2.30	2.00	10.07	27.60	52.00
HIGHEST PRICE PAID IN PRECEDING 26 WEEKS	2.30	2.00	10.07	27.60	52.00
BOOK VALUE AS ON LAST AUDITED BALANCE SHEET	7.23	6.83	7.81	14.77	36.00
ACTIVELY TRADED IN PRECEDING 6 MONTHS	NO	NO	YES	YES	YES
AVERAGE OF PRECEDING 26 WEEKLY CLOSING HIGH LOW	N.A.	N.A.	8.93	17.63	47.18
AVERAGE OF PRECEDING 2 WEEKS DAILY HIGH/LOW	N.A.	N.A.	11.97	29.31	50.40
HIGHEST OF ABOVE	7.23	6.83	11.97	29.31	52.00

The Offer Price is higher than the highest price paid by the Acquirer /other promoter group Shareholders for the inter se transfers till 16.09.2005 and interest thereof calculated @15% p.a. on the acquisition price from date of acquisition till date of payment under this Offer. The Offer price is also higher than the price calculated as per the parameters under Reg. 20(4) / 20(5) with respect to the said acquisitions and interest thereof @ 15% p.a. from date of acquisition till date of payment under this Offer. The Offer price is also equal to the price paid for the inter se transfer on 26.02.2007 and interest thereof @ 10% from 26th May 2007 till the date of payment of consideration under this Offer & is higher than the price calculated under Reg. 20(4) and interest thereof @ 10% p.a. from 26th May 2007 till the date of payment of consideration under this Offer

5.1.7 In the event of any further Acquisition by the Acquirer/promoter group Shareholders of SCIL, any time till Monday, September 10, 2007 and in the event of such acquisition price being higher than the price offered under this Offer, the Offer price will be revised upwardly to ensure that the price offered under this Offer is not less than the highest price paid for any such acquisitions. Any such upward revision will be notified through an announcement in all dailies where the original Public Announcement was made. The last date for any upward revision is Monday, September 10, 2007.

**5.2 Financial arrangements :**

5.2.1 Assuming full acceptance, the total funds requirements to meet this Offer is Rs.3, 70, 92,470/80 (Rupees three crores seventy lacs ninety two thousand four hundred and seventy and paise eighty only).

5.2.2 In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirer has created an Escrow Account in the form of Fixed Deposit for Rs. 1,00,00,000/- (Rupees One Crore only), which is more than 25 % of the total consideration payable under the Offer, with The Federal Bank Ltd., Manickpur, Vasai (West), Thane 401 202 on March 9, 2007 and lien has been marked on the said account in favor of Fedex Securities Ltd., Manager to the Offer.

5.2.3 The Acquirer has authorized Fedex Securities Ltd., Managers to the Offer to realize the value of the Escrow Account

5.2.4 The Acquirer has adequate resources to meet the financial requirements of the Offer. The funds requirements will be met from own sources/Net Worth and no borrowings from Banks/ FIs or Foreign sources such as NRIs or otherwise is envisaged. The Acquirer hereby declares and confirms that he has adequate and firm financial resources to fulfill the obligations under the Offer.

5.2.5 As per Certificate dated 8th March 2007 from Shri. R.B.Kanvinde (Membership No. 9165), Chartered Accountant, A/1, Vastushilpa CHS, Off Veera Desai Road, Andheri (West), Mumbai - 400 058 (Tel. No. (022) 2683 3564, E Mail ID: rbkanvin@gmail.com) the Net worth of Shri. Rajashekar S Iyer as on 28th February 2007 is Rs. 18.78 Crores.

## LETTER OF OFFER

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5.2.6 Shri R.B.Kanvinde, (Membership No. 9165), Chartered Accountant, A/1, Vastushilpa CHS, Off Veera Desai Road, Andheri (West), Mumbai - 400 058 (Tel. No. (022) 2683 3564, E Mail ID: rbkanvin@gmail.com) vide his Certificate dated 8th March 2007, has certified that the Acquirer has adequate liquid resources to meet the funds requirements of the Offer. The liquid resources available with the Acquirer as on 28.02.2007 are Bank & Cash balances Rs. 163.29 Lacs and market value of quoted investments (other than SCIL) Rs. 564.87 Lacs.

5.2.7 Fedex Securities Limited, Manager to the Offer certify and confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

### 6. TERMS AND CONDITIONS OF THE OFFER

- 6.1
- a. This Offer will open on Friday, August 31, 2007 and will close on Wednesday, September 19, 2007. The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with all rights of dividends, bonuses or rights from now on and hereafter.
  - b. This is not a conditional Offer and there is no stipulation as to the minimum level of acceptance.
  - c. The Specified date for this Offer is Friday, April 6, 2007.
  - d. **Specified date is only for the purpose of determining the names of the Shareholders as on such date, to whom the Letter of Offer would be sent and all owners (registered or unregistered) of Shares of SCIL anytime before the closure of the Offer, are eligible to participate in the Offer.**
  - e. SCIL has signed agreements with NSDL and CDSL for offering Shares in dematerialized form and is traded in compulsory demat mode. The Marketable lot for the Shares of SCIL is 1 (one only). The ISIN Number is INE 613D01016

6.2 **Locked in Shares:** There are no Shares, which are subject to lock in.

#### 6.3. Eligibility for accepting the Offer

- 6.3.1 The Letter of Offer shall be mailed to all Equity Shareholders/beneficial owners holding Equity Shares in dematerialized form (except the Acquirer and other promoter group Shareholders of SCIL ) whose names appear in register of Target Company as on Friday, April 6, 2007, the Specified Date.
- 6.3.2 This Offer is also open to persons who own Equity Shares in SCIL but are not registered Shareholders as on the "Specified date".
- 6.3.3 All Equity Shareholders/Beneficial owners holding Equity Shares in dematerialized form (except the Acquirer, present promoters/promoter group shareholders of SCIL) who own Equity Shares of Target Company anytime before the closure of the Offer are eligible to participate in the Offer.
- 6.3.4 The Form of acceptance and other documents required to be submitted herewith, will be accepted by the Registrar to the Offer, M/s. Sharepro Services (India) Pvt. Ltd (SEBI Regn. No. INR 000001476), 3rd Floor, A Wing, Satam Industrial Estate, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099, Telephone Nos. (022) 28593443, 28508922, 28502824, Fax No. (022) 28508927, E Mail ID: kumaresh@shareproservices.com, (Contact person: Shri. V Kumareshan), between 10 a.m. to 4 p.m. on working days and between 10. a.m. to 2 p.m. on Saturdays, during the period the Offer is open.
- 6.3.5 The Public Announcement, Corrigendum to the Public Announcement, Letter of Offer, the Form of Acceptance and Form of Withdrawal will also be available at SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance or Form of Withdrawal from the SEBI website for applying in the Offer or to withdraw from the Offer.
- 6.3.6 Unregistered Equity Shareholders who have sent the Share Certificates for transfer to SCIL/its Share Transfer Agent and not received them back or hold Shares of SCIL without being submitted for transfer or those who hold in Street Name shall also be eligible to participate in this Offer.
- 6.3.7 Unregistered Equity Shareholders and those who apply in plain paper will not be required to provide any Indemnity.
- 6.3.8 Unregistered Shareholders may follow the same procedure mentioned above for registered Shareholders.
- 6.3.9 The acceptance of this Offer by the Equity Shareholders of SCIL must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 6.3.10 The acceptance of this Offer is entirely at the discretion of the Equity Shareholders of SCIL.
- 6.3.11 The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms etc. during transit and the Equity Shareholders of SCIL are advised to adequately safeguard their interest in this regard.

- 6.3.12 The acceptance of Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 6.3.13 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute part of the terms of the Offer.
- 6.3.14 The Manager to the Offer shall submit a final report to SEBI within 45 days of closure of the Offer in accordance with Regulation 24 (7) of the Regulations.
- 6.3.15 For any assistance please contact Fedex Securities Limited, Manager to the Offer or the Acquirer or the Registrar to the Offer.

**6.4 Statutory Approvals :**

- 6.4.1 As on the date of this Letter of Offer, no approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.
- 6.4.2 Barring unforeseen circumstances, the Acquirer would endeavor to obtain all approvals within 15 days from the date of closure of the Offer. In terms of Regulation 22(12) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment, subject to, the Acquirer agreeing to pay interest to the Shareholders for delay beyond 15 days from date of closure of the Offer.
- 6.4.3 In case the Acquirer fail to obtain requisite statutory approval in time, on account of any willful default or neglect or inaction or no-action, then action in terms of Regulation 22(13) will be initiated by SEBI.
- 6.4.4 No approval is required to be obtained from Banks/Financial Institutions for the Offer.

**7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT**

**ACCEPTANCE OF THE OFFER**

- 7.1.1 Name and Address of the persons (Registrars to the Offer) to whom the Equity Shares along with documents required to be submitted therewith, should be sent including name of the contact person, telephone no., fax no. etc.

<b>Registrars to the Offer</b>	<b>Working days and timings</b>	<b>Mode of delivery</b>
<b>SHAREPRO SERVICES (INDIA) PVT. LTD</b> 3rd Floor, A Wing, Satam Industrial Estate Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099 Tel. Nos. (022) 28593443, 28508922, 28502824 Fax No. (022) 28508927 E Mail ID: kumaresh@shareproservices.com <b>Contact Person: Shri V Kumareshan</b>	<b>Monday to Friday</b> 11.00 A. M to 4.00 P.M. <b>Saturday</b> 11.00 A M to 2.00 P M	By Post/Courier/ Hand delivery

- 7.1.2 Share holders holding Equity Shares in physical form and wishing to tender their Equity Shares will be required to send their form of acceptance, original Share certificates and transfer deeds to the Registrar to the Offer: Sharepro Services (India) Pvt. Ltd (SEBI Regn. No. INR 000001476), 3rd Floor, A Wing, Satam Industrial Estate, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai 400 099, Telephone Nos. (022) 28593443, 28508922, 28502824, Fax No. (022) 28508927, E Mail ID: kumaresh@shareproservices.com, (Contact person: Shri. V Kumareshan) either by hand delivery or by Registered Post, to reach them on or before the closure of the Offer, i.e. Wednesday , September 19, 2007 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance.
- 7.1.3 Beneficial owners (holders of Equity Shares in Dematerialized Form) who 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 Depository Participant (DP) in favor of the Special Depository Account opened by the Registrar to the Offer, in accordance with instructions specified in this Letter of Offer and in the Form of Acceptance-cum-acknowledgement.

**The details of the Special Depository Account is given below:**

DP Name	STOCK HOLDING CORPORATION OF INDIA LTD
DP ID	IN301330
Client Name	SHAREPRO SERVICES (I) PVT. LTD ESCROW A/C SCIL OPEN OFFER
Client ID	20014239

## LETTER OF OFFER

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- 7.1.4 The Acceptance Form along with Share Certificates/copy of delivery instruction to DP and other relevant documents shall be sent to the Registrars only. The same shall not be sent to the Acquirer, Target Company or Manager to the Offer.
- 7.2. Procedure for acceptance of the Offer by unregistered Shareholders/owners of Shares who have sent them for transfer or those who did not receive the Letter of Offer**
- 7.2.1. Accidental omission to dispatch the Letter of Offer to any person will not invalidate the Offer in any way.
- 7.2.2 In case of non-receipt of the letter of Offer, the eligible person(s), holding Equity Shares of SCIL in physical form, may send his/her/their consent on plain paper stating the name, address, number of Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the Share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the date of closure of the Offer.
- 7.2.3 In case of non receipt of the Letter of Offer, beneficial owners holding Equity Shares in dematerialized form, may send their applications in writing to The Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and photocopy of the delivery instruction in "Off-market", or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Special Depository account, so as to reach the Registrar to the Offer on or before the date of closure of the Offer.
- 7.2.4 In case the Share Certificate(s) and Transfer Deeds are lodged with SCIL/its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by SCIL/its Share Transfer Agent, for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of Memorandum & Articles of Association shall also be sent.
- Unregistered owners holding Equity Shares in physical Form should enclose**
- a. Form of Acceptance-cum-acknowledgement duly completed and signed in accordance with instructions contained therein, by all Shareholders whose names appear on the Share certificates.
  - b. Original Share Certificates.
  - c. Original broker contract note of a registered broker of a recognized Stock Exchange
  - d. Valid Share transfer form as received from the market. The details of the buyer should be left blank. If the details of buyer are filled in, the tender will not be valid under the Offer. All other requirements for valid transfer will be pre-conditions for acceptance.
- 7.3 The Acquirer shall accept all valid fully paid up Shares tendered (except those which are withdrawn, within the date specified for withdrawal).
- 7.4 If the number of Equity Shares offered by the Shareholders are more than the Offer size, then the acquisition from each Shareholder will be as per Regulation 21 (6) of the SEBI (SAST) Regulations, on proportionate basis.
- 7.5 The market lot for SCIL's Shares is 1(one only).
- 7.6 Consideration for Equity Shares accepted will be paid by Crossed Account Payee Cheque drawn at Mumbai and sent by Registered Post/Under Certificate of Posting.
- 7.7 The Equity Shares Certificate(s) and the transfer form (s) or Shares transferred to the Special Depository Account together with the Acceptance Form submitted by the acceptors of the Offer, will be held by the Registrars in trust for the acceptors of the Offer until the Acquirer pays the Offer Price.
- 7.8 In terms of Regulation 22(12) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, in case of non receipt of statutory approvals, SEBI has the power to grant extension of time beyond 15 days from the date of closure of offer, for the purpose of making payment, subject to, the Acquirer agreeing to pay interest to the Shareholders for delay beyond 15 days from date of closure of the Offer.
- 7.9 In case of acceptance on proportionate basis/or rejection for any reason, the unaccepted Share Certificates, Transfer deeds and other documents, if any, will be returned by Registered Post at the Share holder's / unregistered holder's sole risk as per the details furnished in the form of acceptance-cum-acknowledgement. Shares held in demat form to the extent not accepted will be returned to the beneficial owner to the credit of the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.

- 7.10 Shareholders who are desirous of withdrawing their acceptances tendered in the Offer can do so upto three working days prior to the date of closure of the Offer, in terms of Regulation 22(5A).
- 7.11 The Withdrawal option can be exercised by submitting the Form of Withdrawal attached to the Letter of Offer duly filled in, with relevant particulars, so as to reach the Registrar to the Offer on or before Friday, September 14, 2007.
- 7.12 The Withdrawal option can also be exercised by making an application on plain paper along with the following details:
- a. Name, Address, Distinctive numbers, Folio nos., No. of Shares tendered/ withdrawn, if held in physical form
  - b. Name, Address, DP Name, DP ID, Beneficiary Account/Client ID No. of the Account from where Shares were tendered, photocopy of the delivery instruction in "Off Market Mode" duly acknowledged by the DP in favor of the Special Depository Account in the name of Registrar and number of Shares tendered /withdrawn.
- 7.13. The Shares withdrawn by Shareholders, which are in physical form will be returned by Registered Post. Shares tendered in dematerialized form and withdrawn will be returned by credit to the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.
- 7.14 SETTLEMENT/ PAYMENT OF CONSIDERATION**
- 7.14.1 The Acquirer shall arrange to pay the consideration on or before Thursday, October 4, 2007. Payment will be made to the person named by the acceptors in the relevant box in the Acceptance Form by "Account Payee" crossed Cheque payable at Mumbai as indicated in the form of acceptance. If no such details are filled in by the acceptor(s), then the same will be sent by registered post/certificate of posting to the Sole/ First holder at their registered address at the Equity Share holder's own risk. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.
- 7.14.2 Consideration for Equity Shares accepted will be paid by Cheque crossed "Account Payee" and drawn at Mumbai. Payment Cheques upto Rs. 1,500/- will be sent by Certificate of Posting and for amount of Rs.1,500/- and above by Registered Post.
- 7.14.3 In terms of Regulation 22(12) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, in the case of non receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to the Acquirer agreeing to pay interest to the Shareholders for delay beyond the last date mentioned for payment of consideration.

## **8. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at A-4, Palm Beach Apartments, J P Road, Versova, Mumbai 400 061, the place of residence of the Acquirer. The documents can be inspected during normal business hours (10.00 A.M. to 5.00 P.M.) on all working days (except Saturdays and Sundays) during the period from the date of this Letter of Offer, till date of closure of the Offer.

1. Certificate dated 8th March 2007 from Shri. R.B.Kanvinde (Membership No. 9165), Chartered Accountant, A/1, Vastushilpa CHS, Off Veera Desai Road, Andheri (West), Mumbai - 400 058 (Tel. No. (022) 2683 3564, E Mail ID: rbkanvin@gmail.com) certifying the Net worth of Shri. Rajashekar S Iyer, as on 28th February 2007.
2. Certificate dated 8th March 2007 from Shri. R.B.Kanvinde (Membership No. 9165), Chartered Accountant, A/1, Vastushilpa CHS, Off Veera Desai Road, Andheri (West), Mumbai - 400 058 (Tel. No. (022) 2683 3564, E Mail ID: rbkanvin@gmail.com) certifying that the Acquirer have adequate liquid resources to meet the funds requirements of the Offer.
3. Published Audited accounts of SCIL for the years 2003-04, 2004 -2005, 2005-2006 & audited results for the 9 months ended 31.12.2006
4. Copy of Fixed Deposit Receipt No. 3004018, Deposit Account No. 154404000000301 dated 9th March 2007 for Rs. 100 Lacs in the name of Shri. Rajashekar S Iyer & Fedex Securities Ltd being Escrow Account and letter dated 9th March 2007 from The Federal Bank Ltd., Manickpur, Vasai (West), Thane 401 202 certifying that lien has been noted in favor of Fedex Securities Limited, Manager to the Offer.
5. Published Copies of the Public Announcement made in newspapers on March 12,2007.
6. Published copies of Corrigendum to the Public Announcement made on Tuesday, August 21, 2007
7. Due Diligence letter dated March 21, 2007 submitted to SEBI by Fedex Securities Ltd., Manager to the Offer

## LETTER OF OFFER

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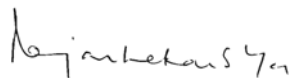
8. Certified Copies of Certificate of Incorporation and Certificate for Commencement of Business of SCIL, the Target Company.
9. Copy of MOU dated March 9, 2007 between the Acquirer and Manager to the Offer.
10. Copy of letter dated March 9, 2007 addressed to the Acquirer by the Registrar to the Offer, offering their services and MOU of even date between the Acquirer and the Registrar to the Offer.
11. Copy of Agreement between Sharepro Services (India) Pvt. Ltd and Stock Holding Corporation of India Ltd for opening the Special Depository Account
12. SEBI Observation letter No. CFD/DCR/TO/HB/101482/07 dated August 16, 2007.

## 9. DECLARATION

The Acquirer accepts full responsibility for the information contained in this Letter of Offer and Form of Acceptance. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

The Acquirer shall be responsible for ensuring compliance of the Regulations.

**The Acquirer**



**Shri Rajashekar S Iyer**

Place: Mumbai

Date: August 21, 2007

### Encl.:

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Share Transfer Deed

**FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

*(Please send this Form with enclosures to the Registrar to the Offer)*

Offer opens on	Friday, August 31, 2007
Offer closes on	Wednesday, September 19, 2007

From: -

Unique Identification No. under MAPIN, if applicable \_\_\_\_\_

**To,**  
**SHAREPRO SERVICES (INDIA) PVT. LTD.**  
 3rd Floor, A Wing, Satam Industrial Estate,  
 Cardinal Gracious Road, Chakala, Andheri (East)  
 Mumbai - 400 099  
**Contact Person: Shri. V Kumareshan**

Dear Sir,

**Sub: Open Offer to acquire 6, 88,172 Equity Shares representing 20.00 % of the Issued, Subscribed and paid up Equity Capital of Securities Capital Investments (India) Limited**  
 by  
**Shri. Rajashekar S Iyer**

I/We refer to the Letter of Offer dated August 21, 2007 for acquiring the Equity Shares held by me/us in Securities Capital Investments (India) Limited.

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We, hold Shares in the physical form, 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:

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We, hold Equity Shares of Securities Capital Investments (India) Limited in physical form, 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.	Ledger Folio No.	No. of Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers	
					From	To

(In the case of Shares in Physical Form)

I/We confirm that the Equity Shares of Securities Capital Investments (India) Limited which are being tendered herewith by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original Share certificate(s) and valid Share transfer deed will be held in trust for me/us by the Registrars to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirers will pay the consideration only after verification of the documents and signatures.

-----><----- -Tear Here -><-----

**ACKNOWLEDGEMENT RECEIPT**

Received from Mr./Ms./M/s..... Form of acceptance cum acknowledgement in connection with open offer to Shareholders of Securities Capital Investments (India) Limited.

Ledger Folio No. \_\_\_\_\_ No. of Share Certificates /Copy of Delivery instructions to DP for \_\_\_\_\_ Shares of Securities Capital Investments (India) Limited.

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares
	In case of dematerialized Shares, ensure that copy of the delivery instruction to the DP and duly acknowledged by the DP is submitted with the tender / offer form.

I/We hold the following Equity Shares of Securities Capital Investments (India) Limited in Dematerialized Form and accept the Offer and enclose a photocopy of the Depository Delivery instruction(s) duly acknowledged by the DP in respect of my/our Equity Shares, details of which are given below:

SI. No	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 Special Depository Account noted below:

DP Name	STOCK HOLDING DCORPORATION OF INDIA LTD
DP ID	IN301330
Client Name	SHAREPRO SERVICES (I) PVT. LTD ESCROW A/C SCIL OPEN OFFER
Client ID	20014239

I/We note and understand that the Shares transferred to the above Special Depository Account will be held in trust for me/us by the Registrars to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the consideration only after verification of the documents and signatures. I/We confirm that the Equity Shares of Securities Capital Investments (India) Limited which are transferred by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirers to accept the Shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, Equity Share certificate(s) in respect of which the offer is not found valid /not accepted, specifying the reasons thereof. I/We authorize the Acquirers or the Manager to the Offer or the Registrars to the Offer to send by registered post/under certificate of posting, the Cheque, in settlement of the amount to the sole/first holder at the address mentioned below:

The permanent Account No. (PAN/GIR No.) Allotted under the Income Tax Act 1961 is as under

	PAN / GIR No.
1st Shareholder	
2nd Shareholder	
3rd Shareholder	
4th Shareholder	

Yours faithfully

Signed and delivered

	Full Name	Holder's Signature
Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place: \_\_\_\_\_

Date: \_\_\_\_\_

So as to avoid fraudulent encashment in transit, the applicants are requested to provide details of Bank account of the sole/first Shareholder and the consideration Cheque will be drawn accordingly.

Name of the Bank	
Full address of the Branch	
Nature of Account	
Account Number	

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**Note** : All future correspondence, if any, should be addressed to the Registrars to the Offer, at the following address:

**SHAREPRO SERVICES (INDIA) PVT. LTD**  
 3rd Floor, A Wing, Satam Industrial Estate,  
 Cardinal Gracious Road, Chakala,  
 Andheri (East), Mumbai 400 099  
 Telephone Nos. (022) 28593443, 28508922, 28502824,  
 Fax No. (022) 28508927  
 E Mail ID: kumaresh@shareproservices.com  
**Contact Person: Shri. V Kumareshan**

**FORM OF WITHDRAWAL**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

*(Please send this Form with enclosures to the Registrar to the Offer)*

Offer opens on	Friday, August 31, 2007
Offer closes on	Wednesday, September 19, 2007

From: -

Unique identification No. under MAPIN, if applicable \_\_\_\_\_

To,

**SHAREPRO SERVICES (INDIA) PVT. LTD.**  
3rd Floor, A Wing, Satam Industrial Estate,  
Cardinal Gracious Road, Chakala, Andheri (East)  
Mumbai - 400 099  
**Contact Person: Shri. V Kumareshan**

Dear Sir,

**Sub: Open Offer to acquire 6, 88,172 Equity Shares representing 20.00 % of the Issued, Subscribed and paid up Equity Capital of Securities Capital Investments (India) Limited**

by

**Shri. Rajashekar S Iyer**

I/We refer to the Letter of Offer dated August 21, 2007 for acquiring the Equity Shares held by me/us in Securities Capital Investments (India) Limited

I/We, hereby consent to unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorize the Acquirers to return to me/us, the tendered Equity Shares 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 the Acquirers/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay /loss in transit of the Share Certificate(s) due to incomplete or inaccurate particulars.

I/We also note and understand that the Acquirers will return the original Share Certificate(s) , Share Transfer Deed(s) or credit back the Shares to my/our Beneficiary Account for Shares held in dematerialized form, only on completion of verification of the documents .

The particulars of Share Certificate(s) tendered and duly signed Transfer Deeds which are wished to be withdrawn from the Offer are as given below:

(In the case of Shares in physical form)

Sr. No.	Ledger Folio No.	No. of Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers	
					From	To

-Tear Here -

**ACKNOWLEDGEMENT RECEIPT**

Received from Mr./Ms./M/s..... Form of withdrawal.

Ledger Folio No. \_\_\_\_\_ No. of Share Certificates /photocopy of delivery instructions to DP for \_\_\_\_\_ Shares of Securities Capital Investments (India) Limited

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares	In case of dematerialized Shares, ensure that copy of the delivery instruction to the DP is submitted with the withdrawal form
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The particulars of Shares held in Dematerialized Form, which were transferred to Special Depository account noted below

DP Name	STCOK HOLDING CORPORATION OF INDIA LTD
DP ID	IN301330
Client Name	SHAREPRO SERVICES (I) PVT. LTD ESCROW A/C SCIL OPEN OFFER
Client ID	20014239

The Shares proposed to be withdrawn are as follows. I wish to withdraw the under noted Shares so transferred.

Sl. No	DP Name	DP ID	Client ID	Name of beneficiary	No. of Shares

(In case of insufficient space, please attach a separate sheet.)

I/We confirm that the Equity Shares of Securities Capital Investments (India) Limited, which were tendered by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

Please find a photocopy of the Delivery instructions duly acknowledged by the DP.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,

Signed and delivered

	Full Name	Holder's Signature
Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place: \_\_\_\_\_

Date : \_\_\_\_\_

-Tear Here -

**Note** : All future correspondence, if any, should be addressed to the Registrars to the Offer, at the following address:

**SHAREPRO SERVICES (INDIA) PVT. LTD**  
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E Mail ID: kumaresh@shareproservices.com  
**Contact Person: Shri. V Kumareshan**