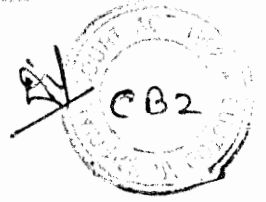


“The Custodian framed Terms & Conditions to govern the sale of shares of ACC Ltd.”



Office of the Custodian
The Special Court (TORTS) Act, 1992
3rd Floor, Bank of Baroda Bhawan
16, Parliament Street
New Delhi 110 001

TERMS AND CONDITIONS OF SALE

PRICE Rs.1,000/- (Rupees One Thousand Only)

The particulars and Conditions of Sale relating to 1,62,64,865 numbers (One Crore Sixty Two Lacs Sixty Four Thousand Eight Hundred and Sixty Five only) of shares, of ACC Ltd. belonging to various entities of “Harshad Mehta Group” as also other parties notified under Section 3(2) of the Special Court (TORTS) Act, 1992, offered for sale by the Disposal Committee constituted by the Hon’ble Special Court by its Order dated 17th August 2000 in Miscellaneous Petition No.64 of 1998 (Custodian Versus Union of India & Others).

CONDITIONS OF SALE

1. Offers are invited for sale of 1,62,64,865 numbers of shares of ACC Ltd., which fall under “Controlling Block Category” and belong to various notified entities of “Harshad Mehta Group” as also other notified parties on “as is where is basis”.
2. The number of shares as indicated above constitute the “Controlling Block Category” of shares of ACC Ltd. and, therefore, as per the Order of the Hon’ble Court, the offer should be for the entire block of shares.



3. **All the shares offered for sale are registered shares. For purchase of the said shares, however, the Court reserves the right to accept or reject the offer or Bid that may be received without assigning any reason whatsoever.** The Offerers are required to forward a Demand Draft/Pay Order/Banker's Cheque of a Public Sector Bank payable at Mumbai in favour of "The Custodian A/c - Harshad Mehta Group" **for the amount equivalent to 2% of the amount of offer made for purchase of the said shares towards Earnest money deposit along with the offer, and this amount will not carry any interest (No Earnest money will be required to be paid by Public Financial Institutions).** The Custodian will have the right to adjust the said sum for the proper fulfillment of the terms herein and the agreement. In case of loss or damage, the decision of the Custodian to adjust this amount against the loss or damage will be final.
4. The Offer can be made by individuals as well as by Corporate and other entities.
5. **Even after acceptance of the offer/identification of the highest bidder by the Disposal Committee, the approval of sale will be subject to the sanction of the Hon'ble Special Court.**
6. The Offers should reach at the Branch Office of the Custodian at 10th Floor, Nariman Bhavan, 227 Vinay K. Shah Marg, Nariman Point, Mumbai-400 021 by **3:00 PM** on or before 8th October 2003 in sealed envelope superscribed with the words "BIDS FOR SALE OF SHARES OF ACC LTD."

7. The Bids are to be submitted for the entire lot of shares of the said Company viz. 1,62,64,865 shares. Bids in part (i.e. less number of shares than total) shall not be considered.
8. The offer amount shall be clearly mentioned both in words and figures.
9. There shall be no conditions mentioned/stated in the offer. Conditional offers/ Bids will not be considered.
10. Bids/offers not accompanied with the desired amount of Earnest money will not be considered.
11. The offers/Bids so received shall be opened by the Disposal Committee on 8th October 2003 at 4:00 PM in the Branch Office of the Custodian at the address given in Para 6 above. Offerers or their authorised representative, if they so desire, can remain present at the time of opening of Bids by the Disposal Committee. The Disposal Committee shall identify the highest bidder(s) based on the Bids/offers received.
12. The highest bidder(s) (hereinafter referred as purchaser) so identified by the Disposal Committee, shall after such identification by the Disposal Committee, pay a further sum so as to make up 25% of his offer amount by Demand Draft/ Pay Order of Public Sector Bank payable at Mumbai, which will be inclusive of the amount referred in Para 3 above, along with his offer, within 7 days from the date of

acceptance of his offer as the highest bidder by the Disposal Committee and communication to this effect to him by Office of the Custodian failing which the initial deposit of earnest money shall be forfeited by the Custodian.

13. In the event of the highest bidder(s) identified by Disposal Committee failing to pay 25% of the purchase price in respect of the said shares or failing to sign the agreement, the said shares shall be put up for resale by auction by the Disposal Committee and the same shall be resold and the defaulting purchaser/highest bidder shall be liable to make good any deficiency upon such resale but shall not be entitled to the benefit of any increase in the Purchase money on such resale of the said shares.
14. The Custodian will obtain directions of the Hon'ble Court for approval of the offer of the highest bidder(s) so identified by the Disposal Committee. The Hon'ble Special Court after ascertaining the highest offer may give an opportunity to the management of the said Company to buy or to the Company to buy-back as per provisions of the Companies Act, 1956, the said "Controlling Block" of shares if it so desires.
15. The sale as stated herein above is subject to the sanction of Hon'ble Special Court. The Hon'ble Special Court reserves the right to accept or reject any of the offers or bids that may be received for purchase of the said shares.

16. In the event of the highest bid/offer approved by the Disposal Committee, or any other offer, being accepted by the Hon'ble Special Court, the Purchaser shall deposit **balance consideration amount** with the Custodian by Demand Draft/ Pay Order/ Banker's Cheque of the Public Sector Bank in favour of "Custodian Account - Harshad Mehta" or to such account/accounts as communicated by Office of the Custodian within a period of 15 days of receipt of communication/order of the Special Court from the Office of the Custodian regarding acceptance of his Offer/Bid.

17. If the Purchaser does not pay the balance of the purchase price in the manner and within the time specified by the Custodian or in any other respect fails to perform these conditions or any of them, the Custodian shall be at liberty to forfeit the deposit amount of 25% of the purchase money and the Disposal Committee shall proceed to resell the said shares by public auction at such time subject to such conditions and in such manner in all respects as the Disposal Committee shall deem fit and proper and without previously giving any notice to the Purchaser and the deficiency in price, if any, occasioned by such resale together with all costs, charges and expenses pertaining to the resale shall be made good by such defaulting Purchaser and be recovered by the Custodian with interest on the amount of deficiency at 18% per annum from the date fixed of the aforesaid confirmation of sale till payment and in case of non payment of the whole or any part thereof, the same shall be recoverable by the Custodian from the defaulting purchaser as and by way of liquidated damages while any profit on such resale shall

not be available to such defaulting purchaser. This condition shall be without prejudice to Custodian's right and shall not affect or supersede other rights and remedies, which the Custodian shall otherwise have in law and/or under these conditions.

18. On receipt of the full purchase price by the Custodian, the Office of the Custodian shall forward the credit advice through Depository Participant (DP) for transfer of such shares in favour of the purchaser subject to the sale being approved by the Hon'ble Special Court.
19. The obligation to comply with all regulations including the Take Over Regulations framed by SEBI or related instructions of RBI shall be that of the Purchaser.
20. In case the sale of the said shares is not sanctioned by the Court in favour of highest bidder(s) identified by Disposal Committee, the deposit amount of 25% of the purchase price shall be refunded to such bidder without interest and each party shall bear and pay his own costs. Except as hereinabove provided, the said deposit of 25% of the bid money shall in no event be refunded.
21. The Purchaser shall at his own cost, charges and expenses take such steps as may be necessary for the purpose of transferring the said shares within 15 days from the date of confirmation of the sale and on payment of balance of purchase price, as stated above.

22. The Purchaser shall bear and pay his own costs, charges and expenses throughout and shall not look to the Disposal Committee/ the Custodian or to the notified party for the same or any part thereof.
23. The intending purchaser should satisfy himself as to the genuineness and quantity and the description of the said shares. The Purchaser shall on giving the Bid, be deemed to have waived all such objections and errors or mis-statements or omissions and shall not annul the sale nor shall he be entitled to be discharged from his purchase nor shall any compensation be allowed to the Purchaser in respect thereof.
24. In case the sale of the said shares is not confirmed or is set aside by the Hon'ble Special Court, the Purchaser/Bidder shall be entitled to receive back his deposit money/ earnest money without interest and shall not be entitled to be paid his costs, charges and expenses incidental to the sale occasioned by his Bid for the said shares and being declared the Purchaser thereof nor shall he be entitled to any compensation or damages.
25. After the Bid in respect of the said shares is knocked down to the highest bidder i.e. the Purchaser and the deposit of 25% of the highest bid is paid by him, the said shares shall be and remain at the risk of the Purchaser and the Custodian/ Notified Party will not be responsible for any loss or damage thereof.

26. The Purchaser shall not be entitled to annul the sale on any ground whatsoever.
27. If any error or mistake or mis-statement or omission shall be discovered in these particulars and conditions, the same shall not annul the sale nor shall any compensation be payable by the Custodian.
28. The sale shall be completed as soon as the sanction of the Hon'ble Special Court is obtained by the Custodian and the Purchaser shall thereafter arrange to take delivery of the said shares (copy of credit advice to depository participant) within 15 days from the date of deposit of full consideration amount with the Custodian. In case he fails to take the delivery of the said shares, he will have to pay rental charges and other incidental charges incurred or to be incurred by the Custodian.
29. The Purchaser hereby admits and accepts the above facts and will not raise any objection to the sale on any ground arising out of the present Petition/ Application and proceedings.
30. The time hereinabove fixed for the observance and performance by the Purchaser of any of the obligations to be observed and performed by him under these conditions is and shall be deemed to be of the essence of the contract and any forbearance on the part of the Custodian of the strict observance and performance by the Purchaser thereof shall not be construed as a waiver or

relinquishment on the part of the Custodian who shall have the right at his option, despite thereof, to exercise his right and remedies such as are available to him under these conditions and at law and/or in equity as arising from the non-observance and non-performance thereof by the Purchaser including the right to forfeit all the moneys paid by the Purchaser and by treating the contract for sale as having been determined.

31. The Purchaser shall also be required to sign the enclosed Agreement to complete the sale according to the particulars and conditions hereof.
32. If any dispute arises as to the last or the highest bidding, the sale in question shall be put up for auction sale at the last undisputed bidding and be resold at the discretion of the Disposal Committee.
33. The shares are being sold on "as is where is basis" and the Purchaser shall not be entitled to raise any objections as to mis-description of quality or quantity. If any error or mis-statement or omission shall be discovered in the particulars of these conditions the same shall not annul the sale nor the Purchaser shall be entitled to any compensation from the Custodian.



AGREEMENT

I, _____ the undersigned, resident of, _____ authorised representative of _____ (wherever applicable) hereby acknowledge that I have this _____ day of _____ 2003 bidden by public auction 1,62,64,865 shares of ACC Ltd. and subject to the foregoing conditions of sale and subject to sanction of Hon'ble Special Court, Mumbai at the price of Rs. _____ Rupees _____ only) and I have paid the sum of Rs. _____ (Rupees _____ only) i.e. equivalent to 2% of the amount of the offer made as initial money to the Custodian and I hereby agree to pay by Demand Draft/Pay Order/ Banker's Cheque to the Custodian's Branch Office at 10th Floor, Nariman Bhavan, 227, Vinay K. Shah Marg, Nariman Point, Mumbai 400 021, 25% of the purchase price as earnest money within 7 days from the date hereof and also to pay the balance of the purchase price and complete the purchase within a period of 15 days from the date of sanction of sale by the Hon'ble Special Court in my favour and I agree to be bound by the aforesaid conditions of sale.

Amount of offer/bid Rs. _____

Initial Deposit made Rs. _____

25% of offer/bid amount Rs. _____ to be paid within seven days from the date hereof, and balance amount to be paid within 15 days from the date of the Order of the Hon'ble Special Court, sanctioning the sale and communication thereof by the Office of the Custodian.

Address

Signature



TENDER FORM

- 1. Name of the Offerer :
- 2. Status : Individual/Firm/Company/Other (Specify)
- 3. Address :

 Tel No:
- 4. Details of deposit of earnest money :
 a) Amount :
 b) Mode of payment : Demand Draft/Pay Order/Banker's Cheque
 c) Number & date of DD/PO/BC :
 d) Drawee Bank with name of branch :
- 5. Description of the script for which the offer is made :
- 6. Details of Depository Account to which shares are to be transferred :
- 7. Rate per share : Rs.....
- 8. Amount offered : Rs.
 (Rupees.....)

I do hereby state that I have read and understood the terms and conditions of the sale and am willing to comply with the same on acceptance of the above offer.

.....
 (Signature)

.....
 Name and Designation in case of non individual

Place : _____
 Date : _____(seal)

To reach at the Office of the Custodian, 10th Floor, Nariman Bhawan, 227, Vinay K. Shah Marg, Nariman Point, Mumbai -400 021 on or before 8th October 2003 by 3:00 P.M.