

Advisor to Motilal Oswal in Raising Private Equity Funding From New Vernon Private Equity and Bessemer Venture Partners.

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DEAL VALUE	USD 28 mn
SERVICE	Private Equity
SECTOR	Financial Institutions Group

Motilal Oswal Financial Services Ltd. (MOFSL) today announced its equity placement with two of the leading foreign private equity investors - New Vernon Private Equity Limited and Bessemer Venture Partners. 9.29% equity has been placed for a consideration of INR 1250 million. The issue price of each share of INR 2 paid up is INR 208 per share.

| Avendus Advisors Pvt. Ltd. was the sole investment banker for the deal.

Mr. Mark Rubin, a nominee of New Vernon, would be appointed on the Board of MOFSL.

Speaking at the press conference **Mr. Motilal Oswal, CMD, MOFSL** said, “The funds so raised will be deployed for various strategic initiatives, both organic and inorganic, and working capital requirements.”

Mr. Oswal also said, “MOFSL has reserved 15% and has currently offered 14% of the equity share capital to its employees under the various Employee Stock Option Schemes.”

As per the presentation made by **Mr. Raamdeo Agrawal, MD, MOFSL**, “In the US, the top three Securities firms are amongst the top 50 in Fortune 500 with their individual market cap of around USD 70 billion; that’s almost 0.5% of total market cap each. Indian markets also offer similar opportunities in the securities business.”

MOFSL has plans to take its market share from 4% to 10% by 2010 with the highest ROE in the industry.

MOFSL also would be shortly commencing the business of investment banking services and private equity investments to further consolidate its position in the securities business by leveraging its core strengths in SOLID RESEARCH and THE BIGGEST DISTRIBUTION.

| About Motilal Oswal Financial Services Ltd.

Motilal Oswal Financial Services Limited is the holding company of Motilal Oswal Securities Limited (MOSL), Motilal Oswal Commodities Broker Private Limited (MOCBPL), Motilal Oswal Venture Capital Advisors Private Limited (MOVCAPL) and Motilal Oswal Investment Advisors Private Limited (MOIAPL).

MOSL is a leading research and advisory based stock broking house of India, with a dominant position in both institutional and retail broking. Asia Money Brokers Poll 2005 has ranked MOSL as the best Indian brokerage firm. There are various other categories where the Brokers Poll has rated MOSL as number one - most independent research, sales and service etc.

In March 2006, A.Q. Research, a firm based in U. K., that analyses the accuracy of a broker's research call, declared MOSL the best research house for Indian stocks.

The retail business unit of MOFSL provides equity investment solutions to more than 161,000 clients through more than 1000 outlets spanning 375 cities across India. MOFSL provide advice-based broking (equities and derivatives), portfolio management services (PMS), e-Broking, depository services, commodities trading, IPO and mutual fund investment advisory and distribution services. Recently, MOFSL has acquired 3 regional brokerage firms.

For more information, please visit www.motilaloswal.com

| About New Vernon Private Equity Limited

New Vernon Private Equity Limited (formerly New Vernon Bharat) is part of New Vernon Capital, a New Jersey, USA based India focused investment fund founded by former Merrill Lynch Global Executive VP Arshad Zakaria. New Vernon Capital is a long-term investor in India across asset classes and has investors from several prestigious investors including university endowments and insurance companies. Since its inception in October 2004, the fund has raised over USD 1.1 billion for the Indian Markets.

| About Bessemer Venture Partners

Bessemer Venture Partners is the oldest venture capital and private equity firm in the United States, with investments throughout the world. With offices in Silicon Valley, Boston, New York, Shanghai, and Mumbai, the firm manages two billion dollars of venture funds, carrying on a tradition of hands-on, active investing that has continued since 1911. Over 100 Bessemer companies have gone public, including American Superconductor, Ciena, Gartner Group, Ingersoll Rand, International Paper, Maxim, Parametric, Perseptive Biosystems, Staples, VeriSign, Veritas and W.R. Grace. The presence of BVP in India represents the Firm's first office outside North America in its 95-year history.

For more information, please visit www.bvp.com

| About Avendus Advisors

Avendus Advisors is an Investment Bank specializing in Private Equity Syndication, Cross-Border M&A, Fixed Income and Strategic Advisory services to corporates and funds. The company focuses on industries where Indian companies have a strategic growth advantage, including IT Services, IT Enabled Services, Financial Services, Pharmaceuticals and Healthcare, Automobiles and Automobile Components, Real Estate and

Consumer Products and Services. Avendus clientele ranges from fast growing mid cap companies to large international corporates and established private equity funds. It has served more than 100 corporates in cross border transactions and in raising growth capital, and has closed deals more USD 350 Million during the last twelve months.

For more information, please visit www.avendus.com

Deal Release

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