LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as an Equity Shareholder(s) of Signet Industries Limited (formerly Signet Overseas Limited) ("Signet" or the "Target" or the "Target Company"). If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your Equity Shares in Signet Industries Limited (formerly Signet Overseas Limited), please handover this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the purchaser of the Equity Shares or the member of stock exchange through whom the said sale was effected.

Pursuant to Regulation 11(1) and applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto ("SEBI (SAST) Regulations").

Mr. Mukesh Sangla ('Acquirer')
residing at 1-B, Gulmohar Extension, Indore (Madhya Pradesh); Tel No.: +91-731-2593907;

Mr. Saurabh Sangla ('Acquirer')
residing at 1-B, Gulmohar Extension, Indore (Madhya Pradesh); Tel No.: +91-731-2593907;

Ms. Monika Sangla ('Acquirer')
residing at 1-B, Gulmohar Extension, Indore (Madhya Pradesh); Tel No.: +91-731-2593907;

Ms. Avantika Sangla ('Acquirer')
residing at 1-B, Gulmohar Extension, Indore (Madhya Pradesh); Tel No.: +91-731-2593907;

Adroit Industries (India) Limited ("AIL") ('Acquirer')
Registered Office: 429, Vithal Bhai Patel Road, Mumbai – 400 004, Maharashtra; Tel No.: +91-22-23828972; Fax No. +91-22-23854038 and

Shri Balaji Starch & Chemicals Limited ("SBSCL") ('Acquirer')
Registered Office: 308, Acme Plaza, Opposite Sangam Cinema, Andheri – Kurla Road, Andheri (East), Mumbai - 400059, Maharashtra;

(hereinafter collectively referred to as "Acquirers")

alongwith

Ornate Leasing & Finance Private Limited ("OLFPL") ('PAC');
Registered Office: 31, Agrasen Nagar, Indore – 452001, Madhya Pradesh;

Swan Holdings Private Limited ("SHPL") ('PAC');
Registered Office: CM-2, Sukhlia, Opp. Hira Nagar Police Station, Indore, Madhya Pradesh;

Signate Leasing & Finance Private Limited ("SLFPL") ('PAC') and
Registered Office: 4, Vinay Building, Opp. G.S.I.T.S., Indore, Madhya Pradesh;

Signet Impex Private Limited ("SIPL") ('PAC')
Registered Office: 314/3, SDA Compound, Lasudia Mori, Dewas Naka, Indore – 452010, Madhya Pradesh;

(hereinafter collectively referred to as "Persons Acting in Concert" or "PACs")

Makes a Cash Offer at Rs. 40/- (Rupees Forty only) per fully paid up Equity Share

To acquire 9,72,900 Equity Shares of Rs. 10.00 (Rupees Ten only) each fully paid up representing 20% of the paid up equity capital of Signet Industries Limited (formerly Signet Overseas Limited) ("Signet " or the "Target" or the "Target Company")

Registered Office: 308, Acme Plaza, Opposite Sangam Cinema, Andheri – Kurla Road, Andheri (East), Mumbai - 400059
Tel: +91-22-30888061-65 Fax: +91-22-66941567

Corporate Office: 314/3, SDA Compound, Lasudia Mori, Dewas Naka, Indore – 452010
Tel: +91-731-4217800 Fax: +91-731- 4217867

ATTENTION:

1. For the purpose of computing the voting percentage, the voting rights as at the expiration of 15 days after the closure of the Offer has been reckoned.
2. The Offer is being made by Mr. Mukesh Sangla, Mr. Saurabh Sangla, Ms. Monika Sangla, Ms. Avantika Sangla, Adroit Industries (India) Limited and Shri Balaji Starch & Chemicals Limited ("Acquirers") alongwith Ornate Leasing & Finance Private Limited, Swan Holdings Private Limited, Signate Leasing & Finance Private Limited and Signet Impex Private Limited (collectively referred to as "Persons Acting in Concert" or "PACs" as per Regulation 2(1)(e)(1) of SEBI (SAST) Regulations) pursuant to Regulation 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SEBI (SAST) Regulations" or "Regulations") and subsequent amendments thereto.
3. As on the date of Letter of Offer, there is/are no statutory approval(s) required for the purpose of this Offer. However, the Offer would be subject to all statutory approvals as may become applicable till the closure of the Offer.
4. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to 3 working days (i.e. Wednesday, July 7, 2010) prior to the date of the closure of the Offer (i.e. Saturday, July 10, 2010).
5. The Acquirers are permitted to revise the Offer Price of Equity Shares/No. of Equity Shares upward any time up to 7 working days prior to the date of the closing of the Offer. If there is any upward revision in the Offer Price of Equity Shares/ No. of Equity Shares by the Acquirers till the last date of revision viz. Friday, July 2, 2010 or in case of withdrawal of the Offer, the same would be informed by way of a Public Announcement in the newspapers mentioned in paragraph 3.2.1 of this Letter of Offer and the same revised price would be payable by the Acquirers to all shareholders who tendered their Equity Shares at any time during the Offer and which are accepted by the Acquirers under the Offer.
6. The Offer is not conditional and not subject to any minimum level of acceptance by the Public Shareholders.
7. If there is a competitive bid: (i) the public offers under all the subsisting bids shall close on the same date. (ii) as the offer price cannot be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.
8. There has been no competitive bid to the Offer till date.
9. The Public Announcement and this Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) are available on SEBI's website: www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
almondz *the financial powerhouse* **Almondz Global Securities Limited** 33, Vaswani Mansion, 6th Floor Dinshaw Vachha Road, Churchgate, Mumbai–400020 **Phone:** +91-22-2287 0580 **Fax:** +91-22-2287 0581 **Email:** signetopenoffer@almondz.com **Website:** www.almondzglobal.com **Contact Person:** Mr. Kaushal Patwa	KARVY Karvy Computershare Private Limited **Karvy Computershare Private Limited** Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081 **Phone:** +91-40-2342 0815-23 **Fax:** +91-40-2343 1551 **Email:** murali@karvy.com **Website:** www.karvy.com **Contact Person:** Mr. M. Murali Krishna

OFFER OPENS ON : June 21, 2010 (Monday)	**OFFER CLOSES ON : July 10, 2010 (Saturday)**

SCHEDULE OF MAJOR ACTIVITIES OF THE OPEN OFFER

Activity	Original Schedule	Revised Schedule
Public Announcement Date	May 4, 2010 (Tuesday)	May 4, 2010 (Tuesday)
Specified Date (for the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent)*	June 3, 2010 (Thursday)	June 3, 2010 (Thursday)
Last Date for a competitive bid, if any	May 25, 2010 (Tuesday)	May 25, 2010 (Tuesday)
Date by which Letter of Offer to be dispatched to shareholders	June 9, 2010(Wednesday)	June 16, 2010 (Wednesday)
Date of opening of Offer	June 28, 2010 (Monday)	June 21, 2010 (Monday)
Last date for revising the Offer price/number of shares	July 8, 2010 (Thursday)	July 2, 2010 (Friday)
Last date for withdrawal of acceptance by shareholders who have accepted the Offer	July 14, 2010(Wednesday)	July 7, 2010 (Wednesday)
Date of closing of Open Offer	July 19, 2010 (Monday)	July 10, 2010 (Saturday)
Last date of communicating rejection/acceptance and payment of consideration for application accepted.	August 3, 2010(Tuesday)	July 24, 2010 (Saturday)

** Specified date is only for the purpose of determining the names of the Public Shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of the Equity Shares of the Target, except the parties to the Share Purchase Agreement ("SPA") and the Promoter and Promoter Group of Target Company, are eligible to participate in the Offer anytime before the closure of the Offer.*

RISK FACTORS

Risk Factors associated with the Acquirers, PACs and the Target Company

1. The Acquirers and PACs make no assurance with respect to the market price of the shares of the Target Company during/after the Open Offer and disclaim any responsibility with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer.

2. There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

Risk Factors associated with the Open Offer

1. Where the number of shares offered for sale by the shareholders is more than the shares agreed to be acquired by the Acquirers, the Acquirers shall accept the offers received from the shareholders on a proportional basis in consultation with the Manager to the Offer. Hence, there is no certainty that all shares tendered by the shareholders in the Offer will be accepted, in case there is oversubscription of the Offer.

2. As on the date of this Letter of Offer, there are no statutory approvals required for the purpose of this Offer. However, the Offer would be subject to all statutory approvals as may become applicable till the closure of the Offer. In the event of regulatory approvals (if any) not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders whose Equity Shares have been accepted in the Offer as well as the return of the Equity Shares not accepted by the Acquirers, may be delayed. Shareholders should note that after the last date for withdrawal of acceptances under the Open Offer i.e. Wednesday, July 7, 2010 shareholders who have lodged the Equity Shares will not be able to withdraw them even if the acceptance of Equity Shares under the Open Offer and dispatch of consideration gets delayed. The tendered Equity Shares and documents will be held by the Registrar to the Offer, until such time as the process of acceptance of tenders and the payment of consideration is completed.

3. The Equity Shares tendered in the Open Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the shareholders will not be able to trade such Equity Shares. During such period there may be fluctuations in the market price of the Equity Shares.

4. In the event of oversubscription in the Offer, the acceptance of the tendered shares will be on a proportionate basis as per Regulation 21(6) of the Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner.

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

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

CONTENTS

1. DEFINITIONS

Acquirers	Mr. Mukesh Sangla, Mr. Saurabh Sangla, Ms. Monika Sangla, Ms. Avantika Sangla, Adroit Industries (India) Limited and Shri Balaji Starch & Chemicals Limited
Board/ Board of Directors	Board of Directors of the Target Company
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956
DIN	Director Identification Number
DP or Depository Participant	Karvy Stock Broking Limited
Draft Letter of Offer	The Draft Letter of Offer dated May 18, 2010
ECS	Electronic Clearing System
Equity Share(s) / Share(s)	Fully paid-up Equity Share(s) of face value of Rs. 10/- each of the Target Company i.e. Signet Industries Limited (formerly Signet Overseas Limited)
Escrow Agreement	Escrow Agreement dated April 28, 2010 between Acquirers, PACs, Escrow Bank and Manager to the Offer
Escrow Bank/ Escrow Agent	UCO Bank, Girnar Tower, 3/5, 4/5 New Palasia, Indore – 452003
FEMA	The Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investors registered with SEBI
Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer
Form of Withdrawal / FOW	Form of Withdrawal accompanying this Letter of Offer
FY	Financial year
HUF	Hindu Undivided Family
IFSC	Indian Financial System Code
Listing Agreement	The Listing Agreement entered into by the Target Company with the Stock Exchanges
LOF	Letter of Offer dated June 12, 2010
Manager to the Offer or AGSL	Almondz Global Securities Limited
MICR	Magnetic Ink Character Recognition
MPSE	Madhya Pradesh Stock Exchange Limited
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding shares of the Target Company
NRI(s)	Non Resident Indians
NSDL	National Securities Depository Limited
OCB(s)	Overseas Corporate Bodies
Offer or Open Offer	Open Offer to acquire 9,72,900 Equity Shares of the Target Company of face value of Rs. 10/- each at an Offer Price of Rs. 40/- per equity share representing in aggregate 20% of the fully paid-up Equity Share Capital as set out in this Letter of Offer
Offer Closing Date / Date of Closure of the Offer	Saturday, July 10, 2010
Offer Opening Date / Date of Opening of the Offer	Monday, June 21, 2010
Offer Period	From Monday, June 21, 2010 to Saturday, July 10, 2010
Offer Price	Rs. 40/- (Rs. Forty only) per fully paid-up Equity Share of face value of Rs. 10/- each of the Target Company
Offer Size	9,72,900 Equity Shares of the Target Company of face value of Rs. 10/- each at an Offer Price of Rs. 40/- per equity share representing in aggregate 20% of the fully paid-up Equity Share Capital as set out in this Letter of Offer
PACs	Ornate Leasing & Finance Private Limited, Swan Holdings Private Limited, Signate Leasing & Finance Private Limited and Signet Impex Private Limited as

	per Regulation 2(1)(e)(1) of SEBI (SAST) Regulations
Person eligible to participate in the Offer	All owners (registered or unregistered) of the Equity Shares of the Target Company, except the parties to the SPA and the Promoter and Promoter Group of Target Company, are eligible to participate in the Offer anytime before the closure of the Offer
Promoter and Promoter Group	a) Mr. Mukesh Sangla; (b)Mr. Saurabh Sangla; (c) Ms. Monika Sangla; (d) Mukesh Sangla - HUF; (e) Ornate Leasing & Finance Private Limited; (f) Swan Holdings Private Limited; and (g) Signate Leasing & Finance Private Limited.
Public Announcement or PA	Public Announcement for the Open Offer issued on behalf of the Acquirers alongwith the PACs on May 4, 2010
RBI	Reserve Bank of India
Registrar or Registrar to the Offer or Karvy	Karvy Computershare Private Limited an entity registered with SEBI under SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended
RTGS	Real Time Gross Settlement
Rupee(s) / Rs.	Indian Rupee(s), the legal currency of Republic of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
Sellers	Padmini Distributors Private Limited, Kesar Vincom Private Limited, Magnolia Traders Private Limited, Pushpanjali Vinimay Private Limited, Jeevan Commercial Private Limited and Prime Suppliers Private Limited
Shareholder(s)	Equity Shareholder(s) of Signet Industries Limited (formerly Signet Overseas Limited)
SPA	Share Purchase Agreement dated April 28, 2010 entered into between Sellers and Acquirers, for the purchase of 12,25,200 Equity Shares of the Target Company from the Sellers.
Special Depository Account	The Special Depository Account opened by the Registrar to the Offer with NSDL to hold the demat shares tendered by the Shareholders in the Offer
Specified Date	Thursday, June 3, 2010
SEBI (SAST) Regulations or Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
Target or Target Company or Signet	Signet Industries Limited (formerly Signet Overseas Limited)

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY THE SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO THE 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 SIGNET INDUSTRIES LIMITED (FORMERLY SIGNET OVERSEAS LIMITED) TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, PACs OR THE COMPANY WHOSE EQUITY SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS, DULY DISCHARGE IT'S RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, ALMONDZ GLOBAL SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 18, 2010 TO THE SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 This Open Offer is being made in compliance with, among others, Regulation 11(1) of SEBI (SAST) Regulations with the perspective of increasing promoters' stake and consolidating their shareholding in the Target Company. The Acquirers and PACs form part of the present Promoter Group of the Target Company.

3.1.2 This Offer is being made by Mr. Mukesh Sangla, Mr. Saurabh Sangla, Ms. Monika Sangla, Ms. Avantika Sangla, Adroit Industries (India) Limited and Shri Balaji Starch & Chemicals Limited (hereinafter collectively referred to as the "Acquirers") alongwith Ornate Leasing & Finance Private Limited, Swan Holdings Private Limited, Signate Leasing & Finance Private Limited and Signet Impex Private Limited (hereinafter collectively referred to as the "Persons Acting in Concert" or "PACs") to the equity shareholders of Signet Industries Limited (formerly Signet Overseas Limited), a public company incorporated and duly registered under the Companies Act, 1956 and having its registered office at 308, Acme Plaza, Opposite Sangam Cinema, Andheri – Kurla Road, Andheri (East), Mumbai 400059 (hereinafter referred to as the "Target Company" or the "Signet" or the "Target") to acquire upto 9,72,900 fully paid up equity shares of Rs. 10/- each of the Target Company, representing 20.00% of the paid up equity share capital at a price of Rs. 40/- (Rupees Forty only) per share ("Offer Price") payable in cash subject to the terms and conditions mentioned in the PA and this Letter of Offer.

3.1.3 The Acquirers have entered into a Share Purchase Agreement dated April 28, 2010 ("SPA" or "Agreement") with Padmini Distributors Private Limited, Kesar Vincom Private Limited, Magnolia Traders Private Limited, Pushpanjali Vinimay Private Limited, Jeevan Commercial Private Limited and Prime Suppliers Private Limited (hereinafter collectively referred to as "Sellers") to acquire in aggregate 12,25,200 fully paid-up equity shares of face value of Rs. 10/- each at a price of Rs. 35/- (Rupees Thirty Five only) per equity share from the Sellers, payable in cash ("Negotiated Price") representing 25.19% of the paid-up equity and voting share capital of the Target Company aggregating to consideration of Rs. 4,28,82,000 (Rupees Four Crores Twenty Eight Lakhs and Eighty Two Thousand only). Apart from the consideration stated above, no compensation, either directly or indirectly, is being given to the Sellers. The details of acquisition under the Agreement are as under:

Sr. No	Sellers				Acquirers		
	Name of the Seller	**Address**	**Number of Shares**	**% of total paid-up share capital**	**Name of the Acquirer**	**Number of Shares acquired through SPA**	**% w.r.t the total Paid-up capital**
1.	Padmini Distributors Private Limited	29, Shivtalla Street, Kolkata	2,25,000	4.63	Mr. Mukesh Sangla	50,000	1.03
					Mr. Saurabh Sangla	50,000	1.03
					Ms. Monika Sangla	50,000	1.03
					Ms. Avantika Sangla	75,000	1.54
2.	Kesar Vincom Private Ltd	4 Clive Row, 4th Floor, Room No. 407, Kolkata	2,25,000	4.63	Adroit Industries (India) Limited	2,25,000	4.63
3.	Magnolia Traders Private	64B, B.K. Paul	1,87,500	3.85	Adroit Industries (India) Limited	1,87,500	3.85

	Ltd	Avenue, Kolkata					
4.	Pushpanjali Vinimay Private Ltd	78, Bentick Street, Kolkata	1,87,500	3.85	Shri Balaji Starch & Chemicals Limited	1,87,500	3.85
5.	Jeevan Commercial Private Ltd	265, BT, Road, Manish Super Market, Room NO. 3, Kolkata	1,60,200	3.29	Shri Balaji Starch & Chemicals Limited	1,60,200	3.29
6.	Prime Suppliers Private Ltd	31/1F, Beadon Row, Kolkata	2,40,000	4.93	Shri Balaji Starch & Chemicals Limited	2,40,000	4.93
	Total		**12,25,200**	**25.19**		**12,25,200**	**25.19**

The salient features of the SPA are as under:

a) The Seller agrees that Sale Share Consideration payable by the Acquirers shall not be subject to any change, even if the acquisition price in the Public Offer is higher for any other reason whatsoever.

b) There is no non-compete fee payable between the Acquirers and Sellers.

c) In case of non-compliance of any provisions of SEBI (SAST) Regulations, the SPA shall not be acted upon.

d) The Acquirers, PACs, Sellers and the Bank have entered into a separate Escrow Agreement for receipt /payment of Share Sale Consideration and for acquisition / transfer of Sale Shares.

e) The Sellers have agreed to receive the Share Sale Consideration in the following manner:

   a. Ten percent (10%) of the Sale Share Consideration shall be paid by the Acquirers within seven working days from the date of Public Announcement;

   b. Forty percent (40%) of the Sale Share Consideration shall be paid by the Acquirers on or before the date of filing of the Letter of Offer with SEBI under the SEBI Takeover Regulations; and

   c. The balance Fifty percent (50%) of the Sale Share Consideration shall be paid by the Acquirers on or before two working days from the receipt of observations from SEBI on the Letter of Offer.

3.1.4 The above SPA has necessitated the Open Offer in terms of Regulation 11(1) of SEBI (SAST) Regulations.

3.1.5 The paid up equity share capital of the Target Company is Rs. 4,86,45,000/- (Rupees Four Crores Eighty Six Lakhs Forty Five Thousand only) consisting of 48,64,500 fully paid-up equity shares of face value of Rs. 10/- (Rupees Ten Only) each.

3.1.6 As on the date of PA, the shareholding of the Promoter/Promoter Group in the Target Company is 30.66% of the paid up share capital, details of which are as under:

Sr. No.	Name of the Promoter / Promoter Group	Existing Shareholding (No. of Shares)	Existing Shareholding (%)
1	Mukesh Sangla	2,57,397	5.29
2	Saurabh Sangla	2,52,000	5.18
3	Monika Sangla	2,57,250	5.29
4	Mukesh Sangla HUF	1,80,012	3.70
5	Ornate Leasing & Finance Private Limited	1,82,400	3.75

6	Swan Holdings Private Limited	1,81,950	3.74
7	Signate Leasing & Finance Private Limited	1,80,291	3.71
	Total	**14,91,300**	**30.66**

3.1.7 However, pursuant to SPA, the Acquirers alongwith other constituents of the Promoter Group shall be jointly holding 27,16,500 Equity Shares constituting 55.84% of the equity share capital of the Target Company. Mr. Mukesh Sangla and Mr. Saurabh Sangla, Acquirers and promoters of the Target Company are also the Promoter-Directors of Adroit Industries (India) Limited and Shri Balaji Starch & Chemicals Limited. The Acquirers or any member of the Promoter Group or any PACs have not acquired any equity shares of the Target Company during the preceding twelve months from the date of the PA, except for allotment of 9,94,200 equity shares in relation to bonus shares issued by the Target Company in December, 2009.

3.1.8 The shareholding of Acquirers and PACs before and after SPA is as under:

Sr. No	Name of the Acquirers / PACs	Existing Shareholding (No. of Shares)	Existing Shareholding (%)	Shares Acquired through SPA (No of Shares)	Shares Acquired through SPA (%)	Total Shareholding after SPA (No. of Shares)	Total Shareholding after SPA (%)
1	Mukesh Sangla	2,57,397	5.29	50,000	1.03	3,07,397	6.32
2	Saurabh Sangla	2,52,000	5.18	50,000	1.03	3,02,000	6.21
3	Monika Sangla	2,57,250	5.29	50,000	1.03	3,07,250	6.32
4	Avantika Sangla	NIL	NIL	75,000	1.54	75,000	1.54
5	Shri Balaji Starch & Chemicals Ltd	NIL	NIL	5,87,700	12.08	5,87,700	12.08
6	Adroit Industries (India) Ltd	NIL	NIL	4,12,500	8.48	4,12,500	8.48
7	Ornate Leasing & Finance Private Limited	1,82,400	3.75	NIL	NIL	1,82,400	3.75
8	Swan Holdings Private Limited	1,81,950	3.74	NIL	NIL	1,81,950	3.74
9	Signet Impex Private Limited	NIL	NIL	NIL	NIL	NIL	NIL
10	Signate Leasing & Finance Private Limited	1,80,291	3.71	NIL	NIL	1,80,291	3.71
	Total	**13,11,288**	**26.96**	**12,25,200**	**25.19**	**25,36,488**	**52.15**

3.1.9 Neither the Acquirers nor the PACs nor the Sellers nor the Target Company has been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or under any other regulations made under the SEBI Act, 1992.

3.1.10 As on the date of PA and this Letter of Offer, two of the Acquirers viz. Mr. Mukesh Sangla and Mr. Saurabh Sangla are also on the Board of Directors of the Target Company.

3.1.11 The Manager to the Offer does not hold any equity shares in the Target Company, as on the date of the Public Announcement. In terms of Regulation 24(5A) of the SEBI (SAST) Regulations, the Manager to the Offer shall not deal in the equity shares of the Target Company during the period commencing from the date of its appointment in terms of Regulation 13 of the SEBI (SAST) Regulations till the expiry of fifteen days from the date of closure of the Offer.

3.2 Details of the proposed Offer

3.2.1 The Public Announcement announcing the Offer appeared on May 4, 2010 in the following newspapers, in accordance with Regulation 15(1) of the SEBI (SAST) Regulations:

Newspaper	Language	Edition
Business Standard	English	All editions
Business Standard	Hindi	All editions
Navshakti	Regional language (Marathi)	Mumbai

The Public Announcement is also available on the SEBI website at www.sebi.gov.in

3.2.2 Pursuant to the signing of SPA, the Acquirers alongwith PACs are making this Offer under Regulation 11(1) of SEBI (SAST) Regulations, to the public shareholders of the Target Company (other than the parties to the SPA and the Promoter and Promoter Group of Target Company) to acquire 9,72,900 fully paid up equity shares representing 20.00% of the paid-up equity share capital of Target Company ("Offer Size") at a price of Rs. 40/- (Rupees Forty only) per equity share ("Offer Price") payable in cash subject to the terms and conditions mentioned in the PA and the Letter of Offer to be sent to all shareholders of the Target Company as on the Specified Date along with Form of Acceptance cum Acknowledgement. The equity shares that would be tendered in the valid form in terms of this Offer will be transferred in favour of the Acquirers / PACs upon completion of the Open Offer formalities. This Offer is in accordance with Regulation 11(1) of the SEBI (SAST) Regulations, consequent to the acquisition of equity shares by the Acquirers / PACs referred in clause 3.1.3 above.

3.2.3 There are no partly paid-up shares in the Target Company.

3.2.4 This is not a competitive bid.

3.2.5 The Offer is not conditional on any minimum level of acceptance

3.2.6 Neither the Acquirers / PACs nor its directors (as on the date of the Public Announcement), have acquired any shares of Target Company during the 12 months period prior to the date of the Public Announcement except for the bonus shares allotted to them aggregating 9,94,200 Equity Shares in December 2009.

3.2.7 None of the Acquirers / PACs has acquired any equity shares of Target Company, except under the above mentioned SPA, after the date of Public Announcement and upto the date of this Letter of Offer.

3.2.8 There is no differential price since the entire consideration is payable in cash.

3.2.9 For the purpose of this Offer, there are four persons acting in concert with the Acquirer, as mentioned in paragraph 3.1 above of this Letter of Offer, within the meaning of Regulation 2(1)(e)(1) of the Regulations.

3.2.10 Pursuant to the applicability of Regulation 2(1)(e)(2) of the SEBI (SAST) Regulations, there will be certain relatives / affiliates deemed to be PACs with the Acquirers, however, such persons are not "Persons Acting in Concert" for the purposes of this Open Offer.

3.2.11 Any decision for an upward revision in the Offer Price by the Acquirers till the last date of revision i.e. Friday, July 2, 2010 or withdrawal of the Offer would be communicated by way of a public announcement in the same newspapers in which the Public Announcement had appeared. In case of an upward revision in the Offer Price, the Acquirers would pay such revised price for all the

Equity Shares validly tendered any time during the Offer and accepted under the Offer. The acquisition of shares, which are validly tendered under this Offer will take place on or before Saturday, July 10, 2010 in accordance with the events set out in this Letter of Offer and not at any point earlier in time.

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

3.3 Object of the Offer and Future Plans

3.3.1 The Acquirers have agreed to acquire 12,25,200 equity shares of Rs. 10 (Rupees Ten only) each at a price of Rs. 35/- each constituting 25.19% of the fully paid up capital of the Target Company vide SPA dated April 28, 2010 with the perspective of increasing their stake and consolidating their shareholding in the Target Company alongwith other entities of the Promoter Group.

3.3.2 This Offer is made by the Acquirers alongwith PACs in compliance with and in accordance with Regulation 11 (1) of the SEBI (SAST) Regulations without any change in management.

3.3.3 The Target Company proposes to set up a new manufacturing unit for manufacture of drip irrigation systems, HDPE / PVC pipes and its fittings and moulded items like furniture, household, agro-based, hardware, etc. with installed capacity of 15600 MT per annum at an estimated cost of Rs. 9000 lakhs for which the Target Company also has plans to raise debt and / or equity from the capital market.

3.3.4 The Acquirers and PACs undertake not to dispose of or otherwise encumber of any assets of Target Company in two years from the date of closure of Offer except in ordinary course of business of the Target Company. Further, the Acquirers and PACs undertake that they shall not dispose of or otherwise encumber any substantial asset of the target company except with the prior approval of the shareholders.

4. BACKGROUND OF THE ACQUIRERS AND THE PERSONS ACTING IN CONCERT (PACS)

Acquirers – Individuals

4.1 **Mr. Mukesh Sangla**, son of Mr. Lal Chand Agrawal, aged about 55 years is residing at 1-B, Gulmohar Extension, Indore, Madhya Pradesh; Tel. No: +91-0731-2593907. He is a Bachelor of Arts from Vikram University, Ujjain. He has an overall experience of 35 years in the business of plastics, chemicals and automobiles. His networth as on April 28, 2010 is Rs. 1339.34 lakhs as certified by Mr. Lalit Kumar Jain (Membership No. 075283) Partner of Lalit K Jain & Co. , Chartered Accountants having office at 112-113, Rafael Tower, 8/2, Old Palasia, Greater Kailash Road, Indore – 452 001, Tel. No: +91-731-2561691, Fax No.: +91-731-2561692, Email Id: lalitkjain_ca@rediffmail.com vide certificate dated April 28, 2010. He is one of the Promoters of the Target Company and also its Chairman & Managing Director. He also holds directorship in Adroit Industries (India) Limited, Shri Balaji Starch and Chemicals Limited, Ornate Leasing & Finance Private Limited, Swan Holdings Private Limited, Signate Leasing & Finance Private Limited and Signet Impex Private Limited. He has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of SEBI Act. He has complied with all the provisions of Chapter II of SEBI Takeover Regulations, wherever applicable.

4.2 **Mr. Saurabh Sangla**, son of Mr. Mukesh Sangla, aged about 29 years is residing at 1-B, Gulmohar Extension, Indore, Madhya Pradesh; Tel. No: +91-0731-2593907. He is a Bachelor of Science in Industrial Engineering & Operations Research from University of California, Berkeley (USA). He has an overall experience of 7 years in the business of plastics, chemicals and automobiles. His networth as on April 28, 2010 is Rs. 300.56 lakhs as certified by Mr. Lalit Kumar Jain (Membership No. 075283) Partner of Lalit K Jain & Co. , Chartered Accountants having office at 112-113, Rafael Tower, 8/2, Old Palasia, Greater Kailash Road, Indore – 452 001, Tel. No: +91-731-2561691, Fax No.: +91-731-2561692, Email Id: lalitkjain_ca@rediffmail.com vide certificate dated April 28, 2010. He is one of the Promoters of the Target Company and also on its Board of Directors. He also holds directorship in Adroit Industries (India) Limited, Shri Balaji Starch and Chemicals Limited, Ornate Leasing & Finance Private Limited, Swan Holdings Private Limited and Signet Impex Private Limited. He has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of SEBI Act. He has complied with all the provisions of Chapter II of SEBI Takeover Regulations, wherever applicable.

4.3 **Ms. Monika Sangla**, wife of Mr. Mukesh Sangla, aged about 51 years is residing at 1-B, Gulmohar Extension, Indore, Madhya Pradesh; Tel. No: +91-0731-2593907. She has done her Masters of Arts from Indore University. She is having overall experience of 15 years in managing day to day business activities of a group company. Her networth as on April 28, 2010 is Rs. 305.21 lakhs as certified by Mr. Lalit Kumar Jain (Membership No. 075283) Partner of Lalit K Jain & Co. , Chartered Accountants having office at 112-113, Rafael Tower, 8/2, Old Palasia, Greater Kailash Road, Indore – 452 001, Tel. No: +91-731-2561691, Fax No.: +91-731-2561692, Email Id: lalitkjain_ca@rediffmail.com vide certificate dated April 28, 2010. She forms part of the Promoter Group of the Target Company. She holds directorship in Shri Balaji Starch and Chemicals Limited and Signate Leasing & Finance Private Limited. She has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of SEBI Act. She has complied with all the provisions of Chapter II of SEBI Takeover Regulations, wherever applicable.

4.4 **Ms. Avantika Sangla**, wife of Mr. Saurabh Sangla, aged about 27 years is residing at 1-B, Gulmohar Extension, Indore, Madhya Pradesh, Tel. No: +91-0731-2593907. She is a Bachelor of Arts from University of Mumbai and has done a Diploma in Fashion Design & Information Technology from National Institute of Fashion Technology. She is having overall experience of 6 years in fashion designing. Her networth as on April 28, 2010 is Rs. 122.00 lakhs as certified by Lalit Kumar Jain (Membership No. 075283) Partner of Lalit K Jain & Co. , Chartered Accountants having office at 112-113, Rafael Tower, 8/2, Old Palasia, Greater Kailash Road, Indore – 452 001, Tel. No: +91-731-2561691, Fax No.: +91-731-2561692, Email Id: lalitkjain_ca@rediffmail.com vide certificate dated April 28, 2010. She has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of SEBI Act. She has complied with all the provisions of Chapter II of SEBI Takeover Regulations, wherever applicable.

Acquirers – Corporates

4.5 **Adroit Industries (India) Limited ("AIL")**

4.5.1 AIL was incorporated on January 9, 1995 as a public limited company under the Companies act, 1956 with the Registrar of Companies, Mumbai, Maharashtra. The registered office of AIL is situated at 429, Vithal Bhai Patel Road, Mumbai – 400 004, Maharashtra; Tel No.: +91-22-23828972; Fax No.: +91-22-23854038. The Corporate office of AIL is situated at 50-A, Laxmibai Nagar, Fort-Industrial Estate, Indore – 452 008, Madhya Pradesh; Tel No.: +91-731-2410568 / 2412821; Fax No.: +91-731-2411988.

4.5.2 The present promoters of AIL are Mr. Mukesh Sangla and Mr. Saurabh Sangla. AIL forms a part of the promoter group of Target Company.

4.5.3 AIL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended or under any other regulation made under the SEBI Act. The equity shares of AIL are not listed on any stock exchange.

4.5.4 AIL is presently engaged in the business of manufacturing of propellers shafts, castings forgings and other items used in the automobile industry.

4.5.5 Pursuant to the SPA, AIL has acquired 4,12,500 Equity Shares of the Target Company.

4.5.6 The provisions of Chapter II of SEBI (SAST) Regulations have been complied with by AIL, wherever applicable.

4.5.7 The Authorised Share Capital of AIL is Rs. 6,00,00,000 comprising of 60,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs. 5,62,50,000 comprising of 56,25,000 fully paid up equity shares of Rs. 10 /- each.

4.5.8 The shareholding pattern of AIL as on the date of Public Announcement is as follows:

Name of the Equity Shareholder	Number of Equity Shares	% of issued capital
Mukesh Sangla HUF	3,60,550	6.41
Mr. Mukesh Sangla	6,53,325	11.61
Mr. Saurabh Sangla	5,88,850	10.47
Ms. Monika Sangla	3,71,100	6.60
Ms. Avantika Sangla	5,00,000	8.89
Ornate Leasing & Finance Private Limited	3,42,040	6.08
Signet Impex Private Limited	3,15,750	5.61
Swan Holdings Private Limited	2,28,500	4.06
Signate Leasing & Finance Private Limited	2,52,000	4.48
Signet Industries Limited (formerly Signet Overseas Limited)	14,90,650	26.50
Shri Balaji Starch and Chemicals Limited	5,22,235	9.29
Total	**56,25,000**	**100.00**

4.5.9 The details of the Board of Directors of AIL are given below:

Name	Residential address	Qualification	Nature of experience	Date of appointment
Mr. Mukesh Sangla	1-B, Gulmohar Extension, Indore, Madhya Pradesh	B.A.	Engaged in the business of Plastics, Chemicals and Automobiles since last 35 years.	March 13, 2007
Mr. Saurabh Sangla	1-B, Gulmohar Extension, Indore, Madhya Pradesh	B. Sc. (Industrial Engineering and Operations Research)	Engaged in the business of Plastics, Chemicals and Automobiles since last 7 years.	March 13, 2007
Mr. Bhupesh Sanghvi	Pragati Vihar, Bhicholi Mardana, Indore, Madhya Pradesh	B.Com	Engaged in the business of electric motors, sub-mercantile pumps. Has also worked as a contractor for construction of houses and developing colonies; Overall experience of 15 years	March 13, 2007
Mr. Mahesh Gupta	31, Agrasen Nagar, Indore, Madhya Pradesh	DHB, Bachelor of Ayurvedic Medicine & Surgery	Practising as a Doctor for the last 33 years.	March 13, 2007

Note: Mr. Mukesh Sangla and Mr. Saurabh Sangla are also on the board of Target Company and have refused themselves and will not participate in any matter concerning or relating the Offer including any preparatory steps leading up to the Offer in terms of Regulation 22(9) of the SEBI (SAST) Regulations.

4.5.10 The brief financial details of AIL are as under:

Profit & Loss Statement	**April 1, 2009 to December 31, 2009 (unaudited)***	**2008-09 (audited)**	**2007-08 (audited)**	**2006-07 (audited)**
				(Rs. in lakhs)
Income from operations	967.52	2461.36	2211.46	2053.02
Other Income	4.37	55.98	6.71	4.35
Total Income	971.89	2517.34	2218.17	2057.37
Total Expenditure	702.54	2040.98	1729.05	1666.16
Profit before Depreciation, Interest and Tax	269.35	476.36	489.12	391.21
Depreciation	54.32	74.99	81.54	64.95
Interest	89.09	178.45	128.05	1.82
Profit before Tax	125.94	222.93	279.53	324.43
Provision for Tax	43.95	77.72	110.87	73.19
Profit after Tax	81.99	145.21	168.66	251.24

Balance Sheet Statement	**April 1, 2009 to December 31, 2009 (unaudited)***	**2008-09 (audited)**	**2007-08 (audited)**	**2006-07 (audited)**
				(Rs. in lakhs)
Sources of funds				
Paid up share capital	562.50	562.50	562.50	562.50
Reserves and Surplus (excluding revaluation reserves)	741.60	659.60	514.40	345.73
Total miscellaneous expenditure not written off	-	-	-	(0.57)
Net worth	1304.10	1222.10	1076.90	907.66
Secured loans	791.80	949.27	1051.72	277.80
Unsecured loans	-	-	-	-
Deferred tax Liability	3.35	4.40	0.63	19.36
Total	**2099.25**	**2175.78**	**2129.25**	**1204.82**
Uses of funds				
Net fixed assets	456.83	508.97	460.81	395.71
Investments	-	-	-	-
Net current assets	1642.42	1666.80	1668.44	809.11
Total	**2099.25**	**2175.87**	**2129.25**	**1204.82**

Other Financial Data	**April 1, 2009 to December 31, 2009 (unaudited)***	**2008-09 (audited)**	**2007-08 (audited)**	**2006-07 (audited)**
Dividend (%)	-	-	-	-
Earning Per Share	1.46**	2.58	2.99	4.47
Return on Net worth (%)	6.29**	11.88	15.66	27.68
Book Value Per Share	23.18	21.73	19.14	16.14

(Source: Annual Reports and Limited Review Report for the April 1, 2009 to December 31, 2009)

** As certified by the Statutory Auditor, Mr. Avinash Baxi, Partner, (Membership No. 79722), Ashok Khasgiwala & Co., Chartered Accountants; Address: 317, Chetak Centre, "Annex", R. N. T. Marg, Indore - 452001; Tel. No. +91-731-2517341 / 3046909; E-mail: ashokkhasgiwala@yahoo.com.*

*** Unannualized*

Financial ratios have been computed as follows:

Earning per share computed as PAT/number of shares; Book value per share computed as the Networth / number of shares; Return on networth computed as PAT/Networth.

4.5.11 The significant accounting policies of AIL are as under:

1. Accounting Convention
The accounts have been prepared in accordance with the historical cost convention.

2. Fixed Assets
a. Fixed assets are stated at cost of acquisition, net of tax/duty credit availed if any, including any cost attributable for bringing the assets to its working condition for its intended use; less accumulated depreciation.

b. Assets under erection / installation and advance given for capital expenditure are shown as "Capital work in progress". Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on erection / installations of the assets.

3. Depreciation
Depreciation on fixed assets is being provided on straight line method at the rates prescribed in schedule XIV of the companies Act, 1956.

Depreciation on assets added/disposed off during the year has been provided on pro-data basis with reference to the month of addition / disposal.

4. Valuation Of Inventories
Inventories are valued at lower of cost or market value on FIFO basis.

5. Investments
Investments are stated at cost. No provision is made for Diminution in the value of investments, if any, since the same is considered by Board as temporary, while investments are of long-term in nature.

6. Borrowing Cost
Borrowing costs attributable to acquisitions and construction of assets are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit & Loss Account.

7. Foreign Currency Transaction
The Foreign currency transactions are accounted for at the rate of exchange prevailing at the date of transaction. Current assets and Current liabilities not covered by forward exchange contract are translated at year end exchange rates. Any gain or loss on account of fluctuation in the rate of exchange is recognized in the profit and loss account. In case of sales and purchase the same is included under the respective heads.

Premium / discount in respect of forward foreign exchange contract is recognized over the life of the contract.

8. Revenue Recognition
The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

9. Sales
Sales are inclusive of export incentive and exchange fluctuation on export receivables and net of trade discount / rebate.

10. Taxes On Income

Current tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1956.

Deferred Tax is recognized on timing difference between taxable income and accounting income that originate in one period and are capable of reversal on one or more subsequent period.

11. Impairment of Assets

An asset is impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. An impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

12. Employee Benefits

(a) Post- employment benefit plans

i) Defined Contribution Plan - Contributions to provident fund and Family Pension Fund are accrued in accordance with applicable statute and deposited with appropriate authorities.

ii) Defined Benefit Plan - The company has opted for scheme with Life Insurance Corporation of India to cover it's liability towards employee's gratuity. The annual premium paid to Life Insurance Corporation of India is charged to profit and loss account. The company has also carried out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) and the difference between fair value of plan assets and liability as per actuarial valuation as at year end is recognized in profit and loss account.

(b) Short term employment benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees renders the services. These benefits include compensated absence also.

4.5.12 There has been no change in accounting policies of AIL during the last three years.

4.5.13 There is no contingent liability of AIL.

4.5.14 Reasons for rise in total income and profit after tax during last 3 years:

FY 2008-09 vis-à-vis FY 2007-08

The total income of AIL increased to Rs. 2517.34 lakhs during FY 2008-09 from Rs. 2218.17 lakhs during FY 2007-08. The marginal rise in total income was on account of increase in income from operations and increase in other income. The Company earned a net profit of Rs. 145.21 lakhs in FY 2008-09 as compared to Rs. 168.66 lakhs earned during the FY 2007-08. The fall in PAT was due to the rise in operating and financial expenses of the Company.

FY 2007-08 vis-à-vis FY 2006-07

The total income of AIL increased to Rs. 2218.17 lakhs during FY 2007-08 from Rs. 2057.37 lakhs during FY 2006-07 on account of increase in income from operations. The Company earned a net profit of Rs. 168.66 lakhs in FY 2007-08 as compared to Rs. 251.24 lakhs earned during the FY 2006-07. The fall in PAT was mainly due to the increase in borrowings made by the Company thereby resulting in an increase in the financial expenses and also due to increase in operating expenses as compared to the previous year.

FY 2006-07 vis-à-vis FY 2005-06

The total income of AIL increased to Rs. 2057.37 lakhs during FY 2006-07 from Rs. 1931.28 lakhs during FY 2005-06 on account of increase in income from operations. The Company has earned a net profit of Rs. 251.24 lakhs in FY 2006-07 as compared to Rs. 199.11 lakhs earned during the FY 2005-06. The increase in PAT is a result of the increase in total income of the Company.

4.6 **Shri Balaji Starch & Chemicals Limited ("SBSCL")**

4.6.1 SBSCL was incorporated on July 7, 1995 as a limited company under the Companies act, 1956 with the Registrar of Companies, Mumbai, Maharashtra. The registered office of SBSCL is situated at 308, Acme Plaza, Opposite Sangam Cinema, Andheri Kurla Road, Andheri (East) Mumbai – 400 059, Maharashtra.

4.6.2 The present promoters of SBSCL are Mr. Mukesh Sangla and Mr. Saurabh Sangla. SBSCL forms a part of the promoter group of Target Company.

4.6.3 SBSCL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended or under any other regulation made under the SEBI Act. The equity shares of SBSCL are not listed on any exchange.

4.6.4 The main objects of SBSCL is manufacturing, producing, processing, buying, selling and dealing in starch and other chemical products. Presently, SBSCL is not engaged in any manufacturing and trading activities.

4.6.5 Pursuant to the SPA, SBSCL has acquired 5,87,700 Equity Shares of the Target Company

4.6.6 The provisions of Chapter II of SEBI (SAST) Regulations have been complied with by SBSCL, wherever applicable.

4.6.7 The Authorised Share Capital of SBSCL is Rs. 5,00,00,000 comprising of 50,00,000 Equity Shares of Rs. 10/- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs. 5,00,000 comprising of 50,000 fully paid up equity shares of Rs. 10/- each.

4.6.8 The shareholding pattern of SBSCL as on the date of Public Announcement is as follows:

Name of the Equity Shareholder	Number of Equity Shares	% of issued capital
Mr. Mukesh Sangla	24,750	49.50
Ms. Monika Sangla	24,750	49.50
Mr. Ganpat Mangal	100	0.20
Ms. Veenu Mangal	100	0.20
Mr. P.P. Keshavan Nair	100	0.20
Dr. Mahesh Chandra Gupta	100	0.20
Ms. Rajkumari Gupta	100	0.20
Total	**50,000**	**100.00**

4.6.9 The details of the Board of Directors of SBSCL are given below:

Name	Residential address	Qualification	Nature of experience	Date of appointment
Mr. Mukesh Sangla	1-B, Gulmohar Extension, Indore, Madhya Pradesh	B A	Engaged in the business of Plastics, Chemicals and Automobiles since last 35 years.	July 1, 1995
Mr. Saurabh Sangla	1-B, Gulmohar Extension, Indore, Madhya Pradesh	B. Sc. (Industrial Engineering and Operations Research)	Engaged in the business of Plastics, Chemicals and Automobiles since	September 20, 2006

			last 7 years.	
Ms. Monika Sangla	1-B, Gulmohar Extension, Indore Madhya Pradesh	M. A.	Engaged in the day to day business activities of a group company since last 15 years.	September 20, 2006

Note: Mr. Mukesh Sangla and Mr. Saurabh Sangla are also on the board of Target Company and have refused themselves and will not participate in any matter concerning or relating the Offer including any preparatory steps leading up to the Offer in terms of Regulation 22(9) of the SEBI (SAST) Regulations.

4.6.10 The brief audited financial details of SBSCL are as under:

Profit & Loss Statement*	**2009-10**	**2008-09**	**2007-08**
			(Rs. in lakhs)
Income from operations	-	-	-
Other Income	-	-	-
Total Income	-	-	-
Total Expenditure	-	-	-
Profit before Depreciation, Interest and Tax	-	-	-
Depreciation	-	-	-
Interest	-	-	-
Profit before Tax	-	-	-
Provision for Tax	-	-	-
Profit after Tax	-	-	-

Balance Sheet Statement	**2009-10**	**2008-09**	**2007-08**
			(Rs. in lakhs)
Sources of funds			
Paid up share capital	5.00	5.00	5.00
Reserves and Surplus (excluding revaluation reserves)	-	-	-
Total miscellaneous expenditure not written off	(2.69)	(2.62)	(2.55)
Net worth	2.31	2.38	2.45
Secured loans	-	-	-
Unsecured loans	0.20	0.20	0.20
Total	**2.51**	**2.58**	**2.65**
Uses of funds			
Net fixed assets	-	-	-
Investments	60.06	-	-
Net current assets	(57.55)	2.58	2.65
Total	**2.51**	**2.58**	**2.65**

Other Financial Data	**2009-10**	**2008-09**	**2007-08**
Dividend (%)	-	-	-
Earning Per Share	-	-	-
Return on Net worth (%)	-	-	-
Book Value Per Share	4.62	4.76	4.90

(*Source: Annual Reports)*

* The figures are not available as there were no manufacturing or trading operations carried out by SBSCL.

Financial ratios have been derived from the audited accounts and computed as follows:

Earning per share computed as PAT/number of shares; Book value per share computed as the Networth / number of shares; Return on networth computed as PAT/Networth.

4.6.11 The significant accounting policies of SBSCL are as under:

1. Accounting Convention
The financial statements have been prepared under the historical cost convention, on the accrual basis and in accordance with the generally accepted accounting principles in India, the applicable mandatory Accounting Standards and the relevant provisions of the Companies Act, 1956.

2. Use of Estimates
The preparation of financial statements require estimation and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

3. Fixed Assets
The Company does not have any Fixed Assets.

4. Depreciation and Amortization
Since the Company has no Fixed Assets, hence no Depreciation has been provided in the books.

5. Investment
The company has investments which are valued at the historical cost.

6. Inventories
The company has no inventory of finished goods.

7. Revenue Recognition
Sales revenue is recognized on transfer of significant risk and rewards of the ownership of the goods to the buyer and stated at net of trade discount and rebates. Dividend income on investments is accounted for when the right to receive the payment is established. Insurance and other claims where quantum of accruals cannot be ascertained with reasonable certainty are accounted for on receipt basis. However there are no sales during the year.

8. Taxation
No Provision for current income tax has been made.

9. Provisions, Contingent Liabilities and Contingent Assets
Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent asset is neither recognized nor disclosed in the financial statements.

4.6.12 There has been no change in accounting policies of SBSCL during the last three years.

4.6.13 There is no contingent liability of SBSCL.

4.6.14 Reasons for rise in total income and profit after tax during last 3 years:

There were no manufacturing or trading operations carried out by SBSCL.

Persons Acting in Concert ("PACs")

4.7 **Ornate Leasing & Finance Private Limited ("OLFPL")**

4.7.1 OLFPL was incorporated on December 19, 1988 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gwalior, Madhya Pradesh. The registered office of OLFPL is situated at 31, Agrasen Nagar, Indore – 452001, Madhya Pradesh.

4.7.2 The current promoters of OLFPL are Mr. Mukesh Sangla and Mr. Saurabh Sangla. OLFPL forms a part of the promoter group of Target Company.

4.7.3 OLFPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended or under any other regulation made under the SEBI Act. The equity shares of OLFPL are not listed on any exchange.

4.7.4 The Company is presently engaged in trading of polymer goods and also engaged in financing activities.

4.7.5 The provisions of Chapter II of SEBI (SAST) Regulations have been complied with by the OLFPL, wherever applicable.

4.7.6 The Authorised Share Capital of OLFPL is Rs. 50,00,000 comprising of 4,60,000 Equity Shares of Rs.10/- each and 4,000 Unclassified Shares of Rs. 100/- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs. 1,00,000 comprising of 10,000 fully paid up equity shares of Rs.10/- each.

4.7.7 The shareholding pattern of OLFPL as on the date of Public Announcement is as follows:

Name of the Equity Shareholder	Number of Equity Shares	% of issued capital
Mr. Mukesh Sangla	5,000	50.00
Ms. Monika Sangla	5,000	50.00
Total	**10,000**	**100.00**

4.7.8 The details of the Board of Directors of OLFPL are given below:

Name	Residential address	Qualification	Nature of experience	Date of appointment
Mr. Mukesh Sangla	1-B, Gulmohar Extension, Indore, Madhya Pradesh	B A	Engaged in the business of Plastics, Chemicals and Automobiles since last 35 years.	March 15, 2010
Mr. Saurabh Sangla	1-B, Gulmohar Extension, Indore, Madhya Pradesh	B. Sc. (Industrial Engineering and Operations Research)	Engaged in the business of Plastics, Chemicals and Automobiles since last 7 years.	March 15, 2010

Note: Mr. Mukesh Sangla and Mr. Saurabh Sangla are also on the board of Target Company and have refused themselves and will not participate in any matter concerning or relating the Offer including any preparatory steps leading up to the Offer in terms of Regulation 22(9) of the SEBI (SAST) Regulations.

4.7.9 The brief audited financial details of OLFPL are as under:

Profit & Loss Statement	2009-10	2008-09	2007-08
			(Rs. in lakhs)
Income from operations	4.65	3.92	-
Other Income	1.00	10.34	15.52
Total Income	5.65	14.25	15.52

Total Expenditure	4.66	3.83	0.11
Profit before Depreciation, Interest and Tax	0.99	10.42	15.41
Depreciation	-	-	-
Interest	0.01	-	7.13
Profit before Tax	0.98	10.42	8.28
Provision for Tax	0.31	1.20	3.32
Profit after Tax	0.67	9.22	4.96

Balance Sheet Statement	**2009-10**	**2008-09**	**2007-08**
			(Rs. in lakhs)
Sources of funds			
Paid up share capital	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserves)	16.19	15.51	6.30
Total miscellaneous expenditure not written off	-	-	-
Net worth	17.19	16.51	7.30
Secured loans	-	-	-
Unsecured loans	-	-	-
Total	**17.19**	**16.51**	**7.30**
Uses of funds			
Net fixed assets	-	-	-
Investments	43.04	3.82	5.36
Net current assets	(25.85)	12.69	1.94
Deferred Tax Assets	-	-	-
Total	**17.19**	**16.51**	**7.30**

Other Financial Data	**2009-10**	**2008-09**	**2007-08**
Dividend (%)	-	-	-
Earning Per Share	6.70	92.20	49.60
Return on Net worth (%)	3.90	55.84	67.95
Book Value Per Share	171.90	165.10	73.00

(Source: Annual Reports)

Financial ratios have been derived from the audited accounts and computed as follows:

Earning per share computed as PAT/number of shares; Book value per share computed as the Networth / number of shares; Return on networth computed as PAT/Networth.

4.7.10 The significant accounting policies of OLFPL are as under:

1. System of accounting:

- The Company follows the mercantile system of accounting and recognise income and expenditure on accrual basis.
- Financial statement is based on historical cost.

2. Investments:

Investments are valued at cost. No provision is made for diminution in the value of investments if any, since the same is considered by Board as temporary while investments are of long term in nature.

4.7.11 There has been no change in accounting policies of OLFPL during the last three years.

4.7.12 There is no contingent liability of OLFPL.

4.7.13 Reasons for rise in total income and profit after tax during last 3 years:

FY 2009-10 vis-à-vis FY 2008-09
The total income of the OLFPL decreased to Rs. 5.65 lakhs during FY 2009-10 from Rs. 14.25 lakhs during FY 2008-09 mainly due to decrease in other income. The Company earned a net profit of Rs. 0.67 lakhs in FY 2009-10 as compared to Rs. 9.22 lakhs in FY 2008-09. The decrease in PAT is due to the fall in total income and increase in operating expenditure of the Company.

FY 2008-09 vis-à-vis FY 2007-08
The total income of OLFPL decreased to Rs. 14.25 lakhs during FY 2008-09 from Rs. 15.52 lakhs during FY 2007-08 mainly due to decrease in other income. The Company earned a net profit of Rs. 9.22 lakhs in FY 2008-09 as compared to Rs. 4.96 lakhs earned during the FY 2007-08. Decrease in financial charges in FY 2007-08 was the main reason for increase in PAT of the Company.

FY 2007-08 vis-à-vis FY 2006-07
The total income of OLFPL increased to Rs. 15.52 lakhs during FY 2007-08 from Rs. 7.72 lakhs during FY 2006-07 on account of increase in other income mainly due to profit on sale of shares. This enabled the Company to post profit after tax of Rs. 4.96 lakhs as compared to a loss after tax of Rs. 0.13 lakhs during the previous year.

4.8 **Swan Holdings Private Limited ("SHPL")**

4.8.1 SHPL was incorporated on May 22, 1995 as a private limited company under the Companies act, 1956 with the Registrar of Companies, Gwalior, Madhya Pradesh. The registered office of SHPL is situated at CM-2, Sukhlia, Opp. Hira Nagar Police Station, Indore, Madhya Pradesh.

4.8.2 The present promoters of SHPL are Mr. Mukesh Sangla and Ms. Monika Sangla. SHPL forms a part of the promoter group of Target Company.

4.8.3 SHPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended or under any other regulation made under the SEBI Act. The equity shares of SHPL are not listed on any exchange.

4.8.4 The Company is presently engaged in trading of polymer goods.

4.8.5 The provisions of Chapter II of SEBI (SAST) Regulations have been complied with by SHPL, wherever applicable.

4.8.6 The Authorised Share Capital of SHPL is Rs. 5,00,000 comprising of 5,000 Equity Shares of Rs. 100 /- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs. 1,00,900 comprising of 1,009 fully paid up equity shares of Rs. 100 /- each.

4.8.7 The shareholding pattern of SHPL as on the date of Public Announcement is as follows:

Name of the Equity Shareholder	Number of Equity Shares	% of issued capital
Mr. Mukesh Sangla	550	54.51
Ms. Monika Sangla	459	45.49
Total	**1,009**	**100.00**

4.8.8 The details of the Board of Directors of SHPL are given below:

Name	Residential address	Qualification	Nature of experience	Date of appointment
Mr. Mukesh Sangla	1-B, Gulmohar Extension, Indore, Madhya Pradesh	B A	Engaged in the business of Plastics, Chemicals and Automobiles since last 35 years.	March 15, 2010

Mr. Saurabh Sangla	1-B, Gulmohar Extension, Indore, Madhya Pradesh	B. Sc. (Industrial Engineering and Operations Research)	Engaged in the business of Plastics, Chemicals and Automobiles since last 7 years.	March 15, 2010

Note: Mr. Mukesh Sangla and Mr. Saurabh Sangla are also on the board of Target Company and have refused themselves and will not participate in any matter concerning or relating the Offer including any preparatory steps leading up to the Offer in terms of Regulation 22(9) of the SEBI (SAST) Regulations.

4.8.9 The brief audited financial details of SHPL are as under:

Profit & Loss Statement	**2009-10**	**2008-09**	**2007-08**
			(Rs. in lakhs)
Income from operations	4.58	4.10	-
Other Income	0.97	10.68	0.85
Total Income	5.55	14.78	0.85
Total Expenditure	4.64	3.98	0.11
Profit before Depreciation, Interest and Tax	0.91	10.80	0.74
Depreciation	-	-	-
Interest	-	-	0.13
Profit before Tax	0.91	10.80	0.61
Provision for Tax	0.28	1.23	0.05
Profit after Tax	0.63	9.57	0.56

Balance Sheet Statement	**2009-10**	**2008-09**	**2007-08**
			(Rs. in lakhs)
Sources of funds			
Paid up share capital	1.01	1.01	1.01
Reserves and Surplus (excluding revaluation reserves)	12.01	11.38	1.81
Total miscellaneous expenditure not written off	-	-	-
Net worth	13.02	12.39	2.82
Secured loans	-	-	-
Unsecured loans	-	-	-
Total	**13.02**	**12.39**	**2.82**
Uses of funds			
Net fixed assets	-	-	-
Investments	30.16	3.88	5.40
Net current assets	(17.14)	8.51	(2.58)
Total	**13.02**	**12.39**	**2.82**

Other Financial Data	**2009-10**	**2008-09**	**2007-08**
Dividend (%)	-	-	-
Earning Per Share	62.44	948.46	55.50
Return on Net worth (%)	4.84	77.24	19.86
Book Value Per Share	1290.39	1227.95	279.48

(*Source: Annual Reports)*

Financial ratios have been derived from the audited accounts and computed as follows:

Earning per share computed as PAT/number of shares; Book value per share computed as the Networth / number of shares; Return on networth computed as PAT/Networth.

4.8.10 The significant accounting policies of SHPL are as under:

1. System of accounting;

- The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

- Financial statement is based on historical cost.

2. Investments:

Investments are valued at cost. No provision is made for diminution in the value of investments if any, since the same is considered by Board as temporary while investments are of long term in nature.

4.8.11 There has been no change in accounting policies of SHPL during the last three years.

4.8.12 There is no contingent liability of SHPL.

4.8.13 Reasons for rise in total income and profit after tax during last 3 years:

FY 2009-10 vis-à-vis FY 2008-09

The total income of SHPL decreased to Rs. 5.55 lakhs during FY 2009-10 from Rs. 14.78 lakhs during FY 2008-09 on account of significant decrease in other income. The Company earned a net profit of Rs. 0.63 lakhs in FY 2009-10 as compared to Rs. 9.57 lakhs in the previous year. The decrease in PAT was due to the fall in total income and increase in expenditure of the Company.

FY 2008-09 vis-à-vis FY 2007-08

The total income of SHPL increased to Rs. 14.78 lakhs during FY 2008-09 from Rs. 0.85 lakhs during FY 2007-08 on account of income from operations and increase in other income due to profit on sale of shares. The Company earned a net profit of Rs. 9.57 lakhs in FY 2008-09 as compared to Rs. 0.56 lakhs earned during the FY 2007-08. The increase in PAT was due to the increase in total income of the Company.

FY 2007-08 vis-à-vis FY 2006-07

The total income of SHPL increased to Rs. 0.85 lakhs during FY 2007-08 as compared to Rs. 0.39 lakhs during FY 2006-07 on account of increase in other income mainly due to profit on sale of shares. The Company earned a net profit of Rs. 0.56 lakhs in FY 2007-08 as compared to Rs. 0.09 lakhs during the FY 2006-07. The increase in PAT was as a result of the increase in total income and decrease in total expenditure as compared to the previous year.

4.9 **Signate Leasing & Finance Private Limited ("SLFPL")**

4.9.1 SLFPL was incorporated on December 19, 1988 as a private limited company under the Companies act, 1956 with the Registrar of Companies, Gwalior, Madhya Pradesh. The registered office of SLFPL is situated at 4, Vinay Building, Opp. G.S.I.T.S., Indore, Madhya Pradesh.

4.9.2 The present promoters of SLFPL are Mr. Mukesh Sangla and Ms. Monika Sangla. SHPL forms a part of the promoter group of Target Company.

4.9.3 SLFPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended or under any other regulation made under the SEBI Act. The equity shares of SLFPL are not listed on any exchange.

4.9.4 The Company is presently engaged in trading of polymer goods and also engaged in financing activities.

4.9.5 The provisions of Chapter II of SEBI (SAST) Regulations have been complied with by SLFPL, wherever applicable.

4.9.6 The Authorised Share Capital of SLFPL is Rs. 5,00,000 comprising of 1,000 Equity Shares of Rs. 100 /- each and 4,000 Unclassified Shares of Rs. 100/- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs. 1,00,000 comprising of 1,000 fully paid up equity shares of Rs. 100/- each.

4.9.7 The shareholding pattern of SLFPL as on the date of Public Announcement is as follows :

Name of the Equity Shareholder	**Number of Equity Shares**	**% of issued capital**
Mr. Mukesh Sangla	700	70.00
Ms. Monika Sangla	300	30.00
Total	**1,000**	**100.00**

4.9.8 The details of the Board of Directors of SLFPL are given below:

Name	**Residential address**	**Qualification**	**Nature of experience**	**Date of appointment**
Mr. Mukesh Sangla	1-B, Gulmohar Extension, Indore, Madhya Pradesh	B A	Engaged in the business of Plastics, Chemicals and Automobiles since last 35 years.	September 30, 2003
Ms. Monika Sangla	1-B, Gulmohar Extension, Indore Madhya Pradesh	M. A.	Engaged in the day to day business activities of a group company since last 15 years.	September 30, 2003

Note: Mr. Mukesh Sangla is also on the board of Target Company and has refused himself and will not participate in any matter concerning or relating the Offer including any preparatory steps leading up to the Offer in terms of Regulation 22(9) of the SEBI (SAST) Regulations.

4.9.9 The brief audited financial details of SLFPL are as under:

Profit & Loss Statement	**2009-10**	**2008-09**	**2007-08**
			(Rs. in lakhs)
Income from operations	4.14	3.46	-
Other Income	0.83	10.33	0.74
Total Income	4.97	13.79	0.74
Total Expenditure	4.16	3.37	0.11
Profit before Depreciation, Interest and Tax	0.81	10.41	0.63
Depreciation	-	-	-
Interest	-	-	0.15
Profit before Tax	0.81	10.41	0.48
Provision for Tax	0.26	1.23	0.02
Profit after Tax	0.55	9.18	0.46

Balance Sheet Statement	**2009-10**	**2008-09**	**2007-08**
			(Rs. in lakhs)
Sources of funds			
Paid up share capital	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserves)	10.89	10.33	1.15
Total miscellaneous expenditure not written off	-	-	-

Net worth	11.89	11.33	2.15
Secured loans	-	-	-
Unsecured loans	-	-	-
Total	**11.89**	**11.33**	**2.15**
Uses of funds			
Net fixed assets	-	-	-
Investments	33.04	4.17	5.70
Net current assets	(21.15)	7.12	(3.64)
Deferred tax assets	-	0.04	0.09
Total	**11.89**	**11.33**	**2.15**

Other Financial Data	**2009-10**	**2008-09**	**2007-08**
Dividend (%)	-	-	-
Earning Per Share	55.00	918.00	46.00
Return on Net worth (%)	4.63	81.02	21.40
Book Value Per Share	1189.00	1133.00	215.00

(*Source: Annual Reports)*

Financial ratios have been derived from the audited accounts and computed as follows:

Earning per share computed as PAT/number of shares; Book value per share computed as the Networth / number of shares; Return on networth computed as PAT/Networth.

4.9.10 The significant accounting policies of SLFPL are as under:

1. System of accounting:

- The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.
- Financial statement is based on historical cost.

2. Investments:
Investments are valued at cost. No provision is made for diminution in the value of investments if any, since the same is considered by Board as temporary while investments are of long term in nature.

3. Taxes on Income:
The amount of tax payable on the taxable income for the year is determined in accordance with provisions of the Income Tax Act, 1961.Deferred tax is recognized on the timing difference, being the difference between taxable Income and accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

4.9.11 There has been no change in accounting policies of SLFPL during the last three years.

4.9.12 There is no contingent liability of SLFPL.

4.9.13 Reasons for rise in total income and profit after tax during last 3 years:

FY 2009-10 vis-à-vis FY 2008-09
The total income of SLFPL decreased to Rs. 4.97 lakhs during FY 2009-10 from Rs. 13.79 lakhs during FY 2008-09 on account of decrease in other income. The Company earned a net profit of Rs. 0.55 lakhs in FY 2009-10 as compared to Rs. 9.18 lakhs in FY 2008-09. The decrease in PAT was due to the fall in total income of the Company.

FY 2008-09 vis-à-vis FY 2007-08
The total income of SLFPL increased to Rs. 13.79 lakhs during FY 2008-09 from Rs. 0.74 lakhs during FY 2007-08 on account of income from operations and increase in other income due to profit on sale

of shares. The Company earned a net profit of Rs. 9.18 lakhs in FY 2008-09 as compared to Rs. 0.46 lakhs earned during the FY 2007-08. The increase in PAT was due to the increase in total income of the Company.

FY 2007-08 vis-à-vis FY 2006-07

The total income of SLFPL increased to Rs. 0.74 lakhs during FY 2007-08 from Rs. 0.37 lakhs during FY 2006-07 on account of increase in dividend income. The Company earned a net profit of Rs. 0.46 lakhs in FY 2007-08 as compared to a loss during the FY 2006-07. The increase in PAT was as a result of increase in total income and decrease in total expenditure as compared to the previous year.

4.10 **Signet Impex Private Limited**

4.10.1 SIPL was incorporated on October 21, 2003 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Madhya Pradesh and Chattisgarh. The registered office of SIPL is situated at 314/3, SDA Compound, Lasudia Mori, Dewas Naka, Indore – 452010, Madhya Pradesh.

4.10.2 The present promoters of SIPL are Mr. Mukesh Sangla and Mr. Saurabh Sangla. SIPL forms a part of the promoter group of Target Company.

4.10.3 SIPL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended or under any other regulation made under the SEBI Act. The equity shares of SIPL are not listed on any exchange.

4.10.4 The Company is presently engaged in trading of polymer goods

4.10.5 The provisions of Chapter II of SEBI (SAST) Regulations have been complied with by SIPL, wherever applicable.

4.10.6 The Authorised Share Capital of SIPL is Rs. 1,00,000 comprising of 10,000 Equity Shares of Rs. 10 /- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs. 1,00,000 comprising of 10,000 fully paid up equity shares of Rs. 10/- each.

4.10.7 The shareholding pattern of SIPL as on the date of Public Announcement is as follows :

Name of the Equity Shareholder	Number of Equity Shares	% of issued capital
Mr. Mukesh Sangla	5,000	50.00
Mr. Saurabh Sangla	5,000	50.00
Total	**10,000**	**100.00**

4.10.8 The details of the Board of Directors of SIPL are given below:

Name	Residential address	Qualification	Nature of experience	Date of appointment
Mr. Mukesh Sangla	1-B, Gulmohar Extension, Indore, Madhya Pradesh	B A	Engaged in the business of Plastics, Chemicals and Automobiles since last 35 years.	October 21, 2003
Mr. Saurabh Sangla	1-B, Gulmohar Extension, Indore, Madhya Pradesh	B. Sc. (Industrial Engineering and Operations Research)	Engaged in the business of Plastics, Chemicals and Automobiles since last 7 years.	October 21, 2003

Note: Mr. Mukesh Sangla and Mr. Saurabh Sangla are also on the board of Target Company and have refused themselves and will not participate in any matter concerning or relating the Offer including any preparatory steps leading up to the Offer in terms of Regulation 22(9) of the SEBI (SAST) Regulations.

4.10.9 The brief audited financial details of SIPL are as under:

Profit & Loss Statement	2009-10	2008-09	2007-08
			(Rs. in lakhs)
Income from operations	3.89	4.40	-
Other Income	1.69	15.12	0.31
Total Income	5.58	19.52	0.31
Total Expenditure	3.91	4.27	0.12
Profit before Depreciation, Interest and Tax	1.67	15.25	0.19
Depreciation	-	-	-
Interest	-	-	-
Profit before Tax	1.67	15.25	0.19
Provision for Tax	0.52	1.73	0.04
Profit after Tax	1.15	13.52	0.14

Balance Sheet Statement	2009-10	2008-09	2007-08
			(Rs. in lakhs)
Sources of funds			
Paid up share capital	1.00	1.00	1.00
Reserves and Surplus (excluding revaluation reserves)	15.04	13.89	0.37
Total miscellaneous expenditure not written off	(0.09)	(0.11)	(0.13)
Net worth	15.95	14.78	1.24
Secured loans	-	-	-
Unsecured loans	-	-	3.00
Total	**15.95**	**14.78**	**4.24**
Uses of funds			
Net fixed assets	-	-	-
Investments	37.27	-	3.96
Net current assets	(21.32)	14.78	0.28
Total	**15.95**	**14.78**	**4.24**

Other Financial Data	2009-10	2008-09	2007-08
Dividend (%)	-	-	-
Earning Per Share	11.50	135.20	1.40
Return on Net worth (%)	7.21	91.47	11.29
Book Value Per Share	159.50	147.80	12.40

(Source: Annual Reports)

Financial ratios have been derived from the audited accounts and computed as follows:

Earning per share computed as PAT/number of shares; Book value per share computed as the Networth / number of shares; Return on networth computed as PAT/Networth.

4.10.10 The significant accounting policies of SIPL are as under:

1. Basis of Accounting:

The accounts have been prepared on the basis of historical costs convention in accordance with applicable accounting standards & relevant requirements of Companies Act.1956.

2. Inventory Valuation:
Company develops softwares for customers on their specific requirement hence any stock of unfinished project is valued at estimated cost if substantial work is successfully completed.

3. Fixed Assets and Depreciation:
Fixed assets are shown at historical cost and depreciation is provided on straight line method on pro rata basis at the rates prescribed in schedule XIV to the Companies Act, 1956.

4. Revenue Recognition:
Software sale are taken as income on billing or on the basis of completion of substantial contract in case of unfinished work.

4.10.11 There has been no change in accounting policies of SIPL during the last three years.

4.10.12 There is no contingent liability of SIPL.

4.10.13 Reasons for rise in total income and profit after tax during last 3 years:

FY 2009-10 vis-à-vis FY 2008-09
The total income of the SIPL decreased to Rs. 5.58 lakhs during FY 2009-10 from Rs. 19.52 lakhs during FY 2008-09 on account of decrease in income from operations and significant decrease in other income. The Company earned a net profit of Rs. 1.15 lakhs in FY 2009-10 as compared to Rs. 13.52 lakhs in FY 2008-09. The decrease in PAT was due to the fall in total income of the Company.

FY 2008-09 vis-à-vis FY 2007-08
The total income of SIPL increased to Rs. 19.52 lakhs during FY 2008-09 from Rs. 0.31 lakhs during FY 2007-08 on account of income from operations and increase in other income due to sale of investments. This enabled the Company to post profit after tax of Rs. 13.52 lakhs as compared to a profit after tax of Rs. 0.15 lakhs during the previous year.

FY 2007-08 vis-à-vis FY 2006-07
The total income of SIPL decreased to Rs. 0.31 lakhs during FY 2007-08 from Rs. 0.54 lakhs during FY 2006-07 on account of decrease in other income. The Company earned a net profit of Rs. 0.15 lakhs in FY 2007-08 as compared to a profit of Rs. 0.14 lakhs during the FY 2006-07.

4.11 None of the Acquires and PACs has earlier made any other acquisitions in the Target Company through open offers.

4.12 Other than the SPA, the Acquirers and PACs have not entered into any agreements between themselves with regard to the offer/acquisition of shares. The salient features of SPA are mentioned at 3.1.3.

4.13 **Disclosures in terms of Regulation 16 (ix) of the SEBI (SAST) regulations and Acquirers' Future Plans for the Target Company**

4.13.1 The Acquirers and PACs have agreed to acquire 12,25,200 equity shares of Rs. 10 (Rupees Ten only) each constituting 25.19% of the fully paid up capital of the Target Company vide SPA dated April 28, 2010 with the perspective of increasing their stake and consolidating their shareholding in the Target Company. The Acquirers and PACs form part of the present Promoter Group of the Target Company.

4.13.2 This Offer is made by the Acquirers alongwith PACs in compliance with and in accordance with Regulation 11 (1) of the SEBI (SAST) Regulations without any change in management.

4.13.3 The Target Company proposes to set up a new manufacturing unit for manufacture of drip irrigation systems, HDPE / PVC pipes and its fittings and moulded items like furniture, household, agro-based, hardware, etc. with installed capacity of 15600 MT per annum at an estimated cost of Rs. 9000 lakhs for which the Target Company also has plans to raise debt and / or equity from the capital market.

4.13.4 The Acquirers and PACs undertake not to dispose of or otherwise encumber of any assets of Target Company in two years from the date of closure of Offer except in ordinary course of business of the Target Company. Further the Acquirers undertake that they shall not dispose of or otherwise encumber any substantial asset of the target company except with the prior approval of the shareholders

5. OPTIONS IN TERMS OF REGULATION 21 (2)

Upon completion of the Offer, assuming full acceptance and taking into account the shares purchased under SPA, the Acquirer alongwith PACs and other constituents of Promoter Group will hold 75.84% of the fully paid up equity share capital of the Target Company. As per Clause 40A of the Listing Agreement with the Stock Exchanges, the Target Company is required to maintain atleast 25% public shareholding on a continuous basis. In the event that acquisition made in pursuance to the Offer results in the public shareholding of the Target Company falling below such minimum level, the Acquirers and PACs undertake to take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreements, within the time period mentioned therein or in accordance with such other directions as may be provided by the relevant stock exchanges, in accordance with the provisions of Regulation 21(2) of the SEBI (SAST) Regulations. The Acquirers and PACs undertake and declare that they do not have any intention to delist the Target Company from the Stock Exchanges in the next three years from the date of the Letter of Offer.

6. BACKGROUND OF THE TARGET COMPANY

6.1 Address of Corporate and Registered Office of the Target Company

Corporate Office	314/3, SDA Compound, Lasudia Mori, Dewas Naka, Indore – 452 010, Madhya Pradesh. Tel: +91-731-4217800 Fax: +91-731- 4217867
Registered Office	308, Acme Plaza, Opposite Sangam Cinema, Andheri – Kurla Road, Andheri (East), Mumbai 400 059, Maharashtra. Tel: +91-22-30888061-65 Fax: +91-22-66941567

6.2 Signet Industries Limited (formerly Signet Overseas Limited) was originally incorporated as a Limited Company under the name of Anubhuti Commercial Enterprises Limited on January 29, 1985 under the Companies Act, 1956. The Company was originally promoted by Mr. H. M. Joshi, Mr. Deepak Jalan and Mr. C. L. Hirawat and later on acquired by Mr. Mukesh Sangla and Ms. Monika Sangla in the year 1991. The Company's name was changed to Signet Fincom Limited on October 11, 1995 and further to Signet Overseas Limited on May 21, 2004. The name of the company has been changed to Signet Industries Limited on January 11, 2010.

6.3 The Target Company is presently engaged in the business of (a) manufacturing of moulded plastic goods like household goods, hardware items, agro based items, drip-irrigation systems, HDPE pipes and molded furniture; (b) distribution and trading of Polypropylene, High Density Poly Ethylene, Resin, Imported Polymers etc.; and (c) generation of power through wind mills.

6.4 The Target Company has its manufacturing facility at 314/3, SDA Compound, Lasudia Mori, Dewas Naka, Indore. The said manufacturing facility has an installed capacity of 4,000 Metric Tonnes for manufacturing of polymers.

6.5 As on the date of Public Announcement, the authorized equity share capital of the Target Company is Rs. 5,00,00,000 comprising of 50,00,000 equity shares of Rs. 10 each and subscribed and paid up capital of Rs. 4,86,45,000 divided into 48,64,500 equity shares of Rs. 10 each fully paid up. The Share Capital Structure of the Target Company as on date is as under:

Paid-up equity shares of the Target Company	No. of shares/voting rights	% of shares/voting rights
Fully Paid-up Equity Shares	48,64,500	100.00

Partly Paid-up Equity Shares	NIL	NIL
Total Paid-up Equity Shares	48,64,500	100.00
Total Voting Rights in Target Company	48,64,500	100.00

6.6 **Built up of the current paid up capital**

Date of allotment	No. and % of shares issued		Cumulative paid-up capital (in Rs.)	Mode of allotment	Identity of allottees (promoters/ ex-promoters/ others)	Status of compliance
	No. of Shares	% of current capital				
January 29,# 1985	70	0.0014	700	Subscribers to Memorandum of Association	Signatories to the Memorandum of Association	Complied
May 22, 1985*#	2,48,930	5.12	24,90,000	Public Issue	Public	Complied
September 11, 1995#	6,22,500	12.80	87,15,000	Bonus Issue	Existing Shareholders	Complied
December 15, 2000	4,00,000	8.22	1,27,15,000	Preferential Issue	Non-promoters	Complied
March 25, 2004	3,50,000	7.19	1,62,15,000	Preferential Issue	Non-promoters	Complied
December 15, 2009	32,43,000	66.67	4,86,45,000	Bonus Issue	Existing Shareholders	Complied

**Date of Listing Agreement*

#Records of the forms filed with the RoC in this regard are not available with the Target Company

6.7 The shares of the Target Company were suspended from trading at following two occasions:

Name of the Stock Exchange	Period of suspension	Reason for suspension
BSE	September 1995 to October 18, 1995	Non-compliance in regard to the issuance of required notice within stipulated time to BSE for fixing the record date for issuance of bonus shares
BSE	July 14, 2003 to January 18, 2009	Non-compliance of clause 16 of Listing Agreement with regard to timing of notice for closure of register of members and transfer books.

Except for the above periods, the shares of the Target Company have never been suspended from trading since the date of its listing.

6.8 The equity shares of the Target Company are presently listed on Madhya Pradesh Stock Exchange Limited ("MPSE") and Bombay Stock Exchange Limited ("BSE"). The shares of the Target Company were suspended from trading on BSE from September 1995 to October 18, 1995 due to non-compliance in regard to the issuance of required notice within stipulated time to BSE for fixing the record date for issuance of bonus shares. The Target Company had regularized the suspension by giving adequate disclosure to the Stock Exchange. Also, the shares of the Target Company were suspended from trading on BSE from July 14, 2003 to January 18, 2009 due to non-compliance of clause 16 of the Listing Agreement with BSE with regard to timing of notice for closure of register of members and transfer books. The Target Company had regularized the suspension and paid listing fees to BSE. BSE resumed the trading in the shares of the Target Company w.e.f. January 19, 2009 vide their notice no. 20090113-32 dated January 13, 2009. Apart from this, no punitive action has been taken against the Target Company by BSE. Also, the Target Company had regularized all their compliances and paid pending listing fees to MPSE vide their letter dated April 1, 2010. MPSE vide their letter no. MPSE/12/2010 dated April 8, 2010 confirmed listing of shares at their stock exchange and receipt of listing fees. Apart from this, no punitive action has been taken by MPSE.

6.9 There is no non-listing of some and/ or any shares of the Target Company at any Stock Exchange(s) except that for 35,93,000 equity shares which are not listed on MPSE as the Target Company had plans to delist their securities from MPSE. The Target Company had now made an application for listing at MPSE for these shares on April 8, 2010.

6.10 There are no partly paid-up equity shares of the Target Company. There are no outstanding warrants or options or similar instruments convertible into equity shares at a later stage.

6.11 The Target Company does not have any subsidiary as on the date of this Letter of Offer.

6.12 As on the date of Public Announcement, the Target Company is complying with the listing requirements of the Bombay Stock Exchange Limited and Madhya Pradesh Stock Exchange Limited except as mentioned at 6.9. No punitive actions have been taken against the Target Company by the Stock Exchanges till date except as mentioned at 6.8.

6.13 The Target Company and its existing Promoters/Promoter Group have complied with all the applicable provisions of Chapter II of the SEBI (SAST) Regulations, except for the non-compliances related to regulation 6(2), 6(4) and 8(3) by the Target Company for the period starting from 1997 to 2005 which were complied by the Target Company in May 2005.

6.14 The details of compliance with the applicable provisions of Chapter II of SEBI (SAST) Regulations by the Target Company and Promoters as on the date of the Public Announcement is given below:

(a) By the Target Company :

S. No.	Regulation/ Sub Regulation	Due date for Compliance as mentioned in the Regulations	Actual Date of Compliance	Delay, if any (no. days)	Remarks
1	6(2)	20-05-1997	11-05-2005	2913 days	The disclosures were made vide letter dated May 11, 2005.
2	6(4)	20-05-1997	11-05-2005	2913 days	
3	8(3)	30-04-1998	09-05-2005	2566 days	The disclosures were made vide letter dated May 9, 2005
4	8(3)	30-04-1999	09-05-2005	2201 days	
5	8(3)	30-04-2000	09-05-2005	1835 days	
6	8(3)	30-04-2001	09-05-2005	1470 days	
7	8(3)	30-04-2002	09-05-2005	1105 days	
8	8(3)	30-04-2003	09-05-2005	740 days	
9	8(3)	30-04-2004	09-05-2005	374 days	
10	8(3)	30-04-2005	09-05-2005	9 days	
11	8(3)	30-04-2006	05-07-2006	66 days	
12	8(3)	30-04-2007	27-04-2007	-	
13	8(3)	30-04-2008	24-04-2008	-	
14	8(3)	30-04-2009	22-04-2009	-	
15	8(3)	30-04-2010	26-04-2010	-	
16	7(3)	22-12-2000	22-12-2000	-	
17	7(3)	01-04-2004	02-04-2004	1 day	
18	7(3)	06-05-2010	30-04-2010	-	

(b) By the Promoter / Promoter Group / Sellers /major shareholders

S. No.	Regulation/ Sub Regulation	Due date for Compliance as mentioned in the Regulations	Actual Date of Compliance	Delay, if any (no. of days)	Remarks

1	6(1)	20-04-1997	08-04-1997	-	
2	6(3)	20-04-1997	08-04-1997	-	
3	8(2)	21-04-1998	14-04-1998	-	
4	8(2)	21-04-1999	19-04-1999	-	
5	8(2)	21-04-2000	12-04-2000	-	
6	8(1)	21-04-2001	14-04-2001	-	
7	8(2)	21-04-2001	16-04-2001	-	
8	8(1)	21-04-2002	09-.4-2002	-	
9	8(2)	21-04-2002	15-04-2002	-	
10	8(1)	21-04-2003	16-04-2003	-	
11	8(2)	21-04-2003	14-04-2003	-	
12	8(1)	21-04-2004 21-04-2004	19-04-2004 15-04-2004	- -	
13	8(2)	21-04-2004	15-04-2004	-	
14	8(1)	21-04-2005 21-04-2005	15-04-2005 12-04-2005	- -	
15	8(2)	21-04-2005	14-04-2005	-	
16	8(2)	21-04-2006	20-04-2006	-	
17	8(2)	21-04-2007	20-04-2007	-	
18	8(2)	21-04-2008	18-04-2008	-	
19	8(2)	21-04-2009	20-04-2009	-	
20	8(2)	21-04-2010	20-04-2010	-	
21	7(1) & (2)	18-12-2000	18-12-2000	-	
22	7(1) & (2)	27-03-2004	27-03-2004	-	
23	7(1) & 7(1A)	30-04-2010	29-04-2010	-	

6.15 The details of Board of Directors as on the date of PA are as under:

Name, Address & DIN	**Designation**	**Experience & Qualification**	**Date of Appointment**
Mr. Mukesh Sangla 1-B, Gulmohar Extension, Indore, Madhya Pradesh DIN: 00189676	Managing Director	Engaged in the business of Plastics, Chemicals and Automobiles since last 35 years.	April 1, 1993
Mr. Saurabh Sangla 1-B, Gulmohar Extension, Indore, Madhya Pradesh DIN: 00206069	Director	Engaged in the business of Plastics, Chemicals and Automobiles since last 7 years.	July 7, 2003
Mr. Dipak Kumar Kalani 102, Baldev Apartment, 13/1, Race Course Road, Indore, Madhya Pradesh DIN: 00598362	Independent Director	Practising Chartered Accountant having an experience of 19 years in the field of Finance & Banking, Audit, Taxation and Management Consultancy.	January 25, 2006
Mr. Deepak Mehta A/202-203, Mahendra apartments, Kulup Wadi road, Borivali (East), Mumbai, Maharashtra DIN: 00019918	Independent Director	Practising Chartered Accountant having experience of 20 years in the field of Audit, Income tax and Sales tax Matters.	October 22, 2009
Mr. Murli Dhar Vashist	Independent Director	Practising Chartered	October 22, 2009

62/11, Rajasthan Housing Board, Pratap Nagar, Sanganer, Jaipur, Rajasthan DIN: 02824595		accountancy having about 6 years of experience.	

As on the date of Public Announcement, Mr. Mukesh Sangla and Mr. Saurabh Sangla, two of the Acquirers, are also on the Board of Directors of the Target Company. For details, please refer to sections 4.1 and 4.2 above.

6.16 There has been no merger/ de-merger/ spin off during the last three years.

6.17 The brief audited financials of Signet for the FY 2006-07, 2007-08, 2008-09 and Limited Review Accounts for the period April 1, 2009 to December 31, 2009 as certified by the Statutory Auditors of the Target Company viz. Avinash Baxi, Partner, (Membership No. 79722), Ashok Khasgiwala & Co., Chartered Accountants; Address: 317, Chetak Centre, "Annex", R. N. T. Marg, Indore - 452001; Tel. No. +91-731-2517341 / 3046909; E-mail: ashokkhasgiwala@yahoo.com, are as under:

Profit & Loss Statement	**Period April 1, 2009 to December 31, 2009**	**2008-09**	**2007-08**	**2006-07**
				(Rs. in lakhs)
Income from operations	24,493.99	30,451.95	23,838.61	32,088.83
Other Income	75.47	78.98	118.15	104.74
Total Income	24,569.46	30,530.93	23,956.76	32,193.57
Total Expenditure	23,614.38	29,329.14	22,858.67	30,999.94
Profit Before Depreciation, Interest and Tax	955.08	1,201.79	1,098.09	1,193.63
Depreciation	134.43	136.62	125.46	99.66
Interest	514.10	743.50	594.22	529.20
Exceptional Items	540.04	-	-	-
Profit Before Tax	846.59	321.67	378.41	564.77
Provision for Tax	103.00	117.82	103.26	261.07
Profit After Tax	743.59	203.85	275.15	303.70

Balance Sheet Statement	**Period April 1, 2009 to June 30, 2009**	**2008-09**	**2007-08**	**2006-07**
				(Rs. in lakhs)
Sources of Funds				
Paid up Share Capital	486.45	162.15	162.15	162.15
Reserves & Surplus (excluding revaluation reserves)	2,226.07	1,806.78	1,602.92	1,327.77
Total miscellaneous expenditure not written off	-	-	-	-
Net worth	2,712.52	1,968.93	1,765.07	1,489.92
Secured Loans	4,569.99	3,914.08	4,126.38	3,283.73
Unsecured Loans	2,759.44	3,316.40	2,629.27	2,381.09
Deferred Tax Liability (net)	386.60	397.15	388.03	396.12
Total	**10,428.55**	**9,596.56**	**8,908.75**	**7,550.86**
Uses of Funds				
Net Fixed Assets	2,316.16	1,763.30	1,556.99	2,044.72
Investments	620.81	628.92	719.98	724.16

Net Current Assets	7,491.58	7,204.34	6,631.78	4,781.98
Deferred tax assets (Net)	-	-	-	-
Total	**10,428.55**	**9,596.56**	**8,908.75**	**7,550.86**

Other Financial data	**Period April 1, 2009 to December 31, 2009**	**2008-09**	**2007-08**	**2006-07**
Dividend (%)	Nil	Nil	Nil	Nil
Earnings Per Share (Rs.)	15.29*	12.57	16.97	18.73
Return on Net worth (%)	27.41*	10.35	15.59	20.38
Book Value Per Share (Rs.)	55.76	121.43	108.85	91.89

**Unannualized*

The unaudited financial results (as per Limited Review Accounts) for the period April 1, 2009 to December 31, 2009 disclosed above, are as certified by the Statutory Auditors viz. Avinash Baxi, Partner, (Membership No. 79722), Ashok Khasgiwala & Co., Chartered Accountants; Address: 317, Chetak Centre, "Annex", R. N. T. Marg, Indore - 452001; Tel. No. +91-731-2517341 / 3046909; E-mail: ashokkhasgiwala@yahoo.com, vide their letter dated February 8, 2010.

6.18 Reasons for fall in total income and PAT during above period:

FY 2008-09 vis-à-vis 2007-08
The total income of the Target Company increased to Rs. 30,530.93 lakhs during FY 2008-09 from Rs. 23,956.76 lakhs during FY 2007-08 on account of increase in income from operations. The Company earned a profit after tax of Rs. 203.85 lakhs during FY 2008-09 as compared to Rs. 275. 15lakhs during FY 2007-08. The decrease in PAT was primarily because of the increased cost of operations.

FY 2007-08 vis-à-vis 2006-07
The total income of the Target Company decreased to Rs. Rs. 23,956.76 lakhs during FY 2007-08 as compared to Rs. 32,193.57 lakhs during FY 2006-07 on account of decrease in the income from operations. The Company earned a profit after tax of Rs. 275. 15 lakhs during FY 2007-08 as compared to Rs. 303.70 lakhs during FY 2006-07. The decrease in PAT was due to the decrease in total income of the Company.

FY 2006-07 vis-à-vis FY 2005-06
The total income of the Target Company increased to Rs. 32,193.57 lakhs during FY 2006-07 from Rs. 20,005.11 lakhs during FY 2005-06 on account of increase in income from operations and other income. The Company earned a net profit of Rs. 303.70 lakhs in FY 2006-07 as compared to Rs. 206.74 lakhs earned during the FY 2005-06. The increase in PAT was a result of the increase in total income of the Company.

6.19 Pre and Post-Offer shareholding pattern of the Target Company, as on the date of Public Announcement, is as follows:

Shareholders' category	**Shareholding & voting rights prior to the agreement / acquisition and Offer**		**Shares / voting rights agreed to be acquired which triggered the Regulations**		**Shares / voting rights to be acquired in Open Offer (Assuming full acceptances)**		**Shareholding & voting rights after the acquisition of shares under SPA and Open Offer**	
	(A)		**(B)**		**(C)**		**(A)+(B)+(C)=(D)**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
(1) Promoter/ Promoter Group other than (2)(a) & (2)(b)								
Mukesh Sangla HUF*	1,80,012	3.70	0	0	0	0	1,80,012	3.70
Total (1)	**1,80,012**	**3.70**	**0**	**0**	**0**	**0**	**1,80,012**	**3.70**
(2)(a)Acquirers								
Mr. Mukesh Sangla *	2,57,397	5.29	50,000	1.03	9,72,900	20.00	35,09,388	72.14
Mr. Saurabh Sangla*	2,52,000	5.18	50,000	1.03				
Ms. Monika Sangla *	2,57,250	5.29	50,000	1.03				
Ms. Avantika Sangla	0	0	75,000	1.54				

Adroit Industries (India) Limited	0	0	4,12,500	8.48				
Shri Balaji Starch & Chemicals Limited	0	0	5,87,700	12.07				
(2)(b) Persons Acting in Concert (PACs)								
Ornate Leasing & Finance Private Limited*	1,82,400	3.75	0	0				
Swan Holdings Private Limited*	1,81,950	3.74	0	0				
Signate Leasing & Finance Private Limited*	1,80,291	3.71	0	0				
Signet Impex Private Limited	0	0	0	0				
Total (2) = (a) + (b)	**13,11,288**	**26.96**	**12,25,200**	**25.19**	**9,72,900**	**20.00**	**35,09,388**	**72.14**
(3) Parties to SPA other than (1) & (2) (Sellers)								
Padmini Distributors Private Limited	2,25,000	4.63	(2,25,000)	(4.63)	0	0	0	0
Kesar Vincom Private Limited	2,25,000	4.63	(2,25,000)	(4.63)	0	0	0	0
Magnolia Traders Private Limited	1,87,500	3.85	(1,87,500)	(3.85)	0	0	0	0
Pushpanjali Vinimay Private Limited	1,87,500	3.85	(1,87,500)	(3.85)	0	0	0	0
Jeevan Commercial Private Limited	1,60,200	3.29	(1,60,200)	(3.29)	0	0	0	0
Prime Suppliers Private Limited	2,40,000	4.93	(2,40,000)	(4.93)	0	0	0	0
Total (3)	**12,25,200**	**25.19**	**(12,25,200)**	**(25.19)**	**0**	**0**	**0**	**0**
(4) Public (other than parties to SPA and Acquirers)								
(a) FIs/ MFs/ FIIs/ Banks, SFIs	0	0	0	0				
(b) Others								
Bodies Corporate	21,10,685	43.39	0	0				
Individuals	37,315	0.77	0	0	(9,72,900)	(20.00)	11,75,100	24.16
NRIs/ OCBs	0	0	0	0				
Clearing Members	0	0	0	0				
Total (4) = (a)+(b)	**21,48,000**	**44.16**	**0**	**0**				
Grand Total (1+2+3+4)	**48,64,500**	**100.00**	**0**	**0**	**0**	**0**	**48,64,500**	**100.00**

* Forms part of Promoter and Promoter Group as per the shareholding pattern for the quarter ended March 31, 2010, filed with BSE.

6.20 The details of change in shareholding of Promoter / Promoter Group and inter-se transfer amongst the Promoter / Promoter Group since February 20, 1997 are as under:

Date of allotment / acquisition / sale / transmission / market purchase	Cumulative number of shares held by Promoter / Promoter Group before acquisition / allotment / transmission	No. of shares acquired / allotted / sold / transmitted	Cumulative number of shares held by Promoter / Promoter Group after acquisition / allotment/ transmission	% of total capital	% change in shareholding of Promoter / Promoter Group	Nature of transaction	Status of compliance
February 1997	5,14,100	-	5,14,100	58.99	Nil	-	NA
December 2000	5,14,100	-	5,14,100	40.43	18.56	Increase in Share capital due to preferential allotment to non-promoters	Complied
June 2003	5,14,100	(95,000)	4,19,100	32.96	7.47	Reclassification of Promoter Group	NA

March 2004	4,19,100	-	4,19,100	25.85	7.11	Increase in Share capital due to preferential allotment to non-promoters	Complied
June 2007	4,19,100	78,000	4,97,100	30.66	4.81	Market Purchase	NA
		17,500			Nil	Inter-se transfer	NA
December 2009	4,97,100	9,94,200	14,91,300	30.66	-	Allotment of Bonus Shares	Complied

6.21 The Target Company has complied with all provisions under Clause 49 of the Listing Agreement relating to Corporate Governance.

6.22 Details of pending litigations are as follows:

Details of pending litigations against the Company are as follows:

1. A show cause notice dated August 22, 2006 has been issued by the Office of the Commissioner Customs, Central Excise and Service Tax, Indore (MP) to M/s. Logic Poly Products, a unit of the Target Company demanding an amount of Rs.15,75,198 (Rupees fifteen lakhs seventy five thousand one hundred and ninety eight only) and confiscation of plastic household articles valued at Rs.1,03,032 (One lakh three thousand and thirty two), *inter alia*, for allegedly removing excisable goods without payment of appropriate duty in the place where the same were produced/manufactured and failure to pay the correct amount of excise duty by due date. M/s. Logic Poly Products deposited the demand amount of Rs.15,75,198 and also paid Rs.393799.50 being 25% of duty determined within 30 days of receipt of the Order claiming waiver of 75% of penalty amount. The case has been remanded back by CESTAT to the Assistant Commissioner to be decided on merits.

2. A show cause notice dated August 31, 2009 has been issued by the Office of the Commissioner Customs, Central Excise, Indore (MP) to M/s. Logic Poly Products, a unit of the Target Company and Mr. Vimal Bandi, an authorized signatory of M/s. Logic Poly Products demanding an amount of Rs.16,04,310 (Rupees sixteen lakhs four thousand three hundred and ten only) being 10% of total value of clearance of exempted goods and penalty pertaining to benefit of CENVAT credit under Cenvat Credit Rules, 2004. M/s. Logic Poly Products has filed its reply before the Additional Commissioner, Central Excise (Indore) and the case is pending adjudication.

3. A show cause notice dated April 6, 2009 has been issued by the Directorate General of Central Excise Intelligence, Zonal Unit, Ahmedabad (DGCEI) to M/s. Logic Poly Products, a unit of the Target Company and Mr. Mukesh Sangla, Managing Director of the Target Company pursuant to a search conducted by the officers of DGCEI demanding an amount of Rs.1,22,45,850 (Rupees one crore twenty two lakhs forty five thousand eight hundred and fifty only) payable on finished excisable goods manufactured and that were allegedly cleared clandestinely by M/s. Logic Poly Products alongwith penalty and interest under Section 11AC of the Central Excise Act, 1944 and Central Excise Rules, 2002. An amount of Rs.2,00,00,000 (Rupees two crores only) was voluntarily deposited during the course of investigation and the show cause notice seeks to appropriate the demand amount aforementioned against the amount of Rs.2,00,00,000 (Rupees two crores only) voluntarily deposited during course of investigation. An amount of Rs.67,50,688 (Rupees sixty seven lakhs fifty thousand six hundred and eighty eight only) has been admitted as payable by the notices while the balance amount demanded is being contested and the case is pending adjudication.

The Target Company confirms that in addition to the above, there are no other pending litigations, suits, or criminal proceedings against the Target Company.

Details of pending suits filed by the Company as on date are as follows:

1. The Target Company has filed criminal complaint bearing number 14029/22/2009 in the Additional Chief Metropolitan Magistrate's Court at Andheri, Mumbai under section 138 r/w 141 of the Negotiable Instruments Act against Parat Polymer Extrusions Pvt. Ltd, Mr. A Vinod (Managing Director) and Mrs. Bindu Vinod (Director) for dishonour of cheque of an amount of Rs. 3,75,312 (Rupees three lakhs seventy five thousand three hundred and twelve only) towards partial discharge of liability amounting to Rs. 9,83,515 (Rupees Nine lakhs eighty three thousand five hundred fifteen only). The Complaint is pending adjudication at Andheri Court in Mumbai.

2. The Target Company has filed criminal complaint bearing number 14030/22/2009 in the Additional Chief Metropolitan Magistrate's Court at Andheri, Mumbai under section 138 r/w 141 of the Negotiable Instruments Act against Parat Polymer Extrusions Pvt. Ltd, Mr. A Vinod (Managing Director) and Mrs. Bindu Vinod (Director) for dishonour of cheque of an amount of Rs. 2,75,000 (Rupees two lakhs seventy five thousand only) towards partial discharge of liability amounting to Rs. 9,83,514.71 (Rupees Nine lakhs eighty three thousand five hundred and fourteen and paisa seventy one only). The Complaint is pending adjudication at Andheri Court in Mumbai.

3. The Target Company has filed criminal complaint bearing number 14031/22/2009 in the Additional Chief Metropolitan Magistrate's Court at Andheri, Mumbai under section 138 r/w 141 of the Negotiable Instruments Act against Parat Polymer Extrusions Pvt. Ltd and Mr. A Vinod (Managing Director) and Mrs. Bindu Vinod (Director) for cheque bounce amount of Rs. 3,00,000 (Rupees three lakhs only) towards partial discharge of liability amounting to Rs. 9,83,514.71 (Rupees Nine lakhs eighty three thousand five hundred and fourteen and paisa seventy one only). The Complaint is pending adjudication at Andheri Court in Mumbai.

4. The Target Company has filed criminal complaint bearing number 7123/22/2009 in the Metropolitan Magistrate's, 10th Court at Andheri, Mumbai under section 138 r/w 141 of the Negotiable Instruments Act against Mark Laminex Private Limited, Mr. Jitendra J. Patel (Director), Mr. Sunil Mohanbhai Patel (Director), Mr. Harshvardhan Mohanbhai Bhayani (Patel) (Director) and Mr. Vinod Ratibhai Patel (Director) for dishonour of cheque of an amount of Rs. 22,46,738 (Rupees twenty two lakhs forty six thousand seven hundred and thirty eight only). The Complaint is pending adjudication at Andheri Court at Mumbai.

5. The Target Company has filed criminal complaint in the 2009 before the Chief Judical Magistrate's District Court Faridabad, Haryana under section 138 of the Negotiable Instruments Act against Shri Chandra Shekhar Ohja (Proprietor of M/s. Deepak Industries) for dishonour of three (3) cheques amounting to Rs. 8,00,000 (Rupees eight lakhs only). The Complaint is pending adjudication at District Court Faridabad, Haryana.

6. The Target Company has filed criminal complaint in the 2010 before the Chief Metropolitan Magistrate Tis Hazari Courts Delhi under section 138 of the Negotiable Instruments Act against Shri Dinesh Khandelwal (Proprietor of M/s. Kayemm Enterprise) for dishonour of sixteen (16) cheques amounting to Rs. 24,39,711 (Rupees twenty four lakhs thirty nine thousand seven hundred and eleven only). The Complaint is pending adjudication at Chief Metropolitan Magistrate Tis Hazari Courts Delhi.

7. The Target Company has filed an appeal before Commissioner of Income Tax (Appeals), Mumbai against disallowance of Rs.7,18,731 (Rupees seven lakhs eighteen thousand seven hundred and thirty one only) by Income Tax Department for the year 2007-08 that has lead to issuance of notice of demand for a sum of Rs.17,542 (Rupees seventeen thousand five hundred and forty two) and the appeal is pending for adjudication.

The Target Company confirms that in addition to the above, there are no other pending litigations, or criminal proceedings or suits filed by the Target Company.

6.23 The name and contact details of Compliance Officer of the Target Company is as under:

Ms. Nidhi Dhabriya
Signet Industries Limited (formerly Signet Overseas Limited)
308, Acme Plaza, Opposite Sangam Cinema,
Andheri – Kurla Road,
Andheri (East), Mumbai - 400059
Email: csnidhi@groupsignet.com
Tel: +91-22-30888061-65; Fax: +91-22-66941567

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The equity shares of the Target Company are presently listed on the Bombay Stock Exchange Limited (BSE) and Madhya Pradesh Stock Exchange Limited (MPSE).

7.1.2 The equity shares of the Target Company are infrequently traded on BSE within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations, whereas there has been no trading on MPSE.

The annualized trading turnover in the shares of the Target Company on BSE and MPSE based on the trading volume during November 2009 to April 2010 (six calendar months preceding the month in which PA is made) is as given below:

Stock Exchange	**Total No. of Shares traded during 6 calendar months prior to the month in which PA is made**	**Total No. of Listed Shares**	**Annualized Trading Turnover (as % of Total shares Listed)**
BSE*	261	48,64,500	0.011%
MPSE	No trading	12,71,500**	No trading

*(Source: www.bseindia.com)

** 35,93,000 equity shares are not listed on MPSE as the Target Company had plans to delist their securities from MPSE, The Target Company had now made an application for listing at MPSE for these shares on April 8, 2010.

7.1.3 The Offer price of Rs. 40 (Rupees Forty only) per equity share has been determined in terms of Regulation 20(5) of the SEBI (SAST) Regulations, being the highest of the following:

a)	Negotiated price payable under SPA dated April 28, 2010	Rs. 35 per equity share
b)	Highest price paid by the Acquirers or persons acting in concert with him for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of Public Announcement	Not Applicable
c)	Other parameters	Based on financial information for the Period April 1, 2009 to December 31, 2009
	- Return on Networth (%) (Unannualized) [1]	27.41
	- Book Value per share (Rs.) [2]	55.76
	- Earning Per Share (EPS) (Unannualized) [3]	15.29
	- Price Earning multiple (with reference to Offer price of Rs. 40 per share)	2.62
	- The Industry Average Price Earning Multiple [4]	24.10

[1] Return on Net worth calculated as Profit after tax / Net worth

[2] Book value per share calculated as Net worth / Number of outstanding shares as at the end of the year.

[3] Earning Per Share calculated as net profit attributable to equity holders / weighted average number of shares.

[4] Source: Capital Market May 3 – May 16, 2010 (Sector: Plastic Products). The Target Company is engaged in Plastic Industry and its business operations can be compared with the companies disclosed in the Capital Market. However, the name of the Target Company is not appearing in the Capital Market. The Industry PE multiple is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to the Target Company and also vary widely in terms of financial parameters with the Target Company.
Mr. Lalit Kumar Jain, Partner, Lalit K Jain & Co., Chartered Accountants (Membership No. 075283); Address: 112-113, Rafael Tower, 8/2, Old Palasia, Greater Kailash Road, Indore – 452 001; Tel. No: +91-731-2561691; Fax No.: +91-731-2561692; Email: lalitkjain_ca@rediffmail.com have certified on April 28, 2010 that the fair value per equity share of the Target Company is Rs. 40/- considering the book value and earning based value per share. The concluding text of valuation report of Lalit K Jain & Co, Chartered Accountants is as under:

A) "Price / Earnings (P/E) and Price / Book Value (P/BV) Multiples

P/E Multiple, for the purpose of computing the value of Equity Shares, is generally worked out by taking the average of P/E multiples of the listed peer group companies. However, there is no listed company of same size of operations which can be directly compared with Signet. For the purpose of valuation, we have considered some of the listed companies in the sector which otherwise cannot be strictly compared with Signet.

B) P/E and P/BV Multiples of Comparable Companies

(Rs. in crores, except per share data)

	Sales	MP	EPS	BV	P/E	P/BV
Astral Poly Technik Ltd.	192.70	207	15.1	81.4	13.7	2.54
Kalpena Industries Ltd.	603.00	125	23.2	62.0	5.4	2.02
Kisan Mouldings Ltd.	151.20	83	5.4	52.8	15.5	1.57
Mold-Tek Plastics Ltd.	108.60	43	8.6	26.6	5.0	1.62
Precision Pipes	127.4	100	7.4	99.8	13.5	1.00
Average					**10.6**	

(Source: Capital Market April 19-May 2, 2010)

I. Weighted Average EPS of Signet

	2009-10	2008-09	2007-08	2006-07
	(9 months)	(12 months)	(12 months)	(12 months)
PAT (Rs. In lakhs)	743.59	203.85	275.15	303.7
Exceptional Items (Rs. In lakhs)	540.04	0	0	0
PAT after exceptional items (Rs. In lakhs)	203.55	203.85	275.15	303.70
Share Capital (No. of shares)	4864500*	4864500**	4864500**	4864500**
EPS (Rs.)	4.184	4.191	5.656	6.243
Annualised EPS (Rs.)	5.58	4.191	5.656	6.243
Weights	1	2	3	
		1	2	3
	Weighted average EPS considering 2009-10			
Weighted Average EPS considering 2009-10 (Rs.)	5.15			
P/E (assumed)	10			
Price (Rs. Per share)	51.50			
Price after Discount @ 25%	38.63			

(Rs. Per share)				

*** After Bonus shares**

**** Share capital Considering after bonus shares for comparison purpose only**
(Issued Capital 1621500 equity shares + 3243000 equity shares issued as bonus shares on 15 12.2009)

II.Weighted Average BV of Signet

Year	EPS	Weights used
FY 2006-07	30.63	1
FY 2007-08	36.28	2
FY 2008-09	40.47	3
December 31, 2009	55.76	

Weighted Average BV of Signet = Rs. 37.43 per share

III.P/E and P/BV Multiples for Signet:

We feel that the following factors play an important role while deciding comparable valuations –

- Size of operations
- Trading viz-a-viz manufacturing operations
- Negligible trading during last 6 months – only 261 shares were traded during last 6 months

Keeping in view of the above, we feel that a minimum of 25-30% discount to the above P/E and P/BV Multiples be given while calculating Fair Value for Signet. Hence the valuation per share works out to be the following –

	Industry Avg.	Discount	Valuation Multiple for Signet	Weighted Avg.	Valuation per share
P/E Multiple	10x	25-30%	7.5x - 7x	EPS - Rs. 5.15/-	Rs. 36/- to 38/-
P/BV Multiple	1.5x	25-30%	1.125x - 1.05x	BV – Rs. 37.43/-	Rs. 39/- to 42/-

CONCLUSION

Considering the above, the Fair Value for Signet can be taken as the average of price calculated as per P/E Multiple and P/BV Multiple.

P/E Multiple	Rs. 38
P/BV Multiple	Rs. 42
Simple Average	**Rs. 40**

Hence, the Fair Value for Signet Industries Limited works out to be Rs. 40/- per share."

Based on the above financial parameters, the fair value per equity share of the Target Company as certified by Mr. Lalit Kumar Jain, Partner, Lalit K Jain & Co., Chartered Accountants (Membership No. 075283) and in the opinion of the Manager to the Offer and the Acquirers, the Offer Price of Rs. 40/- per equity share is justified in terms of Regulation 20(11) of SEBI (SAST) Regulations.

7.1.4 If the Acquirers alongwith PACs acquire shares of the Target Company after the date of the PA and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all valid applications received under the Offer. Details of such acquisitions will be disclosed by the Acquirers or PACs, as the case may be, within 24 hours of such acquisition to the BSE, MPSE and to the Manager to the Offer in terms of Regulation 22(17) of SEBI (SAST) Regulations.

7.1.5 There is no non-compete agreement entered into by the Acquirers with the Target Company. This is not an indirect acquisition / control.

7.1.6 As per the SEBI (SAST) Regulations, the Acquirers can revise the Offer Price / Offer Size up to seven working days prior to the closure of this Offer (i.e. upto July 2, 2010, Friday), and the revision, if any, would be announced in the same newspapers where the PA has appeared and the revised price will be paid for all shares acquired pursuant to this Offer.

7.2 Financial arrangements

7.2.1 The total fund requirement for the acquisition of 9,72,900 equity shares of face value Rs. 10/- each, being 20% of the paid up share capital of Target Company, at Rs. 40/- (Rupees Forty only) per equity share, assuming full acceptance, is Rs. 3,89,16,000 (Rupees Three Crores Eighty Nine Lakhs Sixteen Thousand only).

7.2.2 In accordance with the requirements of the SEBI (SAST) Regulations , the Acquirers / PACs have deposited an amount of Rs. 97,29,000 (Rupees Ninety Seven Lakhs Twenty Nine Thousand only), being 25% of the consideration payable in the Open Offer, in a bank account named "Signet Industries Limited Open Offer Escrow Account" (the **"Escrow Account-Cash"**) Escrow account no. "02580210002353" with UCO Bank, Girnar Tower, 3/5, 4/5 New Palasia, Indore- 452003 [the "UCO" or **"Escrow Bank"**], in terms of an agreement dated April 28, 2010 amongst the Acquirers, PACs, Manager to the Offer and the Escrow Bank (the **"Escrow Agreement"**). Manager to the Offer has been duly authorized by the Acquirers and PACs to operate and realize the value of Escrow Account in terms of the SEBI (SAST) Regulations.

7.2.3 The Acquirers alongwith PACs have adequate resources to meet the financial requirements of the Offer and has made firm financial arrangements to implement the Offer and meet the obligations in full.

7.2.4 Mr. Lalit Kumar Jain, Partner (Membership no. 075283) Lalit K Jain & Co., Chartered Accountants, located at 112-113, Rafael Tower, 8/2, Old Palasia, Greater Kailash Road, Indore- 452001, Telephone No.: +91-731-2561691, Fax No.: +91-731-2561692, Email Id: lalitkjain_ca@rediffmail.com, vide their certificate dated April 28, 2010 has confirmed and certified that sufficient resources are available with the Acquirers for fulfilling the obligations under this Offer in full.

7.2.5 The Acquirers and PACs have confirmed that the Offer is being implemented through their own funds.

7.2.6 In case of a revision in the Offer price, the Acquirers / PACs would raise the amount in the escrow account to ensure compliance with Regulation 28 of the SEBI (SAST) Regulations.

7.2.7 Based on the undertakings and declarations from the Acquirer, PACs and the certificate from the auditors, the Manager to the Offer, is satisfied that the firm arrangements for financial resources required to implement the Offer i.e. funds for payment through verifiable means are in place to fulfill the obligations of the Acquirers alongwith PACs under the Offer and is satisfied that the adequate resources are available to meet the financial requirements of the Offer in accordance with the Regulations.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 The Acquirers alongwith PACs made a Public Announcement on May 4, 2010 for the Offer. This Offer is being made to all the Equity Shareholders of Target Company (other than the parties to the SPA and the Promoter and Promoter Group of Target Company) and the Letter of Offer together with the Form of Acceptance cum Acknowledgement, Form of Withdrawal and Share Transfer Form (for shareholders holding Equity Shares in the physical form) is being mailed to those shareholders of Target Company, whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares of Target Company whose names appear as beneficiaries on the beneficial record of the respective Depositories, at the close of business on the Specified Date (i.e. Thursday, June 3, 2010)

8.2 All Equity Shares tendered and accepted under the Offer, will be acquired by the Acquirers, subject to the terms and conditions set out in this Letter of Offer. All necessary requirements for the valid transfer of the

Equity Shares to the Acquirers will be preconditions for acceptance of the tendered Equity Shares. Incomplete applications including non-submission of necessary enclosures, if any are liable to be rejected.

8.3 The ISIN number of Equity Shares of Signet in dematerialised form is INE529F01019.

8.4 All owners of equity shares of the Target Company, demat/physical, registered/unregistered (other than the parties to the SPA and the Promoter and Promoter Group of Target Company) are eligible to participate in the Open Offer, at any time before the date of closure of the Offer. No indemnity is required from such unregistered owners.

8.5 Letter of Offer, Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be available on SEBI's website: www.sebi.gov.in, from the Offer opening date i.e. Monday, June 21, 2010.

8.6 Applications in respect of equity shares of the Target Company that are subject matter of litigation, wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation, are liable to be rejected in case suitable directions / orders to the satisfaction of Acquirers from competent authority regarding these equity shares are not received together with the equity shares tendered under the Offer. The Acquirers at its sole discretion, in such cases, may forward the Letter of Offer to the concerned statutory authorities for further action at their end.

8.7 If the shares tendered in this Offer by the shareholders of the Target Company are more than the equity shares agreed to be acquired under this Offer, the Acquirers shall accept the offers received from the public shareholders on a proportionate basis as per Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer such that the acquisition from each shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. The marketable lot for the Target Company is 1 (one) Equity Share.

8.8 The Offer will open on Monday, June 21, 2010 (the "Offer Opening date") and close on Saturday, July 10, 2010 (the "Offer Closing Date").

8.9 The Offer is not subject to any minimum level of acceptance. The acceptance of the Offer is entirely at the discretion of the shareholders of the Target Company. Each shareholder of the Target Company to whom this Offer is being made, is free to offer his shareholding in Target Company, in whole or in part while accepting the Offer.

8.10 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

8.11 The Acquirers will not be responsible in any manner for any loss of Equity Share certificate(s) and offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

8.12 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected. Acquirers will acquire the Equity Shares free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to dividends, bonus and rights declared hereafter.

8.13 Accidental omission to dispatch the Letter of Offer or any further communication to any person to whom the Letter of Offer is or should be made or the non-receipt of the Letter of Offer by any such person shall not invalidate the Offer in any way.

8.14 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 9 of this Letter of Offer. In terms of Regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

8.15 The securities transaction tax will not be applicable to the Equity Shares accepted in the Offer.

9. **STATUTORY/OTHER APPROVALS REQUIRED FOR THE OFFER**

9.1 This Offer is not subject to receipt by the Acquirers of approval from the Reserve Bank of India (the "RBI") under the Foreign Exchange Management Act, 1999, as amended from time to time, and / or the regulations made thereunder, for the acquisition / transfer of the equity shares tendered pursuant to the Offer.

9.2 As of the date of the PA, to the best of the knowledge of the Acquirers, no other statutory or regulatory approval(s) is/are required for the purpose of the Offer. If any other statutory approvals become applicable at a later date, the Offer would be subject to such other additional statutory approvals. In case the statutory approval(s) is/are not obtained, the Acquirers will not proceed with the Offer in terms of Regulation 27 of the SEBI (SAST) Regulations.

9.3 The Acquirers shall complete all formalities relating to the Offer within a period of 15 days from the closing of the Offer.

9.4 In case of delay due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI, may, if satisfied that the non-receipt of the approvals was not due to wilful default or negligence, grant an extension for the purpose of completion of the Offer provided the Acquirer agree to pay interest to the shareholders of Target Company beyond 15 days from the closure of the Offer.

9.5 If the Acquirer fails to obtain the requisite approvals in time due to willful default or neglect or inaction on his part, the amount lying in the escrow account shall be liable to be forfeited and dealt with the manner provided in Regulation 28(12)(e) of SEBI (SAST) Regulations.

9.6 No consents/approval is required from the Banks and Financial Institutions for the Open Offer.

9.7 The Acquirers reserve the right to withdraw the Offer, in terms of Regulation 27 of SEBI (SAST) Regulations, in the event of non-receipt of requisite statutory approval(s). In the event of withdrawal, a Public Announcement shall be made in the same newspapers in which the original Public Announcement is being made.

10. **PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER**

10.1 The Acquirers have appointed Karvy Computershare Private Limited ("Karvy") as Registrar to the Offer.

10.2 Karvy has set up the following centres to collect the acceptances being tendered in this Offer.

Sr. No.	Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax No.	Mode of delivery
1.	Mumbai	Karvy Computershare Pvt. Ltd 26-30, Fort Foundation Bldg., Maharashtra Chamber of Commerce Lane, Opp. MSC Bank, Fort, Mumbai – 400 023	Ms. Nutan Shirke	022-66382666	022-66331135	Hand Delivery
2.	Indore	Karvy Computershare Pvt. Ltd. 21/1, Race Course Road, 105/106/107, DM Towers, Near Jangeerwala Chowrah, Indore – 452 001	Mr. Prem Shubankar	0731-3014200/202/203/2408/1507/4281501/502/503	N.A.	Hand Delivery
3.	Hyderabad	Karvy Computershare. Pvt. Ltd.,	Ms. Rinki Sareen	040-23420818-23	040-23431551	Hand Delivery/

		Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081				Regd Post

The documents can be tendered at the above centers between 10.00 am to 4.00 pm from Monday to Friday and 10.00 am to 1.00 pm on Saturdays. The centers will be closed on Sundays and public holidays.

Shareholders of Target Company, (other than the parties to the SPA and the Promoter and Promoter Group of Target Company) who wish to accept this Offer and tender their shares will be required to send the under mentioned documents, to the Registrar to the Offer, Karvy Computershare Private Limited, Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081; Phone: +91-40-2342 0815-23; Fax: +91-40-2343 1551; Website: www.karvy.com; Email: murali@karvy.com; Contact Person: Mr. M. Murali Krishna, either by hand delivery on weekdays or by Registered Post, on or before the close of the Offer, i.e. no later than Saturday, July 10, 2010 so as to reach the Registrar on or before the close of business hours. They can also tender their shares by hand delivery at any collection centres mentioned above.

In case of dematerialised Equity Shares, the shareholders should ensure that the credit to the Special Depository Account mentioned in paragraph 10.4 below should be received on or before July 10, 2010. In order to ensure this, beneficial owners should tender the delivery instructions at least two working days prior i.e. by July 8, 2010. Form of Acceptance of such dematerialised Equity Shares not credited to the Special Depository Account before the date of closing of this Offer is liable to be rejected.

The Share certificate(s), Share Transfer Form, Form of Acceptance and other documents, as required should be sent only to the Registrar to the Offer, at the collection centers mentioned above. No document should be sent to the Acquirers / PACs or the Manager to the Offer or the Target Company.

10.3 Procedure for Equity Shares held in Physical Form

- **Registered shareholders of the Target Company should enclose:**

  - Form of Acceptance –cum- Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the equity share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
  - Original equity share certificate(s);
  - Valid Share Transfer Form(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with Target Company and duly witnessed at the appropriate place. The Share Transfer Form should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. A blank Share Transfer Form is enclosed along with the Letter of Offer.

    In case of registered shareholder, non receipt of the aforesaid documents, but receipt of the share certificates and the duly completed Share Transfer Form, shall be deemed that the Offer has been accepted.

    Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a *bona fide* owner of such Equity Shares.

- **Unregistered owners of Equity Shares of the Target Company should enclose:**
  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein;

- Original Equity Share Certificate(s);
- Original Broker Contract Note;
- Valid Share Transfer Form(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
- The acknowledgement received, if any, from the Target Company in case the Equity Shares have been lodged with the Target Company. Such persons should instruct the Target and its Registrar and Transfer agents to send the transferred share certificate(s) directly to the collection center as mentioned in paragraph 10.2 above. The applicant should ensure that the certificate(s) reach the designated collection center before the date of closing of the Offer.

  Unregistered owners can send their acceptance of the Offer in writing to the Registrar to the Offer, Karvy, at the collection centers as mentioned in paragraph 10.2 above, on plain paper stating Name, Address, No. of Equity Shares held, No. of Equity Shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid Share Transfer Forms in case of Equity Shares held in physical form and the original contract note issued by the broker through whom they acquired their Equity Shares. No indemnity is required from the unregistered owners.

  Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI's website (www.sebi.gov.in).

10.4 Procedure for Equity Shares held in Demat Form

- **Beneficial owners should enclose:**
  - Form of Acceptance cum Acknowledgment duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose names appear in the beneficiary account and in the same order therein. The Form of Acceptance has to be tendered by the beneficial holder of Equity Shares only.
  - A photocopy or counterfoil of the delivery instructions in "off market" mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.
  - Registrar to the Offer has for the purpose of this Open Offer, opened a Special Depository Account with National Securities Depository Limited ("NSDL") called, "KCPL Escrow Account SIL Open Offer". Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Special Depository Account:

DP Name	:	Karvy Stock Broking Limited
DP ID	:	IN300394
Client ID	:	17627477
Account Name	:	KCPL Escrow Account SIL Open Offer
Depository	:	National Securities Depository Limited
ISIN	:	INE529F01019
BSE Scrip Code	:	512131

  - The credit for the delivered shares should be received in the Special Depository Account on or before the closure of the Open Offer.

    In case of non receipt of the aforesaid documents, but receipt of the shares in the Special Depository Account, the Offer shall be deemed to be accepted.

    Shareholders, having their beneficiary account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL. Since the Equity Shares of the Target are in compulsory demat mode, the minimum marketable lot for such shares will be one.

- **Shareholders who have sent their Equity Share Certificates for dematerialisation should enclose:**

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole/ joint Equity Shareholders whose name appears on the Equity Share Certificate and in the same order and as per the specimen signature lodged with Target Company.
- A copy of the dematerialisation request form duly acknowledged by the Equity Shareholders depository participant.

  Such Equity Shareholders should ensure that the credit of their Equity Shares tendered under Offer to the Special Depository Account is made on or before the date of closing of the Offer, otherwise the same are liable to be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the equity shareholders' Depository Participants, the equity shareholders can withdraw their dematerialization request and tender the equity shares certificates in the Offer as per the procedure mentioned in Paragraph 10.3.

10.5 Procedure to be adopted in case of non-receipt of the Letter of Offer

- **By Equity Shareholders holding Equity Shares in physical form**
  In case of non-receipt of the Letter of Offer, the eligible persons may download these documents from the SEBI's website (www.sebi.gov.in) or may obtain a copy of the same from the Registrar's office by writing to the Registrars to the Offer. Alternatively, the shareholders may send their acceptances on plain paper to the Registrar to the Offer, at the collection centers as mentioned in paragraph 10.2 above stating their name, address, number of equity shares held, number of equity shares tendered, distinctive numbers, folio number together with Original Share Certificate(s), Original broker contract note and duly executed valid Share Transfer Form so as to reach the Registrar to the Offer on or before the close of the Offer, i.e. no later than Saturday, July 10, 2010. Where the transfer deeds are signed by a constituted attorney, a certified copy of the power of attorney shall also be lodged. In case of body corporate or limited companies, certified copy of the Memorandum & Articles of Association and copy of Board Resolution authorizing the signatory shall also be sent alongwith.

  Shareholders who have lodged their Equity Shares for transfer with Target Company must also send the acknowledgement received, if any, from Target Company towards such lodging of Equity Shares. Such persons should instruct the Target and its Registrar and Transfer agents to send the transferred share certificate(s) directly to the collection center as mentioned in paragraph 10.2 above. The applicant should ensure that the certificate(s) reach the designated collection center before the date of closing of the Offer.

- **By Equity Shareholders holding Equity Shares in dematerialised form**
  Beneficial owners may send the acceptance of Offer in writing to the Registrar to the Offer, at the collection centers as mentioned in paragraph 10.2 above on plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of Special Depository Account, the details of which are mentioned in Paragraph 10.4 above, so as to reach the Registrar, on or before the close of the Offer, i.e. no later than Saturday, July 10, 2010.

  Shareholders, having their beneficial account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.

  No indemnity is required while sending the acceptance of the Offer on plain paper.

  Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

10.6 The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include, but are not limited to:

- duly attested death certificate and succession certificate in case of single shareholder;
- duly attested Power of Attorney if any person apart from the shareholder has signed the Form of Acceptance and/or Share Transfer Form(s);
- in case of companies, the necessary corporate authorization (including Board Resolution);
- any other relevant documentation.

10.7 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post / speed post at the shareholder's / unregistered owner's sole risk to the sole / first shareholder. Unaccepted shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.

10.8 The Registrar to the Offer will hold in trust the Form of Acceptance, Equity Share certificates, Share Transfer Forms and shares lying in credit of the Special Depository Account and other documents on behalf of the shareholders of Target Company who have tendered in the Offer, until the Acquirers complete its obligations under the Offer in accordance with SEBI (SAST) Regulations. The Acquirers would not have access to these Equity Shares till such time.

10.9 The Acquirers shall accept all valid fully paid up shares tendered (except those which are withdrawn, within the date specified for withdrawal). Equity Shares will be acquired by the Acquirers free from lien, charges and encumbrances of any kind whatsoever and together with all the rights attached thereto including the right to dividend, bonus and rights issue thereafter.

10.10 If the number of shares tendered by the shareholders is more than the Offer Size, the acquisition from each shareholder will be as per Regulation 21(6) of the Regulations, on a proportionate basis in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that, acquisition of Equity Shares from a shareholder, shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. As the Shares trade in compulsory dematerialized segment, the minimum marketable lot for the Shares is 1 (one).

10.11 In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closing of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before July 7, 2010.

10.11.1 The withdrawal option can be exercised by submitting the following:

i. For Equity Shares held in demat form:

Beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal accompanying the LOF. The signature(s) should be attested by the depository participant.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance submitted by registered post.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the depository participant.

ii. For Equity Shares held in physical form:

Registered Shareholders should enclose:

- Duly signed and completed Form of withdrawal accompanying the LOF.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance submitted by registered post.

- In case of partial withdrawal, valid Share Transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance submitted by registered post.

10.11.2 In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:

- ***In case of physical shares***: Name, Address, Distinctive Numbers, Folio Number, Number of Shares tendered and to be withdrawn; and
- ***In case of dematerialized shares***: Name, Address, Number of Shares offered and number of shares to be withdrawn, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the depository participant, in favour of the Special Depository Account;
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance submitted by registered post.

In case of non-receipt of Form of Withdrawal, eligible persons may download it from the SEBI's website (www.sebi.gov.in).

10.11.3 The withdrawal of shares will be available only for the share certificates/shares that have been received by the Registrar to the Offer / credited to Special Depository Account.

10.11.4 The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company/depository as the case may be.

10.11.5 The Form of Withdrawal should be sent only to the Registrar to the Offer.

10.11.6 In case of partial withdrawal of shares tendered in physical form by the registered shareholder, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from Target Company.

10.11.7 Partial withdrawal of tendered shares can be done only by the Registered shareholders/beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

10.11.8 Shareholders holding shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

10.12 **Payment of consideration**

Payment to those shareholders whose share certificates and/or other documents are found valid and in order and are approved by the Manager to the Offer and the Acquirers, will be by way of a crossed account payee cheque/ demand draft/ pay order/ through Direct Credit ("**DC**")/ National Electronic Funds Transfer ("**NEFT**")/ Real Time Gross Settlement ("**RTGS**")/ National Electronic Clearing Services ("**NECS**")/ Electronic Clearing Services ("**ECS**"). Shareholders who opt for receiving consideration through DC/NEFT/RTGS/NECS/ECS are requested to give the authorization for the same in the Form of Acceptance cum Acknowledgement and enclose a photocopy of cheque along with form of Acceptance. The decision regarding the acquisition (in part or full), or rejection of, the equity shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired equity shares and/or (ii) share certificates for any rejected equity shares or equity shares withdrawn, will be dispatched to the shareholders by registered post or by ordinary post as the case may be*, at the shareholder's sole risk. Equity shares held in dematerialised form to the extent not acquired or equity shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgement.

* Dispatches involving payment of a value in excess of Rs. 1,500 (Rupees Fifteen Hundred only) will be made by registered post at the shareholder's sole risk. All other dispatches will be made by ordinary post at the shareholder's sole risk.

10.13 All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holder(s). In case of unregistered owners of shares, payment will be made in the name of the person stated in the contract note.

10.14 The payment of consideration, if any, would be done through any of the following modes:

- **Electronic Clearing System ('ECS')** – Payment would be done through ECS for Shareholders having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment through ECS is mandatory for Shareholders having a bank account at any of the abovementioned 68 centers, except where the Shareholder, being eligible, opts to receive payment through direct credit or RTGS.

- **Direct Credit ('DC')** – Shareholders having bank accounts with the Escrow Banker, as mentioned in the Acceptance cum Acknowledgement Form, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirers.

- **Real Time Gross Settlement ('RTGS')** – Shareholders having a bank account at any of the abovementioned 68 centres and whose amount exceeds Rs. 1 lakh, have the option to receive the payment through RTGS. Such eligible Shareholders who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Acceptance-cum-Acknowledgement Form. In the event the same is not provided, payment shall be made through ECS. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirers. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholder.

- **National Electronic Fund Transfer ('NEFT')** – Payment shall be undertaken through NEFT wherever the Shareholder's bank has been assigned the Indian Financial System Code ('IFSC'), which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to the Shareholder through this method. The process flow in respect of payments by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.

For all other Shareholders, and those who have not updated their bank particulars with the MICR code, the payments will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for payments above Rs. 1,500. Such payments will be made by cheques, pay orders or demand drafts drawn on the Escrow Bank and payable at par at places where acceptance forms are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Shareholders.

The bank account details for ECS / Direct Credit / RTGS / NEFT will be directly taken from the details as provided by the shareholders in the Form of Acceptance cum Acknowledgement or Depositories' database. Therefore, shareholders are advised to update their Bank Account details including Account Number, MICR code and other demographic details with their Depository Participant to ensure the payment is credited correctly to their Bank Account.

10.15 **Tax to be deducted at Source**

(a) As per the provisions of Section 196D (2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision.

(b) While tendering their equity shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a No Objection Certificate or Tax Clearance Certificate or Certification for Deduction of Tax at lower rate from the Income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by Acquirers before remitting the consideration, failing which Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

(c) In case of resident shareholders, tax will be deducted on the interest component, if any, exceeding Rs. 5,000/- at the applicable current prevailing rates. If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such shareholders will be required to submit a NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirers or a self-declaration in Form 15G or Form 15H as may be applicable.

(d) All resident shareholders would be required to submit their Permanent Account Number for Income-tax purposes.

(e) Clauses in the paragraph 9.4 relating to payment of interest will become applicable only if the Acquirers become liable to pay interest for delay in release of purchase consideration.

10.16 Barring unforeseen circumstances and factors beyond their control, the Acquirers intend to complete all procedures relating to the Offer, including payment of consideration to the shareholders who have accepted the Offer, within 15 days from the date of closing of this Offer and for the purpose open a special account as provided under Regulation 29 of the Regulations.

Provided that where the Acquirers is unable to make the payment to the shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time, in accordance with Regulation 22(12) of the Regulations.

DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of Signet Industries Limited (formerly Signet Overseas Limited) at the Mumbai Office of Manager to the Offer at 33, Vaswani Mansion, 6th floor, Dinshaw Vachha Road, Churchgate, Mumbai-400020 on all working days, from the date of opening of the Offer till the date of closing of the Offer, between 10.00 a.m. and 3.00 p.m., except Sundays and Public Holidays.

1) Certificate of Incorporation and Memorandum and Articles of Association of the Acquirers, PACs and the Target Company.

2) Certificate dated April 28, 2010 from Lalit Kumar Jain, Partner (Membership no. 075283), Lalit K. Jain & Co., Chartered Accountants certifying the adequacy of financial resources to fulfill the Open Offer obligations.

3) Copy of certificate from Chartered Accountant dated April 28, 2010 in respect of fair value of equity shares of Signet Industries Limited (formerly Signet Overseas Limited).

4) Certificate dated April 28, 2010 from Lalit Kumar Jain, Partner (Membership no. 075283), Lalit K. Jain & Co., Chartered Accountants certifying the Net Worth of the Individual Acquirers.

5) Undertakings by the Acquirers and the PACs w.r.t objects of the offer and future plans for the target company and option in terms of regulation 21(2) of the SEBI (SAST) Regulations, 1997

6) Audited annual reports of the Target Company and Acquirer for last 3 years. A copy of certified limited review accounts of Target Company for the period April 1, 2009 to December 31, 2009.

7) Copy of Escrow Agreement dated April 28, 2010 entered between the Acquirers, the Manager to the Offer and the Escrow Bank.

8) Letter from the Escrow Bank confirming the authorization of Escrow Account in favour of Manager to the Offer.

9) A copy of Share Purchase Agreement dated April 28, 2010.

10) A published copy of Public Announcement dated May 4, 2010.

11) Copy of Memorandum of Understanding between Almondz Global Securities Limited, the Manager to the Offer and the Acquirers.

12) Copy of the observation letter from SEBI, dated June 9, 2010 in terms of proviso to the Regulation 18(2) of the Regulations.

13) Copy of the Agreement with NSDL for opening a Special Depository Account for the purpose of the Open Offer.

12. DECLARATION BY THE ACQUIRERS AND PACS

12.1 The Acquirers and PACs accepts full responsibility for the information contained in this Letter of Offer Form of Acceptance, Form of Withdrawal and also for ensuring compliance with the Regulations.

12.2 The Acquirers and each of PACs would be severally and jointly responsible for ensuring compliance with the Regulations.

Signed on behalf of Acquirers and Persons Acting in Concert

Sd/-
(Mr. Manohar Hemnani)*

Place: Indore
Date: June 12, 2010

*The Acquirers viz. Mr. Mukesh Sangla, Mr. Saurabh Sangla, Ms. Monika Sangla and Ms. Avantika Sangla have authorized Mr. Manohar Hemnani vide a Power of Attorney dated May 17, 2010 to sign this Letter of Offer on their behalf. The Board of Directors of Acquirers viz. Adroit Industries (India) Limited and Shri Balaji Starch & Chemicals Limited and the Board of Directors of Persons Acting in Concert viz. Ornate Leasing & Finance Private Limited, Swan Holdings Private Limited, Signate Leasing & Finance Private Limited and Signet Impex Private Limited have authorized Mr. Manohar Hemnani vide resolutions dated May 17, 2010 to sign this Letter of Offer.

Enclosed:

a) Form of Acceptance-cum- Acknowledgement
b) Form of Withdrawal
c) Share Transfer Form for shareholders holding shares in physical form

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance cum Acknowledgement with enclosures to **Karvy Computershare Private Limited** *at any of the collection centers as mentioned in the Letter of Offer)*

OFFER
Opens on: June 21, 2010, Monday
Last Date of Withdrawal: July 7, 2010, Wednesday
Closes On: July 10, 2010, Saturday

From
Name: ____
Address: ____
Tel No: ________________ **Fax:**________________ **Email:**________________________________

To,
The Acquirers
c/o Karvy Computershare Private Limited,
Plot no.17-24 Vithalrao Nagar,
Madhapur, Hyderabad-500081

Dear Sir/Madam,

Sub: Open offer to acquire 9,72,900 Equity Shares of Rs. 10/- each fully paid up representing 20% of the voting equity share capital of Industries Limited ") (formerly Signet Overseas Limited) ("Signet " or the "Target" or the "Target Company) at a price of Rs. 40 /- (Rupees Forty only) per fully paid up Equity Share, payable in cash.

I/We refer to the Public Announcement dated May 4, 2010 and Letter of Offer dated June 12, 2010 for acquiring Equity Shares held by me/us in Signet Industries Limited (formerly Signet Overseas Limited). I/We, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We, hold the following shares in physical form and accept the Offer and enclose the original Share certificate(s) and duly signed Share Transfer Form(s) in respect of my/our Shares as detailed below:

S. No.	Folio No.	Certificate No.	Distinctive No.		No. of shares
			From	To	
Total					

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

S. No.	Particulars Required	Details
I.	Bank Name	
II.	Complete Address of the Bank	
III.	Account Type (CA/SB/NRE/NRO/Others - Please Mention)	
IV.	Account No.	
V.	9 Digit MICR Code	
VI.	IFSC Code (for RTGS/NEFT transfers)*	

* With IFSC code please attach a cancelled cheque.

-------------------------------------TEAR ALONG THIS LINE -------------------------------------

Acknowledgement Slip **Sr. No**

Signet Industries Limited (formerly Signet Overseas Limited) – Open Offer

(to be filled in by the shareholder) (Subject to Verification)

Received from Mr. /Ms./M/s. --
Address: --
Physical Shares: Folio No. ____________; Demat Shares: Client ID_____________; DP ID_________
Form of Acceptance along with:
☐ Physical Shares: No. of Shares__________; No. of certificates enclosed________________
☐ Demat Shares: Copy of delivery instruction for _____________number of Shares enclosed
(Tick whichever is applicable)

Stamp of Collection Centre

Signature of Official ________________ Date of Receipt _____________

SHARES HELD IN DEMAT FORM

I/We, holding Shares in demat form, accept the Offer and enclose a photocopy of the delivery instructions duly acknowledged by my/our DP in respect of my/our Shares as detailed below:

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

I/We have done an off-market transaction for crediting the Shares to the depository account with **Karvy Computershare Private Limited** at NSDL styled **"KCPL ESCROW ACCOUNT SIL OPEN OFFER"** whose particulars are:

DP Name: Karvy Stock Broking Limited	**DP ID:** IN300394	**Client ID:** 17627477

Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL.

Enclosures (Please tick as appropriate, if applicable)

☐ Duly attested Power of Attorney, if any person apart from the shareholder, has signed the Form of Acceptance or Share Transfer Form(s)
☐Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories
No Objection Certificate & Tax Clearance Certificate under Income-tax Act, 1961, for NRIs/OCBs/Foreign and other Non-Resident Shareholders as applicable.☐ Duly attested Death Certificate/ Succession Certificate (in case of single shareholder) in case the original shareholder has expired
☐Photo copy of the PAN No./Form 60 (as applicable) of all the holders
☐Others (please specify): ____________________________

- I/We confirm that the Shares of Signet Industries Limited (formerly Signet Overseas Limited), which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.
- I/We note and understand that the original Share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time Acquirers s pay the purchase consideration as mentioned in the Letter of Offer.
- I/We also note and understand that Acquirers s will pay the purchase consideration only after verification of the documents and signatures.
- I/We authorize Acquirers to send by registered post/speed post/UCP the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.
- I/We note and understand that the Shares would lie in the Special Depository Account until the time Acquirers make payment of purchase consideration as mentioned in the Letter of Offer.
- I/We authorize the Acquirers to accept the Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirers to return to me/us, Share certificate(s) in respect of which the Offer is not found valid/not accepted. The Permanent Account No. (PAN) allotted under the Income Tax Act, 1961 is as under:

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN			

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

Name of the Bank:	Branch:
Account Number:	Savings/current/others:
9 Digit MICR Code (For ECS Credit)*:	IFSC Code (For RTGS and NEFT transfers)*:

*please read payment of consideration on page no. 48 of Letter of Offer.

---TEAR ALONG THIS LINE --

Note: All future correspondence, if any, should be addressed the Registrar to the Offer, quoting your Reference Folio No./DPID/Client ID:

Karvy Computershare Private Limited
(Unit: Signet Industries Limited (formerly Signet Overseas Limited) – Open Offer)
Plot no.17-24 Vithalrao Nagar, Madhapur, Hyderabad-500081
Phone: +91-40-2342 0815-23; Fax: +91-40-2343 1551; Website: www.karvy.com;
Email: murali@karvy.com; Contact Person: Mr. M. Murali Krishna

For NRIs/ OCBs/ FIIs/ Foreign and other Non-Resident Shareholders:

☐ I / We, confirm that the tax deduction on account of Equity Shares of Signet Industries Limited (formerly Signet Overseas Limited) held by me / us is to be deducted on (select whichever is applicable):

☐ Long-term capital gains
☐ Short-term capital gains
☐ Trade Account

I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.
☐ RBI approvals for acquiring Shares of Signet Industries Limited (formerly Signet Overseas Limited) hereby tendered in the Offer.
☐ Copy of Permanent Account Number/ PAN Card

In order to avail the benefit of lower rate of tax deduction under the Double Taxation Avoidance Agreement (DTAA), if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence.

For FIIs Shareholders:

I / We, confirm that the Equity Shares of Signet Industries Limited (formerly Signet Overseas Limited) are held by me / us on (select whichever is applicable):

☐ Investment / Capital Account
☐ Trade Account

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence.

Where the tax is to be deducted on account of long-term capital gains, the Shareholders should submit a certificate from a Chartered Accountant (along with proof such as demat account statement) certifying that the shares have been held for more than one year. In order to claim the benefit of computation of tax liability on the net capital gains (i.e. after reducing the cost of acquisition of shares), the shareholder should obtain a tax clearance certificate from the assessing officer certifying the net income chargeable to capital gains tax. Alternatively, the Shareholders can submit a certificate from a Chartered Accountant certifying the cost of acquisition / net income that will be chargeable to capital gains. In the absence of the above, tax would be deducted on the entire consideration paid to the shareholders.

Yours faithfully,
Signed and Delivered

	FULL NAME(S) OF THE HOLDER	**SIGNATURE(S)**
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

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

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE CUM ACKNOWLEDGEMENT FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER i.e. BY 1.00 P.M. ON JULY 10, 2010 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

INSTRUCTIONS

1. In the case of dematerialised shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account, before the closure of the Offer i.e. Saturday, July 10, 2010. The Form of Acceptance-cum-Acknowledgement of such demat shares not credited in favour of the Special Depository Account, before the closure of the Offer will be rejected.
2. Shareholders should enclose the following:

   a. For Equity shares held in demat form: Beneficial owners should enclose-
   - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant ('DP').
   - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
   - In case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Account, the Acquirers may deem the Offer to have been accepted by the shareholder.
   - For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.

   b. For Equity shares held in physical form: Registered shareholders should enclose-
   - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
   - Original Share Certificate(s)

- Valid Share Transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Signet Industries Limited (formerly Signet Overseas Limited) and duly witnessed at the appropriate place. A blank Share Transfer Form is enclosed along with the Letter of Offer.

Please do not fill in any other details in the Share Transfer Form except name, signature and witness. Verification and Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

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

If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid Share Transfer Form from a registered Shareholder, then the Offer will be deemed to have been accepted by such Shareholders

Unregistered owners should enclose-

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s)
- Original broker contract note issued by the broker through whom they acquired their Equity Shares
- Valid Share Transfer Form(s) as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.

3. The share certificate(s), Share Transfer Form(s) and the Form of Acceptance should be sent only to Karvy Computershare Private Limited, the Registrar to the Offer and not to Almondz Global Securities Limited, the Manager to the Offer, the Acquirers or Target Company.
4. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in favour of the special depository account with NSDL.
5. As per the provisions of Section 196D(2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision. While tendering their equity shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a No Objection Certificate or Tax Clearance Certificate or Certification for Deduction of Tax at lower rate from the Income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by Acquirers before remitting the consideration, failing which Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder. In case of resident shareholders, tax will be deducted on the interest component, if any, exceeding Rs. 5,000/- at the applicable current prevailing rates. If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such shareholders will be required to submit a NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirers or a self-declaration in Form 15G or Form 15H as may be applicable. All resident shareholders would be required to submit their Permanent Account Number for Income-tax purposes. Clauses in this paragraph 9.4 relating to payment of interest will become applicable only if the Acquirers become liable to pay interest for delay in release of purchase consideration.

6. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
(a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
(b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or Share Transfer Form(s).
(c) in case of companies, the necessary corporate authorization (including Board Resolution);
(d) any other relevant documentation.
7. Payment Consideration: Shareholders must note that on the basis of name of the Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Issue will obtain, from the Depositories, the Shareholders' demographic details including address, bank account details, the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf and occupation. These bank account details will be used to make payment to the Shareholders. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in despatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders' sole risk and neither the Acquirers, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Shareholders for any losses caused to the Shareholder due to any such delay or liable to pay any interest for such delay.
8. With IFSC code please attach a cancelled cheque.
9. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar to the Offer at any of the collection centres below on all days (excluding Sundays and Public holidays) during the business hours i.e. (Monday to Friday between 10.00 a.m. to 4.00 p.m. and on Saturdays between 10.00 a.m. to 1.00 p.m.). All queries pertaining to this Offer may be directed to the Registrar to the Offer.
10. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at any of the Collection Centers of Karvy Computershare Private Limited as mentioned below:

Sr. No.	Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax No.	Mode of Delivery
1.	Mumbai	Karvy Computershare Pvt. Ltd 26-30, Fort Foundation Bldg., Maharashtra Chamber of Commerce Lane, Opp. MSC Bank, Fort, Mumbai – 400 023	Ms. Nutan Shirke	022-66382666	022-66331135	Hand Delivery
2.	Indore	Karvy Computershare Pvt. Ltd. 21/1, Race Course Road,	Mr. Prem Shubankar	0731-3014200/202/203/2408/1507/4281501/502/503	N.A.	Hand Delivery

		105/106/107, DM Towers, Near Jangeerwala Chowrah, Indore – 452 001				
3.	Hyderabad	Karvy Computershare. Pvt. Ltd., Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad - 500 081	Ms. Rinki Sareen	040-23420818- 23	040-23431551	Hand Delivery/ Regd Post

Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer, Karvy Computershare Private Limited, Plot No 17-24, Vithalrao Nagar, Madhapur, Hyderabad – 500 081; Phone: +91-40-2342 0815-23; Fax: +91-40-2343 1551; Website: www.karvy.com; Email: murali@karvy.com; Contact Person: Mr. M. Murali Krishna; so as to reach the Registrar on or before the date of closing of the Offer).

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE CUM ACKNOWLEDGEMENT FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER I.E. BY 1.00 PM ON JULY 10, 2010, SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCE AND HENCE ARE LIABLE TO BE REJECTED.

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FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance cum Acknowledgement with enclosures to **Karvy Computershare Private Limited** *at any of the collection centers as mentioned in the Letter of Offer)*

*(*All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer*)*

OFFER
Opens on: June 21, 2010, Monday
Last Date of Withdrawal: July 7, 2010, Wednesday
Closes On: July 10, 2010, Saturday

From
Name:____
Address: ____
Tel No: ________________ **Fax:**________________**Email:**________________

To,
The Acquirers
C/o Karvy Computershare Private Limited
Plot no.17-24 Vithalrao Nagar,
Madhapur, Hyderabad-500081

Dear Sir/Madam,

Sub: Open offer to acquire 9,72,900 Equity Shares of Rs. 10/- each fully paid up representing 20% of voting equity share capital of Signet Industries Limited (formerly Signet Overseas Limited) ("Signet " or the "Target" or the "Target Company") at a price of Rs. 40 /- (Rupees Forty only) per fully paid up Equity Share, payable in cash.

I/We refer to the Public Announcement dated May 4, 2010 and Letter of Offer dated June 12, 2010 for acquiring Equity Shares held by me/us in Signet Industries Limited (formerly Signet Overseas Limited).

I/We, the undersigned, have read the Letter of Offer including the procedure for withdrawal of Equity Shares tendered by me/us in the Offer as mentioned in the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Equity Shares as mentioned below from the Offer and I/we further authorize the Acquirers to return to me/us, the tendered equity share certificate(s)/share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Equity Shares from the Offer, no claim or liability shall lie against the Acquirers / Manager to the Offer/ Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal (i.e. July 7, 2010).

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 Equity Shares held in physical form and also for the non receipt of Equity Shares held in the dematerialized form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirers will return Original Share Certificate(s), Share Transfer Form(s) and Equity Shares only on completion of verification of the documents, signatures and beneficiary position data as available from the NSDL and CDSL from time to time, respectively.

________________________TEAR ALONG THIS LINE________________________

Acknowledgement Slip

Signet Industries Limited (formerly Signet Overseas Limited) – Open Offer **Sr. No**

(to be filled in by the shareholder) (Subject to Verification)

Received from Mr./Ms./M/s____
Address: ____
Physical Shares: Folio No. ___________; Demat Shares: Client ID____________; DP ID________
Form of Withdrawal for withdrawal of:
☐ Physical Shares: No. of Shares_____________; No. of Shares withdrawn__________________
☐ Demat Shares: No. of Shares______________; No. of Shares withdrawn__________________
(Tick whichever is applicable)

Signature of Official _______________ Date of Receipt _______________

Stamp of Collection Centre

SHARES HELD IN PHYSICAL FORM

The particulars of withdrawal of original shares certificates and duly signed transfer form(s) are detailed below:

S.No	Folio No.	Certificate No.	Distinctive No.		No. of shares
	Tendered		**From**	**To.**	
1					
2					
3					
	Total				
	Withdrawn				
1					
2					
3					
	Total				
Total No. of Certificates (A-B)			**Total No. Of Equity Shares (A -B)**		

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

SHARES HELD IN DEMAT FORM

I/We hold the following Equity Shares in dematerialized form and tendered the Equity Shares in the Offer through an off-market transaction for crediting the Shares to the Special Depository Account with NSDL "KCPL Escrow Account SIL Open Offer ", whose particulars are: DP ID Number: IN300394; DP Name: Karvy Stock Broking Limited; Client ID Number: 17627477; Depository: NSDL

I/We have tendered ______________Equity Shares by debiting my/our account as mentioned below and hereby consent to withdraw ___________ (_____________________in words) Equity Shares from the Offer.

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP.

The particulars of the account from which my/our Shares have been tendered are as detailed below:

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

I/We note that the Equity Shares will be credited back only to that depository account, from which the Equity Shares have been tendered and necessary standing instructions have been issued in this regard. I/We confirm that the particulars given above are true and correct.

In case of dematerialized Shares, I/We confirm that the signatures of the beneficiary holders have been verified by the depository participant as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

Signed and Delivered	Full Name(s)	Signature	Verified and attested by us. Please affix the stamp of DP (in case of demat shares)/ Bank (in case of physical shares)
First/sole Shareholder			
Second Shareholder			
Third Shareholder			

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

Address of First/Sole Shareholder: ____

Tel. No.: ________________Fax No.: ________________ E-mail : ________________

Place: Date:

____TEAR ALONG THIS LINE____

Note: All future correspondence, if any, should be addressed the Registrar to the Offer, quoting your Reference Folio No./DPID/Client ID:

Karvy Computershare Private Limited

(Unit: Signet Industries Limited (formerly Signet Overseas Limited) – Open Offer)

Plot no.17-24 Vithalrao Nagar, Madhapur, Hyderabad-500081

Phone: +91-40-2342 0815-23; Fax: +91-40-2343 1551; Website: www.karvy.com;

Email: murali@karvy.com; Contact Person: Mr. M. Murali Krishna