

# LETTER OF OFFER

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

### CASH OFFER

by

The Acquirers:

#### McLeod Russel India Limited

Registered Office: Four Mangoe Lane, Surendra Mohan Ghosh Sarani, Kolkata, West Bengal 700 001, India  
Tel: +91 33 2248 9434 Fax: +91 33 2248 8114

#### Williamson Magor & Co. Limited

Registered Office: Four Mangoe Lane,  
Surendra Mohan Ghosh Sarani, Kolkata - 700 001, India  
Tel: +91 33 2243 5391 Fax: +91 33 2248 8114

#### United Machine Co. Limited

Registered Office: 8, A.J.C. Bose Road,  
Kolkata - 700 017, India  
Tel: +91 33 2475 3672 Fax: +91 33 2474 7986

#### Ichamati Investments Private Limited

Registered Office: 8, A.J.C. Bose Road,  
Kolkata - 700 017, India  
Tel: +91 33 2475 3672 Fax: +91 33 2474 7986

#### Nitya Holdings & Properties Private Limited

Registered Office: 8, A.J.C. Bose Road,  
Kolkata - 700 017, India  
Tel: +91 33 2475 3672 Fax: +91 33 2474 7986

for



the acquisition of up to 2,835,000 fully paid-up equity shares representing 20% of the paid-up equity share capital of

#### Williamson Tea Assam Limited

Registered Office: House No. 37, 5th Bye-Lane, Mother Teresa Road, Guwahati - 781021, India.  
Tel: +91 361 241 0820/21, Fax : +91 361 241 0819  
at Rs. 145 per Equity Share payable in cash

Attention:

(1) This Offer is being made pursuant to the Regulations (2) The Offer is not subject to a minimum level of acceptance by the shareholders of Williamson Tea. (3) The Offer is subject to the following statutory and regulatory approvals and clearances required to acquire shares tendered pursuant to the Offer: Approval of RBI under FEMA, if required, for acquiring Shares tendered and accepted under the Offer by non-resident shareholders of Williamson Tea. As on date, there are no other statutory or regulatory approvals required, other than those indicated above. (4) The Acquirers will make the application for requisite approval to the RBI, if any, on closure of the Offer for acquisition of the Shares tendered and accepted under the Offer. (5) If there is any further upward revision of the Offer Price by the Acquirers till the last date for revision viz. September 30, 2005 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Public Announcement had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the Offer and accepted under the Offer. (6) Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer i.e. October 5, 2005 (7) If there is a competitive bid: (i) the public offers under all the subsisting bids shall close on the same date; (ii) as the Offer Price cannot be revised during seven working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly. (8) No competitive bid has been announced as on the date of this Letter of Offer. (9) A copy of the Public Announcement and Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) is also available on SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <b>ICICI Securities</b> <b>ICICI Securities Limited</b> ICICI Centre H.T. Parekh Marg, Churchgate Mumbai 400 020, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 Email: <a href="mailto:wt_offer@isecltd.com">wt_offer@isecltd.com</a> Contact Person: Ashok Khandelwal	 <b>KARVY</b> <b>Karvy Computershare Pvt Limited</b> 46, Avenue 4, Street No 1 Banjara Hills Hyderabad 500 034, India Tel: +91 40 2343 1545 Fax: +91 40 2343 1551 E-mail: <a href="mailto:wt_offer@karvy.com">wt_offer@karvy.com</a> Contact Person: Murali Krishna

### Schedule of the Major Activities of the Offer

	Activity	Original Date (Day)	Revised Date (Day)
1	Date of publication of Public Announcement	June 7, 2005 (Tuesday)	June 7, 2005 (Tuesday)
2	Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	June 10, 2005 (Friday)	June 10, 2005 (Friday)
3	Last date for announcement of a competitive bid	June 28, 2005 (Tuesday)	June 28, 2005 (Tuesday)
4	Date of publication of Corrigendum Announcement	-	September 15, 2005 (Thursday)
5	Date by which Letter of Offer will be posted to shareholders	July 22, 2005 (Friday)	September 16, 2005 (Friday)
6	Date of Opening of the Offer	August 01, 2005 (Monday)	September 21, 2005 (Wednesday)
7	Last date for revising the Offer Price / number of Shares	August 10, 2005 (Wednesday)	September 30, 2005 (Friday)
8	Last date for withdrawing acceptance from the Offer	August 17, 2005 (Wednesday)	October 5, 2005 (Wednesday)
9	Date of Closure of the Offer	August 22, 2005 (Monday)	October 10, 2005 (Monday)
10	Date of communicating rejection / acceptance and payment of consideration for applications accepted	September 06, 2005 (Tuesday)	October 25, 2005 (Tuesday)

#### RISK FACTORS

##### Risks related to the proposed Offer

- The Offer involves an offer to acquire 20% of fully paid-up equity share capital of Williamson Tea from the Eligible Persons for the Offer. In the case of oversubscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the Shares tendered by the shareholders in the Offer will be accepted.
- In the event that either (a) a statutory and regulatory approval is not received in a timely manner, (b) there is any litigation leading to a stay of the Offer, or (c) SEBI instructing the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of the Williamson Tea whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirers may be delayed. In case of the delay, due to non-receipt of the statutory approvals, as per Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the wilful default or negligence or failure to diligently pursue on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by the SEBI. Further, shareholders should note that after the last date of withdrawal i.e. October 5, 2005, the shareholders who have lodged the Shares would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

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

- The Shares tendered in the Offer will be held in trust by the Registrar to the Offer, till the completion of the Offer formalities. Accordingly, the Acquirers makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders of Williamson Tea on whether to participate or not to participate in the Offer.
- The transaction is subject to completion risks as would be applicable to similar transactions.

##### Risks involved in associating with the Acquirers

- The Acquirers propose to acquire ownership and control of Williamson Tea by the indirect acquisition of up to 70% fully paid-up equity share capital of Williamson Tea from the Promoter Group of Williamson Tea pursuant to the Share Purchase Agreement to acquire 100% of the fully paid-up equity share capital of Borelli which in turn holds 70% fully paid-up equity share capital of Williamson Tea. The Acquirers make no assurance with respect to the financial performance of the Target Company or its subsidiary.

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

## Table of Contents

Serial Number	Particulars	Page Number
1	Disclaimer clause	4
2	Details of the Offer	4
3	Background of the Acquirers	6
4	Background of Williamson Tea	31
5	Offer Price and financial arrangements	40
6	Terms and conditions of the Offer	42
7	Procedure for acceptance and settlement of the Offer	44
8	Documents for inspection	47
9	Declaration by the Acquirers	48
Attached	Form of Acceptance-cum-Acknowledgement	
Attached	Form of Withdrawal	
Attached	Transfer Deed (for physical shares)	

### Definitions

Acquirers	McLeod Russel India Limited, Williamson Magor & Co. Limited, United Machine Co. Limited, Ichamati Investments Limited and Nitya Holdings & Properties Private Limited
Act	The Companies Act, 1956
BSE	The Stock Exchange, Mumbai
Business Hours	Monday to Friday - 10.00 a.m. to 4.00 p.m.; Saturday - 10.00 a.m. to 1.00 p.m. (Closed on Sundays and public holidays)
CDSL	Central Depository Services (India) Limited
CSE	The Calcutta Stock Exchange Association Limited
Corrigendum Announcement	Corrigendum Announcement published on September 15, 2005
DP	Depository Participant
DSE	Delhi Stock Exchange Association Limited
Eligible Persons for the Offer	Registered shareholders of Williamson Tea appearing in the Register of Members as on the Specified Date and unregistered shareholders who own the equity shares of Williamson Tea, anytime before the closure of the Offer, except the Acquirers, Borelli and Promoter group of Williamson Tea
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
GSE	Guwahati Stock Exchange Limited
Ichamati	Ichamati Investments Pvt. Limited
Letter of Offer	This Letter of Offer dated September 15, 2005
Manager / Manager to the Offer	ICICI Securities Limited
McLeod Russel	McLeod Russel India Limited
Nitya	Nitya Holdings & Properties Private Limited
NRIs	Non-Resident Indians
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
Offer	Offer for acquisition of up to 2,835,000 fully paid-up equity shares of face value of Rs. 10 each of Williamson Tea representing 20% of the equity share capital at a price of Rs. 145 per Share, payable in cash
Offer Price	Rs. 145 per Share

Promoter Group of Williamson Tea	Williamson Tea Holdings plc and its affiliates
Public Announcement / PA	Announcement of the Offer made by the Acquirers on June 7, 2005
RBI	Reserve Bank of India
Registrar / Registrar to the Offer / Karvy	Karvy Computershare Pvt Limited
Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto up to the date of Public Announcement
SEBI	The Securities and Exchange Board of India
Share(s) / Equity Share(s)	Fully paid-up equity share(s) of face value of Rs. 10 each of Williamson Tea to be acquired pursuant to the Offer not exceeding 2,835,000 Equity Shares
Share Purchase Agreement	The Agreement, dated June 16, 2005, signed by McLeod Russel and Williamson Tea Holdings plc to acquire 100% of the fully paid-up equity share capital of Borelli Tea Holdings Limited and thus indirectly acquiring 70% of the fully paid-up equity share capital of Williamson Tea along with its control, subject to fulfillment of certain terms and conditions as per the Share Purchase Agreement. As per the Share Purchase Agreement, McLeod Russel would enter into a non-compete undertaking in the tea industry in India, Sri Lanka, Nepal and Bangladesh by the Promoter Group of Williamson Tea on the closing date.
Specified Date	June 10, 2005
Target Company / Williamson Tea	Williamson Tea Assam Limited
United Machine	United Machine Co. Limited
Williamson Magor	Williamson Magor & Co. Limited

## 1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF WILLIAMSON TEA ASSAM LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS OR OF THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, ICICI SECURITIES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 21, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

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

## 2. DETAILS OF THE OFFER

### 2.1 Background of the Offer

2.1.1 The Offer is made by the Acquirers pursuant to Regulation 10 and Regulation 12 with the objective of acquisition of substantial shares with change in control. McLeod Russel have entered into a Share Purchase Agreement ('Share Purchase Agreement'), on June 16, 2005, with Williamson Tea Holdings plc ('Promoter Group of Williamson Tea'), to acquire 100% of the fully paid-up equity share capital of Borelli Tea Holdings Limited ('Borelli'), a company incorporated in U.K. in March 19, 1976, along with its control, subject to fulfilment of certain terms and conditions as per the Share Purchase Agreement. Borelli in turn holds 70% of the fully paid up equity share capital of Williamson Tea. Hence, the Acquirers would indirectly acquire control of Williamson Tea. In addition to this, McLeod Russel

have agreed to enter into a non-compete undertaking with the Promoter Group of Williamson Tea by which the said companies will not be able to compete with McLeod Russel in the tea industry in India, Sri Lanka, Nepal and Bangladesh which would be executed on the closing date of the Share Purchase Agreement.

Since this is a case of indirect acquisition, the price paid for the purchase of the shares of Borelli is not relevant for the purpose of this Open Offer. However, by way of abundant caution, it may be mentioned that the price paid for 100% of Borelli will ultimately amount to the Acquirers indirectly paying Rs. 140 per share of Williamson Tea based on the exchange rate of GBP1 = Rs. 79 if all the other assets of Borelli are not taken into account. If the other assets are taken into account, the price would be still lower. Likewise, additionally, the price paid for non-compete undertaking is not relevant. However, by way of abundant caution, it would mean Rs. 30 per share of Williamson Tea based on the above exchange rate and is less than 25% of the offer price. Non-compete fee paid to the Promoter Group of Williamson Tea for acquisition of Borelli need not be considered for calculation of open offer price

The boards of the directors of the Acquirers, in their meeting on June 6, 2005 have unanimously approved the draft Share Purchase Agreement.

Salient features of the Share Purchase Agreement cover:

- 1) Acquisition of 100% of the fully paid-up equity share capital of Borelli for a consideration of £17,584,177
  - 2) Borelli owns 70% of the fully paid-up equity share capital of Williamson Tea
  - 3) Non-compete undertaking by the Promoter Group of Williamson Tea for a consideration of £3,768,038
  - 4) Non-compete undertaking by the Promoter Group of Williamson Tea would cover the following geographies: India, Bangladesh, Nepal and Sri Lanka
- 2.1.2 As per the Share Purchase Agreement, the Acquirers would acquire control over Borelli. Borelli directly owns 70% stake in Williamson Tea. Hence, incidental to the acquisition of Borelli, the Acquirers would indirectly acquire 70% of the fully paid-up equity share capital of Williamson Tea.
- 2.1.3 In view of the above, the Offer would be under Regulation 10 and 12 of the Regulations. The Acquirers confirm to acquire 2,835,000 fully paid-up equity shares of Williamson Tea representing 20% of the fully paid-up equity share capital.
- 2.1.4 McLeod Russel, Williamson Magor, United Machine, Ichamati and Nitya are companies of the Williamson Magor Group, a diversified industrial group based out of Kolkata with interest in tea - bulk and packet, batteries, torchlights, chemicals and engineering. Williamson Magor Group is promoted by Mr. B. M. Khaitan, a renowned industrialist with six decades of rich experience. McLeod Russel, Williamson Magor, United Machine, Ichamati and Nitya are collectively referred to as the 'Acquirers'.
- 2.1.5 The Acquirers are making an open offer to acquire up to 2,835,000 fully paid-up equity shares of the face value of Rs. 10 each, representing 20% of the fully paid-up equity share capital of Williamson Tea at a price of Rs. 145 per share payable in cash subject to the terms and conditions mentioned hereinafter ('Offer' or 'Public Offer' or 'Open Offer'). The Offer is being made to all the shareholders of the Target Company other than, the Acquirers, Borelli and the Promoter Group of Williamson Tea.
- 2.1.6 The Offer is not conditional upon any minimum level of acceptance, i.e. the Acquirers will acquire all the fully paid-up equity shares of Williamson Tea that are tendered in the Offer up to 2,835,000 Shares, subject to the conditions specified in the Public Announcement published on June 7, 2005, this Letter of Offer and Form of Acceptance-cum-Acknowledgement.
- 2.1.7 Neither the Acquirers, nor their directors, have been prohibited by SEBI from dealing in securities in terms of directions issued u/s 11B of the SEBI Act or under any of the regulations made under the SEBI Act.
- As per information provided by the Target Company, Williamson Tea has not been prohibited by SEBI from dealing in securities in terms of directions issued u/s 11B of the SEBI Act or under any of the regulations made under the SEBI Act.
- 2.1.8 As on the date of the Public Announcement, ICICI Securities Limited, the Manager to the Offer, did not hold any shares of Williamson Tea.
- 2.1.9 ICICI Securities Limited shall not deal in the shares of the Target Company during the period commencing from the date of its appointment in terms of Regulation 13 till the expiry of the fifteen days period from the date of Closure of the Offer.

## 2.2 Details of the proposed Offer

2.2.1 The Public Announcement published on June 7, 2005 and the Corrigendum Announcement published on September 15, 2005 were published in all the editions of the following newspapers in accordance with Regulation 15 of the Regulations:

Newspapers	Language	Editions
The Financial Express	English	Ahmedabad, Bangalore, Chandigarh, Chennai, Hyderabad, Kochi, Kolkata, Mumbai and New Delhi
Jansatta	Hindi	Kolkata, Delhi and Raipur
Asamiya Khobor	Assamese	Guwahati and Jorhat

The Public Announcement published on June 7, 2005 and the Corrigendum Announcement published on September 15, 2005 is also available on the SEBI website, [www.sebi.gov.in](http://www.sebi.gov.in).

2.2.2 Pursuant to and subject to the terms and conditions of this Letter of Offer, the Acquirers are hereby making an Offer to the Eligible Persons for the Offer to acquire from them up to 2,835,000 Shares (representing 20% of the fully paid-up equity share capital of Williamson Tea) at a price of Rs. 145 (Rupees One Hundred & Forty Five Only) per Share, payable in cash. Any upward revision in the Offer with respect to the Offer Price will be announced in the abovementioned newspapers and the revised Offer Price would be payable by the Acquirers for all the Shares tendered anytime during the Offer.

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

2.2.4 As per the information provided by the Target Company, as on June 7, 2005, there are no partly paid-up equity shares in the Target Company.

2.2.5 The Offer is not conditional on any minimum level of acceptance i.e. the Acquirers will acquire all the Shares that are tendered in terms of the Offer up to 2,835,000 Shares, subject to the conditions specified in the Public Announcement published on June 7, 2005 read with the Corrigendum Announcement published on September 15, 2005 together with this Letter of Offer and Form of Acceptance-cum-Acknowledgement.

2.2.6 The Acquirers have not acquired any Shares since the date of the Public Announcement and up to the date of this Letter of Offer.

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

## 2.3 Object of the Offer

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

2.3.2 The Acquirers and Williamson Tea are in the same line of business. Pursuant to the Share Purchase Agreement, the Acquirers would have a significant share of Indian bulk tea business. The economy of scale would also result in significant cost advantages.

## 3. BACKGROUND OF THE ACQUIRERS

### 3.1 McLeod Russel

3.1.1 McLeod Russel is a company registered under the Companies Act and was incorporated on May 5, 1998 as Eveready Company India Private Limited. The name was changed to Eveready Company India Limited on July 19, 2000 and subsequently to McLeod Russel India Limited on February 14, 2005. The objects of McLeod Russel include carrying on the business of cultivation and manufacture of tea. The registered office of McLeod Russel is located at Four Mangoe Lane, Kolkata - 700 001, India (Tel: +91 33 2248 9434 Fax: +91 33 2248 6824). The shares of McLeod Russel are listed on the following stock exchanges: NSE, BSE and CSE. The closing price of McLeod Russel as on the NSE on September 14, 2005 (last available market price) was Rs. 84.05 (Source: [www.nseindia.com](http://www.nseindia.com)). The issued and paid up share capital of the company constitutes of 55,905,402 equity shares of Rs. 5 each aggregating Rs. 27.95 crore. The shareholding pattern of McLeod Russel as on June 30, 2005 is as follows:

Shareholder	No. of shares	% holding
<b>Promoters' shareholding</b>		
Indian Promoters	24,189,052	43.27
Foreign Promoters	5,398,316	9.66
Persons Acting in Concert	2,289,336	4.10
<b>Total Promoters' shareholding</b>	<b>31,876,704</b>	<b>57.03</b>
<b>Non-promoters' shareholding</b>		
Institutional Shareholders	6,983,290	12.49
Private Corporate Bodies	4,116,552	7.36
NRIs/OCBs	264,315	0.47
Indian Public	12,103,727	21.65
Others	560,814	1.00
<b>Total non-promoter shareholding</b>	<b>24,028,698</b>	<b>42.97</b>
<b>Total</b>	<b>55,905,402</b>	<b>100.00</b>

3.1.2 As McLeod Russel does not hold any shares in the Target Company, provisions of Chapter II of the Regulations are not applicable.

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

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

Name of Director	Experience	Qualifications	Date of Appointment	Address
Aditya Khaitan, Managing Director	Mr. A. Khaitan was born in a family which has been in tea plantation activities for over four decades. Mr. Khaitan has had in-depth exposure to and involvement in steering diverse businesses and other related areas of tea and various other industries and also in the matter of restructuring corporate entities. Mr. Khaitan is on the boards of various companies including Eveready Industries India Limited and Williamson Magor & Co. Limited	Mr. A. Khaitan was educated in St. Xavier's College, Kolkata and has obtained his B. Com. (Hons.) degree from this college under Calcutta University	16.02.2005	10 Queens Park, Kolkata - 700 019
R. Srinivasan	A renowned expert in banking and finance, Dr. Srinivasan has held very senior positions in this field including the chairmanship of two large nationalised Banks, viz. Bank of India and Allahabad Bank, and of the Indian Bank's Association, the apex body of the banking industry. He advises various corporates in the areas of banking, finance and capital market. He has to his credit several publications in national and international media as well as prestigious awards in the area of banking.	Ph. D. [in Banking & Finance from Bombay University], CAIB, FIB	11.03.2005	C-6-1, Lloyds Garden, Appa Saheb Marathe Marg, Prabhadevi, Mumbai - 400025
B h a r a t Bajoria	Mr. Bajoria is associated with tea industry since 1975 and during these 3 decades has gathered considerable experience in all aspects of tea plantation business. Mr. Bajoria is the Managing Director of Teesta Valley Tea Co. Ltd. and The Bormahjan Tea Co. (1936) Ltd and he is having directorship in other companies. As a leader of the Indian tea industry, Mr. Bajoria held in the past, the position of chairman of Indian Tea Association and Consultative Committee of Plantation Association.  Mr. Bajoria was also the chairman of Darjeeling Planters Association and Special Committee for Generic Tea Promotion in India. Mr. Bajoria is a member of Indian Chamber of Commerce.	Mr. Bajoria is a graduate of science with Honours	11.03.2005	McLeod House 3, Netaji Subhas Road, Kolkata - 700 001
Ranabir Sen	Mr. Sen joined J. Thomas & Co. Private Limited in 1964 and served the company in various capacities at Kolkata and various branches in India and also abroad. He was the key person in setting up the Siliguri Tea Auctions and also the Singapore Auctions. Inducted into the Board of J. Thomas & Co. Private Limited in 1987 and became the Managing Director in 1995 and	Mr. Sen is a Graduate from St. Joseph's College in Darjeeling	11.03.2005	19 PH 1, Bay Tower, Hiland Park, 1925, Chak Garia, Kolkata - 700 094

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

Name of Director	Experience	Qualifications	Date of Appointment	Address
	<p>Mr. Takru is also associated with health and educational activities. He is on the boards of Woodlands Medical Centre Limited and The Assam Valley School.</p>			
<p>Azam Monem, Wholetime Director</p>	<p>Mr. Monem had started his career in Macneill and Magor Limited in 1979 and during last 25 years has gained rich experience in tea tasting and marketing. Besides tea tasting and marketing, he possesses in-depth knowledge in exports and domestic sales of tea and achieved valuable experience as a buyer, blender and trader. Before his appointment as the wholetime Director of the company, Mr. Monem was a Senior Vice-President of Eveready Industries India Limited and was in-charge of the marketing and sales activities of the bulk tea division of the said company which has since been transferred to and vested in the company.</p> <p>Presently, Mr. Monem is the Chairman of ITA's Export Promotion and Marketing Committee and Vice-Chairman of Calcutta Tea Traders Association. He has been a member of a number of tea delegations to various countries led by the Tea Board and Commerce Ministry.</p>	<p>Mr. Monem was educated in St. Xavier's Collegiate School and St. Xavier's College, Kolkata and has obtained his B. Com. (Hons.) degree from this college under Calcutta University in 1982.</p>	<p>16.02.2005</p>	<p>Flat No. 7, 8/6/1 Alipore Estate, Alipore Road, Kolkata - 700 027</p>
<p>Kamal Kishore Baheti, Wholetime Director</p>	<p>Mr. Baheti stated his career in 1985 and since then has held various important positions in accounts and finance of a number of reputed companies. Mr. Baheti is associated with tea companies belonging to Williamson Magor Group since 1989 and during this period has gained considerable expertise in the matters pertaining to accounts and finance of tea companies as also in the matter of restructuring, mergers and demergers of corporate entities.</p> <p>Mr. Baheti is a Member of the Finance and Taxation Sub-Committees of Indian Tea Association and Indian Chamber of Commerce.</p>	<p>Mr. Baheti is a graduate of commerce with Honours, a fellow Member of The Institute of Chartered Accountants of India and an Associate Member of The Institute of Company Secretaries of India. Mr. Baheti is also a graduate of the Institute of Cost and Works Accountants of India.</p>	<p>20.01.2004</p>	<p>Flat No. C - 301, Oxford View, 32/36, Diamond Harbour Road, Kolkata - 700 008</p>

None of the directors of McLeod Russel were on the Board of the Target Company as on the date of the PA.

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

(Rs lakhs)

<b>Profit and Loss Statement</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
Income from operations	0.00	0.00	3,16,89.92
Other income	0.00	0.00	9,83.95
Total Income	0.00	0.00	3,41,05.92
Total Expenditure	0.06	1,98.07	3,27,83.08
Profit before Depreciation, Interest and Taxes	(0.06)	(1,98.07)	13,22.84
Depreciation	0.00	0.00	13,80.95
Interest	0.00	0.00	23,26.67
Profit Before Tax	(0.06)	(1,98.07)	(23,84.78)
Provision for Tax	0.00	0.00	(4,10.00)
Profit After Tax	(0.06)	(1,98.07)	(19,74.78)

(Rs lakhs)

<b>Balance Sheet Statement</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
<b>Sources of Funds</b>			
Paid-up Equity Share Capital	2,00.00	2,00.00	27,95.27
Reserves and surplus (excluding revaluation reserves)	4.39	(1,93.68)	3,29,22.76*
Networth	2,04.39	6.32	3,57,18.03
Secured Loans	0.00	0.00	2,41,65.11
Unsecured Loans	0.00	0.00	14,55.00
Other Liabilities			
Deferred Tax Liability	0.00	0.00	35,90.00
Total	2,04.39	6.32	6,49,28.14
<b>Uses of Funds</b>			
Net fixed Assets (excluding revaluation reserves)	0.00	0.00	6,47,30.96
Investments	0.00	0.00	10,52.49
Net Current Assets	2,04.39	6.32	(8,55.31)
Total Miscellaneous Expenditure Not Written-Off	0.00	0.00	0.00
Total	2,04.39	6.32	6,49,28.14

Note: \*The increase in reserves over previous year is pursuant to the demerger of bulk tea business from Eveready Industries India Limited into Eveready Company India Limited which was renamed McLeod Russel India Limited with effect from April 1, 2004.

<b>Other Financial Data</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
Dividend per Share (%)	0.00	0.00	0.00
Earnings per Share (Rs)	(0.00)	(9.90)	(3.53)
Return on Networth (%)	-0.03%	-3134.02%	-5.53%
Book Value per Share (Rs)	10.22	00.32	63.89

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

### 3.1.5 Significant Accounting Policies for the year ended March 31, 2005

#### (a) Fixed Assets

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

#### (b) Depreciation/Amortisation

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

Trade mark (brand) are recorded at acquisition cost and amortised on straight line method over their estimated economic life

#### (c) Investments

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

#### (d) Inventories

Inventories are valued as under:

- Stores and Spare parts: At lower of cost (determined under weighted average method) and net realisable value
- Finished Goods: At lower of weighted average cost (including attributable charges and levies) and net realisable value

#### (e) Sales

Sales includes tea claim and is net of sales tax

#### (f) Retirement Benefits

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

#### (g) Leave Encashment

Year-end accrued liability towards leave encashment, payable to employees, evaluated on the basis of actuarial valuation is recognised as revenue charge.

#### (h) Borrowing Cost

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

#### (i) Research and Development

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

#### (j) Recognition of Income and Expenditure

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

#### (k) Accounting for Taxes on Income

Income tax expense comprises current tax and deferred tax charge. Deferred tax is recognised on timing differences; being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only if there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. Such assets are reviewed as at each Balance Sheet date to reassess realisability thereof.

#### (l) Foreign Currency Transactions

Foreign currency transactions are recorded at exchange rate prevailing on the date of the transaction. Year-end balances of foreign currency loans/receivables/liabilities are translated at the year-end exchange rates. The resultant gains and losses on such translation and the realised gains and losses during the year are appropriately adjusted against cost of related items of fixed assets or recognised as income/revenue charge.

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

#### Corporate Governance:

McLeod Russel India Limited has 4 independent directors on its Board and has constituted the Audit Committee, Shareholders' Grievance Committee and Remuneration Committee as required under Clause 49 of the Listing Agreement with the requisite number of independent directors in each committee. The details are as follows:-

Board of Directors	Category	Member of Audit Committee	Member of Remuneration Committee	Member of Shareholders' Grievance Committee
R. Srinivasan	Non-Executive & Independent	Yes	Yes	-
Bharat Bajoria	Non-Executive & Independent	Yes	Yes	Yes
Ranabir Sen	Non-Executive & Independent	Yes	Yes	Yes
R.S. Jhavar	Non-Executive	Yes	-	Yes
Mr. U. Parekh	Non-Executive & Independent	-	-	Yes

McLeod Russel has complied with all other provisions as stipulated in Clause 49 of the Listing Agreement.

#### Pending Litigation

#### Pending Litigations/disputes against McLeod Russel India Limited

Sl. No	Opposite Party	Case Reference / Forum	Particulars of Case	Amount Involved
1	Shwar & Others	8/2001 in the Labour Court, Mangaldai	Dismissed employee of Bhooteachang Tea Estate, Reinstatement claim	Not Ascertained
2	Preshab Saikia (Ex-Employee)	Guwahati High Court	Dismissed employee (June 1999) of Dekorai Tea Estate, claims reinstatement	Not ascertained
3	Pabon Sona (Ex Employee)	W/C No 9/95 pending at Assam Labour Court, Tezpur	Claim for Compensation for accident. Case related to Tarajulie Tea Estate.	Not ascertained
4	Pabon Sona (Ex employee )	Labour tribunal, Guwahati	Dismissed employee of Tarajulie Tea Estate, claims reinstatement	Not ascertained
5	Sri D Kalita (Ex.Employee)	GLR 170/1993/23 in the Labour Court, Guwahati	Dismissed employee of Mijicajan Tea Estate, claims reinstatement	Not ascertained
6	5 Ex workers	15 of 2002 , Labour Court	Dismissed employee of Halem Tea Estate. Claims reinstatement.	Not ascertained
7	Budhu Baraik (Ex worker )	16 of 1998, Labour Court, Guwahati	Termination Case, relates to Tezpur & Gogra Tea Estates. Order in favour of the Company, Employee appealed for review	Not ascertained
8	Budhu Baraik (Ex worker)	Misc Case no224/87 Local Court, Tezpur	Alleged encroachment of Land	Not ascertained
9	Smt Maya Rani Routh (W/o Ex employee)	Case No 19/98 in the Guwahati High Court	Claim for compensation in respect of termination of service of deceased husband. Case relates to Monabarie T.E.	Not ascertained
10	Assam Cha Karmi Sangha	W.P.(c) No 413/2003 in the Guwahati High Court	Dismissed employee of Bukhial Tea Estate, Claim reinstatement	Not ascertained
11	Assam Cha Mazdur Sangha	W.P.(c) No 6901/2001 in the Guwahati High Court	Dispute on date of Retirement by Ex worker of Bukhial Tea Estate, Company's appeal against labour court order pending in High Court.	Not ascertained

12	S.N. Barua	W.P.(c) No 5385 of 2002, Industrial Court	Ex employee of Hunwal T.E. claiming reinstatement	Not ascertained
14	Assan Cha Mazdur Sangha	Labour Court Dibrugarh	Termination of 4 workers of Bogapani T.E. on disciplinary Ground	Not ascertained
15	S.K. Dasgupta	2729/95 in the Guwahati High Court	Ex employee of Bogapani T.E. claiming Compensation for Loss of service	Rs 1,31,265/-
16	Smt S Chakraborty	High Court, Guwahati	Dismissed employee of Namdang T.E., claims reinstatement. Rejected by Labour Court. Ex employee moved the High Court	Not ascertained
17	Jasoda Bharati	MACT No 330 of 2000. Motor accident claim Tribunal, Tezpur	Claim for motor accident injury by employee of Dekorai T.E.	Not ascertained
18	Factory Inspector Govt of Assam	Chief Judicial Magistrate, Tinsukia	Charge in connection with an accident of an employee of Namdang T.E.	Not ascertained
19	Government of Assam	Eviction case No.6 of 96/97	Alleged Land encroachment in Addabarie T.E., eviction order stayed.	Not ascertained
20	Dy. Commissioner, Sonitpur	9/95 & 10/95 before Board of Revenue	Alleged Land encroachment in Tarajulie T.E., matter referred to D.C. Sonitpur	Not ascertained.
21	Circle Office, Charduar	CDC-4/95-2002/1560 of 23.9.02, 4/95-2002/1559 of 23.9.02 & CDR-61/2004/760 DT.21.05.04	Settlement petition of alleged encroachment of Land at Tarajulie T.E.	Not ascertained.
22	Sub Divisional Officer (Civil) Bishnauth Charali	42/71 of 05.01.93	Alleged Land encroachment at Pertabghur T.E.	Not ascertained.
23	Sub Divisional Officer (Civil) Bishnauth Charali.	EC/12/2003 of 20.04.2003	Alleged Land encroachment at Mijicajan T.E.	Not ascertained.
24	Govt. of Assam, Circle Officer	Tezpur Court	Alleged Land encroachment at Halem T.E.	Not ascertained.
25	Govt. of Assam	EB/95 of 26.10.95& 7/96/97 of 13.11.96	Alleged occupation of Govt. Land at Tezapore and Gogra T.E.	Not ascertained.
26	Govt. of Assam	Dy. Commissioner, Sonitpur, Tezpur	Alleged Land encroachment at Monabari T.E.	Not ascertained.
27	Revenue Dept., Govt. of Assam	EC 14/95 before Addl. Dist. Commissioner, Tezpur.	Alleged Land encroachment at Behali T.E.	Not ascertained.
28	Govt. of Assam	Deputy Commissioner, Tinsukia	Alleged Land encroachment at Dirok T.E.	Not ascertained.
29	Govt. of Assam, Revenue Reforms Department	RRT/47/2001/89 of 4/5/2001	Alleged Land encroachment at Hunwal T.E.	Not ascertained.
30	Director, Land Acquisition, (Govt. of Assam)	Gauhati High Court	Alleged Land encroachment at Namdang T.E.	Not ascertained.
31	Assam State Electricity Board	922/98 in the Gauhati High Court	Alleged unauthorized electricity connection at Tarajulie T.E.	Rs.5,91,525/-
32	Area Manager, I.R.C.A., Tezpur	A.S.E.B. Bill No.AM/IRCA/ASEB/TEZPUR/04/T-IR-TE	Disputed electricity bill at Mijicajan T.E., pending Resolution by Ombudsman	Rs.82,11,581/-

33	Assam State Electricity Board	29/2001 in the Dibrugarh Court.	Claim of additional amount on amount of energy consumption at Dirai T.E.	Rs.29,27,124/-
34	Assam State Electricity Board	Chief Engineer, Commercial, Assam State Electricity	Additional demand of electricity bill at Dirai T.E., appeal pending with C.E.	Rs.13,11,005/-
35	Superintendent of Sales Tax, Gauhati	Commissioner of Sales tax, Gauhati	Sales Tax demand for 99-00 at Halem T.E.	Rs.5,72,476/-
36	Assam Agriculture I.T.O Guwahati	Assam Agriculture Income Tax Officer, Gauhati	Claim of arrears Agriculture Tax for the year 91-92 A/c. Dirok T.E.	Rs.70,17,108/-
37	Duars Engg. Corporation, Jalpaiguri	Money suits No.17/98, MEX-4/04, pending MA 1/03, Jalpaiguri, Court	Judgement given by the Lower Court for non payment of bills by the previous owner of Mathura T.E. , under appeal before the District Court	Rs.1,66,127/-
38	Nikhil Chandra Ghosh	Money Suit No.1/2001(1/98) Jalpaiguri, court .	Judgement given by the Lower Court for non-payment of bills by the previous owner of Mathura T.E. under appeal before the District Court	Rs.36,590/-
39	Hasim Ali Ansari, Alipurduar.	Money Suit No. 16/99	Judgement given by the Lower Court for non-payment bills by the previous owner of Mathura T.E. under appeal before the District Court.	Rs.1,51,824/-
40	Income-Tax Authorities	Income-Tax Appellate Tribunal	Dispute on various disallowances relating to Tea Division for the A.Y. 1989-90 to 99-00, pending for disposal.	Rs. 404 lakhs
41	Income-Tax Authorities	High Court at Kolkata	Dispute on various disallowances relating to the Tea Division for the A.Y. 1989-90 to 1995-96	Rs. 313 lakhs
42	Director General of Foreign Trade, Kolkata	ALS/F2/80/040/1015/AM96	Show Cause Notice for alleged non-fulfillment of export Obligation and/or Non-submission of documents in respect of advance license No. P/W/2143726/C dt. 25.03.96	Rs. 48 Lakhs
43	Director General of foreign Trade, Kolkata	ALS-G-007379/RALC/AM93	Show Cause Notice for alleged non-fulfillment of export Obligation and/or Non-submission of documents in respect of advance license No. P/W/3257672 dt. 20.04.90	Not ascertained
44	Director General of Foreign Trade, Kolkata	18/338/03-04/ECA/ CAL/ALS-H	Show Cause Notice for alleged non-fulfillment of export Obligation and/or Non-submission of documents in respect of advance license No.P/W/3264551/C dt. 11.06.91	Not ascertained
45	Director General of Foreign Trade, Kolkata	ALS-H/02/81/40/ 0002/AM'92	Show Cause Notice for alleged non-fulfillment of export Obligation and/or Non-submission of documents in respect of advance license No. P/L/3264527 dt. 29.09.91	Not ascertained.

46	Director General of Foreign Trade, Kolkata	ALS-H/02/77/40/01845/AM95	Show Cause Notice for alleged non-fulfillment of export Obligation and/or Non-submission of documents in respect of advance license No. P/W/2283506/C dt. 19.01.95'	Not ascertained
47	Director General of Foreign Trade, Kolkata	ALS-H/02/81/040/00009/AM93	Show Cause Notice for alleged non-fulfillment of export Obligation and/or Non-submission of documents in respect of advance license No. P/W/3321991/C dt. 22.05.92	Not ascertained
48	Director General of Foreign Trade, Kolkata	18/467/03-04/ECA/CAL/ALS-H 9092	Show Cause Notice for alleged non-fulfillment of export Obligation and/or Non-submission of documents in respect of advance license No. P/W/3321992/C dt. 22.05.92	Rs. 20 Lakhs
49	Director General of Foreign Trade, Kolkata	18/382/03-04/ECA/CAL/ALS-H	Show Cause Notice for alleged non-fulfillment of export Obligation and/or Non-submission of documents in respect of advance license No. P/W/3321994/C dt. 22.05.92	Rs.20 Lakhs
50	Federal Bank Ltd	Case No.RP/04/2005 at DRT III Kolkata	Against Macneill Engineering Ltd for recovery of Outstanding loan. McLeod Russel India Ltd and Eveready Industries India Ltd Named as respondents As guarantors.	Rs.4.19 Lakhs

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

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

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

The bulk tea division of Eveready Industries India Limited was demerged and transferred to Eveready Company India Limited now known as McLeod Russel India Limited under a scheme of arrangement. The scheme of arrangement between Eveready Industries India Limited and Eveready Company India Limited and their respective shareholders was sanctioned by the Hon'ble High Court at Calcutta, vide its Order dated January 17, 2005, whereby the bulk tea division of Eveready Industries India Limited with all its assets, liabilities, rights and obligations have been transferred to and vested in McLeod Russel India Limited with retrospective effect from April 1, 2004 (i.e. 'the Appointed Date' under the Scheme) under Sections 391 and 394 of the Companies Act, 1956.

## 3.2 Williamson Magor

3.2.1 Williamson Magor was originally incorporated as Macneill & Barry Limited on March 10, 1949. Subsequently, the name of the company was changed to Macneill & Magor Limited with effect from April 19, 1975 and Williamson Magor & Co. Limited with effect from May 7, 1992. The objects of Williamson Magor include carrying on the business as a non-banking financial company. The registered office of Williamson Magor is located at Four Mangoe Lane, Kolkata - 700 001, India (Tel: +91 33 2243 5391 Fax: +91 33 2248 8114). The shares of Williamson Magor are listed on the following stock exchanges: BSE, NSE, CSE and GSE. The closing price of Williamson Magor as on the NSE on September 14, 2005 (last available market price) was Rs. 61.45 (Source: www.nseindia.com). The issued and fully paid up share capital of the company constitutes of 10,956,360 equity shares of Rs. 10 each aggregating Rs. 10.96 crore. The shareholding pattern of Williamson Magor as on June 30, 2005 is as follows:

Shareholder	No. of shares	% holding
<b>Promoters' shareholding</b>		
Indian Promoters	7,780,140	71.01
Persons Acting in Concert	-	-
<b>Total Promoters' shareholding</b>	<b>7,780,140</b>	<b>71.01</b>
<b>Non-promoters' shareholding</b>		
Institutional Shareholders	938,380	8.57
Private Corporate Bodies	779,789	7.12
NRIs/OCBs	65,890	0.60
Indian Public	1,360,041	12.41
Any Other	32,120	0.29
<b>Total non-promoter shareholding</b>	<b>3,176,220</b>	<b>28.99</b>
<b>Total</b>	<b>10,956,360</b>	<b>100.00</b>

3.2.2 As Williamson Magor does not hold any shares in the Target Company, provisions of Chapter II of the Regulations are not applicable.

3.2.3 As on the date of PA, the Board of Directors of Williamson Magor is as follows:

Name of Director	Experience	Qualifications	Date of Appointment	Address
Brij Mohan Khaitan, Chairman	Among the leading industrialists in Eastern India, Mr. Khaitan is a name to be reckoned with. Mr. Khaitan has great contributions to the tea industry with which he has been associated for over four decades. Apart from the company he is also the Chairman of Williamson Magor & Co. Limited and Eveready Industries India Limited and is on the board of directors of various other companies both within and outside Williamson Magor Group. The Chambers of Commerce have always found a strong supporter in him. In 1973, he was elected President of the Indian Chambers of Commerce and was also the President of the International Chamber of Commerce Indian National Committee during 1986-1987.	Mr. Khaitan is commerce graduate from Calcutta University.	31.01.1975	10 Queens Park, Kolkata - 700 019
Deepak Khaitan, Vice-Chairman	Mr. D. Khaitan is associated with tea plantation activities for over 3 decades and has had in-depth exposure to and involvement in steering diverse businesses and gained rich experience and expertise in management of tea, batteries and engineering industries. Presently, Mr. Khaitan is the Executive Vice-Chairman and Managing Director of Eveready Industries India Limited. Besides, he is also holding directorships in a number of other companies in the Williamson Magor Group and outside.	Mr. D. Khaitan was educated in St. Xavier's School and College, Kolkata and has obtained his B. Com. (Hons.) Degree from this College under Calcutta University. Following this he went abroad to pursue his higher management education and has obtained his MBA from Geneva (Switzerland).	13.08.1981	10 Queens Park, Kolkata - 700 019

<b>Name of Director</b>	<b>Experience</b>	<b>Qualifications</b>	<b>Date of Appointment</b>	<b>Address</b>
Aditya Khaitan	Mr. A. Khaitan was born in a family which has been in tea plantation activities for over four decades. Mr. Khaitan has had in-depth exposure to and involvement in steering diverse businesses and other related areas of tea and various other industries and also in the matter of restructuring corporate entities. Mr. Khaitan is on the boards of various companies including Eveready Industries India Limited and Williamson Magor & Co. Limited	Mr. A. Khaitan was educated in St. Xavier's College, Kolkata and has obtained his B. Com. (Hons.) degree from this college under Calcutta University	26.11.1991	10 Queens Park, Kolkata - 700 019
R. Srinivasan	A renowned expert in banking and finance, Dr. Srinivasan has held very senior positions in this field including the Chairmanship of two large nationalised banks, viz. Bank of India and Allahabad Bank, and of the Indian Bank's Association, the apex body of the banking industry. He advises various corporates in the areas of banking, finance and capital market. He has to his credit several publications in national and international media as well as prestigious awards in the area of banking.	Dr. Srinivasan has a Ph. D. [in Banking & Finance from Bombay University], CAIIB, FIB	29.03.2005	C-6-1, Lloyds Garden, Appa Saheb Marathe Marg, Prabhadevi, Mumbai - 400025
Tippirajapuram Ramamirada Swaminathan	Mr. Swaminathan joined Williamson Magor & Co. Limited in 1963 as Company Secretary and in 1985 he was elevated to the post of wholetime Director and Secretary and continued in the said capacity till 31st March 2000. During his long career with Williamson Magor Group, Mr. Swaminathan has gathered considerable experience in finance, taxation and secretarial functions as well as overall business management particularly with regard to the tea industry.	Mr. Swaminathan is a fellow Member of Institute of Chartered Accountants of India, Institute of Company Secretaries of India, Institute of Cost and Works Accountants of India and an Associate Member of Chartered Institute of Management Accountants, U.K.	11.09.1985	12B Russel Street, Kolkata - 700 016
Padam Kumar Khaitan	Mr. P. K. Khaitan is one of the Partners of Messrs. Khaitan & Co., Advocates, Notaries, Patent & Trademark Attorneys. During his long career of 28 years with Messrs. Khaitan & Co., as a lawyer, he had in depth exposure to and achieved considerable experience and expertise in Law and Legal matters in Corporate, Commercial, Financial, Banking, Taxation, Foreign Collaboration, Foreign Investment, Litigation, Arbitration, Real Property, Ecology & Environment, Labour, Projects, Estates & Trusts and Personal clientele matters.	Mr. P. K. Khaitan has done B.Com & Attorney at Law	30.08.2000	3 Queens Park, Kolkata - 700 019

Name of Director	Experience	Qualifications	Date of Appointment	Address
Rama Shankar J h a w a r , Wholetime Director	Mr. Jhawar has been associated with Williamson Magor Group in various capacities since 1960 and is currently the wholetime Director of Williamson Magor & Co. Limited. During his long career with Williamson Magor Group Mr. Jhawar has acquired considerable experience and expertise in general management, finance, taxation and other related areas. In addition to his specialization in corporate finance Mr. Jhawar has considerable exposure to the tea industry. Mr. Jhawar was the Chairman of the Indian Tea Association for two consecutive terms i.e. 1999-2000, 2000-2001 and Vice-Chairman of the Tea Board of India. Mr. Jhawar also represented the Indian tea industry at a number of international conferences and seminars in India and abroad.	Mr. Jhawar is a fellow Member of the Institute of Chartered Accountants of India and an Associate Member of the Chartered Institute of Management Accountants, U.K. Mr. Jhawar secured first position in the final examination of the Institute of Chartered Accountants of India and was awarded the President's Gold Medal. Mr. Jhawar also holds a Bachelor's Degree in law.	04.05.2001	Doveland Court, 29/13 Ballygunge Park, Kolkata - 700 019
Dilip Kumar Pal, ICICI Nominee	Mr. Pal was born on 5th April 1955 and has to his credit a brilliant academic career in banking & finance. Presently Mr. Pal is holding a post of Deputy General Manager in ICICI Bank Limited	Chartered Accountant	29.10.2003	ICICI Bank Limited, ICICI Bank Towers, C - 23, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
G. Momen	Mr. Momen is well known in business circle especially in tea industry. Mr. Momen joined Carritt Moran & Co. (P) Limited as Chairman-cum-Managing Director in June 1971 and served upto May 1992. He was a Committee Member in various associations and Tea Board of India. Presently, Mr. Momen is the Chairman of White Cliff Group of companies. Besides he is also holding Directorships in a number of companies.	Mr. Momen is an arts graduate from Calcutta	29.03.2005	6 Roudon Street, Kolkata - 700 017

None of the directors of Williamson Magor were on the Board of the Target Company as on the date of the PA.

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

(Rs lakhs)

<b>Profit and Loss Statement</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
<b>Income from operations</b>			
Other income			
Total Income	9,53.75	17,92.03	93,34.04
Total Expenditure	80,29.68	27,14.87	36,19.73
Profit before Depreciation, Interest and Taxes	(70,75.93)	(9,22.84)	57,14.31
Depreciation	18.66	19.70	14.02
Interest	13,61.44	10,24.86	8,36.13
Profit Before Tax	(84,56.03)	(19,67.40)	48,64.16
Provision for Tax	13.74	51.50	2.63
Profit After Tax	(84,69.77)	(20,18.90)	48,61.53
Provision for Contingencies	-	-	-
Provision for Contingencies Written back	32,50	-	-
Balance	52,19.77	(20,18.90)	48,61.53

(Rs lakhs)

<b>Balance Sheet Statement</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
<b>Sources of Funds</b>			
Paid-up Equity Share Capital	10,95.64	10,95.64	10,95.64
Reserves and surplus (excluding revaluation reserves)	25,10.45	4,91.55	53,53.08
Networth	36,06.09	15,87.19	64,48.72
Secured Loans	67,61.64	81,70.19	21,83.45
Unsecured Loans	36,72.20	32,84.86	29,84.96
Other Liabilities			
Deferred Tax Liability	14.26	65.76	8.39
<b>Total</b>	<b>1,40,54.19</b>	<b>1,31,08.00</b>	<b>1,16,25.52</b>
<b>Uses of Funds</b>			
Net fixed Assets (excluding revaluation reserves)	4,15.23	3,99.65	3,11.45
Investments	1,24,44.48	1,22,07.82	1,05,17.83
Net Current Assets	10,37.50	4,22.34	7,96.24
Total Miscellaneous Expenditure Not Written-Off	1,56.38	78.19	
<b>Total</b>	<b>1,40,54.19</b>	<b>1,31,08.00</b>	<b>1,16,25.52</b>

<b>Other Financial Data</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
Dividend per Share (%)	-	-	-
Earnings per Share (Rs)	(47.64)	(18.43)	44.37
Return on Networth (%)	(144.74)	(127.20)	75.39
Book Value per Share (Rs)	32.91	14.49	58.86

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

### 3.2.5 Significant Accounting Policies for the year ended March 31, 2005

(a) Convention

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

(b) Basis of Accounting

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

(c) Fixed Assets and Depreciation

Tangible fixed assets are stated at cost of acquisition or at revaluation on current cost basis, as relevant.

Depreciation on fixed assets is provided on reducing balance method (except for assets at erstwhile Engineering Division which is on straight-line method) in accordance with Schedule XIV of the Companies Act, 1956. Additional charges of depreciation for the year on differential increase in values arising out of revaluation are adjusted against withdrawal for Revaluation Reserve.

An impairment loss is recognised where applicable when the carrying value of fixed assets exceeds their market value or value in use, which is higher.

Profit or loss on disposal of fixed assets is recognised in the Profit and Loss Account.

(d) Investments

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

(e) Retirement Benefits

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

(c) Miscellaneous Expenditure

Payment made under Voluntary Retirement Scheme is amortised over a period of 5 years.

(d) Leased Assets

Rentals in respect of leased equipment acquired before 01.04.2001 under financial lease are charged to the Profit and Loss Account.

(e) Taxes on Income

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

(f) Service/Commission & Allowances/Warehouse Income/Rental Income:

These are accounted for based on business arrangements in existence.

(f) Income from Investments and Interest:

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

(g) Recovery of Establishment Expenses

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

### 3.2.6 Status of Corporate Governance and pending Litigation matters

#### Corporate Governance:

The company has 5 Independent Directors on its Board and has also constituted the Audit Committee, Remuneration Committee and Shareholders' Grievance Committee and as required under Clause 49 of the Listing Agreement.

Details are as follows:-

Board of Directors	Category	Member of Audit Committee	Member of Remuneration Committee	Member of Shareholders' Grievance Committee
Mr. T.R. Swaminathan	Non-Executive & Independent	Yes	Yes	Yes
Mr. Padam Kumar Khaitan	Non-Executive & Independent	Yes	Yes	Yes
Mr. D. K. Pal (nominee of ICICI Bank)	Non-Executive & Independent	Yes	Yes	-
Dr. R. Srinivasan	Non-Executive & Independent	Yes	Yes	-
Mr. G. Momen	Non-Executive & Independent	-	-	Yes

### Pending Litigation

#### Pending Litigations / disputes against Williamson Magor & Co. Limited

Sl. No	Opposite Party	Case Reference / Forum	Particulars of Case	Amount Involved
1	Ex employees of Co (Dishegarh branch )	MAT No. 803 of 1998 in the Calcutta High Court	Dispute relating to Payment of Gratuity	Not ascertained
2	Ex employees of Co. (Dishegarh Branch )	Pending before Calcutta High Court	Dispute relating to computation of compensation	Not ascertained
3	Satish Chandra Roy	F.A. Case No 74 of 1985 in the City Civil Court	Eviction Suit relating to tenanted Show Room	Not ascertained
4	Prasanta Mitra	Suit No 169 of 1983 in the City Civil Court	Eviction suit in relation to residential premises, at Kolkata	Not ascertained
5	Delta International	Suit No 90 of 1997 in the City Civil Court	Eviction suit & Title of Lease in relation to Warehouse at Kolkata	Not ascertained
6	Bhusan Das (Ex employee)	1 <sup>st</sup> Industrial Tribunal, Calcutta	Dismissed employee claims reinstatement	Not ascertained
7	Chowdhury Estate Pvt Ltd	Pending before Calcutta High Court	Eviction suit relating to residential Premises at Kolkata	Not ascertained
8	Williamson Magor & Co. Ltd and Associated Concern Officers Association	Case No CA 448 of 2002 in the Calcutta High court	Alleged shortfall in the pension fund of Macneill Engineering Ltd	Not ascertained
9	ESI Corporation, Kolkata	ESI Court Kolkata	Suit filed by Co against ESI demand and its computation. As per Co's calculation, amount payable has been deposited.	Not ascertained
10	Commissioner of Central Excise, Chennai	W.P. No 29368 of 2003 in the Madras High Court	Payment of Interest on delayed payment of disputed duty	Rs. 7,11,104.25
11	Commissioner of Central Excise Chennai	EOCC No 82 of 1994 in the Additional Metropolitan Magistrate, Chennai 8	Removal of goods allegedly without payment of Excise duty	Not ascertained
12	Dy Commissioner Commercial Taxes of Chennai	STA/499 of 2002 Sales Tax Appellate Tribunal, Chennai	Relating to classification dispute on sale of Tarpaulins in 98-99	Rs 7,450.00
13	Dy Commissioner Commercial Taxes of Chennai	STA/500 of 2002 Sales Tax Appellate Tribunal, Chennai	Relating to classification dispute on sale of Tarpaulins in 97-98	Rs 62,776.00
14	Dy Commissioner Commercial Taxes of Chennai	STA/501 of 2002 Sales Tax Appellate Tribunal, Chennai	Relating to classification dispute on sale of Tarpaulins in 95-96	Rs 2,96,269

15	Kilburn Electricals Ltd	CS/338/92 in the High Court at Chennai	Claiming rights of "Kilburn" brand name and Profit on sale of Electrical goods sold with "Kilburn" name. Claiming injunction on Company on the use of "Kilburn" name	Not ascertained
16	42 Individual workers of Kilburn Electricals Ltd, Madras (WM Respondent No 2)	Labour Court Chennai	Alleged claim petition for reinstatement & back wages	Not ascertained
17	Sanjay Mukandas Munat & Shrinivas B Bangad	RCS No 555/03 in the Court of Civil Judge, Pune	Dispute relating to Registration of 1080 Shares of WTA	Not ascertained
18	Golak Lal Seal Vs Banshi Binod Banbdhopadhayay	Title Suit No 15 of 2002 in the Civil Judge Alipore (WM Respondent No 2)	Termination of Lease of 35 D H Road, Kolkata	Not ascertained
19	Miss Devki Kalwani	Suit No 61/73 of 1994 vs WM Mr A K Sharma, Mumbai	Eviction suit by Landlord for vacant possession of the flat	Not ascertained
20	Mr A K Sharma (Ex- Employee)	R A D Suit No 1659 of 1986 in The Bandra Court, Mumbai	A K Sharma claimed that he is a Contractual Tenant and not a Licensee	Not ascertained
21	Kolkata Port Trust	In the Estate office Kolkata Port Trust	Eviction suit in respect of P6 Transport Depot Road, Kolkata	Not ascertained
22	S.P. Vijay Prasad Vs. R.P.F.C. Chennai	Application No. 933/2002 in the Madras Court.	Contempt application	Not ascertained.
23	ITP Limited & Others	Title Suit No. 1716 of 2000 (Chowdhury Estate & WM)	Eviction suit relating to residential flat at Kolkata	No ascertained
24	Delta International	APL No. 5 of 2004 in the High Court, Kolkata.	Eviction suit relating to Warehouse at Kolkata	Not ascertained
25	ITP Limited & Others	Misc. Case No. 367 of 2004 in The City Civil Court, Kolkata	Eviction suit related to residential Flat at Kolkata	Not ascertained.
26.	Amar Nath Dutta & Others	COMP.51 of 2001 in the Labour Court	Compensation case.	Not ascertained.
27.	Aruna Chakraborty Vs. Parul Chakraborty	Pending before Court of Civil Judge (WM Respondent No. 2)	Payment of dues of Ex-employee since deceased leaving 2 claimants.	Rs. 2,65,000/-
28	Director General of Foreign Trade, Kolkata	02/82/40/0022/AM94	Show Cause Notice for alleged non-fulfillment of export Obligation and / or Non-submission of documents in respect of advance license No. P/W/1525501/C dt 30.06.93	Not ascertained.
29	Dy. Registrar of Companies Department of Company Affairs, Kolkata	Show Cause Notices No. TS1/STA/17715/Inspn (Suppl)/147(1) (a), TS-1/STA/17715/ Inspn (Suppl)/290(3)(b)/211, TS-1/STA/17715/Inspn/ (Suppl)/211(1), TS1/STA/ 17715/Inspn/(Suppl)/217(3) and TS-1/STA/17715/Inspn (Suppl)/209(1) all dated 24/06/2004	Alleged violation of sections 147 (1)(a), 209(3)(b)/211, 211(1), 217(3) and 209(1) of the Companies Act 1956	Not ascertained.

30	Dy. Registrar of Companies Department of Company Affairs, Kolkata	Show Cause Notice No. TS-1/STA/17715/Inspn (Suppl)/49(7), TS-1/STA/17715/Inspn (Suppl)/209(1), TS-1/STA/17715/Inspn (Suppl)/264(2), TS-1/STA/17715/Inspn (Suppl)/286(1), TS1/STA/17715/INSPN/ (Suppl)/293(1)(e), TS-1/ STA/17715/Inspn (Suppl)/ 301(1), TS-1/STA/17715/Inspn (Suppl)/303(1) and TS-1/STA/ 17715/Inspn (Suppl) 307(1) All dated 25.06.2004	Alleged violation of sections 49(7), 286(1), 219(1), 264(2), 293(1)(e), 301(1), 303(1) and 307(1) of the Companies Act	Not Ascertained.
31.	Dy. Registrar of Companies Department of Company Affairs, Kolkata	Show Cause Notices No. TS-1/STA/17715/Inspn (Suppl)/224(8)(b) and TS-1/STA/17715/Inspn (Suppl)/17/291 both dated 18.2.2005	Alleged violation of sections 224(8)(b) and 17/291 of the Companies Act 1956	Not ascertained.
32.	Asstt. Registrar of Companies Department of Company Affairs, Kolkata	Show Cause Notices No. TS-1/STA/17715/Insp/ 205A(3) and TS-1/STA/ 17715/Insp/205(2A) both dated 30.10.2003.	Alleged violation of sections 205A(3) and 2052(A) of the Companies Act, 1956 Not ascertained.	
33.	Board of Trustees for the Port of Kolkata	Application connected with C.P. No. 213 of 2003	Application filed to recall the High Court at Calcutta Order dated 19.05.2004 approving a Scheme of Arrangement between the Company and Portside Estates Ltd. and DSK Real Estates Ltd.	Not ascertained.

3.2.7 Mr. B. K. Newar, Company Secretary, Williamson Magor, is the Compliance Officer. The correspondence address is as below:

Mr. B. K. Newar  
Four Mangoe Lane  
Surendra Mohan Ghosh Sarani  
Kolkata 700 001, India  
Tel: +91 33 2243 5391  
Fax: +91 33 2248 8114  
E-Mail: bk\_newar@wmg.co.in

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

Williamson Magor & Co. Limited was trifurcated to Williamson Magor & Co. Limited, Portside Estates Limited and DSK Real Estates Limited April 1, 2002 whereby two adjacent properties of Williamson Magor & Co. Limited with all its assets, liabilities, rights and obligations i.e. (1) Premises No. 34/1, Diamond Harbour Road, Kolkata and (2) Premises No. 34 Diamond Harbour Road, Kolkata of Williamson Magor & Co. Limited were transferred to Portside Estates Limited and DSK Real Estates Limited respectively. In consideration thereof, Portside Estates Limited issued 60,50,000 Equity Shares of Rs. 10 and DSK Real Estates Limited issued 65,00,000 Equity Shares of Rs. 10 to the company making them the fully owned subsidiary of Williamson Magor & Co. Limited. Subsequently Williamson Magor offloaded its stake in Portside Estates Limited and DSK Real Estates Limited, and these companies ceased to be subsidiaries of Williamson Magor.

### 3.3 United Machine

3.3.1 United Machine is a company incorporated on March 28, 1949. The objects of United Machine include carrying on the business of an investment company. The registered office of United Machine is located at 8, A.J.C. Bose Road, Kolkata - 700 017, India (Tel: +91 33 2475 3672). United Machine is a privately held company and hence its shares are not listed on any stock exchange. As on the date of PA, The issued and paid up share capital of the company constitutes of 74,500 equity shares of Rs.100 each aggregating Rs. 0.75 crore. The shareholding pattern of United Machine as on June 30, 2005 is as follows:

Shareholder	No. of shares	% holding
Brij Mohan Khaitan	43,015	57.74
Ganesh Ch. Jha	50	0.07
Maganiram Pasari	50	0.07
Shanti Khaitan (Ms)	1,575	2.11
T. R. Swaminathan	1	0.00
Deepak Khaitan	12,510	16.79
Yashodhara Khaitan (Ms)	3,500	4.70
Soom Stud Farm Private Limited	300	0.40
Ichamati Investments (P) Limited	758	1.02
Metals Centre Limited	5,300	7.11
Amritanshu Khaitan	735	0.99
Divya Jalan (Ms)	630	0.85
Deepak Khaitan & Yashodhara Khaitan	1,826	2.45
Aditya Khaitan	4,250	5.70
<b>Total</b>	<b>74,500</b>	<b>100.00</b>

3.3.2 As United Machine does not hold any shares in the Target Company, provisions of Chapter II of the Regulations are not applicable.

3.3.2.1 As on the date of PA, the Board of Directors of United Machine is as follows:

Name of Director	Experience	Qualifications	Date of Appointment	Address
Amritanshu Khaitan	Working as executive in Eveready Industries India Limited for 4 years	B Com (Hons)	September 30, 2004	10 Queens Park, Kolkata - 700 019
Aniruddha Sirkar	Working as Senior GM, Dept Accounting & Banking, Eveready Industries India Limited	CA	September 30, 2004	9/5, Central Park, Kolkata - 700 032
Kamal Kishore Baheti	Whole time Director in McLeod Russell India Limited	CA, CS, CWA	September 30, 2004	Flat No. C-301, Oxford View, 32/36, Diamond Harbour Road, Kolkata - 700 008
Kavita Khaitan (Ms)	Director and Shareholder	B.A.	March 28, 2005	10 Queens Park, Kolkata - 700 019
Yashodhara Khaitan (Ms)	Director and Shareholder	B Com	March 28, 2005	10 Queens Park, Kolkata - 700 019

None of the directors of United Machine were on the Board of the Target Company as on the date of the PA.

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

(Rs lakhs)

Profit and Loss Statement	FY2003	FY2004	FY2005
Income from operations	86.77	30.58	1,85.24
Other income	-	-	0.01
Total Income	86.77	30.58	1,85.25
Total Expenditure	3.52	4.60	1,41.87
Profit before Depreciation, Interest and Taxes	83.25	25.98	43.38
Depreciation	0.59	1.20	0.92
Interest	1.49	5.18	20.14
Profit Before Tax	81.17	19.60	22.32
Provision for Tax	6.43	2.17	0.47
Profit After Tax	74.74	17.43	21.85

(Rs lakhs)

<b>Balance Sheet Statement</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
<b>Sources of Funds</b>			
Paid-up Equity Share Capital	24.50	74.50	74.50
Reserves and surplus (excluding revaluation reserves)	1,25.29	1,42.71	1,64.57
Networth	1,49.79	2,17.21	2,39.07
Secured Loans	-	-	-
Unsecured Loans	59.58	24.69	4,78.96
Other Liabilities	-	-	-
Deferred Tax Liability	0.17	0.05	0.21
<b>Total</b>	<b>2,09.54</b>	<b>2,41.95</b>	<b>7,18.24</b>
<b>Uses of Funds</b>			
Net fixed Assets	5.24	4.18	3.27
Investments	1,91.41	2,13.18	6,09.52
Net Current Assets	12.89	24.59	1,05.45
Total Miscellaneous Expenditure Not Written-Off	-	-	-
<b>Total</b>	<b>2,09.54</b>	<b>2,41.95</b>	<b>7,18.24</b>

<b>Other Financial Data</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
Dividend per Share (%)	-	-	-
Earnings per Share (Rs)	305.04	48.81	29.33
Return on Networth (%)	50%	8%	9%
Book Value per Share (Rs)	611.39	291.56	320.90

Auditor to the report: M/s Roy & Bagchi, Chartered Accountants, 1A, Raja Subodh Mullick Square, 3rd Floor, Kolkata - 700 013, Tel: +91 33 2236 8172

### 3.3.4 Significant Accounting Policies for the year ended March 31, 2005

#### (a) Accounting Conventions

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

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

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

#### (d) Investments are valued at weighted average cost.

#### (e) Loans and Advances are subject to confirmation from the respective parties.

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

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

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

### 3.3.5 There are no pending litigations against this company.

### 3.3.6 There have been no mergers / demergers, spin off involving United Machine during last 3 years.

## 3.4 Ichamati

**3.4.1** Ichamati is a company registered under the Companies Act and was incorporated on January 25, 1975. The objects of Ichamati include carrying on the business of an investment company. The registered office of Ichamati is located at 8, A.J.C. Bose Road, Kolkata - 700 017, India (Tel: +91 33 2475 3672). Ichamati is a privately held company and hence its shares are not listed on any stock exchange. The issued and paid up share capital of

Ichamati constitutes of 300,000 equity shares of Rs. 10 each aggregating Rs. 0.30 crore. The shareholding pattern of Ichamati as on June 30, 2005 is as follows:

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

3.4.2 The company is a shareholder of the Target Company having 16,450 equity shares (0.116%) as on the date of PA. As Ichamati holds less than 1% of the fully paid up equity share capital of the Target Company, provisions of Chapter II of the SEBI (SAST) Regulations, 1997 are not applicable.

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

Name of Director	Experience	Qualifications	Date of Appointment	Address
Amritanshu Khaitan	Working as executive in Eveready Industries India Limited for 4 years	B Com (Hons)	September 30, 2004	10 Queens Park, Kolkata - 700 019
Suvamoy Saha	Whole time Director in Eveready Industries India Limited Earlier as VP Finance, Eveready Industries India Limited	C.A.	September 30, 2004	Flat No. 14, 8/7, Alipore Road, Woodland Syndicate, Kolkata - 700 027
Kamal Kishore Baheti	Whole time Director in McLeod Russell India Limited	C.A., C.S., C.W.A.	September 30, 2004	Flat No. C-301, Oxford View, 32/36, Diamond Harbour Road, Kolkata - 700 008
Kavita Khaitan (Ms)	Director and Shareholder	B.A.	March 28, 2005	10 Queens Park, Kolkata - 700 019
Shanti Khaitan (Ms)	Director and Shareholder	Matriculation	March 28, 2005	10 Queens Park, Kolkata - 700 019

None of the directors of Ichamati were on the Board of the Target Company as on the date of the PA.

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

(Rs lakhs)

Profit and Loss Statement	FY2003	FY2004	FY2005
Income from operations	85.16	64.35	3,39.47
Other income	-	0.04	-
Total Income	85.16	64.39	3,39.47
Total Expenditure	2.83	51.74	3,31.13
Profit before Depreciation, Interest and Taxes	82.33	12.65	8.34
Depreciation	0.02	0.02	0.01
Interest	-	-	-
Profit Before Tax	82.31	12.63	8.33
Provision for Tax	6.74	3.72	1.54
Profit After Tax	75.57	8.91	6.79

(Rs lakhs)

<b>Balance Sheet Statement</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
<b>Sources of Funds</b>			
Paid-up Equity Share Capital	30.00	30.00	30.00
Reserves and surplus (excluding revaluation reserves)	1,83.01	1,91.92	1,98.71
Networth	2,13.01	2,21.92	2,28.71
Secured Loans	-	-	-
Unsecured Loans	-	-	22.00
Other Liabilities	-	-	-
Deferred Tax Liability	-	-	-
<b>Total</b>	<b>2,13.01</b>	<b>2,21.92</b>	<b>2,50.71</b>
<b>Uses of Funds</b>			
Net fixed Assets	0.12	0.11	0.09
Investments	10.12	9.14	2,69.15
Deferred Tax Asset	0.34	0.33	0.34
Net Current Assets	2,02.42	2,12.34	(18.87)
Total Miscellaneous Expenditure Not Written-Off	-	-	-
<b>Total</b>	<b>2,13.01</b>	<b>2,21.92</b>	<b>2,50.71</b>
<b>Other Financial Data</b>			
Dividend per Share (%)	-	-	-
Earnings per Share (Rs)	25.19	2.97	2.26
Return on Networth (%)	35%	4%	3%
Book Value per Share (Rs)	71.00	73.97	76.24

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

### 3.4.5 Significant Accounting Policies for the year ended March 31, 2005

#### (a) Accounting Conventions

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

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

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

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

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

(f) Loans and Advances are subject to confirmation from the respective parties.

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

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

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

3.4.6 There are no pending litigation against the company.

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

### 3.5 Nitya

3.5.1 Nitya is a company registered under the Companies Act and was incorporated on November 5, 1992. The objects of Nitya include carrying on the business of an investment company. The registered office of Nitya is located at 8,

A.J.C. Bose Road, Kolkata - 700 017, India (Tel: +91 33 2475 3672). Nitya is a privately held company and hence its shares are not listed on any stock exchange. The issued and paid up share capital of the company constitutes of 280,200 equity shares of Rs.10 each aggregating Rs. 0.28 crore. The shareholding pattern of Nitya as on June 30, 2005 is as follows:

Shareholder	No. of shares	% holding
Ganesh Ch. Jha	100	0.04
Surendra Kumar Khaitan	100	0.04
Brij Mohan Khaitan	1,60,000	57.10
Deepak Khaitan (HUF)	40,000	14.27
Metals Centre Limited	22,000	7.85
Ichamati Investments Private Limited	18,000	6.42
Nitya Bangur (Ms)	20,000	7.14
United Machine Co. Limited	20,000	7.14
<b>Total</b>	<b>280,200</b>	<b>100.00</b>

3.5.2 As Nitya does not hold any shares in the Target Company, provisions of Chapter II of the Regulations are not applicable.

3.5.3 As on the date of PA, the Board of Directors of Nitya is as follows:

Name of Director	Experience	Qualifications	Date of Appointment	Address
Amritanshu Khaitan	Working as executive in Eveready Industries India Limited for 4 years	B Com (Hons)	September 30, 2004	10 Queens Park, Kolkota -700 019
Suvamoy Saha	Whole time Director in Eveready Industries India Limited Earlier as VP Finance, Eveready Industries India Limited	Chartered Accountant	September 30, 2004	Flat No. 14, 8/7, Alipore Road, Woodland Syndicate, Kolkata -700 027
Shanti Khaitan (Ms)	Working Director and Shareholder	Matriculation	March 28, 2005	10 Queens Park, Kolkata -700 019
Yashodhara Khaitan (Ms)	Director and Shareholder	B Com	March 28, 2005	10 Queens Park, Kolkata -700 019

None of the directors of Nitya were on the Board of the Target Company as on the date of the PA.

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

(Rs lakhs)

Profit and Loss Statement	FY2003	FY2004	FY2005
Income from operations	0.36	0.36	19.68
Other income	-	-	-
Total Income	0.36	0.36	19.68
Total Expenditure	0.71	1.12	13.86
Profit before Depreciation, Interest and Taxes	(0.35)	(0.76)	5.82
Depreciation	-	-	-
Interest	-	-	-
Profit Before Tax	(0.35)	(0.76)	5.82
Provision for Tax	-	-	-
Profit After Tax	(0.35)	(0.76)	5.82

(Rs lakhs)

<b>Balance Sheet Statement</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
<b>Sources of Funds</b>			
Paid-up Equity Share Capital	28.02	28.02	28.02
Reserves and surplus (excluding revaluation reserves)	(21.82)	(22.57)	(16.76)
Networth	6.20	5.45	11.26
Secured Loans	-	-	-
Unsecured Loans	-	-	-
Other Liabilities	-	-	-
Deferred Tax Liability	-	-	-
Total	6.20	5.45	11.26
<b>Uses of Funds</b>			
Net fixed Assets	-	-	-
Investments	5.25	5.25	8.48
Net Current Assets	0.47	0.21	2.44
Total Miscellaneous Expenditure Not Written-Off	0.48	0.41	0.35
Total	6.20	5.45	11.26
<b>Other Financial Data</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
Dividend per Share (%)	-	-	-
Earnings per Share (Rs)	(0.12)	(0.27)	2.08
Return on Networth (%)	-6%	-14%	51%
Book Value per Share (Rs)	2.21	1.95	4.02

Auditor to the report: M/s Jain & Co., Chartered Accountants, P 21/22 Radha Bazar Street, Kolkata - 700 001, India; Tel: +91 33 2242 7215 Fax: +91 33 2242 4618

### 3.5.5 Significant Accounting Policies for the year ended March 31, 2005

- The financial statements have been prepared in accordance with historical cost convention.
- Investments being long term are shown at cost less provision for permanent diminution in market value as considered.
- Income & Expenditure are accounted for on accrual basis except dividend income.

3.5.6 There are no pending litigation against the company.

3.5.7 There have been no mergers / demergers, spin off involving Nitya during last 3 years

### 3.6 Details of companies promoted by the Acquirers in last 3 years

The Acquirers have not promoted any company during the last 3 years

### 3.7 Disclosure in terms of Regulation 16(ix)

Pursuant to the Purchase Agreement between the Acquirers and the Promoter Group of Williamson Tea, the Acquirers, by virtue of acquiring 100% of the paid-up equity share capital of Borelli, would indirectly get control over the Target Company. The Acquirers do not intend to dispose of or otherwise encumber any assets of the Target Company, except to the extent that may be required (i) in the ordinary course of business of the Target Company and/or (ii) for the purposes of restructuring, rationalising and/or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Notwithstanding the immediately preceding sentence, it will be the responsibility of the board of directors of Williamson Tea to make appropriate decisions in these matters, in accordance with the requirements of the business of Williamson Tea and in line with opportunities or changes in the economic scenario from time to time. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws at the relevant time. Further, the Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of Williamson Tea, except with the prior approval of shareholders of Williamson Tea.

### 3.8 Future plans/strategies of the Acquirers with regard to the Target Company

The Acquirers intend to review from time to time Williamson Tea's business affairs and financial position. Based on such evaluation and review, as well as general economic and industry conditions existing at the time, the Acquirers may consider from time to time, various alternative courses of action. Such actions may involve the sale of all or a portion of the Shares in the open market, in privately negotiated transactions, or otherwise, subject to the provisions of the applicable law at the relevant time.

All owners of Shares, registered or unregistered, except the Acquirers, Borelli and the Promoter Group of Williamson Tea, are eligible to participate in the Offer anytime before closure of the Offer.

#### 4. BACKGROUND OF WILLIAMSON TEA

- 4.1 Williamson Tea was incorporated on March 15, 1977 under the Companies Act, 1956 with the name George Williamson (Assam) Limited. However, the company after obtaining necessary statutory approval changed its name to Williamson Tea Assam Limited with effect from December 1, 2003. The objects of Williamson Tea include carrying on the business of cultivation, manufacture and sale of black tea. The registered office of Williamson Tea is located at House No. 37, 5th Bye-Lane, Mother Teresa Road, Guwahati - 781021, India (Tel : +91 361 241 0819, Fax : +91 361 241 0819). The shares of Williamson Tea are listed on the following stock exchanges: BSE, NSE, CSE, GSE and DSE.
- 4.2 Williamson Tea is engaged in the cultivation, manufacture and sale of black tea. It has tea factories in its gardens at Attareekhat, Borengajuli, Corramore, Paneery, Harchurah, Phulbari, Rupajuli, Bargang, Boro, Behora, Rajmai, Diral, Itakhooli, Keyhung, Bordubi, Koomsong and Phillobari in the state of Assam.
- 4.3 As per the information provided by the Target Company, as on March 31, 2005, the total issued and paid up share capital of the Williamson Tea constitutes of 14,175,000 equity shares of Rs. 10 each aggregating Rs. 14.18 crore. Further, there are no partly paid-up shares in Williamson Tea. Further, there are no outstanding convertible instruments. The shares of Williamson Tea are listed on the following stock exchanges: BSE, NSE, CSE, GSE and DSE. The closing price of Williamson Tea as on the NSE on September 14, 2005 (last available market price) was Rs. 189.75 (*Source:www.nseindia.com*). The following table provides capital build-up of Williamson Tea since inception:

Year of Allotment	No. & % of shares issued		Cumulative Paid-up capital (Rs)	Mode of Allotment	Identity of Allottees	Status of compliance
	No.	%				
1977	7	100.00	70	By way of Subscribing to the Memorandum of Association	7 subscribers mentioned in the Memorandum & Articles of Association of WTA	N.A.
1979	2,161,000	61.74		Pursuant to Scheme of Amalgamation of the Sterling	Williamson Tea Holdings plc, UK	With the approvals of High Court, CCI and RBI
1979	289,000	8.26		Company with WTA	Borelli Tea Holdings Ltd., UK	
1979	30,000	0.86		Firm allotment under prospectus	UTI	With the approvals of CCI, RBI and SEs
	20,000	0.57		- " -	LIC	
	20,000	0.57		- " -	GIC	
	140,000	4.00		- " -	The Bishnauth Tea Co. Ltd.	
	105,000	3.00		- " -	The Dimakusi Tea Co. Ltd.	
	34,993	1.00	35,000,000	- " -	Employees	
	700,000	20.00		Through prospectus	Public	
1985	2,800,000	N.A.	63,000,000	Bonus issue (4 : 5)	Existing Shareholders	CCI and RBI
1991	3,150,000	N.A.	94,500,000	Bonus issue (1 : 2)	Existing Shareholders	CCI and RBI
1992	4,725,000	N.A.	141,750,000	Bonus issue (1 : 2)	Existing Shareholders	CCI and RBI

The shareholding pattern of Williamson Tea as on June 30, 2005 is as below:

Shareholder	No. of shares	% holding
<b>Promoters' shareholding</b>		
Borelli Tea Holdings Limited	9,922,500	70.00
<b>Total Promoters' shareholding</b>	<b>9,922,500</b>	<b>70.00</b>
<b>Non-promoters' shareholding</b>		
Institutional Shareholders	1,030,860	7.27
Private Corporate Bodies	645,015	4.55
NRIs/OCBs	64,264	0.45
Indian Public	2,512,361	17.73
<b>Total non-promoter shareholding</b>	<b>4,252,500</b>	<b>30.00</b>
<b>Total</b>	<b>14,175,000</b>	<b>100.00</b>

4.4 The equity shares of the Target Company are listed on BSE, NSE, CSE, GSE and DSE. As per the information provided by the Target Company, the Target Company has complied with all the provisions of the Listing Agreement. Further, no punitive action has ever been initiated against Williamson Tea by any of the stock exchanges where its shares are listed. However, DSE, vide its letter dated June 10, 2005, addressed to ICICI Securities, has forwarded a letter dated April 12, 2005 sent to the Target Company mentioning that Williamson Tea has not filed the annual report and the distribution schedule for the year 1998 and quarterly filings for a few quarters during September 2002 to December 2004 and filings under Regulation 6 and Regulation 8 for 1997 and 2000. The Target Company, has since submitted its reply to DSE vide its letter dated April 12, 2005 stating that it has complied with all necessary disclosure and documentation requirements. However, appropriate action may be taken against the Target Company.

4.5 As on September 15, 2005, the Board of Directors of Williamson Tea comprised of the following:

Name of Director	Experience	Qualifications	Date of Appointment	Address
Brij Mohan Khaitan, Chairman	Among the leading industrialists in Eastern India, Mr. Khaitan is a name to be reckoned with. Mr. Khaitan has great contributions to the tea industry with which he has been associated for over four decades. Apart from McLeod Russel, he is also the Chairman of Williamson Magor & Co. Limited and Eveready Industries India Limited and is on the board of directors of various other companies both within and outside Williamson Magor Group. The Chambers of Commerce have always found a strong supporter in him. In 1973, he was elected President of the Indian Chambers of Commerce and was also the President of the International Chamber of Commerce Indian National Committee during 1986-1987.	Mr. Khaitan is commerce graduate from Calcutta University.	13.07.2005	10 Queens Park, Kolkata - 700 019
Deepak Khaitan, Vice Chairman	Mr. D. Khaitan is associated with tea plantation activities for over 3 decades and has had in-depth exposure to and involvement in steering diverse businesses and gained rich experience and expertise in management of tea, batteries and engineering industries. Presently, Mr. Khaitan is the Executive Vice-Chairman and Managing Director of Eveready Industries India Limited. Besides, he is also holding directorships in a number of other companies in the Williamson Magor Group and outside.	Mr. D. Khaitan was educated in St. Xavier's School and College, Kolkata and has obtained his B. Com. (Hons.) degree from this college under Calcutta University. Following this he went abroad to pursue his higher management education and has obtained his MBA from Geneva (Switzerland).	13.07.2005	10 Queens Park, Kolkata - 700 019

Name of Director	Experience	Qualifications	Date of Appointment	Address
Aditya Khaitan	Mr. A. Khaitan was born in a family which has been in tea plantation activities for over four decades. Mr. Khaitan has had in-depth exposure to and involvement in steering diverse businesses and other related areas of tea and various other industries and also in the matter of restructuring corporate entities. Mr. Khaitan is on the boards of various companies including Eveready Industries India Limited and Williamson Magor & Co. Limited	Mr. A. Khaitan was educated in St. Xavier's College, Kolkata and has obtained his B. Com. (Hons.) degree from this college under Calcutta University	13.07.2005	10 Queens Park, Kolkata - 700 019
P. Magor	Joined the Williamson Tea Group of Companies, UK, in an executive capacity and elevated to the position of Executive Director in 1982 and he is presently the Chairman and Managing Director of George Williamson & Co. Ltd, the parent company of the Group. Mr. Magor has during his career of two decades gained wide exposure and involvement in steering tea business and considerable experience in the field of finance and overall management of tea companies.	Associate Member of the Institute of Chartered Accountants, England & Wales.	07.11.1984	Stype Grange, Stype NR, Hungerford, Berkshire RG17 0RQ, UK.
Kamal Kishore Baheti	Mr. Baheti stated his career in 1985 and since then has held various important positions in accounts and finance of a number of reputed companies. Mr. Baheti is associated with tea companies belonging to Williamson Magor Group since 1989 and during this period has gained considerable expertise in the matters pertaining to accounts and finance of tea companies as also in the matter of restructuring, mergers and demergers of corporate entities.  Mr. Baheti is a Member of the Finance and Taxation Sub-Committees of Indian Tea Association and Indian Chamber of Commerce.	Mr. Baheti is a graduate of commerce with Honours, a fellow Member of The Institute of Chartered Accountants of India and an Associate Member of The Institute of Company Secretaries of India. Mr. Baheti is also a graduate of the Institute of Cost and Works Accountants of India.	13.07.2005	Flat No. C - 301, Oxford View, 32/36, Diamond Harbour Road, Kolkata - 700 008
Padam Kumar Khaitan	Mr. P. K. Khaitan is one of the Partners of Messrs. Khaitan & Co., Advocates, Notaries, Patent & Trademark Attorneys. During his long career of 28 years with Messrs. Khaitan & Co., as a lawyer, he had in depth exposure to and achieved considerable experience and expertise in Law and Legal matters in Corporate, Commercial, Financial, Banking, Taxation, Foreign Collaboration, Foreign Investment, Litigation, Arbitration, Real Property, Ecology & Environment, Labour, Projects, Estates & Trusts and Personal clientele matters.	Mr. P. K. Khaitan has done B.Com & Attorney at Law	13.07.2005	3 Queens Park, Kolkata - 700 019

Name of Director	Experience	Qualifications	Date of Appointment	Address
K. S. Brar	Lt. Gen. K. S. Brar joined the Indian Army in 1954 and retired as the Lt. General of the Indian Army after forty years of service, where he held a number of prestigious positions and was awarded the Param Vishist Seva Medal, Ati Vishist Seva Medal and Vir Chakra for his distinguished service of the highest order. During the course of his service career he achieved considerable and varied experience in various fields of leadership and management particularly in the field of planning, human resource management finance and project implementation involving outlay of hundreds of crores of Rupees.	Msc. Defence Studies - Madras University. Graduate of the United States War College	29.01.1999	27, Robert Road, Colaba, Mumbai 400 005
Jatin Hazarika	Mr. Jatin Hazarika is an eminent personality in the State of Assam. He retired from the Indian Administrative Service from the post of Chairman, Assam Board of Revenue. During his service career he had the unique privilege of working as the Secretary of six Chief Ministers of Assam, besides heading important Departments of the Government of Assam and holding various other important assignments. Mr. Hazarika was Chairman /Director of about 25 State as well as National Level Public/Private undertakings and also a member of the Tea Board. Even after his retirement from the Indian Administrative Service he held various independent position in different institutions and bodies and worked as the Advisor to the Hon'ble Chief Minister of Assam from 1993 to 1996 in the rank of cabinet Member. At present Mr. Hazarika is associated with a number of State and National Level bodies, institutions, councils, commissions etc., as Chairman/Member. During his long service career, Mr. Hazarika has gathered considerable experience in overall business management and administration.	BA (Hons.) IAS (Retd.)	31.03.2002	'Jivagiri' Sarania Hills, P.O. Ulubari, Guwahati 781 007
P. K. Majumdar	He joined Messrs Lovelock & Lewes a Chartered Accountants firm of repute in the year 1963 and became the Partner of the firm in 1985, before retiring from service in 1997. Mr. Majumder has gathered considerable experience in accounts, finance and taxation during his long service career.	M. Com. Chartered Accountant	01.04.2005	Subhas Pally, Near School Grounds, Chandernagore, Dist. Hooghly WB 712 138

W.e.f. July 13, 2005, there has been a change in the Board of directors in WTA, details of which have been mentioned above. In terms of Regulation 22(7) the Acquirers have opened a funds escrow account with Standard Chartered Bank for Rs. 41.10 crore, being 100% of the offer proceeds as per the said Regulations. ICICI Securities has been authorized to realize the value of the funds escrow.

Please note that all correspondence to the directors of Williamson Tea must be addressed to the registered office address of Williamson Tea, which is House No. 37, 5th Bye-Lane, Mother Teresa Road, Guwahati - 781021, India (Tel : +91 361 241 0819, Fax : +91 361 241 0819).

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

(Rs lakhs)			
<b>Profit and Loss Statement</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
Income from operations	1,79,68.19	1,90,10.00	1,85,03.94
Other income	9,72.76	5,82.19	4,20.64
Total Income	1,89,40.95	1,95,92.19	1,89,24.58
Total Expenditure	1,75,44.30	1,78,09.24	1,72,37.82
Profit before Depreciation, Interest and Taxes	14,36.62	17,86.85	17,63.85
Depreciation	7,85.99	7,43.75	7,54.81
Interest	4,10.63	2,32.25	1,10.67
Profit Before Tax	(240.00)	8,10.85	8,98.37
Exceptional / Non-Recurring Items /			
Prior Period Items	(16,81.68)	(4.19)	-
Provision for Contingencies	-	-	-
Provision for Tax	2,35.70	86.09	56.62
Profit After Tax	(16,77.38)	7,20.57	8,41.75

(Rs lakhs)

<b>Balance Sheet Statement</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
Sources of Funds			
Paid-up Equity Share Capital	14,17.50	14,17.50	14,17.50
Reserves and surplus (excluding revaluation reserves)	73,34.65	74,15.57	76,09.34
Net worth	87,52.15	88,33.07	90,26.84
Secured Loans	3,02.56	15,00.00	0
Unsecured Loans	5,58.65	0	0
Other Liabilities	-	-	-
Deferred Tax Liability	7,80.70	8,27.59	6,94.21
Total	1,03,94.06	1,11,60.66	97,21.05
<b>Uses of Funds</b>			
Net fixed Assets (excluding revaluation reserves)	96,29.74	93,48.36	89,92.18
Investments	84.23	3,39.84	5,73.45
Net Current Assets	6,80.09	14,72.46	1,55.42
Total Miscellaneous Expenditure Not Written-Off	0	0	0
Total	1,03,94.06	1,11,60.66	97,21.05

<b>Other Financial Data</b>	<b>FY2003</b>	<b>FY2004</b>	<b>FY2005</b>
Dividend per Share (%)	10	40	40
Earnings per Share	(11.83)	5.08	5.94
Return on Net worth (%)			
Book Value per Share	61.74	62.31	63.68

Source: Annual Reports of Williamson Tea for the years ended March 31, 2004 and 2005

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

Shareholders' Category	Shareholding / Voting Rights prior to the Offer (Assuming full acceptances)		Shareholding / Voting Rights to be acquired in the Open Offer and Offer (A+B)=(C)		Shareholding / Voting Rights after the Acquisition	
	(A)		(B)		(C)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
1. Promoter Group	9,922,500**	70.00**	-	-	0**	0**
<b>Total 1</b>	<b>9,922,500**</b>	<b>70.00**</b>	<b>*</b>	<b>*</b>	<b>0</b>	<b>0</b>
2. Acquirers	16,450	0.12	2,851,450	20.00	10,631,250**	75.00**
<b>Total 2</b>	<b>16,450</b>	<b>0.12</b>	<b>2,851,450</b>	<b>20.00</b>	<b>10,631,250**</b>	<b>75.00**</b>
3. Parties to Agreement other than (1)(a) and (2) above	-	-	-	-	-	-
<b>Total 3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4. Public (other than parties to Agreement, Acquirers)			*	*		
a) FIs / MFs / FIIIs/ Banks / SFIs/PCBs	1,675,875	11.82	*	*		
b) Others	2,560,175	18.18				
<b>Total 4 (a+b)</b>	<b>4,236,050</b>	<b>30.00</b>			<b>3,543,750**</b>	<b>25.00**</b>
Grand Total (1+2+3+4)	<b>14,175,000</b>	<b>100.00</b>			<b>14,175,000</b>	<b>100.00</b>

Source: The above figures are based on the information as on June 30, 2005

Note \*: The entire 20% shares of the Target Company envisaged to be acquired by the Acquirers would be from the categories of the shareholders mentioned in 4(a) and 4(b) above and therefore the post offer holding of these shareholders are not ascertainable at this stage and would depend on the quantum of acceptance received from them. However the post issue holding of these shareholders shall not be less than 10% of the share capital of the Company.

\*\* As advised by SEBI vide letter dated September 12, 2005, the Acquirers would acquire only such number of shares under the Purchase Agreement to be decided after the completion of the Open Offer so as to maintain the level of public shareholding in the Target Company to the extent of 25% pursuant to Regulation 21(2) of the Regulations.

4.8 As on the specified date, there were 13,282 shareholders in Williamson Tea.

4.9 As per the information provided by the Target Company, the trading of its shares has neither been suspended by any stock exchange nor has there been any instance of refusal to list its shares.

4.10 The following is the status of compliance with Chapter II of the Regulations by the Target Company with regard to itself, promoters and major shareholders within the time specified in the Regulations and delay if any with regard to the same.

A. By the Promoters/ Sellers/ Major Shareholders/ Acquirers

Sr. No.	Regulation/ Sub-Regulation	Due date of compliance as mentioned in the Regulation	Actual Date of Compliance	Delay, if any (in no. of days) (Col.4 - Col.3)	Remarks
1	2	3	4	5	6
1.	6(1)	20.04.1997	07.04.1997	NIL	-
2.	6(3)	20.04.1997	15.04.1997	NIL	-
3.	8(1)	21.04.1998	14.04.1998	NIL	-
4.	8(2)	21.04.1998	14.04.1998	NIL	-
5.	8(1)	21.04.1999	16.04.1999	NIL	-

Sr. No.	Regulation/ Sub-Regulation	Due date of compliance as mentioned in the Regulation	Actual Date of Compliance	Delay, if any (in no. of days) (Col.4 - Col.3)	Remarks
1	2	3	4	5	6
6.	8(2)	21.04.1999	16.04.1999	NIL	-
7.	8(1)	21.04.2000	17.04.2000	NIL	-
8.	8(2)	21.04.2000	17.04.2000	NIL	-
9.	8(1)	21.04.2001	03.04.2001	NIL	-
10.	8(2)	21.04.2201	03.04.2001	NIL	-
11.	8(1)	21.04.2002	04.04.2002	NIL	-
12.	8(2)	21.04.2002	04.04.2002	NIL	-
13.	8(1)	21.04.2003	07.04.2003	NIL	-
14.	8(2)	21.04.2003	07.04.2003	NIL	-
15.	8(1)	21.04.2004	06.04.2004	NIL	-
16.	8(2)	21.04.2004	06.04.2004	NIL	-
17.	8(1) & (2)	04.04.2005	04.04.2005	NIL	-
18.	7(1) & (2)	29.12.2000	27.12.2000	NIL	Acquisition of 8752050 equity shares by Borelli from WTH
19.	7(1) & (2)	06.01.2002	04.01.2002	NIL	Acquisition of 812749 (5.72%) equity shares by ICICI Ltd.
20.	7(1) & (2)	06.03.2002	04.03.2002	NIL	Acquisition of further 217950 equity shares by ICICI Ltd. whereby their total holding became 1030699 equity shares representing 7.27% of the equity capital of WTA
21.	7(1A) & (2)	n.a.	n.a.	n.a.	n.a.

**B. By the Target Company**

Sr.No.	Regulation/ Sub-Regulation	Due date of compliance as mentioned in the Regulation	Actual Date of Compliance	Delay, if any (in no. of days) (Col.4 - Col.3)	Remarks
1	2	3	4	5	6
1.	6(2)	20.05.1997	15.04.1997	NIL	-
2.	6(4)	20.05.1997	15.04.1997	NIL	-
3.	8(3)	30.04.1998	07.04.1998	NIL	-
4.	8(3)	30.04.1999	16.04.1999	NIL	-
5.	8(3)	30.04.2000	19.04.2000	NIL	-
6.	8(3)	30.04.2001	04.04.2001	NIL	-
7.	8(3)	30.04.2002	29.04.2002	NIL	-
8.	8(3)	30.04.2003	08.04.2003	NIL	-
9.	8(3)	30.04.2004	07.04.2004	NIL	-
10.	8(3)	30.04.2005	07.04.2005	NIL	-
11.	7(3)	02.01.2001	29.12.2000	NIL	-
12.	7(3)	11.02.2002	04.02.2002	NIL	ICICI's letter dated 04.01.02 received over fax on 04.02.2002
13.	7(3)	11.03.2002	07.03.2002	NIL	

As per the information provided by the Target Company, Table B of Para 4.12 provides status of compliance with regard to changes in shareholding of promoters in Target Company.

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

##### Corporate Governance

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

1. Board of directors: Out of 9 directors, 4 are independent directors
2. Audit Committee comprises of 4 directors and 3 of them including the chairman are independent The terms of reference of the Committee is in accordance with Clause 49 of the Listing Agreement and 292A of the Companies Act, 1956
3. Shareholders/ Investors' Grievance Committee: The Committee comprises of 3 directors, the Chairman of the Committee is a non executive and independent director
4. Remuneration of Directors: The remuneration of non executive directors is decided by the Board and all particulars of remuneration are disclosed in the Annual Report
5. Board Procedure: At least 4 board meetings are held in each financial year. The time gap between two meetings does not exceed 4 months. All information stipulated in Annexure I is placed before the board. None of the directors hold membership of more than 10 board committees and chairmanship of more than 5 such committees
6. Management: The Management Discussion and Analysis report forms part of Directors' Report
7. Shareholders: All provisions stipulated in Clause 49 VI are complied with by the Company

Report on Corporate Governance: The report on corporate Governance is annexed to the Directors' Report which contains all items mentioned in Annexure 2 as referred in Clause 49VII of the Listing Agreement

##### Pending Litigation

##### Pending Litigations / disputes against Williamson Tea Assam Limited

Sl. No:	Opposite Party	Case Reference / Forum	Particulars of Case	Amount Involved
1	Govt. of Assam	Appeal at Udalguri court vide case No. E.C. No. 4/2002/3688 dt 21/08/02	During implementation of Land Ceiling Act, the 'Lat Mandal' wrongly demarcated 74B-1K-10L surrendered to Govt which is under tea plantation in Kunderbheel div. Appeal made for exchange of the same area of land alleged to be encroached by the Co.	Not ascertained.
2	Medical Inspector	SDJM Court, Udalguri	Case filed by Medical Inspector for 1) Not maintaining records in prescribed Govt. registers 2) Not providing adequate no. of water points in No. 10 workers line. In Paneery T.E.	Not ascertained.
3	Sri B. K. Tanti (Workman)	Labour Case No 7/03	Demand for compensation for injury sustained at work in the factory at Harchurah T.E. on 16/05/02	Rs 2,00,000
4	Govt. of Assam	Land Ceiling Case No. 19/71	Surrender of ceiling surplus land of Harchurah & Phulbari as per Govt. - 777.76 Ha. No surplus land more than 500 Ha, hence offered 500 Ha from Harchurah & Phulbari. Eviction notice recd from SDC Charduar. Land records not corrected as per land offered by us but done arbitrarily by the Settlement Office without reference to the estate.	Not ascertained.
5	Motor Vehicle Dept.	M.A.C.T. Case no 191/99 of 1999, no 131/99 of 1999 and no 192/99 of 1999 at Bishnauth Charali Sub-station Court	Motor vehicle accident of Mr. B. Adhikari, Mr. J. Borah and Mr. L.Hazarika.	Not ascertained.

Sl. No:	Opposite Party	Case Reference / Forum	Particulars of Case	Amount Involved
6	Govt. of Assam	Guwahati High Court - Case No. 29/94, No. 30/94 & No. 31/94	Alleged encroachment of land at Boroi T.E.	Not ascertained.
7	9 dismissed Workmen of Rajmani T.E.	Guwahati High Court	Compensation claimed for dismissal	Not ascertained.
8	Central Excise Dept.	Commissioner (Appeals) Central Excise, Guwahati	Alleged use of spurious Furnace oil and availing cenvat credit	Not ascertained.
9	Central Excise Johrhat	Office of Asst. Commissioner, Central Excise Johrhat	Excise case pending with Supdt. H.Q. (Anti evasion) against cenvat utilised on tractor in 2001. Amount repaid and same amt penalty imposed in March 2005 - no official communication recd	Not ascertained.
10	Mr. G. Dutta	ALC & Circle Secy. ACKS	Sri. G. Dutta - met with accident in 1992 whilst returning back from work. Long medical treatment, became invalid and unable to rejoin work. Name struck off the rolls in 1994  Has not taken Gratuity and PF settlement. Family requests for his son to get a job in his place.	Not ascertained.
11	Factory Inspector	Inspector of Factories, Itakhooli	Mismatch of actual load and that mentioned in the license. Case is in progress	Not ascertained.
12	Mr. B. Rajgarh	Civil suit	Sri. B. Rajgarh lost the civil suit has filed a fresh case in Court raking an old case of thirty years when the estate entered into a compromise with him for exchange of 3 bighas of land for cultivation in lieu of which 11 bighas of land near Charail town was handed over.	Not ascertained.
13	Factory Inspector	Case no. 858C/04 in CJM Tinsukia	Accidental electrical shock death of Sri. K.Pator after working hours whilst washing staff m/cycle w/out Mgt. Permission.	Not ascertained.
14	Medical Inspector	Case filed against the company	Employment of Medical Officer & paramedical staff is less corresponding to the total labour strength.	Not ascertained.
15.	Sanjan Mukandas Munat & Shrinivas B Bangad	RCS No.555/03 in the Court of Civil Judge, Pune	Dispute relating to registration of 1080 shares.	No ascertained.

4.12 Mr. Soni Philip, Secretary, Williamson Tea, is the compliance officer. The correspondence address is as below:  
Mr. Soni Philip  
Four Mangoe Lane  
Surendra Mohan Ghosh Sarani  
Kolkata 700 001, India  
Tel: +91 33 2243 5391  
Fax: +91 33 2248 8114  
E-Mail: [administrator@wmg.co.in](mailto:administrator@wmg.co.in)

#### 4.13 Mergers, de-mergers or spin off during the last 3 years.

In February 2004, Williamson Tea acquired 12,000 equity shares of Rs. 100 each of Nilpur Tea Company Pvt. Ltd ('Nilpur'), a company engaged in manufacturing and sale of tea produced in its only tea estate viz. Nilpur Tea Estate in the state of Assam. The aforesaid shares represent 80% of the paid up capital of Nilpur and the aforesaid company became a subsidiary company of Williamson Tea. In August 2004, Williamson Tea acquired the balance 3,000 equity shares of Nilpur consequent upon which Nilpur became a Wholly Owned Subsidiary of Williamson Tea. Subsequently, the boards of Williamson Tea and Nilpur decided to amalgamate Nilpur with Williamson Tea

with effect from April 1, 2005 through a scheme of amalgamation. Accordingly, necessary petitions have been made before the Hon'ble High Courts at Calcutta and Guwahati. While the High Court at Calcutta had dispensed with the holding of the meeting of members of Nilpur (since it is a closely held subsidiary), the Guwahati High Court had directed to convene a meeting of the members of Williamson Tea Assam Limited for seeking the approval of the members to the scheme on August 13, 2005 at which the members have unanimously approved the Scheme. Subsequently a petition was made by the Target Company before the Hon'ble High Court at Guwahati for approving the scheme, the hearing of which has been fixed on September 29, 2005. On a similar petition made by Nilpur Tea Company Pvt. Ltd., the Hon'ble High Court at Calcutta has approved the said scheme on September 14, 2005.

## 5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 5.1 Justification of Offer Price

5.1.1 The Equity Shares of Williamson Tea are listed on BSE, NSE, CSE, GSE and DSE. The Public Announcement by the Acquirers, pursuant to Regulation 10 and 12 and other applicable provisions of Chapter III of, and in compliance with, the Regulations was made on June 7, 2005. The annualised trading turnover during the preceding six calendar months ended May 2005 on BSE & NSE is detailed in the table below.

Name(s) of stock exchange(s)	Total number of shares traded during six calendar months ended May 2005	Annualised trading turnover (in terms % of total listed shares)
NSE	6077708	85.75%
BSE	3291109	46.44%

Source: www.bseindia.com, Bloomberg

The shares of Williamson Tea were not traded on CSE, GSE and DSE from December 1, 2004 till June 6, 2005.

5.1.2 The Offer Price of Rs. 145 per Share is justified in terms of Regulation 20(11) of the Regulations, as it is more than the highest of the following:

a	Negotiated price under the Agreement referred to in Regulation 20(4)(a)	Rs. 140.00 exclusive of Rs. 30.00* per share towards a non-compete premium
b	Highest price paid by the Acquirers for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the 26-week period prior to the date of the Public Announcement	Rs. 143.53
c	The average price calculated as per Regulations 20(4)(c) during the 26-week period prior to the date of the Public Announcement on NSE, where it is most frequently traded	Rs. 144.80
d	The average price calculated as per Regulations 20(4)(c) during the 2-week period prior to the date of the Public Announcement on NSE, where it is most frequently traded	Rs. 144.40

Note: \* The non-compete premium of Rs. 30.00 per Share is in compliance with Regulation 20(8) and is less than 25% of the Offer Price of Rs. 145 per Share.

The details of the price and volume data on the NSE are as under:

#### 26-week Weekly High / Low

CLOSING PRICE AT NSE					
Week Number	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
1	December 13, 2004	159.05	142.20	150.63	753100
2	December 20, 2004	156.45	151.10	153.78	553918
3	December 27, 2004	154.70	148.90	151.80	180998
4	January 03, 2005	151.00	144.40	147.70	189667
5	January 10, 2005	157.95	151.40	154.68	981849
6	January 17, 2005	152.45	144.55	148.50	208570
7	January 24, 2005	151.15	138.75	144.95	157815
8	January 31, 2005	140.85	140.30	140.58	152558
9	February 07, 2005	147.30	140.70	144.00	535754

Week Number	Week Ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
10	February 14, 2005	153.55	147.70	150.63	374059
11	February 21, 2005	146.70	142.15	144.43	158021
12	February 28, 2005	147.50	142.20	144.85	235300
13	March 07, 2005	154.65	147.55	151.10	284076
14	March 14, 2005	149.80	145.95	147.88	140090
15	March 21, 2005	145.15	138.00	141.58	83925
16	March 28, 2005	136.20	135.20	135.70	67016
17	April 04, 2005	142.90	136.65	139.78	89587
18	April 11, 2005	143.35	140.50	141.93	88044
19	April 18, 2005	144.15	141.00	142.58	81989
20	April 25, 2005	140.00	138.00	139.00	43072
21	May 02, 2005	138.75	135.15	136.95	44908
22	May 09, 2005	138.35	135.90	137.13	22355
23	May 16, 2005	145.20	138.25	141.73	69324
24	May 23, 2005	148.45	141.40	144.93	174694
25	May 30, 2005	148.65	136.30	142.48	132275
26	June 06, 2005	153.60	137.70	145.65	374141

Source: Bloomberg

#### 2-week Daily High / Low

INTRA-DAY PRICE AT NSE					
Day Number	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
1	May 24, 2005	148.00	146.00	147.00	13161
2	May 25, 2005	146.00	144.00	145.00	5663
3	May 26, 2005	151.90	145.00	148.45	61536
4	May 27, 2005	151.40	143.00	147.20	20555
5	May 30, 2005	146.00	135.00	140.50	31360
6	May 31, 2005	139.95	135.00	137.48	22053
7	June 01, 2005	143.00	137.50	140.25	14287
8	June 02, 2005	140.00	137.50	138.75	31270
9	June 03, 2005	145.30	139.00	142.15	39550
10	June 04, 2005	149.75	140.00	144.88	60197
11	June 06, 2005	163.90	150.10	157.00	206784

Source: Bloomberg

5.1.3 The shares of the Target Company have not been traded on CSE, GSE and DSE during the six month period preceding the date of the Public Announcement within the meaning of explanation (i) to Regulation 20(5) of the Regulations. The financial parameters based on the twelve months audited financials for the period ended March 31, 2005 for Williamson Tea (certified by statutory auditors) are:

- Return on Average Networth of 9.32%
- Book Value per share of Rs. 67.68 cum-dividend & Rs. 63.68 ex-dividend
- Earnings per Share (EPS) of Rs. 5.94 and
- P/E multiple: 24.76 and Industry P/E multiple of 28.50

(Source: The Economic Times dated May 28, 2005 Kolkata edition, Annual Report of Williamson Tea for the year ended March 31, 2005, Bloomberg)

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

## 5.2 Financial Arrangement for the Offer

- 5.2.1 The total fund requirement for implementation of the Offer at Rs. 145 per share is around Rs. 41.11 crore assuming that full acceptance for the Offer is received.
- 5.2.2 The Acquirers have made firm financial arrangements to implement the Offer and meet their obligations in full under the Offer. The Offer obligation shall be met from the internal accruals and borrowings from a domestic fund.
- 5.2.3 M/s Lovelock & Lewes, M/s Price Waterhouse, M/s Roy & Bagchi, M/s Salapurja & Partners & M/s Jain & Co, auditors to Williamson Magor, McLeod & Russel, United Machine, Ichamati & Nitya respectively vide their letters dated June 6, 2005, have certified that the Acquirers have made adequate arrangements to meet the financial obligations under this Offer.
- 5.2.4 The Manager to the Offer confirms that it is satisfied about the ability of the Acquirers to implement the Offer in accordance with the Regulations as firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.
- 5.3 In accordance with Regulation 28 of the SEBI (SAST) Regulations, 1997, the Acquirers have created a lien in favour of ICICI Securities against a fixed deposit amounting Rs. 0.42 crore standing in the name of McLeod Russel with Kolkata branch of ICICI Bank Limited. This fixed deposit receipt is duly discharged in favour of ICICI Securities. As on the date of the Public Announcement, a share escrow comprising of 3,481,429 shares of Williamson Magor had been created valued at Rs.12.50 crore. Subsequently on June 9, 2005, 1,200,000 shares of Williamson Magor were added to the aforementioned share escrow. The value of the said securities as on June 20, 2005 stood at Rs. 17.09 crore, being more than 165% of the amount required as per the said Regulations viz., 25% of Rs. 41.1 crore, i.e. Rs. 10.3 crore. The said shares, owned by Metals Centre Limited and United Machine, are free from any lien / encumbrances and they carry full voting rights.

The details of the share escrow as on June 20, 2005 are as under:

Security	Owner	Quantity	Face Value	Paid-Up Value	Last Traded Price	Market Value (Rs lakhs)
Williamson Magor	Metals Centre Limited	3,481,429	10	10	36.50	127,072,159
Williamson Magor	United Machine	1,200,000	10	10	36.50	43,800,000
<b>Total</b>		<b>4,681,429</b>	<b>10</b>	<b>10</b>		<b>170,872,159</b>

ICICI Securities has been authorised to realise the value of the share escrow. In case, there is a deficit on realisation of value of the securities, ICICI Securities shall make good the deficit, if any.

Subsequently, the Acquirers have opened a funds escrow account with Standard Chartered Bank for Rs. 41.1 crore, being 100% of the amount required as per the said Regulations. **ICICI Securities has been authorised to realise the value of the funds escrow.**

## 6. TERMS AND CONDITIONS OF THE OFFER

- 6.1 The Offer to the shareholders of Williamson Tea to acquire up to 2,835,000 fully paid-up equity shares representing 20% of the paid-up equity share capital of Williamson Tea at Rs. 145 per Share is being made pursuant to Regulation 10 and 12 read with other applicable provisions of Chapter III of, and in compliance with, the Regulations.
- 6.2 Williamson Tea has furnished the register of members as on the Specified Date. The Letter of Offer together with the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed to the shareholders of Williamson Tea whose names appear on the Register of Members of Williamson Tea and beneficial owners of the shares of Williamson Tea, whose names appear as beneficiaries on the records of the respective Depositories, at the close of the Business Hours on June 10, 2005 (the Specified Date), except to the Acquirers, Borelli and the Promoter Group in Williamson Tea. Accidental omission to dispatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.
- 6.3 Equity shares of Williamson Tea that are subject matter of litigation or are held in abeyance due to pending court cases, wherein the shareholder(s) of Williamson Tea may be precluded from transferring the shares during pendency of the said litigation are liable to be rejected in case directions / orders releasing these shares are not received together with the shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.
- 6.4 The shares will be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
- 6.5 The Offer is not conditional on any minimum level of acceptance i.e. the Acquirers will acquire all the Shares that are tendered in terms of the Offer up to 2,835,000 Shares, subject to the conditions specified in the Public Announcement published on June 7, 2005 and this Letter of Offer (in paragraphs 6.1 to 6.4) and Form of Acceptance-cum-Acknowledgement.

- 6.6 If there is any further upward revision of the Offer price by the Acquirers till the last date for revision viz. September 30, 2005 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the Public Announcement published on June 7, 2005 and the Corrigendum Announcement published on September 15, 2005 had appeared. Such revised Offer Price would be payable for all the shares tendered anytime during the Offer and accepted under the Offer.
- 6.7 Shareholders who wish to tender their Shares should submit documents in accordance with the procedure specified in Section 7 of this Letter of Offer and the Form of Acceptance-cum-Acknowledgement.
- 6.8 Shareholders who hold shares in physical form and who wish to tender their Shares will be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer - Karvy Computershare Pvt Ltd., either by hand delivery to the collection centres during business hours (Mondays to Fridays between 10.00 a.m. and 4.00 p.m., Saturdays between 10.00 a.m. and 1.00 p.m.) or by registered post at Karvy Computershare Pvt Ltd, 46, Avenue 4, Street No1, Banjara Hills, Hyderabad 500 034, India so that the same are received on or before the close of the Offer i.e. October 10, 2005 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement.
- 6.9 The Registrar to the Offer has opened a special depository account with ICICI Bank, as the Depository Participant, in National Securities Depository Limited styled "ESCROW A/C WILLIAMSON TEA OPEN OFFER".

The details of the special depository account are as under:

DP Name	ICICI Bank
Depository Identification Number (DP ID)	IN 301348
Client Identification Number (Beneficiary Client ID)	20008192

- 6.10 Beneficial owners (holders of shares in dematerialised form) who wish to tender their shares will be required to send their Form of Acceptance-cum-Acknowledgement along with a photocopy of the delivery instruction slip in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the Depository Participant ("DP"). The delivery instruction slip in favour of "**ESCROW A/C WILLIAMSON TEA OPEN OFFER**" should be sent to the Registrar to the Offer: Karvy Computershare Pvt Ltd., either by hand delivery during business hours (Mondays to Fridays between 10.00 a.m. and 4.00 p.m.; Saturdays between 10.00 a.m. and 1.00 p.m.) or by registered post so as to reach on or before the closure of Offer i.e. October 10, 2005 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement. **Beneficial owners should ensure to credit their shares in favour of the special depository account before the closure of the Offer.**

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

#### 6.11 Locked-in Shares

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

#### 6.12 Eligibility for Accepting the Offer

The present Offer is being made to all the shareholders of Williamson Tea, except the Acquirers, Borelli and the Promoter Group of Williamson Tea, whose names appear as on the Specified Date (i.e. June 10, 2005) and also to those persons, who own the shares at any time prior to the closure of the Offer but are not registered shareholders.

#### 6.13 Marketable Lot

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

#### 6.14 Statutory Approvals and Conditions of the Offer

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

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

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

## 7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 7.1 Shareholders of Williamson Tea who wish to avail of this Offer should forward the undermentioned documents by hand delivery or registered post to the Registrar at their Office - Karvy Computershare Pvt Ltd. who are acting as the Registrar to the Offer (the "Registrar to the Offer"), either by hand delivery during business hours (Mondays to Fridays between 10.00 a.m. and 4.00 p.m.; Saturdays between 10.00 a.m. and 1.00 p.m.) or by registered post so that the same are received on or before the closure of the Offer, i.e. by October 10, 2005. **Shareholders are advised to ensure that the Form of Acceptance-cum-Acknowledgement and other documents are complete in all respects otherwise the same is liable to be rejected. In the case of dematerialised shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the closure of the Offer. The Form of Acceptance-cum-Acknowledgement of such dematerialised shares not credited in favour of the special depository account before the closure of the Offer is liable to be rejected.**

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

### 7.2 Registered shareholders (holders of shares in physical form) should enclose:

\* Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates

\* Original share certificate(s)

\* Valid share transfer deed(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Williamson Tea and duly witnessed at the appropriate place(s)

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

\* Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of shares, as per the records of the DP

\* Photocopy of the delivery instruction slip in 'Off-market' mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP

The details of the special depository account are as follows:

Name of the Depository Participant	Depository Identification No. (DP ID)	Client Identification No. (Beneficial Client ID)
ICICI Bank	IN 301348	20008192

### 7.4 Unregistered shareholders should enclose:

\* Form of Acceptance-cum-Acknowledgement or an application on plain paper, duly completed and signed in accordance with the instructions contained therein

\* Original share certificate(s)

\* Copy of the original contract note issued by the broker through whom the shares were acquired

\* Proof of lodgement of shares for transfer and acknowledgement thereof by Williamson Tea or its registrar and share transfer agent (if the share certificates have already been lodged for transfer)

\* Valid share transfer deed(s) duly signed by a registered holder and an additional valid transfer deed duly signed by the unregistered shareholder as the transferor

No indemnity is required from the unregistered owners.

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

\* Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein

\* Copy of the letter sent to Williamson Tea for transfer of shares

\* Valid share transfer deed(s) including valid transfer deed duly signed by the unregistered shareholder as the transferor

- 7.6 Shareholders who have sent their physical shares for dematerialisation may participate in the Offer by submitting the Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialisation request form duly acknowledged by the Depository Participant. Shareholders who have sent their physical shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the special depository account should be received on or before the closure of the Offer, i.e. by October 10, 2005, else the application would be rejected.

- 7.7 Valid share transfer deed/ form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Williamson Tea and duly witnessed at the appropriate place.

- 7.8 The share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirers or the Target Company.
- 7.9 In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer on a plain paper stating acceptance of the Offer with name, address, number of shares held, distinctive numbers, folio numbers, number of shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e. October 10, 2005 or in case of beneficial owners they may send their application in writing to the Registrar to the Offer on a plain paper stating acceptance of the Offer with name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction slip in "Off-market" mode or counterfoil of the delivery instructions slip in 'Off-market' mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer, i.e. October 10, 2005.
- 7.10 Alternatively, the Letter of Offer and Form of Acceptance-cum-Acknowledgement will be available on SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in), from the date of opening of the Offer. The eligible persons can download the Form of Acceptance-cum-Acknowledgement from the SEBI's website and apply in the same.
- 7.11 While tendering the Shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of Williamson Tea. In case the previous RBI approvals are not submitted, the Acquirers reserves the right to reject such Shares tendered.
- 7.12 **As per the provisions of Section 196D(2) of the Income Tax Act, 1961 ('the Income Tax Act'), no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor ('FI') as defined in section 115AD of the Income Tax Act. However, while tendering their shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a No Objection Certificate (NOC) or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.**
- a) **If any of the above stated documents (as applicable) are not enclosed along with the Form of Acceptance-cum-Acknowledgement, the Shares tendered under the Offer are liable to be rejected.**
- b) **As per section 10(36) of the Income-tax Act, 1961, any income arising from the transfer of a long-term capital asset, being an equity share for which the transactions of purchase and sale of such share are entered into on a recognised stock exchange, is exempt from tax. However, gains on transfer of shares tendered under the Offer would not be eligible for the exemption under section 10(36), as the transfer would not be effected through a recognised stock exchange. As such, gains on transfer of the shares offered pursuant to this letter of offer would be liable to tax as per the normal provisions of the Income-tax Act, 1961. This position has been intimated to the Acquirers by the tax advisers of the Acquirer. However, the Acquirers by this letter of offer, are not providing any tax advice to the shareholders and the shareholders are requested to seek their own advice on such matters.**
- 7.13 The Form of Acceptance-cum-Acknowledgement along with the share certificate(s), signed transfer deed and other documents should be submitted at any of the collection centres below in accordance with the procedure as set out in the Letter of Offer. All the centres mentioned hereinbelow would be open on all working days as follows:

Business Hours: Mondays to Fridays 10.00 a.m. to 4.00 p.m; Saturdays 10.00 a.m. to 1.00 p.m. The centres will be closed on Sundays and any other public holidays.

City	Contact Person	Address	Tel. No.	Fax No.
Ahmedabad	Edward	Karvy Computershare Pvt Ltd. 201-203 "Shail" Opp. Madhusudhan House, Behind Girish Cold drinks, Off C G. Road Ahmedabad 380 006, India	(79) 2642 0422 / 2640 0527 / 2640 0528	(79) 2656 5551
Bangalore	S Nandakishore	Karvy Computershare Pvt Ltd. T K N Complex No.51/2, Vanivilas Road, Opp. National College, Basavanagudi, Bangalore 560 004, India	(80) 2662 1184 / 2662 1192	(80) 2662 1169
Chennai	Gunashekhar	Karvy Computershare Pvt Ltd. G-1, Swathi Court, 22, Vijay Raghava Road, T. Nagar, Chennai 600 017, India	(44) 2815 3445 / 2815 1034 / 2815 3658	(44) 2815 3181
Guwahati	Jhimut Sharma	Karvy Computershare Pvt Ltd. Second Floor, Ramkumar Plaza Chatribari Road, Near Himatsingka Petrol Pump Guwahati 781 001, India	(361) 260 8016 / 260 8102	N / A

City	Contact Person	Address	Tel. No.	Fax No.
Hyderabad	Murali Krishna/ Anitha (Ms)	Karvy Computershare Pvt Ltd. 46, Avenue 4, Street No1, Banjara Hills, Hyderabad 500 034 India	(40) 2343 1545 / 2331 2454	(40) 2343 1551
Kolkata	Sujit Kundu	Karvy Computershare Pvt Ltd. 49, Jatindas Road, Near Deshpriya Park, Kolkata 700 029 India	(33) 2464 4891 / 7231 / 2463 4788 / 89 / 2463 5432	(33) 2464 4866 / 2463 4787
Kolkata	Sanjay Mehta	Karvy Computershare Pvt Ltd. 19, R N Mukherjee Road, 2nd floor, Dalhousie, Kolkata 700 001 India	(33) 3209 5949, 2243 7863 to 69	(33) 2243 7869
Mumbai	Vishakha Shringarapure	Karvy Computershare Pvt Ltd. Andheri Industrial Estate, Off Veera Desai Road, Andheri (W), Mumbai 400 053, India	(22) 2673 0799 / 153 / 292	(22) 2673 0152
Mumbai	Nutan Shirke	Karvy Computershare Pvt Ltd. 16/22, Bake House, Maharashtra Chamber of Commerce Lane, Kalaghoda, Fort, Mumbai - 400 023. India	(22) 5638 2666	(22) 5633 1135
New Delhi	Michael George	Karvy Computershare Pvt Ltd. 105-108, Arunachal Building, 19 Barakhamba Road, Connaught Place, New Delhi 110 001, India	(11) 2332 4401 / 2335 3835 / 981	(11) 2332 4621

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

**Karvy Computershare Pvt Limited**

46, Avenue 4, Street No1, Banjara Hills, Hyderabad 500 034, India

Tel: +91 40 2343 1545 / 2331 2454, Fax: +91 40 2343 1551

Contact Person: Murali Krishna

E-mail: wt\_offer@karvy.com

- 7.15 The payment of consideration will be made by the Acquirers in cash through crossed account payee cheque, demand draft or pay order sent by Registered Post for amounts exceeding Rs. 1,500 and UCP otherwise to those shareholders / unregistered owners, which would be dispatched to the shareholders / unregistered owners at their own risk, whose shares / share certificates and other documents are found in order and accepted by the Acquirers. In case of joint registered holders, cheques / demand drafts / pay orders will be drawn in the name of the sole / first named holder / unregistered owner and will be sent to him / her. **It is desirable that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgement, so that the same can be incorporated in the cheque / demand draft / pay order.**
- 7.16 In case the Shares tendered in the Offer are more than the shares to be acquired under the Offer, the acquisition of Shares from each shareholder will be in accordance with Regulation 21(6) of the Regulations, on a proportionate basis.
- 7.17 Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by Registered Post at the shareholders' / unregistered owners' sole risk to the sole / first named shareholder / unregistered owner. Except that, in case the share certificates tendered have to be split, the Acquirers will arrange to split the share certificates and send the balance share certificates (for Shares not accepted in the Offer) by Registered Post at the shareholders' / unregistered owners' sole risk to the sole / first named shareholder / unregistered owner. Unaccepted Shares held in dematerialised form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement or otherwise.
- 7.18 The Registrar to the Offer will hold in trust the Share(s) / share certificate(s), shares lying in credit of the special depository account, Form of Acceptance-cum-Acknowledgement and the transfer deed(s), if any, on behalf of the shareholders / unregistered owner(s) of Williamson Tea who have accepted the Offer, till the Acquirers complete the Offer obligations in terms of the Regulations latest by October 25, 2005. Upon completion of the above, the Registrar to the Offer will debit the special depository account to the extent of Shares accepted by the Acquirers and give instruction to credit the beneficial account of the Acquirers.

**7.19** The Acquirers shall complete all procedures relating to the Offer latest by October 25, 2005. In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the shareholders, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

**7.20** In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the closure of the Offer, i.e. by October 5, 2005. The withdrawal option can be exercised by submitting the Form of Withdrawal as per the instructions below, so as to reach the Registrar to the Offer at 46, Avenue 4, Street No1, Banjara Hills, Hyderabad 500 034, India; Tel: +91 40 2343 1545 / 2331 2454, Fax: +91 40 2343 1551 either by hand delivery on all days (excluding Sundays and public holidays): Mondays to Fridays - 10.00 a.m. to 4.00 p.m.; Saturdays 10.00 a.m. to 1.00 p.m. or by Registered Post, on or before October 5, 2005.

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

- \* In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares;
- \* In case of dematerialised shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in 'off-market' mode or counterfoil of the delivery instruction in 'off-market' mode, duly acknowledged by the DP, in favour of **'ESCROW A/C WILLIAMSON TEA OPEN OFFER'**.

## **8. DOCUMENTS FOR INSPECTION**

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

- a) Certificate of Incorporation, Memorandum of Association and Articles of Association of McLeod Russel, Williamson Magor, United Machine, Ichamati and Nitya
- b) Certificate dated June 6, 2005 from M/s Lovelock & Lewes, Chartered Accountants, certifying that Williamson Magor & Co. Limited has adequate resources to meet the financial obligations relating to the Offer
- c) Certificate of Incorporation, Memorandum of Association and Articles of Association of Williamson Tea
- d) Audited annual reports of McLeod Russel, Williamson Magor, United Machine, Ichamati and Nitya for the financial years ended March 31, 2003, 2004 and 2005
- e) Audited annual reports of Williamson Tea for the financial years ended March 31, 2003, 2004 and 2005
- f) Copy of Public Announcement published on June 7, 2005
- g) Copy of Corrigendum Announcement published on September 15, 2005
- h) Copy of the letter no. CFD/DCR/AK/TO/49200/2005 dated September 12, 2005 from SEBI in terms of proviso to Regulation 18(2) of the Regulations
- i) Letter from ICICI Bank confirming the amount placed in fixed deposit receipt, towards the proposed Offer, with a lien in favour of ICICI Securities Limited, Manager to the Offer
- j) Details of the approved securities, such as name, quantity, face value, paid up value, market price on the date of creation of the escrow
- k) Copy of agreement with Depository Participant for opening a special depository account for the purpose of the Offer
- l) Copy of Board Resolutions/letters from the Acquirers authorising the Offer
- m) Purchase Agreement dated June 16, 2005 between McLeod Russel and the Promoter Group of Williamson Tea
- n) Letter from Standard Chartered Bank confirming the amount placed in fixed deposit receipt, towards the proposed Offer, with a lien in favour of ICICI Securities Limited, Manager to the Offer

## 9. DECLARATION BY THE ACQUIRERS

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

### For and on behalf of the Acquirers

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Authorised	Authorised	Authorised	Authorised	Authorised
Signatory	Signatory	Signatory	Signatory	Signatory
McLeod Russel	Williamson Magor	United Machine	Ichamati	Nitya

Place: Kolkata

Date : September 15, 2005

Attached:

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