

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

This Bid Letter is being sent to you as a Shareholder of The Madras Aluminium Company Limited. In case you have recently sold your equity shares of The Madras Aluminium Company Limited, please hand over this Bid Letter and the accompanying Bid Form to the member of the stock exchange through whom the sale was affected.

<p><b>Bid Letter</b></p> <p>From</p> <p><b>Twin Star Holdings Limited</b></p> <p>having its registered office at PO Box 799, 10 Frere Felix de Valois Street, Port Louis, Mauritius inviting you to tender your fully paid-up equity shares of</p> <p><b>The Madras Aluminium Company Limited</b></p> <p>having its registered office at P B No. 4, Mettur Dam Railway Station, Salem District, Salem 636 402, Tamil Nadu, India in connection with the proposed acquisition of the equity shares of The Madras Aluminium Company Limited pursuant to the reverse book-building process in accordance with the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003</p>
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<b>FLOOR PRICE</b>	<b>Rs. 74.77 per fully paid-up equity share of Rs. 2/- each of The Madras Aluminium Company Limited</b>
<b>BID OPENING DATE</b>	<b>Tuesday, March 17, 2009 - 10.00 am*</b>
<b>BID CLOSING DATE</b>	<b>Friday, March 20, 2009 - 3.00 pm*</b>

(\*The dates are subject to, among others, the Acquirer obtaining the necessary approvals prior to the Bid Opening Date)  
(For proposed timetable for the Delisting Offer please refer to clause 16 on page 11)

If you wish to tender your Offer Shares (as defined hereinafter) to the Acquirer, you should:

- Read this Bid Letter and the instructions herein.
- Complete and sign the accompanying Bid Form / and Acceptance Form (as defined hereinafter).
- Ensure that you have credited your Offer Shares (as defined hereinafter) to the Special Depository Account (refer clause 13.6 of this Bid Letter) and obtained a copy of your duly acknowledged delivery instruction slip from your depository participant in relation thereto.
- Submit (a) your Bid Form (as defined hereinafter) and (b) a copy of your delivery instruction slip by **hand delivery** to one of the Bid Centers as set out in clause 13 of this Bid Letter. You can also submit your Bid (**in case of demat shares only**) by registered post (at your own cost and risk) with the envelope marked “**MALCO - Delisting Offer**” so as to reach the Trading Member (as defined hereinafter) – **Karvy Stock Broking Limited**, Avenue 4, Road No 10, Banjara Hills, Hyderabad 500 034, India, Tel. No.: +91 40 2344 0612, on or before 3.00 p.m. on the Bid Closing Date viz. Friday, March 20, 2009.
- **In case you hold the Offer Shares (as defined hereinafter) in physical form, kindly read clause 14 and clause 21 of this Bid Letter.**
- If you require any clarification in connection with this Bid Letter, you should contact the Manager to the Delisting Offer or the Registrar to the Delisting Offer, whose details are appearing below.

<p><b>Manager to the Delisting Offer</b></p>  <p><b>ICICI Securities Limited</b> ICICI Centre, H. T. Parekh Marg, Churchgate, Mumbai 400 020, India Tel. No: +91 22 2288 2460/70, Fax No: +91 22 2282 6580 Email: projectdevakriya@isecltd.com Contact Person: Mr. Sumit Pachisia</p>	<p><b>Registrar to the Delisting Offer</b></p>  <p><b>KARVY</b> Karvy Computershare Private Limited</p> <p><b>Karvy Computershare Private Limited</b> Plot No. 17 to 24, Vittalrao Nagar, Hitech City Road, Madhapur, Hyderabad 500 081, India Tel. No: +91 40 2342 0815-28, Fax No: +91 40 2343 1551 Email: murali@karvy.com Contact Person: Mr. Muralikrishna</p>
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## DEFINITIONS

Acceptance Form	The form enclosed with this Bid Letter for use by Physical Shareholders (as defined hereinafter) in order to submit their acceptances.
Acquirer / Promoters / THL	Twin Star Holdings Limited, a company incorporated under the incorporated under the Companies Act, 1984 of Mauritius with its registered office at PO Box 799, 10 Frere Felix de Valois Street, Port Louis, Mauritius.
Act	The Companies Act, 1956
Bid	Offer by a Shareholder (as defined hereinafter) to offer his / her Offer Shares (as defined hereinafter) by submitting a Bid Form (as defined hereinafter) to the relevant Bid Center (as defined hereinafter) during the Bid Period (as defined hereinafter).
Bid Centers	The Centers listed in clause 13.2 of this Bid Letter for the submission of Bid Forms and Acceptance Forms.
Bid Form	The form enclosed with this Bid Letter for use by Shareholders (as defined hereinafter) holding dematerialized shares and specifically marked as "Bid Form".
Bid Opening Date	Tuesday, March 17, 2009, being the date on which the Bid Period (as defined hereinafter) commences, or such other date as may be notified to the shareholders through the newspapers in which the PA (as defined hereinafter) had appeared.
Bid Closing Date	Friday, March 20, 2009, being the last date of the Bid Period (as defined hereinafter).
Bid Period	Four business days from 10:00 a.m. on Bid Opening Date to 3:00 p.m. on Bid Closing Date.
Bid Letter	This letter inviting Bids from all Shareholders.
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Company	The Madras Aluminium Company Limited, having its registered office at P B No. 4, Mettur Dam Railway Station, Salem District, Salem 636 402, Tamil Nadu, India.
Delisting Offer	Offer made by the Acquirer to acquire all the Offer Shares (as defined hereinafter) from the Shareholders (as defined hereinafter) in accordance with the Guidelines (as defined hereinafter), the PA (as defined hereinafter) and this Bid Letter.
Demat Shareholders	Shareholders (as defined hereinafter) holding shares of the Company in dematerialized form.
Discovered Price	Price as determined in accordance with the Guidelines (as defined hereinafter), being the price at which the greatest number of Offer Shares (as defined hereinafter) are tendered in the Delisting Offer.
Equity Share Capital	The issued share capital of the Company, being Rs. 22,50,00,000 comprising of 11,25,00,000 equity shares of Rs. 2/- each.
Exit Price	The price finally accepted or offered by the Acquirer in its sole and absolute discretion which may be the Discovered Price or a price higher than the Discovered Price.
Final Settlement Date	Shall have the meaning assigned to it in clause 18.2 of this Bid Letter.
FII	Foreign Institutional Investor
Floor Price	The price of Rs. 74.77 per equity share as determined in accordance with the Guidelines (as defined hereinafter).
Guidelines	Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003.
IT Act	Income Tax Act, 1961
Manager to the Delisting Offer	ICICI Securities Limited, having its office at ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400020, India.
Net Fixed Asset	Fixed assets less any deduction for depreciation
Net Profit	Profit of the year after tax deduction due for the year
Net Profit Margin	Net Profit / sales
Net Worth	Total shareholders funds
Non-Resident Shareholders	Shareholders who are not resident in India under Foreign Exchange Management Act, 1999, including but not limited to non-resident Indians, persons resident outside India, overseas corporate bodies, FIIs etc.
NRI	Non-resident Indian
NSDL	National Securities Depository Limited

NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
Offer Shares	The whole or part of the equity shares currently not held by the promoters being 2,25,00,000 equity shares comprising 20% of the fully paid-up equity shares of the Company.
PA	Public Announcement published on February 26, 2009 in all the editions of Business Standard and Pratahkal and the Salem edition of Dinamalar.
Physical Shareholders	Shareholders (as defined hereinafter) who hold equity shares in physical form and not in dematerialized form.
Previous Offer	Offer made by the Acquirer pursuant to the Public Announcement made to the shareholders of the Company on February 28, 2005 in accordance with the Guidelines.
Profit before Tax	Profit of the year before any deduction for taxes
Profit before Tax Margin	Profit before tax / sales
RBB	Reverse Book Building Process, as specified in Schedule II of the Guidelines
RBI	Reserve Bank of India
Registrar to the Delisting Offer	Karvy Computershare Private Limited, having their office at Plot No. 17 to 24, Vittalrao Nagar, Hitech City Road, Madhapur, Hyderabad 500 081, Tel No: +91 40 2342 0815-28, Fax No: +91 40 2343 1551
Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 and any amendments thereto.
Shareholders	Shareholders of the Company i.e. Demat Shareholders and Physical Shareholders.
Special Depository Account	The account of the Trading Member to which the equity shares must be credited to prior to submission of Bids, details of which are set out in clause 13.6 of this Bid Letter.
Trading Member	Karvy Stock Broking Limited having their office at Avenue 4, Road No 10, Banjara Hills, Hyderabad 500 034, India, Tel. No.: +91 40 2344 0612
Total Income	The sum of the sales and the other income.
VRHL	Vedanta Resources Holdings Limited

March 2, 2009

**Dear Shareholder,**

This is an invitation to tender your Offer Shares in the Company.

The Acquirer is pleased to invite you to tender, on the terms and subject to the conditions set out below, your Offer Shares in the Company pursuant to the Guidelines.

**1. BACKGROUND OF THE DELISTING OFFER**

- 1.1 The fully paid up equity share capital of the Company is Rs. 22,50,00,000/- (Rupees Twenty Two Crore Fifty Lakh) (“**Fully Paid Up Equity Share Capital**”) comprising of 11,25,00,000 equity shares of Rs. 2/- each. The Acquirer presently holds 9,00,00,000 equity shares comprising 80% of the Fully Paid Up Equity Share Capital. The Acquirer proposes to acquire all the Offer Shares, being 2,25,00,000 equity shares comprising 20% of the Fully Paid Up Equity Share Capital in accordance with the PA and the Guidelines. Consequent to the Acquirer acquiring the Offer Shares from the Shareholders under the Delisting Offer, the Acquirer will seek to voluntarily delist the equity shares from the BSE and NSE, being the only stock exchanges where the equity shares of the Company are listed.
- 1.2 The board of directors of the Acquirer has, vide its resolution dated January 19, 2009, resolved to make a voluntary delisting offer to the Shareholders of the Company in accordance with the Guidelines. The Acquirer has, vide letter dated January 19, 2009, expressed its intention to the board of directors of the Company to make a voluntary delisting offer to the Shareholders of the Company in accordance with the Guidelines in order to provide an exit opportunity to the Shareholders of the Company. The Acquirer also requested the board of directors of the Company to convene an Extra-Ordinary General Meeting of the Shareholders of the Company to consider their proposal. The board of directors of the Acquirer has vide its resolution dated February 25, 2009, approved a price not exceeding Rs. 105/- per equity share for the Delisting Offer. However, this should in no way be construed as (i) a ceiling or maximum price for the purposes of the reverse book building process contemplated herein, and the Shareholders are free to tender their equity shares at any price higher than the Floor Price; or (ii) a commitment by the Acquirer to purchase 2,25,00,000 equity shares of the Company if the Discovered Price is Rs. 105/- or less; or (iii) any restriction on the ability of the board of directors of the Acquirer to modify the aforesaid resolution.
- 1.3 At an Extra-Ordinary General Meeting of the Company held on February 18, 2009, the Shareholders of the Company approved the proposed delisting of the equity shares from BSE and NSE, through a special resolution, as required under the Guidelines.
- 1.4 The equity shares of the Company are currently listed on BSE and NSE. It is proposed to voluntarily delist the equity shares of the Company from BSE and NSE..
- 1.5 The PA as published in Business Standard, Pratahkal and Dinamalar on February 26, 2009 should be treated as the statutory announcement as defined under the Guidelines. Changes, modifications or amendments to the PA, if any, would be notified by issuing a corrigendum in the above newspapers.

**2. INFORMATION ON THE ACQUIRER**

- 2.1 THL is an unlisted company incorporated under the Companies Act, 1984 of Mauritius having its registered office at PO Box 799, 10 Frere Felix de Valois Street, Port Louis, Mauritius. The Acquirer, as the sole promoter of the Company, currently holds 9,00,00,000 equity shares of Rs. 2/- each representing 80% of the Fully Paid-up Equity Share Capital of the Company. There are no other promoters of the Company.
- 2.2 THL is part of the Vedanta Resources Plc. Group, a diversified metals and mining group which has zinc, copper, aluminium and iron ore operations in India and owns two copper mines in Australia and three copper mines and a copper smelter in Zambia. It is also developing a commercial power generation business.
- 2.3 The paid-up capital of THL as on March 31, 2008 is USD 136.80 million (approx. Rs. 6,664.89 million) consisting of 13,68,00,100 shares each of face value of USD 1 per equity share.
- 2.4 THL’s principal business is to hold investments and its entire equity share capital is held by VRHL, a company incorporated in the United Kingdom. The entire equity capital of VRHL is in turn held by Vedanta Resources Plc., a London Stock Exchange listed United Kingdom based company.

**3. RATIONALE AND OBJECTIVE OF THE DELISTING OFFER**

- 3.1 The Acquirer already owns 80% of the outstanding equity share capital of the Company and only 20% is remaining with the public. Given the small size of the Company in comparison to the Vedanta Group and the Acquirer's strategy of consolidation of minority ownership and structure simplification, the Acquirer has decided to acquire the remaining Offer Shares. Also, the shares of the Company have witnessed low trading volumes during the past few years and the offer would provide an exit opportunity to the Shareholders in terms of the Guidelines.
- 3.2 The Acquirer had made the Previous Offer at a floor price of Rs. 185/- per share, equivalent to Rs. 37/- per share today after considering the 5 for 1 stock split in July 2008. Since the equity shares tendered and accepted under the Previous Offer did not reach the required level of 90%, the offer lapsed.

**4. INFORMATION ON THE COMPANY**

- 4.1 The Company is a public limited company incorporated under the Act, having its registered office at P B No. 4, Mettur Dam Railway Station, Salem District, Salem 636 402, Tamil Nadu, India. The equity shares of the Company are listed only on BSE and NSE. With effect from April 10, 2007, the equity shares of the Company were voluntarily delisted from Madras Stock Exchange Limited.
- 4.2 The principal activity of the Company is manufacturing primary aluminium. It is a fully integrated aluminium producer and its alumina and aluminium products are primarily sold in the domestic market.
- 4.3 The authorized share capital of the Company comprises of 11,75,00,000 equity shares of Rs. 2/- each and 2,50,000 redeemable cumulative preference shares of Rs.100/- each. The issued, subscribed and paid-up equity share capital of the Company comprises of 11,25,00,000 equity shares of Rs.2/- each fully paid-up. As on the date of the PA, the Company has no outstanding partly paid-up shares or other convertible instruments.
- 4.4 The shareholding pattern of the Company, as on February 6, 2009 is as under:

Category	No. of equity shares	% of Shareholding
<b>Promoters</b>		
Twin Star Holdings Limited	9,00,00,000	80.00%
<b>Sub Total (a)</b>	<b>9,00,00,000</b>	<b>80.00%</b>
<b>Non Promoters</b>		
Institutional Investors		
- Mutual Funds & UTI	12,96,328	1.15%
- Banks, Financial Institutions & Insurance Companies	9,000	0.01%
- FIIs	66,58,975	5.92%
Non-Institutional Investors		
- Bodies Corporate	41,35,697	3.68%
- Indian Public	41,50,753	3.69%
- Clearing Members	26,047	0.02%
- Foreign Bodies	60,00,000	5.33%
- NRIs / OCBs	2,23,200	0.20%
<b>Sub Total (b)</b>	<b>2,25,00,000</b>	<b>20.00%</b>
<b>Total (a)+(b)</b>	<b>11,25,00,000</b>	<b>100.00%</b>

- 4.5 The Acquirer holds 80% of the fully paid-up equity share capital of the Company as on the date of the PA. Other than the Acquirer there are no other promoters of the Company. Other than the shareholding mentioned herein, neither the Acquirer nor any of its directors, nor any other member of promoter group held any shares of the Company, as of the date of the PA.

- 4.6 A brief summary of the financial performance of the Company for the year ended June 30, 2006, March 31, 2007, March 31, 2008 and for 9 months ended December 31, 2008 is provided below:

<i>in INR Million</i>	Dec 31, 2008 (9 Months) (Un-audited)	Mar 31, 2008 (12 Months) (Audited)	Mar 31, 2007 (9 Months) (Audited)	Jun 30, 2006 (12 Months) (Audited)
Sales	3,799.61	4,744.19	4,029.56	4,525.72
Other Income	252.09	339.16	205.00	26.39
Total Income	4,051.70	5,083.35	4,234.56	4,552.11
Profit before Tax and Exceptional Item	287.66	1,011.35	1,586.20	1,337.32
Profit before Tax Margin	7.57%	21.32%	39.36%	29.55%
Net Profit	171.18	652.82	1,353.56	831.35
Net Profit Margin	4.51%	13.76%	33.59%	18.37%
Fully Paid up Share Capital	225.00	225.00	225.00	225.00
Investments**	N.A.*	458.84	413.84	651.84
Net Fixed Asset	N.A.*	3,015.74	2,714.42	2,647.99
Earning per Share	1.52***	29.02	60.16	36.95
Net Worth	N.A.*	3,740.52	3,325.73	2,203.97

Source: Company's audited financial statements for the financial years ended June 30, 2006, March 31, 2007, March 31, 2008 and un-audited financial statements for the 9 months period ended on December 31, 2008

Notes: Please refer to page no. 2 of this Bid Letter for the definition of accounting ratios

\*Not Applicable ("N.A.")

\*\* Investments are at book value and include quoted investments in 25,613,400 equity shares of Sterlite Industries (I) Ltd., 100,339 equity shares of Sterlite Technologies Ltd. and 11,000,000 equity shares of India Foils Ltd.

\*\*\*Not Annualised

## 5. STOCK EXCHANGES FROM WHICH EQUITY SHARES ARE SOUGHT TO BE DELISTED

- 5.1 The equity shares of the Company are currently listed only on the BSE and NSE.
- 5.2 With effect from April 10, 2007, the equity shares of the Company were voluntarily delisted from Madras Stock Exchange Limited.
- 5.3 The Acquirer is seeking to delist the equity shares of the Company from the BSE and NSE.

## 6. SHAREHOLDING OF PROMOTERS / ACQUIRERS

- 6.1 The shareholding of the Promoters of the Company as on February 6, 2009 is as follows:

Name of Promoter	No. of equity shares	% of Shareholding
Twin Star Holdings Limited	9,00,00,000	80.00
<b>Total Promoter Holding</b>	<b>9,00,00,000</b>	<b>80.00</b>

## 7. INFORMATION REGARDING STOCK MARKET DATA OF THE COMPANY

- 7.1 The high, low and average prices (in Rs. per share) of the equity shares of the Company, after considering the 5 for 1 stock split in July 2008, for the preceding three calendar years on BSE and NSE, where the shares are listed, were as follows:

	2006		2007		2008	
	BSE	NSE***	BSE	NSE	BSE	NSE
High*	127.97	N.A.	197.85	202.18	214.20	212.00
Low*	46.01	N.A.	77.18	83.45	35.65	35.00
Average**	70.06	N.A.	111.82	123.36	116.06	116.03

Source: www.bseindia.com and www.nseindia.com

\*High/low of the daily closing prices during the period.

\*\*Average of daily closing prices during the period.

\*\*\*The equity shares of the Company were listed at NSE with effect from April 12, 2007

Note: The stock prices mentioned above have been adjusted for sub-division in face value of equity shares from Rs. 10/- each to Rs. 2/- each

- 7.2 The monthly high and low price (in Rs. per share) of the equity shares of the Company and the trading volume (number of shares) for the six calendar months preceding the date of the PA were as follows:

Month	High*		Low*		Volume**	
	BSE	NSE	BSE	NSE	BSE	NSE
August 2008	149.40	152.55	136.25	138.55	1,74,297	94,993
September 2008	214.20	212.00	104.75	104.70	1,02,85,023	84,17,244
October 2008	99.60	99.55	42.80	43.50	2,98,978	2,83,760
November 2008	48.70	48.05	35.65	35.00	4,28,112	1,90,490
December 2008	50.40	50.45	37.85	37.80	2,22,976	2,02,694
January 2009	83.10	83.75	51.70	51.80	5,31,091	3,20,490

Source: www.bseindia.com and www.nseindia.com

\* High/low of the daily closing prices during the period.

\*\*Cumulative trading volume during the period.

Note: The stock prices mentioned above have been adjusted for sub-division in face value of equity shares from Rs. 10/- each to Rs. 2/- each.

## 8. PRESENT CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- 8.1 As of the date of the PA, the Company's issued, subscribed and paid-up equity share capital comprises of 11,25,00,000 fully paid up equity shares of Rs. 2/- each. The shareholding pattern of the Company as on the date of the PA was as follows: The shareholding pattern of the Company as on February 6, 2009 was as follows:

Shareholder(s)	No. of equity shares	% of Shareholding
Twin Star Holdings Limited (Promoter)	9,00,00,000	80.00
Shareholders (Non Promoters)	2,25,00,000	20.00
<b>TOTAL</b>	<b>11,25,00,000</b>	<b>100.00</b>

## 9. LIKELY POST-DELISTING CAPITAL STRUCTURE

- 9.1 The likely post-delisting capital structure of the Company, assuming all the Offer Shares are acquired pursuant to the Delisting Offer will be as follows:

Shareholder	No. of equity shares	% of Shareholding
Twin Star Holdings Limited	11,25,00,000	100.00
<b>TOTAL</b>	<b>11,25,00,000</b>	<b>100.00</b>

## 10. DETERMINATION OF THE FLOOR PRICE

- 10.1 The Guidelines require the determination of Floor Price for the Offer Shares to be acquired pursuant to the RBB.
- 10.2 The Guidelines require the Floor Price for the Offer Shares to be acquired pursuant to the RBB 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 the public announcement."
- 10.3 The Floor Price for frequently traded shares for the RBB as stipulated by the Guidelines has been computed at Rs. 74.77, which is higher of (a) the average of the daily closing price on BSE for the last 26 weeks prior to the date of the PA, being Rs. 74.77 and (b) the average of the high and low of the weekly closing price on BSE for the last 26 weeks prior to the date of the PA, being Rs. 74.27. The computation of the Floor Price for the Delisting Offer is based on the prices for the equity shares of the Company as recorded at BSE, where the equity shares of the Company have been most frequently traded in the preceding 26 weeks.
- 10.4 Based on the information available, the equity shares of the Company are frequently traded on the BSE and NSE in terms of proviso to regulation 20(5) of the Regulations.

10.5 The details of trading volumes of the equity shares of the Company on the BSE and NSE are as provided below:

	Total equity shares traded during the six calendar months prior to the month in which the PA was made	Total no. of listed equity shares	Annualized trading turnover as a % of total number of listed equity shares	Trading status in terms of the Regulations
BSE	1,19,40,477	11,25,00,000	21.23%	Frequently Traded
NSE	9,509,671	11,25,00,000	16.91%	Frequently Traded

Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

As the annualized trading turnover on the BSE and NSE during the six calendar months prior to the month of the PA is more than 5% of the total number of listed shares, the shares are not infrequently traded on the BSE and NSE as per the Regulations read with clause 8.3 of the Guidelines.

10.6 Demat Shareholders may tender their Offer Shares at any time during the Bid Period and at any price at or above the Floor Price in accordance with the terms and subject to the conditions set out herein.

10.7 If the price established through the RBB is higher than the Floor Price, the Acquirer reserves the right not to acquire the Offer Shares at such Discovered Price.

## **11. CONDITIONS TO THE DELISTING OFFER**

11.1 The acquisition of the Offer Shares by the Acquirer and the delisting of the Company are conditional upon:

- the Acquirer in its sole and absolute discretion accepting the Discovered Price or offering an Exit Price;
- a minimum number of Offer Shares being tendered at or below the Exit Price so as to cause the public shareholding of the Company to fall below required level of public holding for continuous listing, specified by the listing agreement of the BSE and NSE or the listing conditions;
- the Acquirer obtaining all statutory and requisite approvals as stated in clause 22 of this Bid Letter.
- no amendments to the Guidelines or applicable regulations or any conditions imposed by any regulatory / statutory authority / body (unless the same is acceptable to the Acquirer) or any order from a court or a competent authority, which would prejudice the Acquirer in proceeding with the Delisting Offer.

## **12. DATES OF OPENING AND CLOSING OF THE BID**

12.1 The Demat Shareholders may tender their Offer Shares to the Acquirer during the Bid Period which shall commence at 10.00 a.m. on Tuesday, March 17, 2009 and close at 3.00 p.m. on Friday, March 20, 2009. This schedule is subject to, among others, the Acquirer obtaining the necessary approvals prior to the Bid Opening Date. Any change to the Bid Period will be notified by way of a corrigendum in the newspapers where the PA was published.

12.2 Demat Shareholders wishing to Bid in this Delisting Offer shall tender their Offer Shares at any time during the Bid Period in accordance with the instructions set out in clause 13 below.

## **13. NAMES AND ADDRESSES OF THE TRADING MEMBER AND DETAILS OF BIDDING TERMINALS AND CENTRES THROUGH WHICH BIDS CAN BE PLACED**

13.1 Demat Shareholders may tender their Offer Shares through an online electronic system, the facility for which will be provided by the BSE.

13.2 Demat Shareholders must complete the Bid Forms and lodge the same through the Trading Member at any of the Bid Centers set out below by hand delivery between 10.00 am to 3.00 pm on any day during the Bid Period:

Bid Centre / City	Address Of Trading Member	Contact Person	Phone Number	Fax Number
Ahmedabad	7 – 8, 2 <sup>nd</sup> Floor, 3 <sup>rd</sup> Eye Building, Panchvati Circle C.G.Road, Ahmedabad 380 009	Mr. Sanjeev Dubey	+91 79 2640 7543	+91 79-26407543
Bengaluru	No:59, Puttana Road, Basavanagudi, Bengaluru 500004	Mr. Kumarswamy/ Ms. Shashi	+91 80 2662 1192 / 93	+91 80 4131 2645
Bhubaneswar	624, Shaheednagar, First Floor, Bhubaneswar 751007	Mr. Pradeep Dandapat	+91 674 2547 531 / 32 / 33	N.A.*
Chandigarh	SCO 371-372, Above HDFC Bank, Sector 35-B, Chandigarh 160036	Mr. Siddarth Tripathi	+91 172 5071 726/ 727/728	N.A.*
Chennai	33, Venkatraman Street, T Nagar, Chennai 600 017	Mr. C.M. Prem Kumar	+91 44 4207 6807	+91 44 2815 3181
Chennai	A3 Adyar Business Court Old No.5, New No.51, Gandhinagar First Main Road, Adyar, Chennai 600020	Ms. Sunitha	+91 44 4076 803	N.A.*



**Bid Letter for the Delisting Offer of The Madras Aluminium Company Limited**

Bid Centre / City	Address Of Trading Member	Contact Person	Phone Number	Fax Number
Coimbatore	No.482/483, SNV Chambers, Cross Cut Road, Opp. Power House, Gandhipuram, Coimbatore 641 012	Mr. K Venkatesan	+91 422 2237 501-506	+91 422 2237 507
Guwahati	2 <sup>nd</sup> Floor, Ramkumar Plaza, Chatribari Road, Near Himatshinga Petrol Pump, Guwahati 781 001	Mr J P Sharma	+91 361 2608 102 +91 361 2608 122	N.A.*
Hyderabad	Avenue-4 , Road No 10 , Banjara Hills, Hyderabad 500034	G. Suresh Kumar	+91 40 2344 0612 +91 40 2344 0616 +91 44 2334 0617	+91 40 2343 1505
Indore	105,106 & 107, D M Towers, 21/1, Race Course Road, Near Janjeera Chowrah, Indore 452001	Mr. Ankit Patwa	+91 731 4081 500	+91 731 4081510
Jaipur	S-16/A Land Mark, IIIrd Floor Opp. Jai Club Mahaveer Marg, C Scheme, Jaipur 302001	Mr M B Maheshwari	+91 141 2363 321 +91 141 2375 039	+91 141 2378 703
Kanpur	15/46,Civil Lines, Near Muir Mills, Stock Exchange Road, Kanpur 208001	Mr. Prashant Srivastava, Ms. Ruchi Dubey	+91 512 2330 127/2331 445 +91 512 3246 389	+91 512 2331 445
Kochi	G 39, Panampally Nagar, Opp Kerala State Housing Board, Kochi 682036	Ms Sudha	+91 484 2310 884 +91 484 2312 098	N.A.*
Kolkata	49, Jatin Das Road, Nr. Deshpriya Park, Kolkata 700029	Mr. Vijay Kumar Dhanuka	+91 33 2464 7231 / +91 4891 2463 4788	+91 33 2464 4866
Kolkata	19, R N Mukerjee Road 2nd Floor, Dalhousie, Kolkata 700001	Mr. Manoj Agarwal	+91 33 2243 7863 to 69	+91 33 2243 7869
Lucknow	94, Mahatma Gandhi Marg, Opp: Governor House, Hazratganj, Lucknow 226001	Mr. Brijesh	+91 522 2236 819 +91 522 2236 824	+91 522 2236 826
Ludhiana	Ground Floor, SCO-2, Aptech Bldg, Feroz Gandhi Market, Ludhiana 141001	Mr. Pankaj Seth	+91 161 3018 441 +91 161 3018 458	+91 161 3018 440
Mangalore	Mahendra Arcade, Ground Floor, Kodial Bail, Mangalore 575003	Mr. Balakrishna Shetty	+91 824 2492 302/ +91 824 2496 701	+91 824 2496 283
Mumbai (Andheri)	7, Andheri Indl Estate, Off Veera Desai Road, Andheri West, Mumbai 400053	Ms. Neelam	+91 22 2673 0799 +91 22 2673 0843	+91 22 2673 0152
Mumbai (Fort)	16-26, Bake House, Maharashtra Chamber Of Commerce Lane, Kalaghoda, Fort, Mumbai 400023	Mr. Kiran Gurav	+91 22 2284 2668 +91 22 2284 4777 +91 22 2283 8430	+91 22 6633 1135
Mumbai (Chembur)	7&8, Ground Floor, ERIC House, 16 <sup>th</sup> Road, Nr. Ambedkar Garden, Chembur Gymkhana Road, Chembur, Mumbai 400071	Mr. Gulzar Sayed	+91 22 2520 9338 +91 22 25211839	+91 22 2520 9335
Mumbai (Vashi)	B-153, Vashi Plaza, Sector 17, Vashi, Navi Mumbai 400705	Mr. Adhitya	+91 22 6791 2168 +91 22 6791 2169	+91 22 6791 2090
New Delhi	105-108 Arunachal Bldg, Barakhamba Road, New Delhi 110001	Mr. Ajay Gupta	+91 11 2332 4401/09 +91 11 2332 4602 +91 11 4350 9200	+91 11 2373 0824
New Delhi	301, Vishal Bhavan, 95, Nehru Place, New Delhi 110019	Mr. Praveen Jain	+91 11 2644 7065/66	N.A.*
Panaji / Panjim	No.7 & 8, El. Dorado Plaza Heliodoro Salgado Road, Panjim 403001	Mr. Mohammed Rayees	+91 832 2426 870 To 74	+91 832 2426 873
Patna	2B 2 <sup>nd</sup> floor Anand Towers, Opp ICICI Bank Exhibition Road, Near Republic Hotel, Patna 800001	Mr. Sanjay Nandkeolyar	+91 612 2321 354 +91 612 2321 355 +91 612 2321 356	N.A.*
Pune	Office No.6, Third Floor, Rachana Trade Estate, Law College Road, Erandwane, Pune 411 033	Mr. Ramesh	+91 20 3028 3696/97 +91 20 3028 3702	+91 20 5456 842
Rajkot	102/103 Siddi Vinayak Complex, Opp: Ramakrishna Ashram Dr Yagnik Road, Rajkot 360 001	Ms. Niteesha	+91 281 2465 625 +91 281 2465627	N.A.*
Surat	G-16 Empire State Building near Udhana Darwaja, Surat. 395002	Mr. Deepak Jani	+91 261 3017 151 - 160	+91 261 3017 155
Vadodara	Karvy Computer Share, Piccadilly, Office no 5, Jabalpure Rode, Vadodara 390005	Mr. Rahul Patil	+91 265 6640 870/871	N.A.*

\*Not Available ("N.A.")

13.3 Demat Shareholders may also submit their bids by registered post (at their own risk and cost) so as to ensure that their Bid Forms are delivered to the Trading Member at **Karvy Stock Broking Limited**, Avenue 4, Road No 10, Banjara

Hills, Hyderabad 500 034, India, Tel. No.: +91 40 2344 0612 (Contact Person: Mr. Suresh Kumar), on or before 3.00 pm on Friday, March 20, 2009. If duly filled Bid Forms arrive before the Bid Period opens on Tuesday, March 17, 2009, the bid will still be valid, however the Trading Member will not submit the bid until the commencement of the Bid Period. Necessary documents required as mentioned under clause 13.14 must be enclosed and the envelope should be marked “**MALCO – Delisting Offer**”. Under no circumstances should the Bid Forms be dispatched to the Acquirer or the Company or the Manager to the Delisting Offer or the Registrar to the Offer.

13.4 Demat Shareholders who have tendered their Offer Shares by submitting Bids may revise their Bids prior to the Bid Closing Date.

13.5 Demat Shareholder submitting a Bid shall keep a copy of the Bid Form with himself. The copy of the Bid Form may be required in case of revision of the Bid. Further, a copy of this Bid Letter and all relevant forms may be downloaded from the websites: [www.icicisecurities.com](http://www.icicisecurities.com) and [www.bseindia.com](http://www.bseindia.com). Alternatively, Shareholders may obtain copies of Bid forms enclosed with this Bid Letter at the Bid Centers. Such requests for providing a soft copy can also be emailed to the Manager to the Delisting Offer at [projectdevakriya@isecltd.com](mailto:projectdevakriya@isecltd.com).

13.6 The Trading Member has opened a Special Depository Account with NSDL details of which are as follows:

Trading Member	Karvy Stock Broking Limited
Special Depository Account Name	KSBL - MALCO - Delisting Offer - Demat Escrow Account
Name of the Depository Participant	Karvy Stock Broking Limited
DP Identification Number	IN 302 470
Client Identification Number	4023 5352

13.7 In order for Bid Forms to be valid, the Demat Shareholders should transfer their Offer Shares from their respective depository accounts to the Special Depository Account prior to the submission of their bid and enclose a photocopy of the delivery instruction furnished to their depository participant, duly acknowledged by the depository participant. Alternatively, Demat Shareholders may pledge their Offer Shares in favour of the Special Depository Account of the Trading Member, by providing a copy of the pledge confirmation from their depository participant in favour of the Special Depository Account. In order to receive the payment for the pledged Offer Shares at the price accepted by the Acquirer, the Demat Shareholders have to ensure that these Offer Shares are credited to the Special Depository Account of the Trading Member on or before the Final Settlement Date. All transfers should be in off-market mode.

13.8 Shareholders must hold their Offer Shares in dematerialized form in order to submit Bids. Shareholders who do not hold Offer Shares in dematerialized form but who wish to submit a Bid should convert their Offer Shares into dematerialized form in accordance with clause 13.9 below, prior to submission of their Bids or may offer their Offer Shares to the Acquirer in accordance with clause 21 of this Bid Letter.

13.9 It has become compulsory for equity shares of the Company to be traded in dematerialized form. The ISIN number for the equity shares of the Company is INE223B01026. Shareholders who wish to convert their Offer Shares into dematerialized form should contact any depository participant who is registered with the SEBI for further information on how to convert their Offer Shares into dematerialized form. In the event of any Shareholder not receiving, or misplacing, their Bid Letters, they may obtain a copy by writing to Karvy Computershare Private Limited, Plot No. 17 to 24, Vittalrao Nagar, Hitech City Road, Madhapur, Hyderabad 500 081, India, Phone No.: +91 40 2342 0815-28, Fax No.: +91 40 2343 1551, clearly marking the envelopes “**MALCO – Delisting Offer**”.

13.10 The Offer Shares to be acquired under this Delisting 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.

13.11 Demat Shareholders who hold their Offer Shares through CDSL will have to execute an inter-depository delivery instruction for the purpose of crediting their Offer Shares in favour of the Special Depository Account maintained with NSDL.

13.12 Demat Shareholders may revise or withdraw their Bid at any time prior to the prescribed time on the Bid Closing Date by contacting the Trading Member at the Bid Centre through which the original Bid was submitted and by completing and submitting the Revised Bid / Withdrawal Form.

13.13 It is the responsibility of the Demat Shareholders to ensure that their Offer Shares are credited to the Special Depository Account on or before 3.00 p.m. of the Bid Closing Date.

13.14 It is the responsibility of the Demat Shareholders tendering Offer Shares in Delisting Offer to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering their Offer Shares under this Delisting Offer. The Demat Shareholder should attach a copy of any such approval to the Bid Form / Acceptance Form. The Acquirer takes no responsibility for the same. On receipt of the Offer Shares in the Special Depository Account, the Acquirer shall assume that the Demat Shareholders have submitted their Bid only after obtaining necessary approvals, if any. In any case, the Acquirer reserves the right to reject those Bids which are submitted without attaching a copy of such required approvals.

13.15 A summary of all validly submitted Bids will be displayed on the bidding terminals at each of the Bid Centers and the BSE website during the Bid Period. In case any Demat Shareholder has any doubt regarding the procedure for submitting their Bid, they may contact the Manager to the Delisting Offer or the Registrar to the Delisting Offer or the Trading Member.

**14. PERIOD FOR WHICH THE OFFER SHALL BE VALID FOR PHYSICAL SHARES**

14.1 The Demat Shareholders may submit their Bids at the Bid Centers during the Bid Period. If the Discovered Price is accepted by the Acquirer or the Acquirer decides to offer an Exit Price, Physical Shareholders may offer their shares for sale to the Acquirer at an Exit Price up to 15 days following the Final Settlement Date as per the timetable mentioned in clause 16 below.

**15. EXIT OPTION POST DELISTING**

15.1 Once the Offer Shares have been delisted, any Shareholder, whose Offer Shares have not been acquired by the Acquirer, may offer their shares for sale to the Acquirer at the Exit Price for a period of 6 months following the date of the delisting of the Offer Shares from BSE and NSE.

**16. PROPOSED TIMETABLE FOR THE DELISTING OFFER**

The proposed timetable for the Delisting Offer is as follows:

<b>Activity</b>	<b>Day &amp; Date *</b>
Resolution for delisting of equity shares passed by the Shareholders at the Extra-Ordinary General Meeting	Wednesday, February 18, 2009
Public Announcement	Thursday, February 26, 2009
Bid Letters dispatched to Shareholders	Monday, March 2, 2009
Bid Opening Date (10:00 am)	Tuesday, March 17, 2009
Bid Closing Date (3:00 pm)	Friday, March 20, 2009
Public Announcement with details of the Discovered Price, the Acquirer's acceptance/non-acceptance of the same and the Exit Price, if any	Monday, March 23, 2009
Final Settlement Date with BSE for equity shares held in dematerialised form**	Wednesday, March 25, 2009
Tender offer for Physical Shareholders opens	Thursday, March 26, 2009
Last day for Physical Shareholders to tender their Offer Shares	Thursday, April 9, 2009
Final Settlement Date for Physical Shareholders	Monday, April 20, 2009

*\*The above dates may be subject to change and are dependant on obtaining the requisite statutory and regulatory approvals. Changes, if any will be notified to the Shareholders through the newspapers in which the PA had appeared.*

*\*\* Subject to acceptance of Discovered Price, announcement of Exit Price or rejection of Discovered Price and subject to actual dispatch of the payment instructions to the successful bidders would be made in the next few days shortly after the settlement subject to the Discovered Price or offer of an Exit Price, higher than the Discovered Price by the Acquirer.*

**17. DETERMINATION OF EXIT PRICE**

17.1 The Acquirer will determine the Discovered Price, i.e. the price at which the maximum number of Offer Shares have been tendered, in accordance with the RBB provided under the Guidelines.

17.2 The Acquirer may, in its sole and absolute discretion, accept the Discovered Price for the Offer Shares. The Acquirer is, however, under no obligation to accept the Discovered Price. If the Acquirer does not accept the Discovered Price, the Acquirer will have no obligation to acquire any Offer Shares tendered in the Delisting Offer and the delisting proposal made under the PA will not proceed any further.

17.3 The board of directors of the Acquirer has vide its resolution dated February 25, 2009 approved a price not exceeding Rs. 105 per equity share for the Delisting Offer. However, this should in no way be construed as (i) a ceiling or

maximum price for the purposes of the reverse book building process contemplated herein, and the Shareholders are free to tender their equity shares at any price higher than the Floor Price; or (ii) a commitment by the Acquirer to purchase 2,25,00,000 equity shares of the Company if the Discovered Price is Rs. 105 or less; or (iii) any restriction on the ability of the board of directors of the Acquirer to modify the aforesaid resolution.

- 17.4 Notwithstanding herein above, the Acquirer may in its sole discretion and absolute discretion, offer to pay a price higher than the Discovered Price for the Offer Shares tendered in the Delisting Offer. The price so accepted or offered by the Acquirer is referred to in this Bid Letter as the Exit Price. If the Acquirer accepts or offers an Exit Price, the Acquirer will acquire all the Shares which have been tendered at prices up to and equal to the Exit Price, subject to receipt of required approvals as stated herein, for a cash consideration equal to the Exit Price for each such share purchased pursuant to the Delisting Offer. The Acquirer does not have to accept Shares offered at a price that exceeds the Exit Price. The settlement procedure will be as prescribed under the Guidelines.
- 17.5 The Acquirer shall announce the Discovered Price, the Exit Price, if applicable, and its decision to either accept the Discovered Price or offer an Exit Price and accept the Offer Shares tendered up to and inclusive of the Exit Price or reject the Discovered Price in the same newspapers in which the PA appeared, in accordance with the timetable set out in the PA or such modified time table as may subsequently notified.
- 17.6 It is brought to the notice of all shareholders that the use of any manipulative or deceptive device or indulgence in market manipulation by an individual shareholder or a group of shareholders or any other person(s) relating to the sale of Offer Shares during the RBB resulting in detriment to the security market or to the general interest of the shareholders of the Company or violating any rules and regulations promulgated under the SEBI Act may attract the provisions of Section 12A of the SEBI Act and/or regulation 4 of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003 and/or other applicable provisions.

#### **18. PROCEDURE FOR SETTLEMENT OF DEMAT SHARES**

- 18.1 If the Acquirer announces an Exit Price and all other conditions attaching to the Delisting Offer are satisfied, the Acquirer shall acquire all Offer Shares that have been tendered at prices up to and equal to the Exit Price, for a cash consideration equal to the Exit Price for each such Offer Share.
- 18.2 The Guidelines require the Acquirer to make available to the Clearing House of the BSE, the necessary funds required to fulfill the acceptance of the relevant Bids no later than three days from the Bid Closing Date, subject to and in accordance with the settlement procedures of the BSE (the “**Final Settlement Date**”). The Trading Member shall correspondingly make the Offer Shares available on the Final Settlement Date. On the Final Settlement Date, the funds shall be paid out and the corresponding Offer Shares will be transferred / credited in a process akin to the secondary market settlements. **This process is available only for Demat Shareholders. Physical Shareholders may please refer to clause 21 of this Bid Letter.**
- 18.3 If the Acquirer rejects the Discovered Price, all Offer Shares tendered / pledged in the Special Depository Account shall be returned/released from pledge within a reasonable time to the relevant Demat Shareholders.
- 18.4 However, in the event the receipt of the requisite statutory approvals (if any) is delayed, the Acquirer may request SEBI to grant an extension of time to the Acquirer for the payment of consideration to the Demat Shareholders beyond the Final Settlement Date as directed by SEBI.

#### **19. NON RESIDENT SHAREHOLDERS**

- 19.1 Non-Resident Shareholders will also need to enclose a copy of the original permission received by them from the RBI in relation to the acquisition of the Offer Shares and also:
- i. If the Non-Resident Shareholder’s Offer Shares are held on a repatriation basis, the Non-Resident Shareholder must obtain and enclose with the Bid Form / and Form of Acceptance, a letter from his/her/their authorized dealer/bank confirming that at the time of the acquisition of such Offer Shares, payment for the same was made by the Non-Resident Shareholder from the appropriate account (e.g. NRE a/c) as specified by RBI in its approval.
  - ii. If the Non-Resident Shareholder is not in a position to produce the letter referred to in clause 19.1(i) above, his/her/its Offer Shares will be deemed to have been acquired on a non-repatriation basis and in such a case, the Non-Resident Shareholder must submit a consent letter addressed to the Acquirer, allowing the Acquirer to make the payment on a non-repatriation basis in respect of such Offer Shares.

iii. Non-Resident Shareholders should also enclose copies of any other statutory/ legal/ corporate approvals as may be applicable.

19.2 If any of the documents referred to in clause 19.1 above are not enclosed along with the Non-Resident Shareholder's Bid Form / and Form of Acceptance, payment to such Non-Resident Shareholder's Bid / acceptance may be made only as per the applicable law.

## **20. DETAILS OF ESCROW ACCOUNT AND SETTLEMENT**

20.1 In accordance with the Guidelines, the Acquirer, Manager to the Offer and ICICI Bank Limited having its office in India at ICICI Bank Towers, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India, have entered into an escrow agreement dated February 25, 2009 pursuant to which the Acquirer has deposited in the escrow account bearing number 000405071513 with ICICI Bank Limited, Capital Market Division, Fort (Nariman Point Branch), Mumbai 400 021, India, cash deposit of Rs. 1,68,99,64,199/- (Rupees One Hundred Sixty Eight Crore Ninety Nine Lakh Sixty Four Thousand One Hundred and Ninety Nine Only), an amount equivalent to at least 100% of the estimated consideration computed based on the floor price in accordance with the Guidelines with a lien marked in favour of the Manager to the Delisting Offer. The Acquirer has authorised the escrow agent to accept instructions from ICICI Securities Limited to release this cash deposit in prescribed circumstances. The Manager to the Offer has been authorized to realize the value of the escrow arrangement consisting of the cash deposit, in terms of and as per the provisions of the Guidelines.

20.2 If the Acquirer accepts the Discovered Price, the Acquirer will make available to the clearing house of BSE, the necessary funds required to settle the acceptance of the relevant Bids, at the Exit Price, on the Final Settlement Date as set out in clause 16, subject to and in accordance with the settlement procedure of BSE. In the event that the receipt of requisite statutory and regulatory approvals is delayed for any reason, the Acquirer may, with such permission as may be required, defer the Final Settlement Dates for dematerialised and physical shares and any such extension shall be intimated by the Acquirer by issuing an appropriate corrigendum.

## **21. SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM**

21.1 Physical Shareholders will not be able to submit a Bid unless they first convert their physical shares into dematerialized form in accordance with clause 21.2 below prior to submission of their Bids. Alternatively, they may offer their Offer Shares to the Acquirer in accordance with clause 21.4 below.

21.2 The Company has entered into an agreement with NSDL and CDSL for providing the facility to the Shareholders to hold their equity shares in dematerialized form. Physical Shareholders who wish to convert their Offer Shares into dematerialized form should contact any depository participant who is registered with SEBI for further information on how to convert their Offer Shares into dematerialized form.

21.3 Physical Shareholders who wish to convert their Offer Shares into dematerialized form should ensure that the dematerialization process is completed in sufficient time so that their Offer Shares are credited to the Special Depository Account and their Bids reach the Trading Member within the prescribed time on the Bid Closing Date.

21.4 On announcement of the Exit Price by the Acquirer, Physical Shareholders would also be provided an exit opportunity, at the same price offered to the Demat Shareholders holding Offer Shares in dematerialized form, for a period of 15 days from Final Settlement Date for dematerialized shares tendered during the Bid Period. Physical Shareholders who wish to offer their Offer Shares to the Acquirer should forward the Acceptance Form duly filled and signed by all registered Shareholders (in case of joint holdings) along with original physical share certificate(s) and valid share transfer deed/form(s) enclosed with this Bid Letter duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Company and duly witnessed at the appropriate place, by hand delivery or by registered post (at their own risk and cost) to the Registrar to the Delisting Offer, namely, **Karvy Computershare Private Limited**, Plot No. 17 to 24, Vittalrao Nagar, Hitech City Road, Madhapur, Hyderabad 500 081, Phone No: +91 40 2342 0815-28, Fax No: +91 40 2343 1551 on or before the last day for Physical Shareholders to submit Acceptance Forms set out in clause 16 i.e. Thursday, April 9, 2009.

21.5 Demat Shareholders who do not tender during the Bid Period, may only tender their Offer Shares during the period of 15 days from Final Settlement Date for dematerialized shares, if they convert their Offer Shares into physical form prior to the last day of submitting Form of Acceptance i.e. Thursday, April 9, 2009.

**22. STATUTORY AND REGULATORY APPROVALS**

- 22.1 The Company has obtained the approval of its members, by way of a special resolution, at its Extra-Ordinary General Meeting held on Wednesday, February 18, 2009, consenting to the delisting of the equity shares from BSE and NSE, in accordance with the Guidelines.
- 22.2 The Delisting Offer to the Shareholders is subject to the Acquirer obtaining an approval from the RBI and any other regulatory / statutory approval, if required, for acquisition of upto 2,25,00,000 fully paid-up equity shares of Rs. 2/- each, in accordance with the Guidelines. The Acquirer has filed an application to the RBI to acquire the Offer Shares on February 24, 2009.
- 22.3 To the best of the Acquirer's knowledge, as of the date of this Bid Letter, there are no other statutory or regulatory approvals required to acquire the Offer Shares other than as indicated above. If any statutory or regulatory approvals become applicable, the acquisition of Offer Shares by the Acquirer and the Delisting Offer will be subject to such statutory or regulatory approvals.
- 22.4 It shall be the responsibility of the Shareholders tendering in the Delisting Offer to obtain all requisite approvals (including corporate, statutory or regulatory approvals), if any, prior to tendering in the Delisting Offer, and the Acquirer shall take no responsibility for the same. On receipt of the Offer Shares in the Special Depository Account of the Trading Member, the Acquirer shall assume that the Shareholders have tendered their shares only after obtaining necessary approvals, if any.
- 22.5 The Acquirer reserves the right not to proceed with the Delisting Offer in the event the approvals indicated above are not obtained or conditions, which the Acquirer considers in its sole discretion to be onerous, are imposed in respect of such approvals.
- 22.6 In the event that receipt of the requisite statutory approvals are delayed, changes to the proposed timetable, if any, will be notified to Shareholders by way of a corrigendum to the PA in the same newspapers where the statutory PA was issued.

**23. TAX TO BE DEDUCTED AT SOURCE**

**23.1 Tax to be deducted in case of non resident shareholders**

- 23.1.1 As per the provisions of section 195(1) of the IT Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at the prescribed rate (including applicable surcharge and education cess).
- 23.1.2 The consideration payable under the Offer would be chargeable to tax as capital gains or business profits, as the case may be. Accordingly, Acquirer shall deduct tax at the prescribed rate (including applicable surcharge and education cess) on the gross consideration payable to the non resident shareholders based on the information requested and submitted along with the Bid Form /and Form of Acceptance.
- 23.1.3 In case of any ambiguity, incomplete or conflicting information or information not being provided to the Acquirer by the non resident shareholders, the tax shall be deducted at the maximum rate prescribed for such non resident shareholder.
- 23.1.4 If the non resident shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount for any reason, they would need to obtain a certificate from the Income Tax authorities either under section 195(3) or under section 197 of the IT Act, and submit the same to Acquirer while submitting the Bid Form /and Form of Acceptance. In absence of such certificate from the Income Tax authorities, the Acquirer shall deduct tax on gross consideration at the prescribed rate of tax.
- 23.1.5 In case where non resident shareholder is the tax resident of a country which has entered into a Tax Treaty with India, it may be possible for the non resident shareholder to avail the beneficial provisions, if any, under the Tax Treaty. If the non resident shareholder opts to avail the beneficial provisions as per Tax Treaty, a certificate from the tax authorities, of the country of which such person is the tax resident, certifying the tax residence of such person needs to be provided to the Acquirer along with the Bid Form /and Form of Acceptance. In absence of such certificate, the Acquirer shall deduct the tax as per clauses 23.1.1 to 23.1.4 above.

**23.2 Withholding tax implication for Foreign Institutional Investor ('FII')**

- 23.2.1 As per the provisions of Section 196D(2) of the IT 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 FII as defined in section 115AD of the IT Act.
- 23.2.2 Foreign Institutional Investor should certify the nature of its income arising from the sale of shares (whether capital gains or business profits). In absence of certification to the effect that the income from sale of shares is in the nature of capital gains, the Acquirer shall deduct tax at the prescribed rate under the IT Act, on the gross consideration payable. Should FII submit a Certificate from the Income Tax authorities along with the Bid Form /and Form of Acceptance indicating the amount or rate of tax to be deducted, the Acquirer shall deduct tax in accordance with the same.
- 23.2.3 For interest payments, if any, FII shall have to provide a No Objection Certificate/ Tax Clearance Certificate from the Income-Tax authorities indicating the amount of tax to be deducted. In absence of such certificate, Acquirer shall deduct the tax on the interest payable to FII, at the prescribed rate for the category to which such FII belongs.

**23.3 Tax to be deducted in case of Resident shareholders**

- 23.3.1 In absence of any specific provision under the IT Act, Acquirer shall not deduct tax on the consideration payable to resident shareholders for acquisition of shares.
- 23.3.2 Acquirer shall deduct the tax at the prescribed rates (including applicable surcharge and education cess) on the interest, if any, payable to resident shareholder, if amount of interest payable is in excess of Rs. 5,000 (Rupees Five Thousand).
- 23.3.3 The resident shareholder claiming no tax is to be deducted or tax to be deducted at a lower rate on interest amount, he should submit along with the Bid Form /and Form of Acceptance documentary evidence to support exemption from tax deduction or a No Objection Certificate from the Income Tax authorities indicating the rate at which tax is to be deducted by the Acquirer or a self declaration in Form 15G or Form 15H as may be applicable.
- 23.3.4 In case of any ambiguity, incomplete or conflicting information or information not being provided to the Acquirer by the above shareholders, the tax shall be deducted at the prescribed rates.
- 23.4 The Acquirer shall issue a certificate in the prescribed form to the shareholders (resident and non resident) who have been paid the consideration or interest after deducting of tax on the same certifying the amount of tax deducted and other prescribed particulars.
- 23.5 For the purpose of computing the tax deduction at source, shareholders who wish to tender their shares must submit the following information along with the Bid Form /and Form of Acceptance:

**A. Information requirement from a Nonresident shareholder**

- i. Self attested copy of PAN card
- ii. Nil / Lower withholding tax certificate from the Indian Income Tax authorities u/s 195(3) or u/s 197 under the IT Act
- iii. Self attested declaration in respect of residential status, status of shareholders (e.g. Individual, Firm, Company, Trust, or any other - please specify) and period of holding of shares (i.e. whether shares tendered are a long term capital assets or short term capital assets as defined under Indian Income Tax Act, 1961)
- iv. In case shares tendered comprise both long term capital assets and short term capital asset then break up of the same
- v. Tax residency certificate, where the shareholder intends to avail the beneficial provisions under a Tax Treaty
- vi. Banker certificate certifying inward remittance
- vii. Self attested declaration to the effect that the shares are held on capital / investment account or Trade account
- viii. SEBI Registration Certificate for FIIs

**B. Information requirement in case of Resident shareholder (applicable only for the interest payment, if any)**

- i. Self attested copy of PAN card
- ii. Self attested declaration in respect of residential status, status of shareholders (e.g. Individual, Firm, Company, Trust, or any other - please specify)
- iii. If applicable, self declaration form in Form 15G or Form 15H, as the case may be
- iv. Nil / lower withholding tax certificate from the Indian Income Tax authorities
- v. For Mutual fund/Banks/Notified Institution under Section 194A(3)(iii)(f) of the Income Tax Act – Copy of relevant Registration or notification

- 23.6 Shareholders are advised to provide the above information in order to enable the Acquirer to appropriately deduct tax at source.
- 23.7 The tax deducted under this Offer is not the final liability of the shareholders or in no way discharge the obligation of shareholders to disclose the amount received in pursuant to this Offer.
- 23.8 **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.**
- 23.9 THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES.

## **24 GENERAL**

- 24.1 In accordance with paragraph 4 of Schedule II to the Guidelines, the Demat Shareholders who have tendered their Offer Shares by submitting Bids pursuant to the terms of the PA and this Bid Letter may revise or withdraw their Bids prior to the Bid Closing Date.
- 24.2 The Acquirer will inform the Shareholders by way of a public announcement of any changes to the information set out in the PA and this Bid Letter.
- 24.3 Upon delisting, from BSE and NSE, the Acquirer shall announce the same by a public notice in all the newspapers in which the PA was released.

## **25 COMPLIANCE OFFICER**

**Mr. Rajiv Choubey**

Company Secretary

The Madras Aluminium Company Limited,

P B No.4, Mettur Dam Railway Station, Salem District 636 402, India

Tel: + 91 4298 304 355, Fax: + 91 4298 222 215

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## **26. BSE / CLEARING HOUSE DISCLAIMERS**

- 26.1 It is to be distinctly understood that the permission given by BSE to use its electronic automated facilities and infrastructure for “online reverse book building facility for delisting of securities” should not in any way be deemed or construed that the compliances with various statutory and other requirements by the Company and Manager to the Delisting Offer are cleared or approved by BSE; nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it have any financial responsibility or liability nor does BSE take responsibility in any way for the financial or other soundness of the Company, the Acquirer or its management.
- 26.2 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.
- 26.3 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.

**Signed on behalf of the Acquirer**

**For Twin Star Holdings Limited**

**Sd/-**

**Authorized Signatory**

**Sd/-**

**Authorized Signatory**