LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as shareholder(s) of A K Spintex Limited If you require any clarification about the action to be taken, you may please consult your stockbroker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in A K Spintex Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER BY

1. **Mr Tilok Chand Chhabra (Acquirer)**
   B-382, Shastri Nagar, Bhilwara, Rajasthan Tel No.: 01482-250750
   Email: info@rcmcbusiness.com
2. **Mr Saurabh Chhabra (Acquirer)**
   B-382, Shastri Nagar, Bhilwara, Rajasthan Tel No.: 01482-250750
   Email: info@rcmcbusiness.com
3. **Mrs Saroj Chhabra (Acquirer)**
   B-382, Shastri Nagar, Bhilwara, Rajasthan Tel No.: 01482-250750
   Email: info@rcmcbusiness.com
4. **M/s Fashion Suiting (P) Ltd (Acquirer)**
   Regd. Office at 3, Chhabra Mansion, Pur Road, Bhilwara, Rajasthan
   Tel No. 01482-244501-02, Fax No. 01482-244052
   Email: info@rcmcbusiness.com

To

Acquire upto 6,70,900 equity shares of Rs. 10/- each representing 20% of the total voting share capital of Target Company at a price of Rs. 16.82/- (Rupees Sixteen and Paisa Eighty Two Only) including interest amount of Rs 3.82 per fully paid up equity share payable in Cash.

of

A K SPINTEX LIMITED

Registered Office: 14 K.M. Stone, Biliya Kalan, Chittor Road, Bhilwara, Rajasthan
Tel No. 01482- 249002-05; Fax No. 01482-249007

Pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof

ATTENTION:

1. The Offer is not a Conditional Offer.
2. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer i.e. upto Friday, December 21, 2007.
3. If there is any upward revision in the Offer Price by the Acquirer upto seven working days prior to the date of closure i.e. upto Monday, December 17, 2007 the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.
4. If there is a Competitive Bid:
5. The Public Offer under all the subsisting bids shall close on the same date.
6. As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.
7. A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's web-site: www.sebi.gov.in

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 11 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 15 TO17)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL ARE ENCLOSED WITH THIS LETTER OF OFFER.

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
CHARTERED CAPITAL AND INVESTMENT LIMITED 13, Community Centre, East of Kailash, New Delhi - 110065. Tel nos.: 011-26419079/ 26218274; Fax no.: 011 - 26219491; Email: charteredcapital@gmail.com delhi@charteredcapital.net Contact Person: ***Mr Priyaranjan***	**BEETAL FINANCIAL & COMPUTER SERVICES PVT. LIMITED** Beetal House, 3rd Floor, 99, Madangir,Near Dada Harsukh Das Mandir, New Delhi-110062 E- Mail: beetal@rediffmail.com Tel. Nos.: 29961281-82, Fax No.: 29961284 Contact Person: ***Mr. Punit Mittal***
OFFER OPENS ON: December 07, 2007	**OFFER CLOSES ON: December 26, 2007**

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Sr. No.	Activity	Original Schedule (Date and Day)	Revised Schedule (Date and Day)
1.	**Date of Public Announcement (PA)**	**March 14, 2007 (Wednesday)**	**March 14, 2007 (Wednesday)**
2.	Specified Date	April 05, 2007 (Thursday)	April 05, 2007 (Thursday)
3.	**Last Date for a Competitive Bid(s)**	**April 04, 2007 (Wednesday)**	**April 04, 2007 (Wednesday)**
4.	Date by which Letter of Offer will be dispatched to the Shareholders	April 25, 2007 (Wednesday)	December 04, 2007 (Tuesday)
5.	**Offer Opening Date**	**May 04, 2007 (Friday)**	**December 07, 2007 (Friday)**
6.	**Last Date for the Revision of the Offer Price / Number of Equity Shares.**	**May 14, 2007 (Monday)**	**December 17, 2007 (Monday)**
7.	**Last date to withdraw acceptance tendered by shareholders**	**May 18, 2007 (Friday)**	**December 21, 2007 (Friday)**
8.	**Offer Closing Date**	**May 23, 2007 (Wednesday)**	**December 26, 2007 (Wednesday)**
9.	**Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and or the unaccepted equity shares / share certificates will be dispatched.**	**June 07, 2007 (Thursday)**	**January 10, 2008 (Thursday)**

RISK FACTORS

i. In the event that either (a) the regulatory approvals are not received in timely manner (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirers not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of AKSL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirer may be delayed.

ii. The shares tendered in the offer will be held in trust by the Registrar, till the completion of the offer formalities. Accordingly, the acquirers make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.

iii. In the event of over-subscription to the offer, the acceptance will be on a proportionate basis.

iv. Association of the Company with the Acquirers does not warrant any assurance with respect to the future financial performance of the Company.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of AKSL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of AKSL are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in the offer.

1. TABLE OF CONTENTS

DEFINITIONS

1.	Acquirers or The Acquirers	Tilok Chand Chhabra, Saroj Chhabra, Saurabh Chhabra and Fashion Suitings (P) Ltd.
2	Book Value per share	Net worth / Number of equity shares issued
3	DSE	The Delhi Stock Exchange Association Limited
4	EPS	Profit after tax / Number of equity shares issued

5	Form of Acceptance	Form of Acceptance cum Acknowledgement
6	Form of Withdrawal	Form of Withdrawal cum Acknowledgement
7	FSPL	Fashion Suitings (P) Limited
8	JSE	The Jaipur Stock Exchange Limited
9	LOO or Letter of Offer	Offer Document
10	Manager to the Offer or Merchant Banker	Chartered Capital And Investment Limited
11	N.A.	Not Applicable
12	Negotiated Price	Rs. 4/- (Rupees Four Only) per fully paid up equity share/ voting share capital of face value of Rs.10/- each
13	Offer or The Offer	Open Offer for acquisition of 6,70,900 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 16.82 (Rupees Sixteen and Paisa Eighty Two Only) including interest amount of Rs 3.82 (calculated @10% p.a from February 02, 2005 to January 10, 2008) per fully paid equity share, payable in Cash.
14	Offer Price	Rs. 16.82 (Rupees Sixteen and Paisa Eighty Two Only) including interest amount of Rs 3.82 (calculated @10% p.a from February 02, 2005 to January 10, 2008) per share for fully paid equity shares of Rs. 10/- each, payable inCash.
15	Persons eligible to participate in the Offer	Registered shareholders of A K Spintex Limited, and unregistered shareholders who own the equity shares of A K Spintex Limited any time prior to the Offer closure other than the Acquirers and Parties to the Agreement.
16	Public Announcement or "PA"	Announcement of the Open Offer by The Acquirers, which appeared in the newspapers on March 14, 2007 and Corrigendum to PA, which appeared in newspapers on 03.12.2007.
17	Registrar or Registrar to the Offer	M/s Beetal Financial & Computer Services Private Limited
18	Return on Net Worth	(Profit After Tax/Net Worth) *100
19	SEBI	Securities and Exchange Board of India
20	SEBI (SAST) Regulations, 1997 or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
21	SEBI Act	Securities and Exchange Board of India Act, 1992.
22	Sellers	Lalit Prasad Kalya, Tribhuvan Lal Kalya, O P Kalya, Basanti Lal Kalya, Surya Prakash Kalya, Pushpa Kalya, Kamla Kalya, Manorma Devi Kalya, R P Kalya, Bhagwati Devi Kalya, Raj Kumar Kalya, Ashish Kalya and Giriraj Ajmera
23	SPA	Share Purchase Agreement
24	Target Company or AKSL	A K Spintex Limited

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF A K SPINTEX LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 26.03.2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The Offer is being made under Regulation 10 read with Regulation 12 and as a result of this Offer, the Acquirers will have substantial acquisition of shares or voting rights accompanied with complete change in control and management of "A K Spintex Limited "

3.1.2 The Acquirers entered into an SPA dated March 12, 2007 to acquire 21,83,400 (Twenty One Lacs Eighty Three Thousand Four Hundred Only) fully paid up equity shares of Rs.10/- each representing 65.09% of the total voting share capital of

"A. K. Spintex Limited" from the promoters of "AKSL", namely Lalit Prasad Kalya, Tribhuvan Lal Kalya, O P Kalya, Basanti Lal Kalya, Surya Prakash Kalya, Pushpa Kalya, Kamla Kalya, Manorma Devi Kalya, R P Kalya, Bhagwati Devi Kalya, Raj Kumar Kalya, Ashish Kalya and Giriraj Ajmera, (referred to as the Sellers), at a price of Rs 4/- each (Rupees Four Only)(Negotiated Price) per fully paid up equity share payable in cash. The total consideration for the shares to be acquire under the SPA is Rs. 87,33,600/- (Rupees Eighty Seven Lacs Thirty Three Thousand Six Hundred Only) to be discharged to the sellers by the Acquirers as per the terms agreed upon and contained in the SPA.

The Details of the sellers are as under:

Sr. No.	Name of the shareholders/sellers	Address and Phone No.	No. of Shares sold	% to total paid up Capital	Amount (In Rs)
1	Lalit Prasad Kalya	B-267/268, Shastri Nagar, Bhilwara, Rajasthan, Phone No. (01482) 251596.	196750	5.86%	7,87,000
2	Tribhuvan Kalya	Tarakunj Apartment, Adagaon Naka, Nasik. Phone No. (0253) 2513001.	320900	9.57%	12,83,600
3	O P Kalya	B-267/268, Shastri Nagar, Bhilwara, Rajasthan. Phone No. (01482) 253188			
4	Basanti Lal Kalya	Station Road, Gulabpura, Dist-Bhilwara, Rajasthan. Phone No. (01483) 224201	282300	8.41%	11,29,200
5	Surya Prakash Kalya	Tarakunj Apartment, Adagaon Naka, Nasik. Phone No. (0253) 2513001	282300	8.41%	11,29,200
6	Pushpa Kalya	Tarakunj Apartment, Adagaon Naka, Nasik. Phone No. (0253) 2513001	169000	5.05%	6,76,000
7	Kamla Kalya	B-267/268, Shastri Nagar, Bhilwara, Rajasthan. Phone No. (01482) 251596	159800	4.76%	6,39,200
8	Manorma Devi Kalya	Station Road, Gulabpura, Dist-Bhilwara, Rajasthan. Phone No. (01483) 224201	167200	4.98%	6,68,800
9	R.P. Kalya	B-267/268, Shastri Nagar, Bhilwara, Rajasthan. Phone No. (01482) 253188	95000	2.83%	3,80,000
10	Bhagwati Devi Kalya	B-267/268, Shastri Nagar, Bhilwara, Rajasthan Phone No. (01482) 253188	131000	3.91%	5,24,000
11	Raj Kumar Kalya	Station Road, Gulabpura, Dist-Bhilwara, Rajasthan. Phone No. (01483) 224201	205600	6.13%	8,22,400
12	Ashish Kalya	B-267/268, Shastri Nagar, Bhilwara, Rajasthan. Phone No. (01482) 251596	2500	0.08%	10,000
13	Giriraj Ajmera	Basant Vihar, Bhilwara, Rajasthan	100	0.003%	400
		TOTAL	**21,83,400**	**65.09%**	**87,33,600**

3.1.3 The important features of the SPA are laid down as under:

a. In consideration of the purchase of the shares, the Acquirers shall pay total cash consideration of Rs.87,33,600/- (Rupees Eighty Seven Lacs Thirty Three Thousand Six Hundred Only).

b. Against payment of the sale consideration, the Sellers as the legal and beneficial owners of the shares, shall sell, transfer, convey and deliver to the Acquirers and the Acquirers shall purchase and acquire from the sellers, shares free from all encumbrances, all rights, title and interests of the Sellers in the shares together with all accrued benefits, rights and obligations attaching thereto.

c. The Acquirers undertake and covenant to take all steps and actions as may be necessary for compliance with the provisions of the Takeover Code. The sellers agree to provide the Acquirers with all necessary support, for complying with the provisions of the Takeover Code relating to Public Offer as are applicable to the transaction envisaged herein.

d. On completion, by the Acquirers, of the obligations relating to the Public Offer under the Takeover Code, as certified by Chartered Capital And Investment Limited, the Manager to the Offer appointed for such Public Offer in accordance with the Takeover Code, the parties shall ensure that the Board of Directors of the Target Company shall pass effective resolutions for recording the transfer of shares of the Target Company to the Acquirers and appointment of the persons nominated by the Acquirers on the Board of Directors of the Target Company.

e. In the event the Acquirers fail to comply with the applicable provisions of the Takeover Code relating to the Public Offer, the SPA shall stand terminated and shall be null and void.

3.1.4 Apart from 21,83,400 (Twenty One Lacs Eighty Three Thousand Four Hundred Only) fully paid equity shares which the

Acquirers agree to be acquire in terms of SPA, the Acquirers does not hold any equity shares/ voting rights of AKSL.

3.1.5 Neither the Acquirers, Sellers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act and no action has been taken against them (besides prohibition from dealing in securities).

3.1.6 Mr Manoj Kothari and Mr Prakash Chand Chhabra has been appointed as a Directors representing Acquirers on Board of Directors of the Target Company in terms of Regulation 22(7) of SEBI (SAST) Regulations, 1997.

3.2 The Offer

3.2.1 The Acquirers have made a Public Announcement, which was published on March 14, 2007 and Corrigendum to Public Announcement published on December 03, 2007 in the following newspapers in accordance with the Regulation 15 and pursuant to Regulations 10 and 12 of SEBI (SAST) Regulations, 1997.

Publication	Editions
Business Standards (English)	All Editions
Rashtriya Sahara (Hindi)	All Editions
Pratahkal	Jaipur Edition

The Public Announcement is also available on the SEBI website at www.sebi.gov.in

3.2.2. The Acquirers are making an Offer under the SEBI (SAST) Regulations, 1997 to acquire 6,70,900 equity shares of Rs. 10/- each fully paid up representing 20% of the voting capital of "AKSL" at a price of Rs. 16.82 (Rupees Sixteen and Paisa Eighty Two Only) including interest amount of Rs 3.82 (calculated @10% p.a from February 02, 2005 to January 10, 2008) per fully paid up equity share ("Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter.

3.2.3. There are no partly paid up shares in "A. K. Spintex Limited".

3.2.4. The Offer is not subject to any minimum level of acceptances from the shareholders. The Acquirers will accept the equity shares of AKSL those are tendered in valid form in terms of this Offer upto maximum of 6,70,900 equity shares.

3.2.5. Acquirers have not acquired any shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

3.3 Object of the Acquisition/ Offer

3.3.1 The Acquirers are interested in taking over the management and control of AKSL. Thus substantial acquisition of shares and voting rights accompanied with change in control and management is the reason and rationale for the acquisition.

3.3.2 The Offer to the Public shareholders of AKSL is for the purpose of acquiring 20% of the total voting capital/rights of AKSL. After the proposed Offer, the Acquirers will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

3.3.3 The Acquirers will continue the same line of business activities of the target company and can increase the capacity utilization of the target company from time to time.

4. BACKGROUND OF THE ACQUIRERS

4.1 Mr. Tilok Chand Chhabra

4.1.1 Mr. Tilok Chand Chhabra, son of Shri Mohan Lal Chhabra, aged 48 years, an Indian national residing at B-382, Shastri Nagar, Bhilwara, Rajasthan, Tel No: 01482-250750. E.mail : info@rcmbusiness.com

4.1.2 Mr. B C Jain, Proprietor of M/s Bhagchand & Associates, Chartered Accountants, having Office at S-4, Geej Garh Vihar, Opp Nandpuri Post Office, Hawa Sarak, Jaipur-302019 (Membership No. 70989) Phone No. (0141) 2211656 has certified vide their certificate dated 26.11.2007 that the Net Worth of Mr. Tilok Chand Chhabra as on 31.03.2007 is Rs. 470.64 Lacs and letter also confirms that he has sufficient means to fulfill his part of obligations under this Offer.

4.1.3 Mr. Tilok Chand Chhabra is a Graduate in Commerce. He has vast experience of 30 years in the field of Spinning, Weaving and Trading Business.

4.1.4 Mr Tilok Chand Chhabra holds directorship in the following Companies:

S.No.	Name of the Company	Designation	Listed At
1.	Fashion Suitings (P) Limited	Director	Not Listed
2.	Citiline Texfab (P) Ltd	Director	Not Listed

4.1.5 As on the date of Public Announcement, the Acquirer has promoted Fashion Suitings (P) Limited and Citiline Texfab (P) Ltd.

4.2 Mrs Saroj Chhabra

4.2.1 Mrs Saroj Chhabra, wife of Mr. Tilok Chand Chhabra aged 47 years, an Indian national residing at B-382, Shastri Nagar, Bhilwara, Rajasthan, Tel No: 01482-250750. E.mail : info@rcmbusiness.com

4.2.2 Mr. B C Jain, Proprietor of M/s Bhagchand & Associates, Chartered Accountants, having Office at S-4, Geej Garh Vihar, Opp Nandpuri Post Office, Hawa Sarak, Jaipur-302019 (Membership No. 70989) Phone No. (0141) 2211656 has certified vide their certificate dated 26.11.2007 that the Net Worth of Mrs. Saroj Chhabra as on 31.03.2007 is Rs. 382 Lacs and the letter also confirms that he has sufficient means to fulfill her part of obligations under this Offer.

4.2.3 Mrs. Saroj Chhabra has passed matriculation and she is a housewife.

4.2.4 Mrs. Saroj Chhabra holds directorship in the following Companies:

S.No.	Name of the Company	Designation	Listed At
1.	Citiline Texfab (P) Ltd	Director	Not Listed
2.	Mapple Industries (Partnership Firm)	Partner	Not Listed

4.2.5 As on date of Public Announcement, the Acquirer has promoted Citiline Texfab (P) Ltd.

4.3 Mr. Saurabh Chhabra

4.3.1 Mr Saurabh Chhabra, son of Mr. Tilok Chand Chhabra aged 21 years, an Indian national residing at B-382, Shastri Nagar, Bhilwara, Rajasthan, Tel No: 01482-250750. E.mail : info@rcmbusiness.com

4.3.2 Mr. B C Jain, Proprietor of M/s Bhagchand & Associates, Chartered Accountants, having Office at S-4, Geej Garh Vihar, Opp Nandpuri Post Office, Hawa Sarak, Jaipur-302019 (Membership No. 70989) Phone No. (0141) 2211656 has certified vide their certificate dated 26.11.2007 that the Net Worth of Mr. Saurabh Chhabra as on 31.03.2007 is Rs. 809.99 Lacs and the letter also confirms that he has sufficient means to fulfill his part of obligations under this Offer.

4.3.3 Mr. Saurabh Chhabra is a Graduate in Management Studies and having 2 years of experience in Administration and Marketing.

4.3.4 Mr. Saurabh Chhabra holds directorship in the following Companies:

S.No.	Name of the Company	Designation	Listed At
1.	Fashion Suitings (P) Limited	Director	Not Listed
2.	Mapple Industries (Partnership Firm)	Partner	Not Listed

4.3.5 As on date of Public Announcement, the Acquirer has promoted Fashion Suitings (P) Limited.

4.4 Fashion Suitings (P) Limited

4.4.1 Fashion Suitings Private Limited, a Company incorporated under the Companies Act, 1956 as a Private Limited company and was registered with the Registrar of Companies, Rajasthan vide its certificate of incorporation dated April 11, 1988. The company at present has its Registered Office at 3, Chhabra Mansion, Pur Road, Bhilwara, Rajasthan, Tel No.: 01482-244501, 244502, Fax No. 01482- 244052. E mail: info@rcmcbusiness.com. At present FSPL is engaged in the business of Trading and Selling through multi level net working of textile goods, Fabrics, Ready made Garments, Hosiery and FMCG Products. The Company sell products under brand name of RCM.

4.4.2 The present promoters of FSPL is Mr Tilok Chand Chhabra and Mr Saroj Chhabra.

4.4.3 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirers because they are not holding any equity shares of the target company.

4.4.4 The Authorised Share Capital of FSPL as on the date of Public Announcement is 25.00 Lacs, comprising of 25000 equity shares of Rs 100/- (Rupees Hundred Only) each. The issued, subscribed and paid-up equity share capital as on date of Public Announcement stood at Rs 23.15 Lacs comprising of 23150 equity shares of Rs 100/- (Rupees Hundred Only) each.

4.4.5 The shareholding pattern of Fashion Suitings Private Limited as on the date of public announcement are as under:

Sl. No.	Shareholder's Category	No. & %age of shares held
1.	Mr Tilok Chand Chhabra	3500 (15.18%)
2.	Mr Saurabh Chhabra	7150 (30.87%)
3.	Ms Priyanka Chhabra	1200 (5.17%)
4.	Mrs Saroj Chhabra	600 (2.56%)
5.	Mr Tilok Chand Chhabra & Saurabh Chhabra	10700 (46.22%)
	TOTAL	**23150 (100%)**

4.4.6 The Board of Directors of FSPL as on P.A. date consists of following members:-

Name of the Director	Designation	Qualification and Experience in Field/ No. of years	Residential Residential	Date of Appointment
Tilok Chand Chhabra	Director	B.Com having 30 years of experience in spinning, weaving & Trading Business	B-382, Shastri Nagar Bhilwara	28.06.2000
Priyanka Chhabra	Director	M.Com having 4 years of experience Marketing	B-382, Shastri Nagar, Bhilwara	02.02.2002
Bhag Chand Chhabra	Director	M.Com having 32 years of experience in Marketing	9-G-12, RC Vyas, Bhilwara	01.10.2005
Saurabh Chhabra	Director	Bachelor in Management Studies & having 2 years of experience in Administration & Marketing	B-382, Shastri Nagar, Bhilwara	01.06.2006

None of the above Directors are on the Board of the Target Company

4.4.7 The Shares of the FSPL are not listed on any stock exchange.

4.4.8 The brief audited financials of FSPL are as under:-

(Rs. In Lacs)

Profit & Loss Statement	Year Ended 31.3. 2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Period ended September 30, 2006* (Certified)
Income from Operations	2129.29	9245.64	43441.55	34313.95
Other Income	50.1	1249.9	5799.32	1262.24
Total Income	2179.39	10495.54	49240.87	35576.19
Total Expenditure	2112.26	10232.75	47143.14	34133.73
Profit before Depreciation, Interest and Tax	67.13	262.79	2097.73	1442.46
Depreciation	16.99	22.09	58.49	102.12
Interest	0.37	2.95	5.21	14.61
Profit before Tax	49.77	237.75	2034.03	1325.73
Provision for Tax	11.89	78.25	624.22	212.65
Profit after Tax	37.88	159.5	1409.81	1113.08

(Rs. In Lacs)

Balance Sheet as Statement	Year Ended 31.03. 2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Period ended September 30, 2006* (Certified)
Sources of Funds				
Paid up Share Capital	23.15	23.15	23.15	23.15
Reserves & Surplus (Exculding Revaluation Reserve)	105.71	129.84	879.83	4021.75
Secured Loan	Nil	0.63	31.38	554.22^
Unsecured Loan	Nil	10.43	Nil	Nil
Current Liabilities	731.33	3508.74	16971.66	20484.87^
Deferred Tax Liability	24.01	27.40	218.93	586.99
Total	**884.20**	**3700.19**	**18124.95**	**25670.98**
Uses of Funds				
Net Fixed Assets	192.94	375.37	2123.74	2872.32
Investments	23.53	846.13	4923.91	7480.37
Current Assets, Loans and Advances	667.65	2478.68	11077.30	15318.29
Miscellaneous Expenses not written off	0.08	0.01	Nil	Nil
Total	**884.2**	**3700.19**	**18124.95**	**25670.98**

Other Financial Data	Year Ended 31.3. 2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended Year Ended (Audited)	Period ended September 30, 2006* (Certified)
Net Worth (Rs.in Lacs)	128.78	152.98	902.98	4044.90
Dividend (%)	Nil	500	2500	2000
Earning Per Share (Rs.)	163.63	688.98	6089.89	4808.12
Return on Networth (%)	29.40	104.26	156.13	27.52
Book Value Per Share	55.66	66.09	390.06	1747.26

*As Certified by Mr. Om Prakash Dad (Membership No. 35373), Partner of O. P. Dad & Company, Chartered Accountants, Statutory Auditor of the company having office at 1st Floor, Balaji Complex, Pur Road, Bhilwara-311001, Rajasthan vide their certificate dated February 09, 2007

The secured loans for the period ended 30.09.2006 has been increased from Rs 31.38 lacs to Rs 554.22 lacs due to loans taken from Punjab National Bank of an amount Rs 554.22 Lacs to make investment in order to setting up projects of weaving units. The Current liabilities for the period ending 30.09.2006 has been increased from Rs 16971.66 lacs to Rs 20484.87 lacs due to increase in receipt of deposits from distributor and pick up centres.

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

The FSPL is not a Sick industrial undertaking

4.4.9 There are no contingent liabilities in the company as per Annual Report 2005-2006.

4.4.10 Reasons for rise/fall in profit during the relevant years are as under.

The Acquirer engaged in the trading business and due to increase in trading volume, the income from operations of the company was increased for the Year ended 31.03.2006 as compared to P.Y ended 31.03.2005, which also affects profitability of the company for the year ended 31.03.2006. The Other Income of the Company was also increased profitability of the company was increased for the year ended 31.03.2006 as compared to P.Y ended 31.03.2005 due to profit on sale of shares, Receipt of Insurance Refund and receipt of interest on FDR.

4.4.11 There is no litigation pending against the Fashion Suitings (P) Ltd.

4.4.12 SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The accounts have been prepared using historical cost convention and on the basis of a going concern concept with revenue recognized and expenses accounted for on accrual basis including committed obligations.The accounting policies not specifically referred to otherwise, have been followed consistently and are in consonance with generally accepted accounting principles.

FIXED ASSETS

(a) Fixed Assets are stated at their original cost of acquisition / construction less accumulated depreciation.

(b) Expenditure including cost of financing incurred in the cost of construction, installation and commissioning of project, property, plant or equipment till the commencement of the commercial production are capitalized and included in the cost of respective fixed assets.

INVESTMENT

Investments are stated at cost.

DEPRECIATION

(a) Depreciation is calculated on straight line pro-rata basis at the rates specified in schedule XIV of the Companies Act, 1956, as amended vide notification No. GSR 756 (s) dated 16.12.1993.

(b) Assets costing less than Rs. 5000/- have been fully depreciated in the year of acquisition.

REVENUE RECOGNISATION/BASIS OF ACCOUNTING

The Company follows the accrual system of accounting except certain items like rebates and discount and claims and claims on sales and Insurance claims etc., where there is no reasonable certainty regarding the amount and/or its collectability, recognition or revenue postponed.

INVENTORIES

Inventories are valued as under :

Raw Material	-	At Cost
Finished Goods	-	At lower of cost or net realisable value
Stores & Spares, Packing Material etc.	-	At Cost

RETIREMENT BENEFITS

Under Provident Fund's Scheme and employee state insurance, company's contribution accruing during the year has been charged to Profit & Loss account.

In accordance with AS- 15 issued by the Institute of Chartered Accountants Of India, the liability for gratuity has not been actuarially determined.The Company continues to account for such liabilities on cash basis.

MISCELLANEOUS EXPENSES

The Preliminary expenses will be written of equally over a period of 5 years from the year of commencement of commercial production.

TREATMENT OF CONTINGENT LIABILITIES

There are no Contingent liabilities.

LEASE RENT

Lease rent receivable on machinery is treated as income and depreciation on leased machinery is provided as per the provision of Schedule XIV of the Companies Act, 1956 on straight-line method. Lease rent is accounted as per AS-19 issued by The Institute Of Chartered Accounted Of India.

DEFERREDTAX

Provision for current tax is made after taking in to consideration benefits admissible under the provision of the income tax Act, 1961.

Deferred tax resulting from "timing difference" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.The Deferred tax asset is recognized and carried forward only to the extent there is a reasonable certainty of reversal in one or more subsequent period.

ACCOUNTING FOR INTANGIBLE ASSETS

Company has no intangible assets that require separate treatment provided in the AS-26 issued by the Institute of Chartered Accountant of India.

IMPAIRMENT OF ASSETS

Factors giving rise to any indication of any impairment of the carrying amount of the company's assets are appraised at each balance sheet date to determined and provide/ revert an impairment loss following the accounting standard AS-28 for impairment of assets.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

EARNING PER SHARE

Earning per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

4.4.13 There is no change in Accounting Policies during last three financial periods.

4.4.14 Fashion Suiting Private Limited has not promoted any Company since inception.

4.4.15 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirers.

Disclosure in terms of Regulation 16(ix)

4.5 The Acquirers at present have no intention to sell, dispose of or otherwise encumber any significant assets of AKSL in the succeeding two years, except in the ordinary course of business of AKSL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of AKSL.

4.6 The Acquirers have no full time directorships or controlling stake in any listed company.

4.7 Among the Acquirers, Mrs Saroj Chhabra is wife of Mr Tilok Chand Chhabra and Mr Saurabh Chhabra is son of Tilok Chand Chhabra .

5. DISCLOSURE IN TERMS OF REGULATION 21(2)

The Offer (assuming full acceptance) would result in public shareholding in the Target Company being reduced below the minimum level required as per the listing agreement with the Stock Exchange for the purpose of listing on continuous basis. The Acquirers in Compliance with clause 40A of the listing agreement will facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing as specified in the listing agreement entered with the stock exchange within the time limit specified by the stock exchange so as to maintain the minimum % of public shareholding in the Target Company required for continuous listing.

6. BACKGROUND OF THE TARGET COMPANY - A.K. SPINTEX LIMITED

6.1 AKSL was originally incorporated on October 14th, 1994 as A. K. Processors Private Limited. The Company was converted into a Public Limited Company under the name A K Processors Limited with effect from January 6, 1995. Further the name of the company was changed to A K Spintex Limited vide fresh certificate of Incorporation dated February 24, 1995 issued by the Registrar of Companies, Rajasthan. The Company at present has its Registered Office situated at 14th KM Stone, Chittorgarh Road, Bilia Kakan, Bhilwara, Rajasthan-311001. Ph.: 01482-249002-05, Fax: 01482-249007. The manufacturing facilities of the target company is located at Bhilwara, Rajasthan.

6.2 At present, AKSL has been engaged in processing of man-made fabrics and textiles in the business of investment in securities and facilitating trading in commodities as agents in consonance with its Objects Clause.

6.3 The Authorised Share Capital of AKSL as on the date of Public Announcement is 500.00 Lacs, comprising of 40, 00,000 equity shares of Rs 10/- (Rupees Ten Only) each and 1,00,000 cumulative Redeemable Preference shares of Rs.100/- each. The issued, subscribed and paid-up equity share capital as on date of PublicAnnouncement stood at Rs 335.45 Lacs comprising of 33,54,500 equity shares of Rs 10/- (Rupees Ten Only) each.

6.4 As on the date of PA, the Share Capital Structure of the target company is as given under:

Paid up Equity Shares of AKSL	No. of Equity shares/ voting rights	% of Shares / voting rights
Fully paid-up equity shares	33,54,500	100.00
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	33,54,500	100.00
Total voting rights in the Target Company	**33,54,500**	**100.00**

6.5 There are no partly paid up shares in the target company.

6.6 The Current Capital structure of the company has been build up since inception as under:

Date of compliance	No of shares allotment	% of shares issued	Cumulative paid issued	Mode of up capital (in Rs.)	Identity of allotment (promoters/ ex-promoters/ others)	Status of allottees
Subscriber to Memorandum & Articles	200 200	0.005 0.005	2000 2000	Cash Cash	Subscribers	No compliance Pending
19.01.1995	500	0.015	7000	Cash	Private Placement to Promoters	
17.02.1995	422100	12.58	4228000	Cash	Private Placement to Promoters	
13.10.1995	2931700	87.40	33545000	Cash	Public Issue (Including Directors quota of 4500 shares)	
TOTAL	**3354500**	**100.00**				

6.7 The shares of "AKSL" are listed on The Delhi Stock Exchange Association Limited and The Jaipur Stock Exchange Limited. At present the shares of the Company are not suspended by the DSE and JSE.

6.8 There are no outstanding convertible instruments / warrants.

6.9 There were delays at times in compliance with provisions of Chapter II of the regulations by the target company. The sellers, promoters and other major shareholders of AKSL also not complying with provisions of Chapter II of the Regulations.

6.10 AKSL is not fully complied with various clauses of the Listing Agreement entered with Stock Exchanges, where its equity shares are listed in view of letter no. DSE/LIST/8428/NR dated October 30, 2006 of the Delhi Stock Exchange Association

Ltd. Further, no punitive action has been taken by the Stock Exchanges against the target company.

6.11 The Composition of the Board of Directors of AKSL as on the date of Public Announcement are as follows:

S. No.	Name of the Director	Designation	Qualification and Experience in No. of years	Residential Address	Date of Appointment
1	L.P. Kalya	Managing Director	He is science Graduate and having experience of 12 years in Textile.	B-267/268, Shastri Nagar, Bhilwara, Rajasthan B-267/268,	01.02.1995
2	T L Kalya	Director	He has passed Sr Secondary and having 25 years of experience in Textile and explosives business.	Tarakunj Apartment, Adogaon, Naka, Nasik	12.11.1994
3	B L Kalya	Director	He is an Arts Graduate and having experience of 17 years in looking after stores and purchase.	Station Road, Gulabpura, Dist. Bhilwara.	14.01.2004
4.	O P Kalya	Director	He is matriculate and having 20 years of experience in marketing.	B-267/268, Shastri Nagar, Bhilwara, Rajasthan	14.01.2004

6.12 The Directors of the Target Company do not represents any of the Acquirers.

6.13 There has been no merger / de-merger, spin-off during the past three Years in AKSL.

6.14. The Brief details of financials of AKSL are given as under:

(Rs.in Lacs)

Profit & Loss Statement	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Period Ended 30.09.2006* (Certified)
Income from Operations	1388.41	1468.00	1689.22	899.42
Other Income	3.47	3.36	2.13	0.58
Increase/Decrease in stocks	12.15	6.18	(55.70)	-
Total Income	1404.03	1477.54	1635.65	900.00
Total Expenditure	1272.18	1336.65	1492.38	831.14
Profit/ (Loss) Before Depreciation Interest and Tax	131.85	140.89	143.27	68.86
Depreciation	72.81	68.53	74.61	33.31
Interest	29.43	41.48	57.20	27.38
Profit/ (Loss) Before Tax	29.61	30.88	11.46	8.27
Provision for Tax	2.28	2.42	6.09	0.93
Profit/ (Loss) After Tax	27.33	28.46	5.37	7.34

(Rs.in Lacs)

Balance Sheet Statement	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Period Ended 30.09.2006* (Certified)
Sources of funds				
Paid-up Share Capital	335.45	335.45	335.45	335.45
Reserves and Surplus (excluding revaluation reserve)	188.83	213.84	221.20	228.54
Secured Loan	279.49	452.07	467.75	794.83
Unsecured Loan	141.47	46.06	75.55	120.66
Current Liabilities	136.57	192.23	160.67	7.73
Deferred Tax Liability	100.63	104.09	102.09	102.09
Total	**1182.44**	**1343.74**	**1362.71**	**1589.30**
Uses of Funds				
Net Fixed Assets	579.38	570.38	664.94	847.91
Investments	0.03	0.03	0.03	0.03
Net Current Assets	601.09	773.33	697.74	741.36
Misc. Expenses not written off	1.94	0	0	0
Total	**1182.44**	**1343.74**	**1362.71**	**1589.30**

Other Financial Data	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Period Ended 30.09.2006* (Certified)
Networth (in Rs.)	522.34	549.29	556.65	563.99
Dividend (%)	Nil	Nil	Nil	Nil
Earnings per share (in Rs.)	0.81	0.85	0.16	0.22
Return on Net worth (%)	5.23	5.18	0.96	1.30
Book Value per Share (in Rs.)	15.57	16.37	16.59	16.81

*As Certified by Mr. Om Prakash Dad (Membership No. 35373), Partner of O. P. Dad & Company, Chartered Accountants, Statutory Auditor of the company having office at 1st Floor, Balaji Complex, Pur Road, Bhilwara-311001, Rajasthan vide their certificate dated February 09, 2007

The figure of secured loan for the period ended 30.09.2006 has been increased to Rs 794.83 lacs from Rs 467.75 lacs for the period ended 31.03.2006 due to secured loan amount of Rs 327.08 lacs taken from Axis Bank in order to renovation cum expansion in Plant & Machinery.

Formula: - Return on Net Worth= (profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

6.15. The reason for fall/ rise in income and PAT in the relevant years are as under:

Year ended 31.3.2005

There was increase in profit as compared to the last year due to increased income from operations due to market demand.

Year ended 31.3.2006

There was decline in net profit for the year as compared to the previous year due to increase in cost of raw material prices like dyes & chemicals as well as increase in prices of the coal consumed during manufacturing process which had major impact in profitability for the year also competition from other market players contributed. Further the underutilization of capacity also affects the profitability of the company.

6.16 Pre and Post-Offer shareholding pattern of the Target Company is as per the following table:

Sr. No	Shareholder Category	Shareholding & Voting rights prior to the Acquisition and offer (A)		Shares/voting rights agreed to be acquired Which triggered off the Regulations (B)		Shares/Voting rights to be acquired in the open offer (assuming full acceptance) (C)		Shareholding/voting rights after the acquisition and Offer i.e. (A+B+C)	
		No.	%	No.	%	No.	%	No.	%
1	**(1) Promoter Group**								
	a. Parties to SPA								
	1. L P Kalya	277850	8.28	(196750)	(5.86)	Nil	Nil	#	#
	2. T L Kalya	383100	11.42	(196200)	(5.85)	Nil	Nil	#	#
	3. O P Kalya	320900	9.57	(320900)	(9.57)	Nil	Nil	Nil	Nil
	4. Basanti Lal Kalya	282300	8.42	(282300)	(8.42)	Nil	Nil	Nil	Nil
	5. S P Kalya	257050	7.66	(257050)	(7.66)	Nil	Nil	Nil	Nil
	6. Pushpa Kalya	184000	5.48	(169000)	(5.04)	Nil	Nil	#	#
	7. Kamla Kalya	174800	5.22	(159800)	(4.77)	Nil	Nil	#	#
	8. Manorma Kalya	167200	4.98	(167200)	(4.98)	Nil	Nil	Nil	Nil
	9. R P Kalya	95000	2.83	(95000)	(2.83)	Nil	Nil	Nil	Nil
	10. Bhagwati Devi Kalya	131000	3.90	(131000)	(3.90)	Nil	Nil	Nil	Nil
	11. Rajkumar Kalya	205600	6.14	(205600)	(6.14)	Nil	Nil	Nil	Nil
	12. Ashish Kalya	2500	0.07	(2500)	(0.07)	Nil	Nil	Nil	Nil
	13. Giriraj Ajmera	100	0.00	(100)	(0.00)	Nil	Nil	Nil	Nil
	Total	**2481400**	**73.97**	**(2183400)**	**65.09**	**Nil**	**Nil**	**Nil**	**Nil**
	b. Promoter Other than (a) above	31700	0.95	-	-	Nil	Nil	#	#
	Total (a+b)	**2513100**	**74.92**	**(2183400)**	**(65.09)**	**Nil**	**Nil**	**Nil**	**Nil**
2	**Acquirers**								
	(a) T C Chhabra	Nil	Nil	303200	9.04	167725	5.00	470925	14.04
	(b) Saroj Chhabra	Nil	Nil	294000	8.76	167725	5.00	461725	13.76
	© Saurabh Chhabra	Nil	Nil	162700	4.85	167725	5.00	330425	9.85
	(d) Fashion Suitings (P) Limited	Nil	Nil	1423500	42.44	167725	5.00	1591225	47.44
	Total 2(a)+(b)+(c)+d	**Nil**	**Nil**	**2183400**	**65.09**	**670900**	**20.00**	**2854300**	**85.09**
3	**Parties to the Agreement other than** 1a. & 2	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
4	**Public (other than Acquirer & parties to the Agreement)**								
	FIs / MFs / FIIs / Banks	Nil	Nil	Nil	Nil				
	Private Corporate Bodies	4400	0.13	Nil	Nil	(670900)	(20.00)	500200	14.91
	Others (including public shareholders)	837000	24.95	Nil	Nil				
	Total	**3354500**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**3354500**	**100.00**

Notes:

· The data within bracket indicates sale of equity shares.

the promoter mentioned under 1(b) can also participate in the offer hence reduction in their share holding is shown under public category along with the balance shareholding with sellers as after theoffer their holding will be part of Public holding.

6.17 The changes in the shareholding of the promoters of the company are as per the details mentioned below:

Year	No. of shares held by Promoters & PAC's	Paid up Equity Capital of the company	% of total capital	% Change in Shareholding of Promoters	Type of Transactions/ Remarks	Mode of Acquisition Acquisition
20.02.1997	1150000	3354500	34.28	-		
31.03.1997	1150000	3354500	34.28	-		
31.03.1998	1150000	3354500	34.28	-		
31.03.1999	1150000	3354500	34.28	-		
31.03.2000	1150000	3354500	34.28	-		
23.05.2000	1156900	3354500	34.49	0.21	No Compliance made under Regulation 7	Off Market Purchases
19.08.2000	1173600	3354500	34.99	0.50		
12.09.2000	1213600	3354500	36.18	1.19		
18.09.2000	1293600	3354500	38.56	2.38		
30.10.2000	1302700	3354500	38.83	0.27		---do--
17.04.2001	1303000	3354500	38.84	0.01	No Compliance made under Regulation 7	---do--
15.09.2001	1339400	3354500	39.93	1.09		
17.09.2001	1378600	3354500	41.10	1.17		
19.09.2001	1462900	3354500	43.61	2.51	-do-	---do--
31.03.2002	1462900	3354500	43.61	-		
13.09.2002	1542900	3354500	45.99	2.38	-do-	---do--
31.03.2003	1542900	3354500	45.99	-		
31.03.2004	1542900	3354500	45.99	-		
30.10.2004	2513100	3354500	74.92	28.93	No Compliance made under Regulation 11	-do-
31.03.2005	2513100	3354500	74.92	-		
31.03.2006	2513100	3354500	74.92	-		
31.03.2007	2513100	3354500	74.92	-		

6.18 As per the information received from the Target Company, the number of shareholders in AKSL in public category as on the date of PA is 841 (Eight Hundred Forty One only).

6.19 The Company has complied with the conditions of Corporate Governance as envisaged under clause 49 of the listing agreement, statutory auditors of the Company have certified compliance of conditions of corporate governance, this certificate is attached with annual report of the Target Company for the year ended March 31, 2006.

6.20 As per the information received from the target company, the following litigation matters are pending by and against the Company:

Year	Parties to disputes	Court/Authorities where the matters are pending	Amount Involved (Rs in lacs)
1997	Textile Commissioner Cess	Tribunal, Mumbai	28.66
2002-03	AKSL vs Excise Dept	CESTAT	5.22
2004-05	AKSL vs Excise Dept	CESTAT	0.82
2005-06	AKSL vs Excise Dept	DC, Bhilwara	0.61
2005-06	AKSL vs Excise Dept	DC, Bhilwara	2.33

6.21 The name and Contact details of the Compliance Officer are as under:-

Name of the Compliance Officer : Mr. Dinesh Porwal
Contact Address : 14 KM Stone, Bilia Kalan, Chittorgarh Road, Bhilwara.
Contact Number : (01482) 249002/05
Fax No. : (01482) 249007

6.22 The promoters, sellers of the target company is not fully complying with the provisions of Chapter II of the Regulations. The Target Company is also not complying with the provisions of Chapter II of the Regulations for the year 1997 to 2006. SEBI may initiate an appropriate action against the promoters and the target company for non compliance with Regulation 6, 7 and 8 of the SEBI(SAST)Regulations, 1997.

6.22 During the year 2004 there is inter se transfer of 680200 equity shares representing 20.28% of the total paid up share capital of the target company made between the promoters on 30.10.2004. In this respect Report under Regulation 3(4) of the Regulations has been filed with SEBI on 04.07.2007 seeking exemption from Chapter III of the Regulations. In this regard SEBI may initiate suitable action against the seller promoters for Non Compliance with Regulations in this respect at later stage.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The equity shares of AKSL are listed on The Delhi Stock Exchange Association Limited and The Jaipur Stock Exchange Limited.

7.1.2 The shares of AKSL have been infrequently traded at The DelhiStock Exchange Association Limited and The Jaipur Stock Exchange Limited, where they are listed during the preceding six calendermonths prior to the month of Public Announcement. The annualized trading turnover during the preceding the six calendar months ended January 2007 at the JSE and DSE vide their letter no. JSEL/2006/1882 dated 18.09.2006 and DSE/LIST/8428/NR/51 dated 11.09.2006 respectively, where the shares of the company are listed as follows:

Name of the Stock Exchange	**Total no. of equity shares traded during September, 2006 to February, 2007**	**Total no. of listed listed shares (% to total listed shares)**	**Annualized trading turnover**
DSE	Nil	33,54,500	Not Applicable
JSE	Nil	33,54,500	Not Applicable

7.1.3 As the shares of "AKSL" have not been traded/ infrequently traded at all the Stock Exchanges where they are listed/permitted to be traded during the preceding six calendar months prior to the month of this Public Announcement, the Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 has been determined taking into account the following parameters:

a.	The Negotiated Price	Rs 4.00/-(Rupees Four Only)
b.	Highest Price paid by Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or preferential issue during the 26 weeks prior to the date of PA	Not Applicable

c. Other Financial Parameters	**Based on the audited financial data for the year ended 31st March, 2006**	**Based on the certified financial data for the year ended 30th September, 2006***
1. Return on Net Worth (%)	0.96	1.30
2. Book Value per share (Rs.)	16.59	16.81
3. Earning per share (Rs.)	0.16	0.22
4. Price Earning Multiple (with reference to the Offer price of Rs. 13/- per share)	81.25	76.41
5. The average industry P/E for the sector in which AKSL operates (Source: Capital Market Journal, edition January 29, 2007 to February 11, 2007 (Industry Textile-Spinning)	9.1	

*As Certified by Mr. Om Prakash Dad (Membership No. 35373), Partner of O. P. Dad & Company, Chartered Accountants, Statutory Auditor of the company having office at 1st Floor, Balaji Complex, Pur Road, Bhilwara-311001, Rajasthan vide their certificate dated February 09, 2007

Further Mr. Om Prakash Dad ,(Membership No. 35373), Partner of O. P. Dad & Company, Chartered Accountants, having office at 1st Floor, Balaji Complex, Pur Road, Bhilwara-311001, Rajasthan, Phone No. (01482) 246011, 246864 vide their Certificate dated February 08, 2007 have valued the equity shares of the AKSL. The relevant extracts of the report is stated as under:-

- Net Asset Value (NAV): The Net Asset Value is Rs. 16.59 per share as per the audited annual accounts for the year ended 31.03.2006
- Profit Earning Capacity Value (PECV): The average profit after tax for last 3 financial years ending as on 31.03.2006 as per audited annual accounts are Rs. 18.48 Lacs. Based on that, EPS of the Company comes to be 0.55. Hence, the PECV of the company is Rs. 5.00 per share.
- Market based value: For calculating per share value with reference to the Market Value, the last three years average of high/ Low prices of the company's share as per the DSE and JSE Sensex has been considered.
  Considering the Supreme Court's Decision in the case of Hindustan Lever Employees Union Vs. Hindustan Lever Limited (1995) reported at (83 Company Cases 30) wherein the Apex Court has opined that the fair value of a Listed Company could be assessed based on the following weights:

Method	**Price per Share (in. Rs.)**	**Weight**	**Product**
Net Asset Value	16.59	2	33.18
Price Earning Capacity Value	5.00	1	5.00
Market Value	Nil	Nil	Nil
Total			38.18
	Per Share Value (In Rs.)		**12.73**

Therefore, in the case under reference, the fair value per share is Rs. 12.73/ per share.

7.1.4 Therefore, based on the fair value of Rs.12.73/- as calculated above, the offer price of Rs. 13/- in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 is justified.

7.2 Justification of Offer Price in view of transaction made on October 30, 2004 which triggered Off the Chapter III of the Regulations.

7.2.1 The equity shares of AKSL are listed on The Delhi Stock Exchange Association Limited and The Jaipur Stock Exchange Limited.

7.2.2 The shares of AKSL have been infrequently traded at The DelhiStock Exchange Association Limited and The Jaipur Stock Exchange Limited, where they are listed during the preceding six calendermonths prior to the month of Public Announcement. The annualized trading turnover during the preceding the six calendar months ended September 2004 at the JSE and DSE, where the shares of the company are listed as follows:

Name of the Stock Exchange	Total no. of equity shares traded during April, 2004 to September, 2004	Total no. of listed shares	Annualized trading turnover (% to total listed shares)
DSE	Nil	33,54,500	Not Applicable
JSE	Nil	33,54,500	Not Applicable

7.2.3 As the shares of "AKSL" have not been traded/ infrequently traded at all the Stock Exchanges where they are listed/permitted to be traded during the preceding six calendar months prior to the month of this Public Announcement, the Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 has been determined taking into account the following parameters:

a.	The Negotiated Price	Rs Rs 3.00 (Rupees Three Only)
b.	Highest Price paid for acquisition, if any, including by way of allotment in a public or rights issue or preferential issue during the 26 weeks prior to the date of PA	Rs 13.00 (Rupees Thirteen Only)

c.	Other Financial Parameters	Based on the Audited financial data for the year ended 31st March, 2004.
1.	Return on Net Worth (%)	5.23
2.	Book Value per share (Rs.)	15.57
3.	Earning per share (Rs.)	0.81
4.	Price Earning Multiple (with reference to the Offer price of Rs. 13/- per share)	16.05

Further Mr. Om Prakash Dad ,(Membership No. 35373), Partner of O. P. Dad & Company, Chartered Accountants, having office at 1st Floor, Balaji Complex, Pur Road, Bhilwara-311001, Rajasthan, Phone No. (01482) 246011, 246864 vide their certificate dated November 08, 2007 have valued the equity shares of the AKSL. The relevant extracts of the report is stated as under:-

- Net Asset Value (NAV): The Net Asset Value is Rs. 15.57 per share as per the audited annual accounts for the year ended 31.03.2004.
- Profit Earning Capacity Value (PECV): The average profit after tax for last 3 financial years ending as on 31.03.2004 as per audited annual accounts are Rs. 26.88 Lacs. Based on that, EPS of the Company comes to be Rs 0.80 per share. Hence, the PECV of the company comes to Rs. 5.33 per share.
- Market based value: For calculating per share value with reference to the Market Value, the last three years average of high/ Low prices of the company's share as per the DSE and JSE Sensex has been considered.

  Considering the Supreme Court's Decision in the case of Hindustan Lever Employees Union Vs. Hindustan Lever Limited (1995) reported at (83 Company Cases 30) wherein the Apex Court has opined that the fair value of a Listed Company could be assessed based on the following weights:

Method	Price per Share (in. Rs.)	Weight	Product
Net Asset Value	15.57	1	15.57
Price Earning Capacity Value	5.33	1	5.33
Market Value	Nil	Nil	Nil
Total			20.90
	Per Share Value (In Rs.)		**10.45**

Therefore, in the case under reference, the fair value per share is Rs. 10.45 per share.

7.2.4 Therefore, based on the fair value of Rs. 10.45 as calculated above, the Offer price of Rs. 13/- in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 is justified in view of abovesaid transaction.

7.2.5 The Acquirers to the said Offer have agreed to pay interest amount of Rs 3.82 per share calculated @10% on the Offer price of Rs 13.00 per share, which has been calculated above in view of transaction made on October 30, 2004 by the existing promoters of the target company, aggregating to Rs 16.82 (Rupees Sixteen and Paisa Eighty Two Only) for the period February 02, 2005 (i.e the scheduled last date by which payment should have been dispatch to the shareholders in respect of Offer to be given to the shareholders of target company but not given during the year 2004) to January 10, 2008 i.e the scheduled last date by which payment will be dispatch to the shareholders in terms of this instant Offer.

7.3 There is no non-compete agreement.

7.4 If the Acquirers acquire equity shares after the date of Public Announcement upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

7.5 Financial Arrangements

7.5.1 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 1,12,84,538 (Rupees One Crore Twelve Lacs Eighty Four Thousand Five Hundred and Thirty Eight Only). The Acquirers have adequate resources to meet the financial requirements of the Offer. The acquisition will be financed through internal / personal resources and no borrowings from banks / FIs etc., is being made.

7.5.2 The Acquirers have adequate resources to meet the financial requirements of the Offer as per the following:

(i) Mr. B C Jain, Proprietor of M/s Bhagchand & Associates, Chartered Accountants, having Office at S-4, Geej Garh Vihar, Opp Nandpuri Post Office, Hawa Sarak, Jaipur-302019 (Membership No. 70989) Phone No. (0141) 2211656 has certified vide their certificate dated 26.11.2007 that the Net Worth of Mr. Tilok Chand Chhabra as on 31.03.2007 is Rs. 470.64 Lacs and the letter also confirms that he has sufficient means to fulfill his part of obligations under this instant Offer.

(ii) Mr. B C Jain, Proprietor of M/s Bhagchand & Associates, Chartered Accountants, having Office at S-4, Geej Garh Vihar, Opp Nandpuri Post Office, Hawa Sarak, Jaipur-302019 (Membership No. 70989) Phone No. (0141) 2211656 has certified vide their certificate dated 26.11.2007 that the Net Worth of Mrs. Saroj Chhabra as on 31.03.2007 is Rs. 382 Lacs and the letter also confirms that She has sufficient means to fulfill her part of obligations under this Offer.

(iii) Mr. B C Jain, Proprietor of M/s Bhagchand & Associates, Chartered Accountants, having Office at S-4, Geej Garh Vihar, Opp Nandpuri Post Office, Hawa Sarak, Jaipur-302019 (Membership No. 70989) Phone No. (0141) 2211656 has certified vide their certificate dated 26.11.2007 that the Net Worth of Mr. Saurabh Chhabra as on 31.03.2007 is Rs. 809.99 Lacs and the letter also confirms that he has sufficient means to fulfill his part of obligations under this Offer.

(iv) Mr. B C Jain, Proprietor of M/s Bhagchand & Associates, Chartered Accountants, having Office at S-4, Geej Garh Vihar, Opp Nandpuri Post Office, Hawa Sarak, Jaipur-302019 (Membership No. 70989) Phone No. (0141) 2211656 has certified vide their certificate dated 26.11.2007 that the Net Worth of Fashion Suitings (P) Ltd as on 31.03.2007 is Rs. 3307.55 Lacs and the letter also confirms that it has sufficient means to fulfill its part of obligations under this Offer

7.5.3 As per Regulation 28 of SEBI (SAST) Regulations, 1997, the Acquirers have opened an Escrow Account with HSBC Bank, Barakhamba Road, New Delhi, and have deposited Rs 1,12,91,247 (Rupees One Crore Twelve Lacs Ninty One Thousand Two Hundred and Forty Seven Only), being more than 100% of the amount required for the Open Offer.

7.5.4 The Acquirers have duly empowered M/s Chartered Capital And Investment Limited, Manager to the Offer, to realise the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997.

7.5.5 The Manager to the Offer, M/s Chartered Capital And Investment Limited, hereby confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligation under the SEBI (SAST) Regulations, 1997.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 Persons eligible to participate in the Offer

8.1.1 Registered shareholders of AKSL and unregistered shareholders who own the equity shares of AKSL any time prior to the date of Closure of the Offer, other than the parties to the SPA.

8.2 None of the existing shares of AKSL are under any Lock-in requirements.

9. STATUTORY APPROVALS

9.1 As on the date of Public Announcement, no approval from any Bank/Financial Institutions is required for the purpose of this Offer, to the best of the knowledge of the Acquirers.

9.2 As on the date of Public Announcement, to the best of the Acquirer's knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

9.3 The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of Offer.

9.4 SEBI has the power to grant extension of time to the Acquirer for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22 (12) of the SEBI (SAST) Regulations, 1997, if there is any delay in receipt of statutory approval. If, however, the delay in obtaining the requisite approval takes place on account of any willful default by the Acquirers, then provision contained in Regulation 22 (13) of the SEBI (SAST) Regulations, 1997 will also become applicable.

10. Others

10.1 Accidental omission to despatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

10.2 This Letter of Offer has been mailed to all the shareholders of AKSL other than parties to the agreement, whose names appeared on the Register of Members of AKSL as on **April 05, 2007 (Thursday)** being the Specified Date.

10.3 Unaccepted Share/ Shares Certificates, Share Transfer Forms and other documents, if any, will be returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

10.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

11. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

11.1 Shareholders who wish to tender their equity shares will be required to send their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and duly signed Share Transfer Form(s) to the Registrar to the Offer by hand delivery / registered post or through courier, as the case may be, at the address mentioned in Para 9.12 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. Shares and other relevant documents should not be sent to the Acquirers/Sellers and Target Company.

11.2 Shareholders of AKSL to whom this Offer is being made, are free to Offer his/her/ their equity shares of AKSL for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in this Offer.

11.3 Shareholders who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post or courier as the case may be, on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e. December 26, 2007.

- Form of Acceptance, duly completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with AKSL.
- Relevant Original Share Certificate(s).
- Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing in the Register of Members of AKSL or on the Share Certificate issued by AKSL) as per the specimen signature(s) lodged with AKSL and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognised stock exchange with membership number). Please do not fill in any other details in the Share Transfer Deed. In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer as mentioned hereafter.
- Where the Transfer Deed(s) are executed by Constituted Attorney, attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer.

11.4 In case the equity shares are held by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

11.5 In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court.

11.6 The Offer documents are being dispatched to only those shareholders, who are eligible to participate in the Offer. As the Acquirers and the parties to the agreement are not eligible, the Offer documents are not sent to them.

11.7 In case of non-receipt of Letter of Offer, the eligible shareholders may send his / her / their applications to the Registrar to the Offer on the address mentioned hereinbelow, on a plain paper stating the name, address, number of equity shares held, folio number(s), certificate number(s), distinctive number(s), and number of shares tendered along with the relevant documents as mentioned hereinabove, so as to reach them on or before **5.00 PM** upto the date of closure of the Offer i.e. December 26, 2007.

11.8 Persons who own equity shares of AKSL any time prior to the date of Offer Closure, but are not registered holders, can tender their equity shares for purchase by the Acquirers, by communicating his / her / their desire to tender, in writing to the Registrar to the Offer and obtain from them a copy of the Letter of Offer, the Application Form and Transfer Deed(s) and lodge the same along with the relevant Share Certificate(s) and other documents, as mentioned hereinabove together with the Original Contract Note issued by a registered Stock Broker of a recognized Stock Exchange, only at the address of Registrar to the Offer.

11.9 An unregistered shareholder can send his / her / their application to the Registrar to the Offer on the address mentioned in para 11.12, on a **plain paper** stating the name, address, number of shares held, folio number(s), certificate number(s), distinctive number(s) and number of equity shares tendered along with the relevant documents as mentioned hereinabove, so as to reach them **on or before 5.00 PM** on December 26, 2007. The forms are also available on SEBI's website, www.sebi.gov.in

11.10 No indemnity is required from the unregistered shareholders.

11.11 In case the Share Certificate(s) and the instrument(s) of transfer are lodged for transfer with AKSL, then the **Form of Acceptance** should be accompanied by (i) the Share Transfer Deed(s) and (ii) the acknowledgement of lodgement or receipt issued by AKSL. Whereas the Transfer Deed(s) are executed by Constituted Attorney, also attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer along with the acknowledgement of lodgement or receipt issued by AKSL. In case the equity shares are lodged by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed along with **the Form of Acceptance** and the acknowledgement of lodgement or receipt issued by AKSL.

11.12 The following collection centre would be accepting the documents as specified above.

Address of Registrar to the Offer:

Sr. No.	Address of Registrar to the Offer	Business Hours	Mode of Delivery
1.	**Beetal Financial & Computer Services Pvt. Limited** Beetal House, 3rd Floor, 99, Madangir, Near Dada Harsukh Das Mandir, New Delhi-110062.Tel: 011-29961281/82, Fax: 011- 29961284, email: beetal@rediffmail.com **Contact Person: Mr. Punit Mittal**	Monday to Friday 10.30 AM to 5.00 PM Saturday 10.30 AM to 1.30 PM	Hand Delivery / Courier/ Registered Post

Holidays: Sundays and Bank Holidays

11.13 The Registrar to the Offer will hold in trust the shares / share certificates, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of AKSL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

11.14 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the date of Closure of the Offer i.e. December 21, 2007. The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed in the Letter of Offer. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 5.00 PM upto the last date of withdrawal i.e. December 21, 2007.

11.15 The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum-Acknowledgement / Plain paper application submitted and the Acknowledgement slip. In case of non receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:-

i) Name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares.

ii) The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer. Shares withdrawn by shareholders would be returned to the shareholders by Registered post.

11.16 Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by the Acquirers, the Acquirers shall accept the Offers received from the shareholders on a proportionate basis in consultation with the Merchant Banker taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in Non Marketable Lot in terms of Regulation 21(6) of the Regulations and intimation of returned shares to the shareholders will be sent at the address as per the records of AKSL.

11.17 Acquirers will acquire all the 6,70,900 fully paid-up equity shares tendered in the Offer with valid applications.

12 Method of Settlement

12.1 At present, the marketable lot of AKSL is 100 {Hundred} equity shares.

12.2 The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents tendered by the shareholders of AKSL under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirers only upon the fulfillment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.

12.3 On fulfillment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirers will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of AKSL whose equity shares are accepted by the Acquirers at his address registered with AKSL. **It is desirable that shareholders provide bank details of the first/ sole shareholder in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque/demand draft.**

12.4 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder.

12.5 The Acquirers shall endeavour to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer i.e. **January 10, 2008**,Thursday)}including payment of consideration to the shareholders of AKSL whose equity shares are accepted for purchase by the Acquirers.

12.6 In case of non-receipt of any of statutory approvals required, as per regulation 22(12), SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirers will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

13. General

13.1 The Form of Acceptance and instructions contained therein are integral part of this Letter of Offer.

13.2 Neither the Acquirers nor the Manager nor the Registrar nor the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of AKSL.

13.3 The Offer Price is denominated and payable in Indian Rupees only.

13.4 All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

13.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirers till the last day of revision, viz., at any time upto seven working days prior to the date of closure of the Open Offer or withdrawal of the Offer i.e. **December 17, 2007** the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

13.6 "If there is competitive bid:

13.6.1 The Public Offers under all the subsisting bids shall close on the same date.

13.6.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the Offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly"

13.7 Acquirers does not hold any shares in the Target Company.

13.8 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer on or before 5.00 PM upto three working days prior to the date of Closure of the Offer, i.e. December 21, 2007.

13.9 Alternatively, a copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of

Withdrawal cum Acknowledgement can be obtained from SEBI's official **web-site: www.sebi.gov.in.**

13.10 The Manager to the Offer i.e. Chartered Capital And Investment Limited does not hold any shares in AKSL as on the date of PA.

13.11 Applications which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of Offer i.e. December 26, 2007 be approved and the shares so offered would be accepted by the Acquirers free from all lien, charges, encumbrances along with all the rights attached to the shares like the right to all dividends, bonus and right shares and all other rights as are attached to such acquired shares.

14. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at 13, Community Centre, East of Kailash, New Delhi - 110065 from 10.30 A.M. to 1.00 P.M. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

14.1 Net Worth certificates issued by Mr. B C Jain, Proprietor of Bhagchand & Associates, Chartered Accountants, certifying the net worth of Mr Tilok Chand Chhabra (acquirer) and adequacy of financial resources with the Acquirer to fulfill his part of open Offer obligations.

14.2 Net Worth certificates issued by Mr. B C Jain, Proprietor of Bhagchand & Associates, Chartered Accountants, certifying the net worth of Mrs Saroj Chhabra (acquirer) and adequacy of financial resources with the Acquirer to fulfill his part of open Offer obligations.

14.3 Net Worth certificates issued by Mr. B C Jain, Proprietor of Bhagchand & Associates, Chartered Accountants, certifying the net worth of Mr Saurabh (acquirer) and adequacy of financial resources with the Acquirer to fulfill his part of open Offer obligations.

14.4 Net Worth certificates issued by Mr. B C Jain, Proprietor of Bhagchand & Associates, Chartered Accountants, certifying the net worth of M/s Fashion Suitings Private Limited (acquirer) and adequacy of financial resources with the Acquirer to fulfill its part of open Offer obligations.

14.5 Audited Annual Reports of AKSL for the years ended March 31, 2004, 2005, 2006 as well as certified financial figures for the period ending 30.09.2006.

14.6 Audited Annual Reports of FSPL for the years ended March 31, 2004, 2005, 2006 as well as certified financial figures for the period ending 30.09.2006

14.7 Certificate of Incorporation, Memorandum & Articles of Association of AKSL.

14.8 Certificate of Incorporation, Memorandum & Articles of Association of FSPL.

14.9 The report of Mr. O P Dad, Partner of M/s O.P. Dad & Co., Chartered Accountants on justification of Offer Price in respect of instant Offer.

14.10 The report of Mr. O P Dad, Partner of M/s O.P. Dad & Co., Chartered Accountants on justification of Offer Price in respect of Offer to be made during the year 2004.

14.11 Certificate from HSBC Bank confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation 1997.

14.12 Published copy of the Public Announcement, which appeared in the newspapers on March 14, 2007 and Corrigendum to Public Announcement which appeared in newspapers on December 03, 2007.

14.13 Copy of Share Purchase Agreement (SPA) dated March 12, 2007..

14.14 Copy of letter from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

15. DECLARATION BY THE ACQUIRERS

The Acquirers Mr Tilok Chand Chhabra, Mrs Saroj Chhabra, Mr Saurabh Chhabra and Directors of Fashion Suitings (P) Limited, accept full responsibility for the information contained in this Letter of Offer (except for the information regarding the Target Company which has been compiled from the publicly available information) and for ensuring compliance with the Regulations.

Each of the Acquirers would be severally and jointly responsible for ensuring compliance with the Regulations

All information contained in this document is as on the date of the Public Announcement, true unless stated otherwise.

For and on behalf of the Acquirers

(Tilok Chand Chhabra)

Place: Bhilwara
Date: 01.12.2007

16. ENCLOSURES

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal cum Acknowledgement
3. Blank Share Transfer Deed(s).

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION (Please send this Form of Acceptance with enclosures to the Registrar to the Offer)		
OFFER OPENS ON **OFFER CLOSES ON**	: :	**December 07, 2007 (Friday)** **December 26, 2007 (Wednesday)**
Please read the Instructions overleaf before filling-in this Form of Acceptance		

From:

FOR OFFICE USE ONLY
Acceptance Number
Number of equity shares Offered
Number of equity shares accepted
Purchase consideration (Rs.)
Cheque/Demand Draft/Pay Order No.

Tel. No.: Fax No.: E-mail:

To,
Acquirers
C/o Beetal Financial & Computer Services P. Ltd.
Beetal House, 3rd Floor, 99,
Madangir, Near Dada Harsukh Das Mandir,
New Delhi-110062

Dear Sir/s,

Sub: Open Offer to Acquire 6,70,900 fully paid up equity shares of Rs. 10/- each representing 20% of the total voting capital of A K Spintex Limited at a price of Rs. 16.82 per fully paid equity share of Rs.10/- each by Mr Tilok Chand Chhabra, Mrs Saroj Chhabra, Mr Saurabh Chhabra and Fashion Suitings(P) Limited

I / we, refer to the Letter of Offer dated 01.12.2007 for acquiring the equity shares held by me / us in **A K SPINTEX LIMITED.**

I / we, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I / We, unconditionally Offer to sell to Mr Tilok Chand Chhabra, Mrs Saroj Chhabra, Mr Saurabh Chhabra and Fashion Suitings(P) Limited (hereinafter referred to as the "Acquirers") the following equity shares in **A K SPINTEX LIMITED.** (hereinafter referred to as "AKSL") held by me / us, at a price of Rs. 16.82 per fully paid-up equity share.

1. I/We enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our equity shares as detailed below (please enclose additional sheet(s), if required).

Ledger Folio No……………………………… Number of share certificates attached………………..Representing ………………………… equity shares

Number of equity shares held in AKSL		**Number of equity shares Offered**	
In figures	**In words**	**In figures**	**In words**

Sr. No.	**Share Certificate No.**	**Distinctive Nos.**		**No. of equity shares**
		From	**To**	
1				
2				
3				
Total no. of Equity Shares				

2. I / We confirm that the equity shares of AKSL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.

3. I / We authorize the Acquirers to accept the equity shares so offered or such lesser number of equity shares that the Acquirers may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirers to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirers to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.

4. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirers, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these equity shares. I / We agree that the Acquirers may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.

5. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirers makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be.

6. I/We note and understand that the Shares would held in trust by the Registrar until the time the Acquirers makes payment of purchase consideration as mentioned in the Letter of Offer.

7. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.

8. I / We irrevocably authorise the Acquirers to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with AKSL:

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with

A K SPINTEX LIMITED):--

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Place: ----------------- Date: ------------------ Tel. No(s). : ----------------- Fax No.: -------------------

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical mode may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Bank Account No.: --------------------------------- Type of Account: --------------------------------
(Savings / Current / Other (please specify))

Name of the Bank: --

Name of the Branch and Address: ---

The Permanent Account No. (PAN / GIR No.) allotted under the Income Tax Act, 1961 is as under:

1st Shareholder	2nd Shareholder	3rd Shareholder
PAN / GIR No.		

Yours faithfully,
Signed and Delivered:

FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder	
Joint Holder 1	
Joint Holder 2	

Note: *In case of joint holdings all the holders must sign. In case of body corporate, stamp of the Company should be affixed and necessary Board Resolution should be attached.*

INSTRUCTIONS

1 Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.

2 The Form of Acceptance should be filled-up in English only.

3 Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.

4 Mode of tendering the Equity Shares Pursuant to the Offer:

I. The acceptance of the Offer made by the Acquirers is entirely at the discretion of the equity shareholder of AKSL.

II. Shareholders of AKSL to whom this Offer is being made, are free to Offer his / her / their shareholding in AKSL for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in the Offer.

5. Business Hours : Mondays to Friday : 10.30 AM to 5.00 PM
Saturday : 10.30 AM to 1.30 PM
Holidays : Sundays and Bank Holidays

ACKNOWLEDGEMENT SLIP

Sub: Open Offer to Acquire 6,70,900 fully paid up equity shares of Rs. 10/- each representing 20% of the total voting capital of A K Spintex Limited at a price of Rs.16.82 per fully paid equity share of Rs.10/- each by Mr Tilok Chand Chhabra, Mrs Saroj Chhabra, Mr Saurabh Chhabra and Fashion Suitings(P) Limited

Received from Mr. / Ms.. ……………………...…………………………………………….. Ledger Folio No/ -----------------Number of certificates enclosed..…………… under the Letter of Offer dated ____________________, Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

Sr. No.	Share Certificate No.	Distinctive Nos.		No. of equity shares
		From	To	
1.				
2.				
3.				
		Total no. of Equity Shares		

Stamp

Authorised Signatory

Date

Note: All future correspondence, if any, should be addressed to **Registrar to the Offer**

Be**etal Financial & Computer Services Pvt. Limited**
Beetal House, 3rd Floor, 99, Madangir,
Near Dada Harsukh Das Mandir,
New Delhi-110062
E. Mail: beetal@rediffmail.com
Tel. No.: 29961281-82, Fax No.: 29961284
Contact Person: Mr. Punit Mittal

FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as prescribed thereto in the Letter of Offer)

OFFER OPENS ON	**December 07, 2007 (Friday)**
LAST DATE OF WITHDRAWAL	**December 21, 2007 (Friday)**
OFFER CLOSES ON	**December 26, 2007 (Wednesday)**

Please read the Instruction in Letter of Offer and overleaf before filling-in this Form of Withdrawal Form:

FOR OFFICE USE ONLY
Withdrawal Number
Number of equity shares Offered
Number of equity shares withdrawn

Tel. No.: Fax No.: E-mail:

To,

Acquirers
C/o Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99,
Madangir, Near Dada Harsukh Das Mandir,
New Delhi-110062

Dear Sirs,

Sub: Open Offer to Acquire 6,70,900 fully paid up equity shares of Rs. 10/- each representing 20% of the total voting capital of A K Spintex Limited at a price of Rs.16.82 per fully paid equity share of Rs.10/- each by Mr Tilok Chand Chhabra, Mrs Saroj Chhabra, Mr Saurabh Chhabra and Fashion Suitings(P) Limited

Dear Sir,

I/We refer to the Letter of Offer dated 01.12.2007 for acquiring the equity shares held by me/us in **A K SPINTEX LIMITED.**

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I/We wish to withdraw our acceptance tendered in response to the said Offer. We had deposited/sent our 'Form of Acceptance' to you on __________ alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

Sr. No.	**Certificate No.**	**Distinctive No(s)**		**No. of Shares**
		From	**To**	
Total number of equity shares				

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed will be held in trust for me/us by you and **authorize you not to remit** the consideration as mentioned in the Letter of Offer.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,

Signed and Delivered:

FULL NAME OF THE HOLDER (S)	SIGNATURE (S)
First/Sole Shareholder	
Joint Holder 1	
Joint Holder 2	

Place:

Date:

Note: *In case of joint holdings all the holders must sign. In case of body corporate, stamp of the Company should be affixed and necessary Board Resolution should be attached.*

--TEAR HERE------------------------------------

Folio No.:

Beetal Financial & Computer Services Pvt. Limited
Beetal House, 3rd Floor, 99, Madangir,
Near Dada Harsukh Das Mandir,
New Delhi-110062
E. Mail: beetal@rediffmail.com
Tel. No.: 29961281-82,
Fax No.: 29961284
Contact Person: Mr. Punit Mittal

Serial No.:
(Acknowledgement Slip)

Received from Mr./Ms.____

____

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer

Address ____

Form of withdrawal in respect of __________ Number of Share Certificates representing _________ number of shares.

Note: All future correspondence, if any, should be addressed to **Registrar to the Offer**

Beetal Financial & Computer Services Pvt. Limited
Beetal House, 3rd Floor, 99, Madangir,
Near Dada Harsukh Das Mandir,
New Delhi-110062
E. Mail: beetal@rediffmail.com
Tel. No.: 29961281-82, Fax No.: 29961284
Contact Person: Mr. Punit Mittal

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 5.00 p.m. hours upto the last date of withdrawal i.e. December 21, 2007. (Friday)
2. Shareholders should enclose the following:

   Registered Shareholders should enclose:

   i. Duly signed and completed Form of Withdrawal.

   ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.

   iii. In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

   Unregistered owners should enclose:

   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
3. The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from AKSL. The facility of partial withdrawal is available only on to Registered shareholders.