

ACQUISITION OF STAKE IN KAUSAR INDIA LIMITED

We are glad to inform you that today (i.e., 25.08.2007), the Company has entered into Share Purchase Agreement with the Shareholders of Kausar India Ltd (KIL) a Company listed at Delhi Stock Exchange Association Ltd and Ludhiana Stock Exchange Ltd for acquisition of 19,63,050 equity shares of Rs.10/- each comprising 52.96% of the paid up equity share capital of the KIL at a price of Rs.72.84 per equity share on terms and conditions as set out in the Share Purchase Agreement.

Further, upon entering into above Share Purchase Agreement, the Company will duly comeout with open offer as per SEBI take over regulations.

A S SANDHU
CFO & COMPANY SECRETARY