

“The Disposal Committee recorded the Minutes of its meeting on 25.04.2003 opening the 2 bids for sale of ATL and identified PNB as the highest bidder at Rs.80/- per share. Committee also decided to offer additional 8,50,485 shares which were under transfer.”

**PROCEEDINGS OF THE DISPOSAL COMMITTEE FOR EVALUATING
THE OFFERS FOR SALE OF SHARES OF APOLLO TYRES LTD IN
CONTROLLING BLOCK CATEGORY**

Date : 25.04.2003

Time : 3.00 PM

Venue : Office of the Custodian,
10th Floor, Nariman Bhawan,
227, Vinay K. Shah Marg,
Nariman Point, Mumbai 400 021.

Pursuant to the Order of the Hon'ble Special Court dated 17th August 2000 in MP 64 of 98 and Order of the Hon'ble Supreme Court dated 23rd August 2001 in Civil Appeal No.7629 of 1999 (Apollo Tyres vs the Custodian & Ors), the Disposal Committee in its 17th meeting held on 28th March, 2003 at Mumbai had approved calling for bids for sale of 54,88,850 (fifty four lakhs eighty eight thousand eight hundred and fifty) shares of Apollo Tyres Ltd in controlling block category from individuals as well as from Corporate and other entities (copy of the relevant Minutes abstract at Annexure-A).

The notified party-wise holding is as follows:

Sl.No	Name of the Notified Party / Holder	No. of shares
1	Ashwin S. Mehta	87580
2	Deepika A. Mehta	61990
3	Harshad S Mehta	403150
4	Hitesh S Mehta	102840
5	Jyoti H Mehta	114330
6	Pratima H Mehta	115650
7	Sudhir S Mehta	107440
8	Custodian A/c Harshad Mehta Group	4495870
	TOTAL	5488850

Offers had been invited by the Custodian for the sale of the aforesaid shares by inviting bids from individuals as well as from Corporate and other entities in sealed covers in prescribed format. A copy of the Public Notice and the terms and conditions are at Annexure A1, A2. The Public Notice was published in the following News Papers:

- 1) Business Standard, Delhi
- 2) Financial Express Mumbai
- 3) Economic Times Calcutta

A copy of the Public Notice was also sent by Fax to Nationalized Banks and the two Brokerage Firms (UTI Securities and ICICI Brokerage). Besides this, the copy of the notice was also sent to the concerned Notified Parties. The offers were to reach the office of the Custodian at 10th Floor, Nariman Bhawan, 227, Vinay K. Shah Marg, Nariman Point, Mumbai - 400 021 by 3.00 PM of 25th April, 2003, in sealed envelopes. The offers were to be accompanied by a demand draft/banker's cheque or pay order to be drawn on a nationalized bank in favour of the "The Custodian A/c Harshad Mehta Group" for an amount of 2% of the offers made for purchase of the said shares towards Earnest Money, which would not

carry any interest. No earnest money was, however, required to be paid by Public Financial Institutions. The offers were to be opened by the Disposal Committee constituted by the Court on 25th April 2003 at 3:30 p.m. at the above address in the presence of the bidders who may desire to be present.

In response to the above Public Notice the following Companies/ Institutions had collected the Terms & Conditions alongwith Tender Forms and Agreements from the office of the Custodian.

1. Enam Financial Consultants Pvt Ltd, Mumbai
2. Credit Lyonnais, Mumbai
3. LIC of India , Mumbai
4. HSBC Securities & Capital Markets, Mumbai
5. Vipul A Randeri, Mumbai
6. Punjab National Bank, Mumbai
7. State Bank of India, Mumbai
8. Tyre Dealers Combine, Delhi
9. Apollo Tyres Ltd, Delhi
10. Shreya Cap. Fin. (P) Ltd., New Delhi

The Disposal Committee met in the Office of the Custodian, Mumbai on 25th April 2003 at 3:00 p.m.

The box containing the sealed offers was opened by the Committee at 3.30 PM in the presence of bidders. Sealed covers, 2 (two) in number, containing the offers for the above shares were found after opening the box. The names of the bidders as per the sealed envelopes received are at Annexure- 1. The names of the bidders or their representatives present at the time of opening of the sealed covers containing the bids along with their signatures are at Annexure - 2.

The tender documents/papers found in the envelopes were signed by all the members of the disposal Committee

The following is the position in respect of the bids received:

Sl No	Name of tenderer	Whether Earnest money received and in order	Rate per share	Total amount offered	Position of Highest bid
1	Punjab National Bank	Exempted	Rs.80/-	Rs.43,91,08,000/-	Highest bid
2	Shreya Cap-Fin	Yes	Rs.40/-	Rs.21,95,54,000/-	

Comparative statement of the offers received is placed at Annexure CST A-1. This Statement was signed by the bidders/ representatives present. This comparative statement was also signed by all the Committee members.

The Committee accordingly identified the following as the highest bidder into account + the purchase price quoted by them:

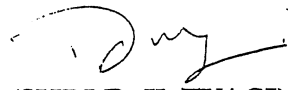
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Sl. No	Name of the highest bidder	Rate quoted per share	Purchase price quoted by highest bidder
1.	Punjab National Bank	Rs.80/-	Rs.43,91,08,000/-


The Disposal Committee also took into account the fact that in addition to the above mentioned shares constituting Controlling Block, there are 8,15,485 Benami shares of Harshad Mehta Group. As per order of the Hon'ble Special Court dated 8th April 2003 in Misc. Petition No.99 of 1998 these shares are also required to be transferred into the demat account of "Custodian A/c. Harshad Mehta Group – Benami shares" and then sold under the scheme approved by the Court in Misc. Petition No.64 of 1998. The above process of transfer/ credit to the demat account is expected to be completed within 15 days. The Disposal Committee accordingly recommended that the above 8,15,485 benami shares be sold to the highest bidder in addition to the 54,88,850 shares subject to the sanction of the Hon'ble Special Court.


The highest bidder present requested for an early decision for acceptance of offer so that the bid amount can be deposited by him immediately. Disposal Committee opined that keeping in view large number of shares involved, secrecy shall be maintained regarding the price as well as the name of the bidder and suggested for immediate filing of application with the Special Court for obtaining approval expeditiously. Custodian informed that all steps will be taken to maintain secrecy and filing application before Special Court for early approval.

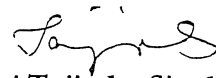
The meeting of the Committee concluded at 4.45 P.M.


(SHRI D. K. TYAGI)
CUSTODIAN


(Shri A.K. Handa)
(for Shri G. Anantharaman)
Director General of Income Tax
(Investigation)


(Ms Meher Baburaj)
(for Ms Ramni Nirula)
CEO
ICICI Securities & Finance Co. Ltd


(Shri A. Rama Mohan Rao)
Managing Director
UTI Securities Exchange Ltd


(Shri Tajinder Singh)
Deputy Secretary
Office of the Custodian

ist of Enclosures:

- Annexure - A: Copy of 17th Meeting of the Disposal Committee.
- Annexure - 1: Names of the bidders as per the sealed envelopes received.
- Annexure - 2: Names of the bidders/representatives present at the time of opening of bids along with their signatures.
- 4. Annexure - A1: Copy of Public Notice
- 5. Annexure - A2: Copy of Terms and Conditions.
- 6. Annexure 3: CST A-I: Comparative Statement in respect of Apollo Tyres Ltd.
- 7. Original tenders/ offers/ agreements received from all bidders in sealed envelopes.
- 8. Demand drafts/pay orders/bankers cheques received from all bidders.
- 9. Empty bid envelopes received from all bidders.