

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Bid Letter is being sent by **Nirayu Private Limited and Sierra Investments Limited** (the "Acquirers") to you as a Shareholder of Alembic Glass Industries Limited (the "Company" / "AGIL"). In case you have recently sold your Equity Shares in the Company, please hand over this Bid Letter and the accompanying Bid Form to the member of the Stock Exchange through whom the sale was effected.

If you require any clarification in connection with this Bid Letter, you should consult the Manager to the offer **Vivro Financial Services Pvt. Ltd.** (Tel: +91-022- 22657364/22658397 Fax:+91-022-22658406, E-mail: mumbai@vivro.net, Contact Person: Mr. Tushar Ashar) or the Registrar to the Offer, **Intime Spectrum Registry Limited** (Tel. No.: +91-022- 25960320 Fax: +91-022- 25960329, E-mail: alembicglass-offer@intimespectrum.com, Contact Person: Ms. Awani Punjani)

BID LETTER

From

Nirayu Private Limited

Near Railway Station,
Whitefield,
Bangalore – 560 066

Sierra Investments Limited

5th Floor, Administration Building,
Alembic Ltd., Alembic Road,
Gorwa, Vadodara – 390 003

Inviting you to tender your fully paid-up equity shares in

ALEMBIC GLASS INDUSTRIES LIMITED

Having its registered office at Alembic Road, Vadodara –390 003, India

In connection with the proposed delisting of the Equity Shares of Alembic Glass Industries Limited pursuant to Reverse Book Building Process in accordance with Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (the "Guidelines").

Floor Price: Rs 1742/- per Equity Share of face value of Rs 100/- each.

Bid Opens:	4th September, 2006 (Monday)
Bid Closes:	8th September, 2006 (Friday)

If you wish to tender your Equity Shares to the Acquirers, you should:

- ☐ Read this Bid Letter and the instructions herein.
- ☐ Complete and sign the accompanying Bid Form in accordance with the instructions therein and in this Bid Letter.
- ☐ Ensure that you have credited your Equity Shares to the correct Special Depository Account (details of which are set out in this Bid Letter) and obtained an acknowledgement of your instruction from your Depository Participant (the Delivery Instruction) in relation thereto.
- ☐ Submit (a) your 'Bid Form' and (b) a photocopy of your acknowledged 'Delivery Instruction' by hand delivery to relevant Bid Centers set out in this Bid Letter or Shareholders (in particular those, who are resident in areas where no Bid Centers are located) may submit their Bids by registered post (at their own risk and cost) alongwith a photocopy of acknowledged delivery instructions after transferring the Equity Shares in favour of Special Depository Account to **SHCIL Services Limited, Ground Floor, P. J. Tower, Dalal Street, Fort, Mumbai – 400 001** so as to ensure that their Bids are delivered on or before prescribed time on the Bid Closing Date.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 Vivro Financial Services Private Limited Contact Person: Mr. Tushar Ashar, Vice President 1 st Floor, Manu Mansion, 16-18, Shahid Bhagatsingh Road, Opp. Old Custom House, Mumbai – 400 023 Tel: +91-022- 22657364/22658397 Fax:+91-022-22658406 E-mail: mumbai@vivro.net	 INTIME SPECTRUM REGISTRY LIMITED <i>Crisp.Clear.Connected</i> Intime Spectrum Registry Limited Contact Person: Ms. Awani Punjani C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400078 Tel: 022- 25960320(9 lines) Fax: 022- 25960329 E-mail: alembicglass-offer@intimespectrum.com

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Dear Shareholder,

INVITATION TO TENDER YOUR EQUITY SHARES IN ALEMBIC GLASS INDUSTRIES LIMITED (THE “COMPANY”/ “AGIL”)

Nirayu Private Limited and Sierra Investments Limited (the “Acquirers”) proposes the acquisition and delisting of the fully paid-up equity Shares of **Alembic Glass Industries Limited** (the “Company”/ “AGIL”) pursuant to the Securities Exchange Board of India (Delisting of Securities) Guidelines, 2003 (the “Guidelines”). In this regard a Public Announcement (the “Announcement” or “PA”) was made on 18th August, 2006 in the following newspapers.

Publication	Language
Business Standard	English
Jansatta	Gujarati
Pratahkal	Hindi

This Bid Letter and Bid Forms are sent as mentioned in the paragraph - 7 of the Public Announcement.

The Acquirers are pleased to invite you to tender, on the terms & conditions set out below, your Equity Shares in the Company pursuant to the Securities and Exchange Board of India (Delisting of Securities), Guidelines 2003 (the “Guidelines”)

1. BACKGROUND AND HISTORY OF THE COMPANY

The Company is in manufacturing and marketing of consumer glass wares. The company was originally incorporated on 19th December, 1944 as a Private Limited company in the office of the Registrar of Companies, Vadodara State under the Companies Act, 1918. It became a Public Limited Company vide a Special Resolution dated 4-10-1948 with effect from 19-10-1948.

The present issued, subscribed, and paid up capital of the company consists of 4,71,285 Equity Shares of Rs 100/- each aggregating to Rs 4,71,28,500/- (Rupees Four Crores Seventy One Lacs Twenty Eight Thousand Five Hundred only). There are no partly paid up equity shares and no other outstanding securities to be converted into equity shares in the Company.

2. MATERIAL FACTS, RATIONALE AND OBJECTIVE OF THE DELISTING OFFER

Earlier in August 2002, considering the contingent liability of ONGC, an application was made before the BIFR and BIFR had declared the Company as a sick Company vide its Order dated 13.1.2004. The Company has now received a communication from ONGC agreeing to make full and final settlement of outstanding dues for the period prior to January 1987 for Rs.33 crores (subject to TDS) on lump sum basis. The Company has agreed to pay these settled dues of ONGC within stipulated period. The Company had already charged off Rs.8.12 crores as expenses in its Profit & Loss Account for the period ended 31st March 2005. The balance amount of Rs.24.88 crores will be charged as expense in the quarter ended September 2006 / year ended March 2007. The Company had informed the Bombay Stock Exchange Limited (the “BSE”) about the matter vide its letter dated July 28, 2006.

There is no change in the status for post 1987 matter for the period from 30.01.1987 to 31.05.1991 where the matter is still sub-judice. For the period from 30.01.1987 to 31.05.1991 (post 1987), ONGC has raised demand for arrears on account of price difference, transportation cost, and interest on delayed payment thereon and has filed a suit for recovery in the Civil Court at Vadodara. ONGC's demand on account of the principal amount is Rs.1041 Lacs for this period of which the Company has paid Rs. 487 Lacs which has been written off in the books. The interest demand as compiled by ONGC is Rs. 1619 Lacs on simple basis. The matter is still sub-judice and pending before Court and based on counter claim of the Company, final liability on account of balance principal and interest could not be determined. Therefore, the Company has not provided for any such liability.

Considering the liability of ONGC, the Promoters of AGIL thought that it would be in the interest of the shareholders to offer them an exit opportunity to offer their shares through Reverse Book Building mechanism and delist the securities from the Bombay Stock Exchange Ltd.

The Company had submitted the Scheme of Amalgamation of Shreno Limited with Alembic Glass Industries Limited at Bombay Stock Exchange Limited on 18th January, 2006 under clause 24(f) of the Listing Agreement.

The Scheme of Amalgamation between Shreno Limited and Alembic Glass Industries Limited was filed with the Hon'ble High Court of Gujarat at Ahmedabad on 27-2-06. The Hon'ble High Court of Gujarat had approved the Scheme vide its order dated 21-7-06. The Scheme will become effective from the date on which the High Court Order is filed with the Registrar of Companies, Gujarat alongwith Form No. 21. Subsequent to the Scheme becoming effective and after the allotment of approximately 10,42,279 shares to the shareholders of Shreno Limited, pursuant to the Scheme of Amalgamation, the Promoter Group Shareholding will reach above 89% of post amalgamation total paid up equity capital. Subsequent to the Scheme becoming effective and after allotment of the abovementioned shares to the shareholders of Shreno Limited, the net worth of the Company will become positive even after providing for the pre 1987 liability to ONGC as per final settlement of Rs. 33 crores. As envisaged under the Scheme, the Promoters intend to give an Exit Opportunity to the Entire Public Shareholders, by purchasing their shares and seek the Delisting of Shares of the Company from the Bombay Stock Exchange Limited.

3. **BACKGROUND OF THE ACQUIRERS**

1. **Nirayu Private Limited:**

Nirayu Private Limited is a Private Limited Company incorporated on November 17, 1971 under the provisions of the Companies Act, 1956. It has its registered office at Near Railway Station, Whitefield, Bangalore – 560 066. The Company was promoted by Late Shri R. B. Amin and Late Smt. D. R. Amin. The Company is not listed on any stock exchange. The Company is in the manufacture of bulk drugs since inception and has around 35 years experience in this field. The Authorized Capital of the company as on the date of PA is Rs. 210,000,000 divided into 3,97,500 Equity shares of Rs. 100/- each and 17,02,500 Preference Shares of Rs. 100/- each. The Issued, Subscribed and Paid up Capital is Rs. 142,355,800/- divided into 1,83,558 Equity shares of Rs. 100/- each and 12,40,000 Preference Shares of various classes of Rs. 100/- each.

2. **Sierra Investments Limited:**

Sierra Investments Limited is a Public Limited Company having Its Registered Office at 5th Floor, Administration Building, Alembic Ltd., Alembic Road, Gorwa, Vadodara – 390 003 was incorporated on July 13, 1988. The Company is a Non-Banking Financial Company registered with Reserve Bank of India (RBI) (Regn. No: 02-00118). Its main business activities consist of investments and dealings in shares, securities, debentures etc. The Company does not accept any deposits from public. The Company is in this business since incorporation and has around 15 years experience. The Authorized Capital of the company as on the date of PA is Rs. 150,000,000 divided into 70,00,000 Equity shares of Rs. 10/- each and 8,00,000 - 9% Red. Non-Cumulative Preference Shares of Rs. 100/- each. The Issued, Subscribed and Paid up Capital is Rs. 120,437,260/- divided into 40,43,726 Equity shares of Rs. 10/- each and 8,00,000 - 9% Red. Non-Cumulative Preference Shares of Rs. 100/- each.

The Acquirers propose to acquire the Equity Shares from the Public shareholders in the Company by giving an exit option to shareholders other than those belonging to Promoter Group. Accordingly, the Acquirers seek to delist the Equity Shares of the Company from the BSE in compliance with the SEBI (Delisting of Securities) Guidelines, 2003 for the reasons set out in Paragraph 2 of Public Announcement.

4. **FLOOR PRICE AND ITS DETERMINATION**

4.1 The Guidelines require the Floor Price for the shares to be acquired by Reverse Book Building Process to be the “average of 26 weeks traded price quoted on the stock exchange where the shares of the company are most frequently traded preceding 26 weeks from the date of announcement” or in the case of infrequently traded shares the Floor Price shall be as per Regulation 20(5) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the “Regulations”).

4.2 The Annualized Trading Turnover in the shares of AGIL on BSE based on trading volume during the preceding six months prior to the month in which the PA was made is as given below:

(From 1st February 2006 to 31st July 2006)

Name of the Stock Exchange	Total No. of Shares traded during the 6 calendar month ending 31 st July, 06	Total No. of Listed Shares	Annualized Trading turnover (in terms of % of total listed shares)
BSE	1,74,888	4,71,285	74.22%

(Source: official website of BSE www.bseindia.com)

4.3 Based on the information available, the shares are frequently traded on BSE within the meaning of explanation (i) to regulation 20(5) of the SEBI (Substantial Acquisitions of shares and Takeovers) Regulations 1997.

4.4 Accordingly, the Floor price (the “Floor Price”) for the Reverse Book Building Process as stipulated by the Guidelines has been fixed at Rs. 1,742/- which is higher than the average of 26 weeks traded price quoted on the Bombay Stock Exchange Limited preceding 26 weeks from the date of Public Announcement.

5. **METHODOLOGY TO BE ADOPTED FOR DETERMINATION OF EXIT PRICE**

5.1 The minimum price (“Discovered Price”) payable by the Acquirers for the shares they acquire pursuant to the offer, as determined in accordance with the Guidelines will be the price at which the greatest number of shares are tendered.

5.2 The Acquirers are under no obligation to accept the Discovered price. If the Acquirers do not accept the Discovered Price, the Acquirers will have no obligation to acquire any shares tendered pursuant to the offer and the offer will not proceed.

5.3 The Acquirers may, in their sole discretion accept the discovered price for the shares. Alternatively the Acquirers in their sole discretion may offer to pay a higher price than the discovered price for the shares. The price so accepted or offered by the Acquirers is referred to in the PA as the “Exit Price”. If the Acquirers accept or offer an Exit price, the Acquirers will acquire all shares, which have been tendered at prices up to and equal to the Exit Price for each such share.

5.4 The Acquirers shall announce the Exit Price and its decision to accept or reject the exit price, in the same newspapers in, which the PA had appeared.

5.5 The consideration for such shares will be payable in cash.

6. **BID PERIOD**

6.1. The period during which shareholders may tender their shares to the Acquirers pursuant to the Reverse Book Building Process (the bid period) shall be five business days, commencing at 10.00 a.m. on the bid opening day and closing at 3.30 p.m. on the bid closing day.

Bid opening date, month, year & day	4 th September, 2006 (Monday)
Bid closing date, month, year & day	8 th September, 2006 (Friday)

6.2. Tenders received after 3.30 pm on the bid closing date may not be accepted for the purpose of determining the exit price payable for the shares by the Acquirers pursuant to the Reverse Book Building Process.

7. **NAMES AND ADDRESSES OF THE TRADING MEMBERS AND DETAILS OF BIDDING TERMINALS / CENTERS THROUGH WHICH BIDS CAN BE PLACED.**

7.1 Shareholders may tender their shares through an On Line Electronic System, the facility for which, will be provided by BSE.

7.2 For the aforesaid Delisting, the Acquirers have appointed SCHIL Services Ltd., Bonanza Portfolio Ltd. and Sam Global Securities Ltd. as the trading members for accepting the bids. Bids must be lodged on behalf of the shareholders by any of the following Trading Members whose names and addresses are set out below:

SCHIL SERVICES LIMITED

Ground Floor, P. J. Towers, Dalal Street, Mumbai – 400 001
Ph. No. +91-022-2272-2018 • Fax: +91-022-22722014

BONANZA PORTFOLIO LIMITED

123 / 126 Chintamani Plaza, 1st Floor, Andheri Kurla Road, Chakala, Andheri - E , Mumbai 400 099
Ph. No. 022 - 67422300 / 400, Fax No -022 – 67422318

SAM GLOBAL SECURITIES LIMITED

17, Netaji Subhash Marg, Daryaganj, New Delhi-110 002
Ph. No. 011-3011-1000, Fax: 011-2326-3297

7.3 The detailed list of the Bidding Centers/Terminals where shareholders can place their bids is as under:

A. Addresses of Bidding Center of M/s SCHIL Services Limited

Sr. No.	Location	Address	Contact Person	Telephone /Fax Nos.
1	Mumbai	Ground Floor, P.J. Towers, Dalal Street, Fort, Mumbai-400023	Ms. Sudha Gopalan	Ph. No. (022) 22722018, 22722013, 22722019, Fax: 22722014

B. Addresses of Bidding Centers of M/s Bonanza Portfolio Limited

Sr. No.	Location	Address	Contact Person	Telephone /Fax Nos.
1	Mumbai	123 / 126 Chintamani Plaza, 1st Floor, Andheri Kurla Road, Chakala, Andheri (East), Mumbai 400 099	Mr Rakesh Goyal	9821340350 (022) 67422300/400 Fax No : (022) - 67422318
2	Ahmedabad	Sheetal Varsha Arcade 403 to 406 , Nr. Girish Cold Drink Cross Rd. Besides Samudra Annexe, CG Road , Ahmedabad - 388 009	Mr. Kamal Bansal	9825300752 (079) 30014300/55213901/02 (079) 26460165
3	Banglore	544, White House, 2nd Floor, Above Football, CMH Road, First Stage, Indranagar, Banglore - 560 038	Ms. Nithya Sudhir	9945055082 (080) 56924000 to 4030/ 32944063/56924011
4	Kolkata	84/1A Topsia Road, South, 7th floor, Trinity Plaza, Kolkata - 700046	Mr. Rohit Bajaj	9831824273 (033)-251074/75, 30921074
5	Chennai	Bldg No 360. Old No. 644, 1st Floor, Anna Salai, Chennai - 600 006	Mr. Jayraman	9380573029 (044) 39180102 to 106 Fax No : (044) 42323230

Sr. No.	Location	Address	Contact Person	Telephone /Fax Nos.
6	Cochin	14, 2nd Floor, Chammani Towers, Kaloore, Cochin, Kerala –682017	Mr. T N Unnikrishnan Mr. Sudhir	9895660830/9447851760
7	Coimbatore	550/13, 3rd Floor, ' White ' Building Complex,D B Road, R S Puram, Coimbatore - 641 002	Mr. G Shiva Kumar	9360549005 (0422) 3955663/25360664/65 3956009/4365665
8	Delhi	4353/4C, Madan Mohan Street, Ansari Road, Daryaganj, New Delhi - 110 002	Mr. Shivkumar Goel	(011) 30122037/43/50 Fax : 011-30122045/49/24
9	Hyderabad	Plot No. 8A & BVintaga Boulevard 6-3-993 Rajbhavan Rd. Somagiguda, Hyderabad - 500 082	Mr. Thirmula Reddy	9393939497 (040) 55466845 to 47 Fax : (040) 55467753/55466848
10	Indore	4th Floor, 422, D. M. Tower, 21 / 1, Race Course Road,Indore - 452 003 (M. P.)	Mr. Atul Parakh - Mr. Ajay Ajmera Mr. Neeraj Jain	9329791500/99302104893 9303277751 (0731) 3011512/19/21 3011511/3011500 to 509 Fax : (0731) 3011510
11	Jaipur	345, Ganpati Plaza, 3rd flr, M I Rd, Jaipur, Rajasthan - 302001	Dinesh Bhattar Mahesh Paliwal	9314529141/9314665120 Fax : (0141) 5106028 / 38 3244856
12	Pune	Konark Classic, Flat No. D-2, 1st Floor,21/4/5, Bund Garden, Pune - 411 001	Mr. Sanjay Badjate	9371023378 (020) 56014141 to 45 30527171/75
13	Rajkot	Matalia House, 21 New Jagnath Plot,Dr. Yagnik Rd, Near jain Bhavan, Rajkot - 360 001	Mr. Rupesh Motalaia Mr. Deepak Motalaia	(0281) 5542943/2466387/ 24660014
14	Baroda	Office No. 1, 1st Floor, Sheel Commercial Complex, Besides Indraprastha Complex, Ellora Park, Baroda - 390007	Mr. S. K. Rungta	9825112104 (0265) 5532104/05/06 Fax : (0265) 2356339
15	Agra	Shop No. 102, 1st Floor, Punnit Vrindavan, Sanjay Place, AGRA	Mr. Manu Jain	9837794540 (0562) 3243277/ 3246337 • Jyoti - 9219161165
16	Surat	101, Sip Palace, Nr New Sai Baba Temple, Machhli pith, Shahpore, Surat - 395 003	Mr. Bipin Shah	9377766572 (0261) 2455144/ 24502/3269143/ 2450282/6586996
17	Nagpur	Sanjay Apt,Opp. Hame Mahila Samaj, 274 Dharampeth tn., Nagpur - 440 010	Mr. Anuj Badjate	9822232900 (0712) 2540910/2532900 3101341
18	Thane	Shop No.3, Swastik Plaza Voltas Compound, Pokhran No.2 ,Thane (West), Maharashtra - 400 601	Mr. C. Makhijani	9322217210 (022) 30930195 (022) 25380475
19	Nasik	5, Gurukrupa Purbai, Rajendra Complex Opp. Hotel Vasco, Nasik Road - 422 101	Mr. Vasant Patil Mr. Mayur Patil Mr. Vikrant	9822752772 9326803233 (0253) 3957373/ 2453094/2459 367/2463373
20	Jodhpur	46/47 Kuldeep Tower, Behind Suncity Hospital, Poata Main Road Jodhpur - 342010 (Rajasthan)	Dr. R K Jain Mr. Santosh Vyas	94141455 / 9214401055/9314703498 (0291) 3290321 Fax : (0291) 5102410 2555269/2544925/ 2540981/55377444
21	Udaipur	164, Shakti Nagar,Opp. Femina Boutiq,Udaipur - 313 001	Mr. Virendra Mr. Mukesh	9414163899/9414161588 (0294) 3953899/2424102/ 2523899

Sr. No.	Location	Address	Contact Person	Telephone /Fax Nos.
22	Raipur	20/21/22, 1st Flr., Anand Tower, Gandhi Chowk, Raipur, Chattisgarh - 492001	Mr. Ajay Sharma Dr. Choumal	9300206997 (0771) 5062630/ 631/632/3950596
23	Bhopal	Shop No. 9-10, 1st Floor, Jyoti Cinema Complex, Zone I, P. M. Nagar, Bhopal (MP) - 462011	Mr. Jai Karan Singh	9303111275 (0755) 3010258 to 262
24	Calicut	P K Complex, Cherooty Rd, Calicut, Kerala - 673032	Mr. Adam U	(0495) 3096400/3296400 -2761663/64/65
25	Kanpur	49/60 2 A, Bagla Building, Naya Ganj, Kanpur - 208 001	Mr C.M. Khandelwal	(0512) 3298591/3212273/ 3332050
26	Patna	2nd Floor, Kannulal Complex, Above Central Bank, Budh Marg, Patna	Mr Sudhir Kumar Sinha	9835015328 (0612) 3296971
27	Bareilly	P. K. Investment, D - 24, Putlur Plaza, Civil Lines, Bareilly - 243 001	Mr P K Agarwal	9359526000 (0581) 2555888
28	Lucknow	Ground Floor, Saran Chemer 1, No - 5, Park Road, Lucknow - U.P. - 266 001	Mr P N Chopra / Aditi Chopra	9839928800 2239470
29	Amritsar	1st Floor, Meenu Market, Lawrence Road, Extention, Amritsar - 143 001	Mr Hardev Aroda	9872229822
30	Karnal	Sco 135, 2nd Floor, Kunjpura Road, Karnal, Haryana - 132 001	Mr Amit Bhatia	9896101016
31	Varanasi	1st Floor, Anup Market, Girjaghar, Godowalia, Varanasi - U. P. - 221 001	Mr Rajkumar Jaiswal	9839013161
32	Meerut	Shop No 205, 2nd Floor, Kaveri Complex, P I Sharma Road, Merrut , U. P. 250 001	Mr Nitesh Kumar Gupta	9837274080/9344107167 95121 - 2652535
33	Madurai	24, Gokle Road, Chinachokkikulam, Madurai-625002	Mr. Palani Selvam	9344107167/9865311782 (0452) 4361544
34	Faridabad	SCO-100, 1st Floor, Sector 16 Market, Faridabad, Haryana	Mr. Naresh	9871194653

C. Addresses of Bidding Centers of Sam Global Securities Limited

Sr. No.	Location	Address	Contact Person	Telephone /Fax Nos.
1	Bhubneshwar	A-22, Falcon House, Cuttack House, Bhubaneshwar, Orissa-751006	Mr. Ajay Kumar Das	(0674) 2575713, 09437028558 Fax : 0674-2575008
2	Guwahati	Ground Floor, Sagar Apartment, Guwahati-781001	Mr. Pukhraj Lunkar	(0361) 2632226-7 Fax : 0361-2632226-7
3	Ludhiana	Sco-123, Feroze Gandhi Market, Ludhiana-141001	Mr. Shagun Garg	(0161) 3018080, 3018081 Fax : 0161-3018082
4	Mangalore	6th Floor, Rama Bhawan Complex, Kodialbail, Mangalore-575003 South Kanara, Karnataka	Mr. Vibhakar/ Mr. Ashutosh	(0824) 2421236, 2441218, (0824) 3261014 Fax : 0824-2421236, 2441218, 3261014

8. DETAILS OF THE ESCROW ACCOUNT AND SETTLEMENT

8.1 In accordance with the Guidelines, the Acquirers have opened an Escrow Account titled AGIL DELISTING OFFER ESCROW ACCOUNT with HDFC Bank Limited at its Alkapuri branch at Race Course Road, Vadodara in the form of cash deposit of Rs. 24,00,00,000/- (Rupees Twenty Four Crores Only) being more than 100% of the total purchase consideration payable under this offer. The Acquirers have authorised the Escrow Banker to accept instructions from Vivro Financial Services Pvt. Ltd., Manager to the Offer to release the cash deposit in prescribed circumstances.

8.2 If the Acquirers accept the Exit Price, the Acquirers shall make available to the Clearing House of BSE through the Manager to the Offer the necessary funds required for settling the acceptance of the relevant bids which will occur on the Final Settlement Date as set out in Paragraph 11 below.

However, in the event that receipt of the requisite statutory approvals is delayed, the Acquirers may request SEBI to grant an extension of time to the Acquirers for the payment of consideration to the said Shareholders, subject to the Acquirers agreeing to pay interest as directed by SEBI for any delay of such payment beyond the Final Settlement Date.

9. PROCEDURE FOR SUBMITTING BIDS

- 9.1 Shareholders, holding shares in dematerialized form, may tender their shares at any time during the Bid Period and at any price at or above the Floor Price of Rs. 1,742/- per share in accordance with the terms and subject to the conditions set out herein.
- 9.2 Shareholders, holding shares in dematerialized form, may submit their bids by completing the bid forms accompanying their tender letters and submit these bids forms to the trading member at any of the bid centers set out above by hand delivery on or before the bid closing date. Bid forms submitted by hand delivery must be delivered to the bid centers between 10.00 a.m. to 3.30 p.m.

The Shareholders (in particular those Shareholders who are resident in areas where no Bid Centers are located) may also submit their bids by Registered Post (at their own risk and cost) alongwith a photocopy of acknowledged delivery instructions after transferring the Equity Shares in favour of Special Depository Account (refer para 9.3 below) to **SHCIL Services Limited, Ground Floor, P. J. Tower, Dalal Street, Fort, Mumbai – 400 001** so as to ensure that their Bids are delivered on or before prescribed time on the Bid Closing Date. Necessary documents required (as mentioned under 9.5 & 9.6) must be enclosed and the envelope should be marked as **“AGIL Delisting Offer”**.

- 9.3 The Trading Members each have opened a Special Depository Account with CDSL details of which are as follows:

Trading Members	SCHIL Services Ltd.	Bonanza Portfolio Ltd.	Sam Global Securities Ltd.
Special depository Account name	SCHIL Services Ltd. – Alembic Glass Industries Limited – Delisting Escrow A/c.	Bonanza Portfolio Ltd. – Alembic Glass Industries Limited – Delisting Escrow A/c.	Sam Global Securities Ltd. – Alembic Glass Industries Limited – Delisting Escrow A/c.
Depository Identification number	16010100	16010100	16010100
Client identification number	00346720	00346716	00346735

- 9.4 In order for the bids to be valid, shareholders should transfer their shares from their respective depository accounts to the Special Depository Account of the trading member to whom their bid is submitted. **All transfers should be in off market mode.**
- 9.5 A photocopy of delivery instructions, **duly acknowledged by Depository Participant**, for transferring the Equity Shares in favour of trading member's Special Depository Account should be attached to the Bid Form.
- 9.6 Shareholders who hold their shares through **National Securities Depository Limited (NSDL)** will also have to execute an “inter-depository delivery instruction” for the purpose of crediting their shares in favour of the Special Depository Account of the trading member.
- 9.7 It is the responsibility of the shareholders to ensure that their shares are credited to the Special Depository Account before the bidding. Alternatively shareholders may pledge their share in favour of the Special Depository Account prior to the submission of their bids.
- The shares to be acquired under this Offer are to be acquired free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends declared and to be declared and any bonus shares to be issued by the company hereafter as well as the right to subscribe to any rights issue made by the company hereafter.
- 9.8 In the event some shareholders do not receive or misplace their tender forms they may obtain a copy by writing to the Manager to the Offer clearly marking the envelope. (“AGIL Delisting offer”). Alternatively shareholders may obtain copies of the bid forms at the Bid Centers. The shareholders may also download the Bid Letter and the Bid Form from the website of www.bseindia.com or from www.vivro.net and from www.yera.com.
- 9.9 In case you have any doubt as to the procedure for submitting your bid, please contact the Manager to the delisting proposal, whose details are set out at page no.12.

10. SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM

- 10.1 Shareholders must hold their shares in dematerialized form in order to submit bids. Shareholders who do not hold shares in dematerialized form but who wish to submit bids should convert their shares into dematerialized form prior to the submission of their bids. Alternatively such shareholders may offer their shares to the acquirers in accordance with **paragraph 10.3 & 10.4** below.
- 10.2 The ISIN No. of the Equity Shares of the Company is **INE 274D01017**. Shareholders who wish to convert their shares into dematerialized form should contact a Depository Participant registered with the Securities and Exchange Board of India (SEBI) for further information on how to convert their shares into dematerialized form.
- 10.3 Shareholders holding Equity Shares in physical form would also be provided an exit opportunity for 15 days from the date of final settlement for shareholders shares in dematerialized form. Such Shareholders may offer their Equity

Shares at the Exit Price determined from 13th September, 2006 (Wednesday) to 28th September, 2006 (Thursday) in accordance with the timetable set out in this Letter of Offer.

- 10.4 The Physical Shareholders may tender their Equity Shares to the Acquirers in the enclosed Bid Form by filling in Box 1, 2, 3 & 6 alongwith relevant Share Certificate to the Registrar to the Offer i.e. Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-400078 by 28th September, 2006 (Thursday) along with the enclosed transfer deed duly signed.
- 10.5 Additionally, once the shares have been delisted, all remaining shareholders may offer their respective Equity Shares to the Acquirers at the Exit price for a period of 6 months following the date of Delisting.
- 10.6 In the event some shareholders do not receive or misplace their tender forms they may obtain a copy by writing to the Manager to the Offer clearly marking the envelope. ("AGIL Delisting offer"). Alternatively shareholders may obtain copies of the bid forms at the Bid Centers. The shareholders may also download the Bid Letter and the Bid Form from the website of www.bseindia.com or from www.vivro.net and from www.yera.com.

11. PROPOSED TIME TABLE FOR THE OFFER

The proposed timetable for the Reverse Book Building Process is as follows: -

Activity	Day	Date
Public Announcement	Friday	18-08-06
Day by which Bid Letters along with Bid Forms will be dispatched to the shareholders	Monday	28-08-06
Bid opening Date	Monday	4-09-06
Bid Closing Date	Friday	8-09-06
Announcement of the Exit Price and Acquirers' Acceptance/ Non-acceptance of Exit Price	Wednesday	13-09-06
Final Settlement Date (For shares tendered in dematerialized form)	Wednesday	13-09-06
Opening Date for shareholders holding shares in physical form to tender their shares at the Exit Price	Wednesday	13-09-06
Last date for shareholders holding shares in physical form to tender their shares at the Exit Price	Thursday	28-09-06
Final Settlement Date (For shares tendered in Physical Form)	Wednesday	04-10-06

Changes to the proposed time table, if any, will be notified to shareholders by way of a Corrigendum in the same newspapers where the Public Announcement was issued.

12. INFORMATION REGARDING STOCK MARKET DATA

12.1 The equity shares of the company are listed at BSE.

12.2 The High, Low and average market prices of the shares for the last three calendar years preceding the date of Public Announcement is given below:

Calendar years	High	Low	Average price	Volume for the year
2004	452.25	127.15	289.70	59241
2005	1244.00	346.25	795.13	130116
2006	4685.20	791.05	2738.13	177044

[Source www.bseindia.com official Website of the Bombay Stock Exchange Limited]

12.3 Based on the data available on BSE website, monthly high and low of the market prices for the last 6 months preceding the date of Public Announcement is given below:

Month & year	High	Low	Average price	Volume for the month
February, 2006	959.90	800.00	879.95	98740
March 2006	1400.80	791.05	1095.25	25398
April 2006	2484.85	1398.00	1941.43	17117
May 2006	4685.20	2609.05	3647.13	17850
June 2006	2554.15	1088.00	1821.08	6470
July 2006	1749.00	1121.10	1435.05	6629

13. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

The present issued, subscribed, and paid up capital of the company consists of 4,71,285 Equity Shares of Rs 100/- each aggregating to Rs 4,71,28,500/- (Rupees Four Crores Seventy One Lacs Twenty Eight Thousand Five Hundred only). There are no partly paid up equity shares and no other outstanding securities to be converted into equity shares in the Company.

The shareholding pattern as on the date of Public Announcement is as under:

	Category of shareholders	Pre-Offer	
		No of shares	% of share-holding
A	Promoters Shareholding		
	Indian promoters	3,34,167	70.90
	Foreign promoters	0	0
	SUB-TOTAL	3,34,167	70.90
B	Non Promoters Holding		
	Banks Financial Institutions, Insurance Companies (Central/ State Govt. Institutions / Non Government institutions)	403	0.09
	Private corporate bodies	15,633	3.31
	Indian Public & Others	1,21,082	25.70
	SUB-TOTAL	1,37,118	29.10
	GRAND-TOTAL	4,71,285	100.00

After the Scheme becomes effective, Alembic Glass Industries Limited will allot approximately 10,42,279 shares to the shareholders of Shreno Limited. Post Allotment, the Capital Structure will be approximately as under:

	Category of shareholders	Post amalgamation	
		No of shares	% of share-holding
A	Promoters Shareholding		
	Indian promoters	1346938	89.72
	Foreign promoters	0	0
	SUB-TOTAL	1346938	89.72
B	Non Promoters Holding	154409	10.28
	GRAND-TOTAL	1501347	100.00

14. POST DELISTING CAPITAL STRUCTURE

After the completion of delisting, assuming 100% response to the offer, the Acquirers alongwith Promoters and other Persons Acting in Concert will be holding 100% capital of the Company.

15. INFORMATION ABOUT SHAREHOLDING OF THE PROMOTER GROUP

The shareholding of the Acquirers, Nirayu Private Limited and Sierra Investments Limited on the date of Public Announcement is 1,28,232 Equity Shares of Rs. 100/- each constituting 27.21% of the Equity Share Capital and 49,298 Equity Shares of Rs. 100/- each constituting 10.46% of the Equity Share Capital of the Company respectively.

The aggregate shareholding of the promoter group, excluding the acquirers on the date of Announcement is 1,56,637 Equity Shares of Rs. 100/- each constituting 33.27% of the Equity Share Capital of the Company.

16. STATUTORY APPROVALS

- 16.1. The acquisition of Equity Shares tendered by non-resident shareholders pursuant to the Reverse Book Building Process is subject to approval from RBI, wherever applicable, under the Foreign Exchange Management Act, 1999.
- 16.2. To the best of Acquirer's knowledge, as on the date of Public Announcement there are no other statutory or regulatory approvals required to acquire the said mentioned Equity Shares. If any other statutory or regulatory approvals become applicable, the acquisition of Equity Shares by the Acquirers and the Delisting Offer will be subject to such statutory or regulatory approvals.

- 16.3. The Acquirers reserves the right not to proceed with the Delisting Offer in the event the approvals indicated above are not obtained, or conditions which the Acquirers consider in its sole discretion to be onerous are imposed in respect of such approvals.

17. NON-RESIDENT SHAREHOLDERS

Shareholders not resident in India ("Non-Resident Shareholders") will also need to enclose a copy of the original permission received by them from Reserve Bank of India in relation to the acquisition of their shares or state the relevant provisions of law under which the shares were occupied along with supporting documents and also:

- a) If the Non-resident Shareholder's shares are held on a repatriation basis, the Non-Resident shareholder must obtain and enclose with his/her Bid Form, copies of certificates evidencing inward remittance through normal banking channels or a letter from his/her authorized dealer/bank confirming that at the time of acquisition of shares, the payment for the same was made by the Non-resident shareholder from the appropriate account (eg. NRE account) as specified by Reserve Bank of India in its approval.
- b) If the Non-Resident Shareholder is not in a position to produce the documents referred to in (a) above, his/her shares would be deemed to have been acquired on a non-repatriation basis and in case, the Non-Resident Shareholder must submit a consent letter addressed to the acquirer, allowing the acquirer to make payment on a non-repatriation basis in respect of the shares acquired.

If any of the documents referred above are not enclosed along with the Non-Resident Shareholder's Bid Form, the bid is liable to be rejected.

18. TAX TO BE DEDUCTED AT SOURCE

- 18.1 As per the provisions of Section 195(1) of the Income Tax Act, 1961 ("IT Act"), any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge). Since, the consideration payable under the Offer would be chargeable to capital gains under Section 45 of the IT Act, the Acquirer will need to deduct tax at source (including cess & surcharge as applicable) at the applicable tax rate on the gross consideration payable to the following categories of shareholders, who are not tax residents of India as given below:

Non-Resident Indians/Overseas Corporate Bodies/Non-Domestic Companies: The Acquirer will deduct tax at source at the applicable rates (plus surcharge) if any, on the Exit Price as may be applicable on short-term capital gains or business profits or long-term capital gains, as the case may be.

Foreign Institutional Investors ("FII"): The Acquirer will not deduct tax at source on the Exit Price if the Shares are held on investment/ capital account. Tax will be deducted at source at the applicable rates on the Exit Price if the Shares are held on trade account or if the FII fails to certify in the bid form that the Shares are held by it on investment/ capital account.

- 18.2 For the purpose of determining whether the capital gains are short-term or long-term, the Acquirer shall take the following actions based on the information obtained from the Company.

- In the case of Shares held in physical form that are registered with the Company in the name of the Shareholder, the date of registration of the Shares with the Company shall be taken as the date of acquisition.
- In the case of Shares held in a physical form and where the Shareholder is not the registered Shareholder, the capital gain shall be assumed to be short-term.
- In the case of dematerialized Shares, the date of credit of the Shares to the Shareholders Demat Account shall be taken as the date of acquisition.
- In the case of unavailability of information with the Company/Acquirer or any ambiguous, incomplete or conflicting information, the capital gain shall be assumed to be short-term.

- 18.3 If the aforementioned categories of Shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the Income Tax authorities under Section 195(3) or under section 197(1) of the IT Act, and submit it to the Acquirer while submitting the Bid Form. On failure to produce such certificate from the Income Tax authorities, the Acquirer will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

- 18.4 The aforementioned categories of shareholders should certify in the Bid Form whether they hold the Shares on investment/capital account or on trade account.

No Tax will be deducted at source for Shareholders, who are tax residents of India.

Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

19. COMPLIANCE OFFICER

The Compliance Officer of the Company is:

Mr. Rasesh Shah

Company Secretary

Alembic Glass Industries Limited

Alembic Road, Vadodara - 390 003

Tel : (0265) 2307 965, Fax : (0265) 2285 892,

E-mail: rasheshshah@alembic.co.in

20. REGISTRAR TO THE OFFER

20.1. The Acquirers have appointed **Intime Spectrum Registry Limited** as Registrars to the Delisting Offer:

Contact Person: **Ms. Awani Punjani**

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai-400 078

Tel: 022- 25960320(9 lines)

Fax: 022- 25960329

E-mail: alembicglass-offer@intimespectrum.com

21. MANAGER TO THE OFFER

21.1. The Acquirers have appointed **Vivro Financial Services Pvt. Ltd.** as Manager to the Reverse Book Building Process:

Contact Person: **Mr. Tushar Ashar, Vice President**

1st Floor, Manu Mansion, 16-18, Shahid Bhagatsingh Road,

Opp. Old Custom House, Mumbai – 400 023

Tel: (022) 22657364 / 22658397

Fax: (022) 22658406

E-mail: mumbai@vivro.net

22. GENERAL

22.1 In accordance with paragraph 4 of Schedule II to the Delisting Guidelines, Shareholders who have tendered their respective Equity Shares by submitting Bids pursuant to the terms of this Bid Letter may revise or withdraw their Bids prior to the Bid Closing Date.

23. BSE DISCLAIMERS

23.1 It is to be distinctly understood that any permission given by BSE to use their electronically automated facilities and infrastructure for the "Online Reverse Book Building Facility for the Delisting of Securities" should not in any way be deemed or construed that the compliance with the various statutory and other requirements by Alembic Glass Industries Limited, the Acquirer, Promoters and any other Person Acting in Concert or the Manager etc. are cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any compliances with such statutory or other requirements nor does BSE have any financial responsibility or liability to the shareholders of the company nor does it take responsibility in any way for the financial or other soundness of the company or its promoters or its management

23.2 It is also to be distinctly understood that the approval given by BSE should not in any way be deemed or construed to mean that the public announcement has been cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the announcements, nor does BSE warrant that the securities will be delisted.

23.3 That every person who desires to avail of the exit opportunity may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE / Clearing House of BSE or against the Investor Protection Fund set up by BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of securities through book building process whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Yours faithfully,

Signed on behalf of the Acquirers:

For Nirayu Private Limited

Chirayu R. Amin
Chairman

Date : 21st August, 2006

Place : Vadodara

For Sierra Investments Limited

R. K. Baheti
Chairman