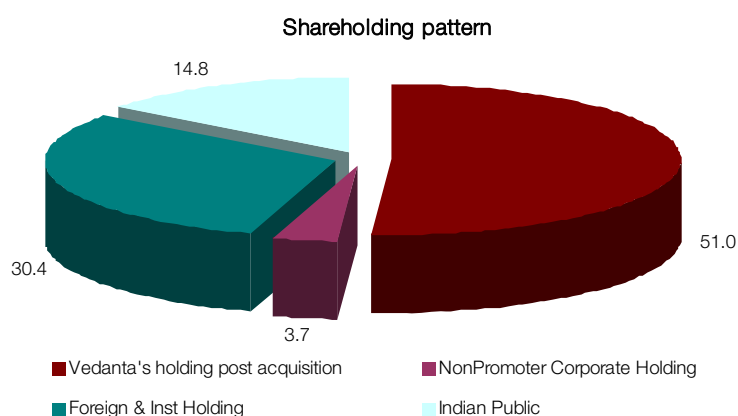


UPDATE: SESA GOA OPEN OFFER BY VEDANTA

Vedanta Resources has made an announcement to buy the 51% stake of Mitsui & Co in Sesa Goa for a price of INR 2,036 per share. Post the acquisition, Vedanta will make an open offer for additional 20% stake in the company at a price equal to or higher than the INR 2,036 per share paid to Mitsui & Co. The offer price is at 17% premium to the current prevailing market price of INR 1,742. The chart below shows the shareholding pattern in Sesa Goa. Under the assumption that all holdings are eligible to be tendered in the open offer, *the minimum acceptance ratio works out to be 40%.*



The timelines on the offer has not been announced but the probability of the offer going onto the July expiry is quite high. Hence we will not be able to set a perfect hedge at this point of time. Buying Cash and hedging 60% of the position through June futures may involve the risk of short rolls of futures positions to July month. We will keep you updated on any further developments.

April 24, 2007

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Sesa Goa

Bloomberg Code	NSESA
Cash Price	1,742
Futures Price (April)	1,776
Market Cap	62,527
52 Week High/Low	2024/809

* Mkt. Cap & Volume in INR mn

Existing time line

Opening of offer	NA
Closure of offer	NA
Consideration Payment for shares accepted	NA

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Shriram Iyer - 2286 4256	Head – Research	Nischal Maheshwari - 2286 4205
Gautam Roy - 2286 4305	Airlines, Textile	Rajesh Makharia - 2286 4202
Ashutosh Goel - 2286 4287	Automobiles, Auto Components	Shabnam Kapur - 2286 4394
Vishal Goyal, CFA - 2286 4370	Banking & Finance	Balakumar V - (044) 4263 8283
Revathi Myneni - 2286 4413	Cement	Ashish Agrawal - 2286 4301
Sumeet Budhraj - 2286 4430	FMCG	Nikhil Garg - 2286 4282
Harish Sharma - 2286 4307	Infrastructure, Auto Components, Mid Caps	Swati Khemani - 2286 4266
Priyanko Panja - 2286 4300	Infrastructure, Engineering, Telecom	Neha Shahra - 2286 4276
Hitesh Zaveri - 2286 4424	Information Technology	Priya Ramchandran - 2286 4389
Parul Inamdar - 2286 4355	Information Technology	Anubhav Kanodia - 2286 4361
Priyank Singhal - 2286 4302	Media, Retail	Tushar Mahajan - 2286 4439
Prakash Kapadia - 4097 9843	Mid Caps	Harsh Biyani - 2286 4419
Niraj Mansingka - 2286 4304	Oil & Gas, Petrochemicals	Nirmal Ajmera - 2286 4258
Nimish Mehta - 2286 4295	Pharmaceuticals, Agrochemicals	Ankit Doshi - 2286 4671
Manika Preamsingh - 4019 4847	Economist	Dipesh Shah - 2286 4434
Sunil Jain - 2286 4308	Alternative & Quantitative	
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RATING INTERPRETATION

Buy	Expected to appreciate more than 20% over a 12-month period	Reduce	Expected to depreciate up to 10% over a 12-month period
Accumulate	Expected to appreciate up to 20% over a 12-month period	Sell	Expected to depreciate more than 10% over a 12-month period
Trading Buy	Expected to appreciate more than 10% over a 45-day period	Trading Sell	Expected to depreciate more than 10% over a 45-day period

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