

## LETTER OF OFFER

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

*This Letter of Offer is sent to you as shareholder(s) of **Anil Special Steel Industries 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 Anil Special Steel Industries 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

**Mr. Sudhir Khaitan (Acquirer)**

R/o Opp. Governor House, Jaipur

Ph.: (0141) 2470211-212,

Fax: (0141) 2470863

**Alongwith Persons Acting in Concert (PACs) with him**

(i.e. Mrs. Sita Devi Khaitan, Mr. Sunil Kumar Khaitan, Mr. Anil Khaitan, Mr. Umaesh Kumar Khaitan, Mrs. Sashi Prabha Khaitan, Mrs. Kavita Khaitan, Mrs. Rashmi Khaitan, Mrs. Sarita Khaitan, Mrs. Sunita Khaitan, M/s Mangalam India Limited, M/s Magadh Traders Limited and M/s Niharika India Limited).

**To**

**Acquire 13,57,836 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital and resultant voting rights of Target Company at a price of Rs. 20/- (Rupees Twenty Only) per fully paid equity share and Rs. 15/- (Rupees Fifteen Only) per partly paid up equity shares ("Offer Price"), along with interest of Rs. 3.41 (Rupees Three & Paise Forty One Only) per fully paid up equity share and Rs. 2.56 (Rupees Two & Paise Fifty Six Only) per partly paid up equity share payable in cash.**

**Pursuant to the Regulation 11(1) of  
Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)  
Regulations, 1997 and subsequent amendments thereof  
Of**

**ANIL SPECIAL STEEL INDUSTRIES LIMITED**

**Registered Office:** Kanakpura, P.O. Meenawala, Jaipur-302012.

Tel No: (0141) 2470211-212-215, Fax No: (0141) 2470299

**ATTENTION:**

1. **The offer is not a conditional offer.**
2. Approval for transfer of shares of a company registered in India by a Non Resident to a person resident in India is required. The Acquirer shall apply for approval from RBI for transfer of shares in their name in due course after successful completion of this Offer.
3. 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. **Wednesday, April 04, 2007**
4. 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 **Thursday, March 29, 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.
5. **If there is a Competitive Bid:**

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

**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.**

**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](http://www.sebi.gov.in)**

**FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 25 TO 28)**

**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  
CHARTERED CAPITAL & INVESTMENT  
LIMITED**

13, Community Centre, East of Kailash,  
New Delhi – 110065.  
Tel nos.: 011-26419079/ 26218274;  
Fax no.: 011 - 26219491;  
email: [delhi@chartercapital.net](mailto:delhi@chartercapital.net)  
[chartercapital@gmail.com](mailto:chartercapital@gmail.com)  
Contact Person: **Mr Priyaranjan**



**Registrar to the Offer  
MCS Limited**

Sri Venkatesh Bhavan, W-40  
Okhla Industrial Area, Phase- II  
New Delhi-110020.  
Tel: 011- 41406149/51/52  
Fax: 011- 41709881  
E.Mail: [admin@mcsdel.com](mailto:admin@mcsdel.com)  
Contact Person: Mr Aniruddha Mitra

### SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

| <b>Sr. No.</b> | <b>Activity</b>                                                                                                                                                                                         | <b>Original Schedule<br/>( Date and Day)</b> | <b>Revised Schedule<br/>(Date and Day)</b> |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------------------------------------|
| <b>1.</b>      | <b>Date of Public Announcement (PA)</b>                                                                                                                                                                 | <b>November 24, (Thursday)</b>               | <b>November 24, (Thursday)</b>             |
| 4.             | Specified Date                                                                                                                                                                                          | December 21, 2005<br>(Wednesday)             | December 21, 2005 Wednesday)               |
| <b>5.</b>      | <b>Last Date for a Competitive Bid(s)</b>                                                                                                                                                               | <b>December 15, 2005<br/>(Thursday)</b>      | <b>December 15, 2005,<br/>(Thursday)</b>   |
| 6.             | Date by which Letter of Offer will be dispatched to the Shareholders                                                                                                                                    | January 4, 2006, (Wednesday)                 | March 17, 2007, (Saturday)                 |
| <b>2.</b>      | <b>Offer Opening Date</b>                                                                                                                                                                               | <b>January 13, 2006 (Friday)</b>             | March 21, 2007, (Wednesday)                |
| <b>3.</b>      | <b>Last Date for the Revision of the Offer Price / Number of Equity Shares.</b>                                                                                                                         | <b>January 23, 2006, (Monday)</b>            | March 29, 2007, (Thursday)                 |
| 4.             | Last date to withdraw acceptance tendered by shareholders                                                                                                                                               | January 27, 2006 (Friday)                    | April 04, 2007, (Wednesday)                |
| <b>5.</b>      | <b>Offer Closing Date</b>                                                                                                                                                                               | <b>February 01, 2006<br/>(Wednesday)</b>     | <b>April 09, 2007 (Monday)</b>             |
| 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. | February 16, 2006 (Thursday)                 | April 24, 2007 (Tuesday)                   |

## 1. TABLE OF CONTENTS

| Sr. No. | Particulars                                                              | Page No. |
|---------|--------------------------------------------------------------------------|----------|
| 1       | Risk Factors                                                             | 3        |
| 2       | Disclaimer Clause                                                        | 3-4      |
| 3       | Details of the Offer                                                     | 4-6      |
| 4       | Background of the Acquirer, PACs and Deemed PACs                         | 6-16     |
| 5       | Disclosure in terms of Regulation 21(3)                                  | 16       |
| 6       | Background of the Target Company – Anil Special Steel Industries Limited | 16-22    |
| 7       | Offer Price and Financial Arrangements                                   | 23-24    |
| 8       | Terms and Conditions of the Offer                                        | 25       |
| 9       | Procedure for Acceptance and Settlement of Offer                         | 25-28    |
| 10      | Documents for Inspection                                                 | 28       |
| 11      | Declaration by the Acquirer                                              | 28       |
| 12      | Enclosures                                                               | 28       |

## DEFINITIONS

|     |                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.  | Acquirer or The Acquirer                 | Mr. Sudhir Khaitan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 2.  | ASSIL                                    | Anil Special Steel Industries Limited, that is, Target Company                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 3.  | BSE                                      | Bombay Stock Exchange Limited, Mumbai                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 4.  | CSE                                      | The Calcutta Stock Exchange Association Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 5.  | DIP Guidelines                           | SEBI (Disclosure & Investor Protection) Guidelines, 2000 and subsequent amendments thereto.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 6.  | DSE                                      | The Delhi Stock Exchange Association Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 7.  | FEMA                                     | Foreign Exchange Management Act, 1999                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 8.  | Form of Acceptance                       | Form of Acceptance cum Acknowledgement                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 9.  | Form of Withdrawal                       | Form of Withdrawal cum Acknowledgement                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 10. | Guidelines                               | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto                                                                                                                                                                                                                                                                                                                                                                 |
| 11. | JSE                                      | The Jaipur Stock Exchange Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| 12. | LOO, or Letter of Offer                  | Offer Document                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 13. | Manager to the Offer or, Merchant Banker | Chartered Capital and Investment Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 14. | Offer or The Offer                       | 13,57,836 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital and resultant voting rights of Target Company at a price of Rs. 20/- (Rupees Twenty Only) per fully paid equity share and Rs. 15/- (Rupees Fifteen Only) per partly paid up equity shares ("Offer Price"), along with interest of Rs. 3.41 (Rupees Three & Paise Forty One Only) per fully paid up equity share and Rs. 2.56 (Rupees Two & Paise Fifty Six Only) per partly paid up equity share payable in cash. |
| 15. | Offer Price                              | Rs. 20/- (Rupees Twenty Only) per fully paid equity share and Rs. 15/- (Rupees Fifteen Only) per partly paid up equity shares ("Offer Price"), along with interest of Rs. 3.41 (Rupees Three & Paise Forty One Only) per fully paid up equity share and Rs. 2.56 (Rupees Two & Paise Fifty Six Only) per partly paid up equity share payable in cash.                                                                                                                                                        |
| 16. | PACs                                     | Mrs. Sita Devi Khaitan, Mr. Sunil Kumar Khaitan, Mr. Anil Khaitan, Mr. Umaesh Kumar Khaitan, Mrs. Sashi Prabha Khaitan, Mrs. Kavita Khaitan,                                                                                                                                                                                                                                                                                                                                                                 |

|     |                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|     |                                                                       | Mrs. Rashmi Khaitan, Mrs. Sarita Khaitan, Mrs. Sunita Khaitan, M/s Manglam India Limited, M/s Magadh Traders Limited and M/s Niharika India Limited.                                                                                                                                                                                                                                                                                                 |
| 17. | Deemed PACs                                                           | Amit Commercial Co. Ltd, Shalimar Wire Industries Ltd, Shalimar Holding Ltd, Agro Chemicals Fertilisers Ltd, Esquire Engineering Ltd, Satya Sons Services Ltd, Sumangla Investment Ltd, Samtul Investment Ltd, Reliance Sheet Works (P) Ltd, Sushil Kumar Khaitan, Asha Khaitan, Deoki Nandan Khaitan, Gyatri Devi Khaitan, Dwarka Prasad Khaitan, Tara Devi Khaitan, Shiv S Sharma, Onkar Singh, Mihir Ganguly, Vijay Karan, Vipin Beharilal Mathur |
| 18. | Persons eligible to participate in the Offer                          | Registered shareholders of Anil Special Steel Industries Limited, and unregistered shareholders who own the equity shares of Anil Special Steel Industries Limited any time prior to the Offer closure other than the Acquirer and PACs and Deemed PACs                                                                                                                                                                                              |
| 19. | Public Announcement or “PA” or Corrigendum to the Public Announcement | Announcement of the Open Offer by The Acquirer, which appeared in the newspapers on November 24, 2005 and Corrigendum to the Public Announcement published in the newspapers on March 16, 2007.                                                                                                                                                                                                                                                      |
| 20. | RBI                                                                   | Reserve Bank of India                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 21. | Reference Date                                                        | February 26, 2005, being the date of board meeting which authorised the preferential issue of 10, 44,753 equity shares.                                                                                                                                                                                                                                                                                                                              |
| 22. | Registrar or Registrar to the Offer                                   | MCS Limited                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 23. | SEBI                                                                  | Securities and Exchange Board of India                                                                                                                                                                                                                                                                                                                                                                                                               |
| 24. | SEBI (SAST) Regulations, 1997 or Regulations                          | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto                                                                                                                                                                                                                                                                                                         |
| 25. | SEBI Act                                                              | Securities and Exchange Board of India Act, 1992                                                                                                                                                                                                                                                                                                                                                                                                     |
| 26. | Specified Date                                                        | December 21, 2005                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 27. | Target Company                                                        | Anil Special Steel Industries limited                                                                                                                                                                                                                                                                                                                                                                                                                |

## 1. RISK FACTORS

- i. **In the event that either (a) the regulatory approvals are not received in a timely manner, (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirer 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 ASSIL, 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 acquirer intends to make an offer for 20% of the voting capital amounting to 13,57, 836 equity shares of ASSIL under the SEBI (SAST) Regulations, 1997. Further, the shares tendered in the offer will lie to the credit of a designated escrow account, till the completion of the offer formalities.**
- iii. **In the event of over-subscription to the offer, the acceptance will be on a proportionate basis.**

- iv. **M/s Manglam India Limited, M/s Magadh Traders Limited and M/s Niharika India Limited is a loss making entity.**

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of ASSIL 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 ASSIL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

## **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 ANIL SPECIAL STEEL INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PERSONS ACTING IN CONCERT 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 ARE 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 ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 06, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS 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 Board of Directors of Anil Special Steel Industries Limited (hereinafter referred to as “**ASSIL/the Target Company**”) in their meeting held on April 23, 2005, allotted 10,44,753 equity shares (22.95% of post preferential paid up equity share capital & 22.95% of the post preferential voting rights of ASSIL) of Rs. 10/- each at a premium of Rs. 10/- each. The preferential issue has been duly authorised by a resolution passed by the Board of Directors of the Company in its meeting held on February 26, 2005 and by the special resolution passed under section 81(1A) of the Companies Act, 1956 by the members of the Company in their Extra-Ordinary General Meeting held on March 25, 2005.
- 3.1.2 Pursuant to the said preferential allotment, the holding of the promoters group has been increased from 16,86,928 (48.08% of the pre-preferential paid up equity share capital &

48.09% of the pre-preferential voting rights of ASSIL) to 24, 75,179 shares (54.36% of the post preferential paid up equity capital & 54.37% of post preferential voting rights of ASSIL).

3.1.3 As per regulation 11(1) of the SEBI (SAST), Regulations, 1997, no Acquirer can consolidate their holdings or acquire additional shares or voting rights entitling him to exercise more than 5% of the Voting Rights, in any Financial Year, unless such acquirer makes a public announcement to acquire shares in accordance with the regulations. Since the voting rights of promoters group was increased by more than 5% due to the said preferential allotment, Regulation 11(1) of the SEBI (SAST) Regulations has been triggered.

3.1.4 In view of the above, out of the promoter group, this offer is made by Mr. Sudhir Khaitan (“the Acquirer”) along with PACs and Deemed PACs to the equity shareholders of Anil Special Steel Industries Limited having its registered office at Kanakpura, P.O. Meenawala, Jaipur-302012 to acquire upto 13,57,836 equity shares of Rs. 10/- each representing 20% of the total paid up capital and resultant voting rights of ASSIL and also in compliance with Regulation 21(5) of SEBI (SAST) Regulations, 1997.

3.1.5 As on the date of Public Announcement, the holding of Acquirer and PACs and Deemed PACs are as under:

|                                            |   |                        |
|--------------------------------------------|---|------------------------|
| 1. Mr. Sudhir Khaitan(Acquirer)            | - | 1,05,770 Equity Shares |
| 2. Mrs. Sita Devi Khaitan                  | - | 1,22,410 Equity Shares |
| 3. Mr. Sunil Kumar Khaitan                 | - | 1,05,470 Equity Shares |
| 4. Mr. Anil Khaitan                        | - | 1,15,230 Equity Shares |
| 5. Mr. Umaesh Kumar Khaitan                | - | 1,04,410 Equity Shares |
| 6. Mrs. Sashi Prabha Khaitan               | - | 45240 Equity Shares    |
| 7. Mrs. Kavita Khaitan                     | - | 15000 Equity Shares    |
| 8. Mrs. Rashmi Khaitan                     | - | 15000 Equity Shares    |
| 9. Mrs. Sarita Khaitan                     | - | 15700 Equity Shares    |
| 10. Mrs. Sunita Khaitan                    | - | 15000 Equity Shares    |
| 11. M/s Manglam India Limited              | - | 5,82,327 Equity Shares |
| 12. M/s Magadh Traders Limited             | - | 4,01,618 Equity Shares |
| 13. M/s Niharika India Limited             | - | 2,53,088 Equity Shares |
| 14. M/s Amit Commercial Co. Ltd            | - | 1,87,400 Equity Shares |
| 15. M/s Shalimar Wire Industries Ltd.      | - | 1,01,550 Equity Shares |
| 16. M/s Shalimar Holdings Limited          | - | 78,000 Equity Shares   |
| 17. M/s Agro Chemicals Fertilisers Limited | - | 24,570 Equity Shares   |
| 18. M/s Esquire Engineering Ltd            | - | 11,100 Equity Shares   |
| 19. M/s Satya Sons Services Ltd            | - | 350 Equity Shares      |
| 20. M/s Samtul Investments Ltd             | - | 6,100 Equity Shares    |
| 21. M/s Sumangla Investment Ltd            | - | 30,000 Equity Shares   |
| 22. M/s Reliance Sheet Works (P) Ltd       | - | 73,118 Equity Shares   |
| 23. Sushil Kumar Khaitan                   | - | 15,000 Equity Shares   |
| 24. Asha Khaitan                           | - | 15,000 Equity Shares   |
| 25. Deoki Nondan Khaitan                   | - | 13,500 Equity Shares   |
| 26. Gyatri Devi Khaitan                    | - | 12,500 Equity Shares   |
| 27. Dwarka Prasad Khaitan                  | - | 15,00 Equity Shares    |
| 28. Tara Devi Khaitan                      | - | 7850 Equity Shares     |
| 29. Shiv S Sharma                          | - | 210 Equity Shares      |
| 30. Onkar Singh                            | - | 200 Equity Shares      |
| 31. Mihir Ganguly                          | - | 100 Equity Shares      |
| 32. Vijay Karan                            | - | 100 Equity Shares      |

3.1.6 The important features of the allotment of 10,44,753 Equity shares on preferential basis are laid down as under:

- a. The Board of Directors of Anil Special Steel Industries Limited (hereinafter referred to as “ASSIL/the Target Company”) in their meeting held on April 23, 2005 allotted 10,44,753 equity shares (22.95% of post preferential paid up equity share capital & 22.95% of the post preferential voting rights of ASSIL) of Rs. 10/- each at a premium of Rs. 10/- each. The preferential issue has been duly authorised by a resolution passed by the Board of Directors of the Company in its meeting held on February 26, 2005 and by the special resolution passed under section 81(1A) of the Companies Act, 1956 by the members of the Company in their Extra-Ordinary General Meeting held on March 25, 2005. The proportion of 10, 44,753 shares allotted on preferential basis are as under:

| S. No. | Name of Shareholder         | No. of Shares    | % of Post Issue Paid Up Capital |
|--------|-----------------------------|------------------|---------------------------------|
| 1      | Mangalam India Limited      | 5,30,445         | 11.65                           |
| 2      | Niharika India Limited      | 1,45,488         | 3.20                            |
| 3      | Magadh Traders Limited      | 1,12,318         | 2.47                            |
| 4      | Shalimar Industries Limited | 2,56,502         | 5.63                            |
|        | <b>Total</b>                | <b>10,44,753</b> | <b>22.95</b>                    |

The price of Rs. 20/- per share was arrived at in terms of the SEBI (DIP) Guidelines for preferential allotment. The Company has complied with all the relevant provisions of SEBI (DIP) Guidelines with regard to the preferential allotment.

- b. Out of the above, Mangalam India Limited, Niharika India Limited and Magadh Traders Limited are the part of existing promoter Group of the Company and Shalimar Industries Limited belongs to Non Promoters Group of the target company.

Pursuant to the preferential allotment dated April 23, 2005 which triggered off the SEBI (SAST) Regulations, 1997, the holding of the promoters group has been increased from 16,86,928 (48.08% of the pre-preferential paid up equity share capital & 48.09% of the pre-preferential voting rights of ASSIL) to 24,75,179 shares (54.36% of the post preferential paid up equity share capital & 54.37% of post preferential voting rights of ASSIL). There are 702 partly paid up equity shares in ASSIL, out of which Rs. 5/- is remaining unpaid on 600 shares and Rs. 2.5/- is remaining unpaid on 102 shares.

- c. The acquisition, as mentioned above by the Promoter Group on preferential basis has triggered the Regulations of SEBI (SAST) Regulations, 1997 pursuant to which the Acquirer has to make a public offer to the shareholders of the Target Company to acquire further a minimum 20% of paid up capital & resulting voting rights of the ASSIL.
- d. Out of total preferential allotment of 10,44,753 equity shares, 7,88,251 equity shares representing 17.32% of the post preferential capital of the target company have been allotted to the entities belonging to Promoter Group of the target company and pursuant to which the instant offer is made under Regulation 11(1) of SEBI(SAST) Regulations, 1997.
- e. Shalimar Industries Limited, one of the allottees of said preferential allotment has filed disclosure under Regulation 7 of SEBI(SAST) Regulations, 1997 in respect of allotment of 2,56,502 equity shares representing 5.63% of the post preferential capital of the company but not within due date as prescribed under the Regulations.



- 3.1.7 The Bombay Stock Exchange Limited has granted in-principal approval for allotment of 10, 44,753 Equity Shares vide its letter no. List/sdm/rk/sum/2005 dated April 22<sup>nd</sup>, 2005. The Company has subsequently passed the Board resolution on April 23<sup>rd</sup>, 2005 to allot 10,44,753 on preferential basis by superseding the earlier resolution passed in this regard in compliance with the requirements of SEBI Guidelines and an intimation in this regard has also been filed with the Registrar of Companies, Rajasthan, Jaipur.
- 3.1.8 The Acquirer, PACs and the Target Company have not 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.
- 3.1.9 There may be a change in the composition of the Board of Directors of the Target Company in course of normal business. However, there is no proposal to this effect as of today.

### **3.1.10 Disclosure in terms of Regulation 16 (ix)**

The Acquirer and PACs at present have no intention to sell, dispose of or otherwise encumber any significant assets of ASSIL in the succeeding two years, except in the ordinary course of business of ASSIL. ASSIL'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 ASSIL.

## **3.2 The Offer**

- 3.2.1 The Acquirer has made a Public Announcement, which was published on November 24, 2005 in the following newspapers in accordance with the Regulation 15 pursuant to Regulation 11 of SEBI (SAST) Regulations, 1997:

| <b>Publication</b>          | <b>Editions</b> |
|-----------------------------|-----------------|
| Financial Express (English) | All Editions    |
| Jansatta (Hindi)            | All Editions    |
| Navshakti (Marathi)         | Maharashtra     |
| Mahaka Bharat (Hindi)       | Jaipur          |

**The Public Announcement is also available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).**

- 3.2.2 The Acquirer along with PACs is making an offer under the SEBI (SAST) Regulations, 1997 to acquire 13,57,836 equity shares of Rs. 10/- each representing 20% of the total paid up capital and resultant voting rights of ASSIL at a price of Rs. 20/- (Rupees Twenty Only) per fully paid equity share and Rs. 15/- (Rupees Fifteen Only) per partly paid up equity share ("Offer Price"), payable in cash, taking February 26, 2005 as the reference date for purposes of calculation of Offer Price, along with interest of Rs. 3.41 (Rupees Three & Paise Forty One Only) per fully paid up equity share and Rs. 2.56 (Rupees Two & Paise Fifty Six Only) per partly paid up equity share payable in cash., calculated at the rate of 10% p.a. from August 09, 2005 (the scheduled last date if the acquirer have made the offer within the scheduled time limit prescribed under the SEBI (SAST) Regulations, 1997) till April 24, 2007 (the scheduled last date for Despatch of payment consideration to the shareholders under the Offer) amounting to Rs. 23.41 (Rupees Twenty Two & Paise Forty One Only) per fully paid up equity share and Rs. 17.56 (Rupees Seventeen & Paise Fifty Six Only) per partly paid up equity share. The amount of interest is subject to change depending upon the actual date of dispatch of payment to the shareholders. These equity shares are to be acquired by the

Acquirer, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

- 3.2.3 There are 702 partly paid up shares in Anil Special Steel Industries Limited. Out of which Rs 1755 in respect of 600 shares and Rs 255 in respect of 102 shares had been received. The total amount due alongwith interest @ 6% p.a from due date of payment i.e 3<sup>rd</sup> October, 1983 to 24<sup>th</sup> April 2007 in respect of said 702 shares is Rs 11778, which includes interest amount of Rs 6768 and Unpaid amount of Rs 5010 and shareholders holding partly paid up shares shall be eligible to participate in the Offer provided they pay the allotment money due alongwith interest.
- 3.2.4 The Offer is not subject to any minimum level of acceptances from the shareholders i.e. it is not a conditional offer. The Acquirer will accept the equity shares of ASSIL those are tendered in valid form in terms of this offer upto maximum of equity shares.
- 3.2.5 Acquirer and PACs have not acquired any shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.
- 3.2.6 Among the Acquirer and PACs, the acquirer Mr Sudhir Khaitan will acquire all 13,57,836 equity shares validly tendered under the Offer.

### **3.3 Object of the Acquisition/ Offer**

- 3.3.1 As the result of the acquisition of equity shares on preferential basis which triggered off the SEBI (SAST) Regulations, 1997, the holding of the Promoter group has increased and is at 54.36% of the total Post Preferential paid-up equity capital and 54.37% of the post preferential paid up voting rights of ASSIL as compared to 48.08% of the pre-preferential paid up equity capital and 48.09% of the pre-preferential voting rights of ASSIL and therefore this offer is as a result of consolidation of holdings by the promoters exceeding 5% in a financial year. The offer is not due to any global acquisition resulting in indirect acquisition.
- 3.3.2 The offer to the shareholders of “ASSIL” is being made in accordance with Regulation 11(1) of the SEBI (SAST) Regulations, 1997.

## **4 BACKGROUND OF THE ACQUIRER, PACs & DEEMED PACs**

### **4.1 Mr. Sudhir Khaitan (Acquirer)**

- 4.1.1 The Open Offer is being made by Mr. **Sudhir Khaitan** S/o Late Sh. S.N. Khaitan, R/o BRINDAWAN, 1/7, Civil Lines, Opp. Governor House, Jaipur, Aged 42 years, an Indian resident. . Tel No (0141) 2470211-212, Fax no: (0141) 2470863.
- 4.1.2 Mr. Sudhir Khaitan is a B.Com by qualification and having an overall experience of 21 years in Steel Industry. He is also the Chairman cum Managing Director of ASSIL.
- 4.1.3 He is having a networth of Rs.101.08 Lacs as on 30.09.2006 and is having sufficient means for discharging his obligation under the offer as certified by Mr. Pramod Agrawal, (Membership No. 76121) Partner of M/s. Sanjay Pramod & Associates, Chartered Accountants, 110, Saraogi Mansion, M.I. Road, Jaipur-3, Tel.: 0141-2572899 vide their certificate dated October 20, 2006.
- 4.1.4 The Acquirer has been complying with the requirements of provisions of chapter II of the SEBI (SAST) Regulations, 1997.

- 4.1.5 The Acquirer, Mr. Sudhir Khaitan, has not held the position as Director in any listed company, other than the Target Company, i.e. Anil Special Steel Industries Limited.
- 4.1.6 The Acquirer, Mr. Sudhir Khaitan, has not held the position as full time Director in any company, other than the Target Company, i.e. Anil Special Steel Industries Limited
- 4.1.7 The Acquirer, Mr. Sudhir Khaitan except the target company has not promoted any company.
- 4.1.8 The Acquirer holds 1,05,770 Equity shares of Target Company as on the date of Public Announcement. The Acquirer has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

## **4.2 BACKGROUND OF PACS**

### **4.2.1 MRS. SITA DEVI KHAITAN**

- 4.2.1.1 Mrs. Sita Devi Khaitan is residing at 1, Ashoka Road, Alipore, Kolkata-700027. Tel No.: 033-24796735. She is a housewife.
- 4.2.1.2 She is having a networth of 205.03 Lacs as on 30.09.2006 as certified by Mr. Sanjay Pramod & Associates, (Membership No. 76121) Partner of M/s. Sanjay Pramod & Associates, Chartered Accountants, 110, Saraogi Mansion, M.I. Road, Jaipur-3, Tel.: 0141-2572899 vide their certificate dated October 20, 2006.
- 4.2.1.3 Mrs. Sita Devi Khaitan, she does not hold the position of Directorship in any Company.
- 4.2.1.4 Mrs. Sita Devi Khaitan holds 1,22,410 Equity shares of Target Company as on the date of Public Announcement. Mrs. Sita Devi Khaitan has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer

### **4.2.2 MR. SUNIL KUMAR KHAITAN**

- 4.2.2.1 Mr. Sunil Khaitan is residing at 1, Ashoka Road, Alipore, Kolkata-700027. Tel No.: 033-24796735. He has 25 years of vast experience in the field of Metal Industry.
- 4.2.2.2 He is having a networth of 58.26 Lacs as on 30.09.2006 as certified by Mr. Sanjay Pramod & Associates, (Membership No. 76121) Partner of M/s. Sanjay Pramod & Associates, Chartered Accountants, 110, Saraogi Mansion, M.I. Road, Jaipur-3, Tel.: 0141-2572899 vide their Certificate dated October 20, 2006.
- 4.2.2.3 Mr. Sunil Kumar Khaitan, he holds directorship in the following Companies:

| <b>S. No.</b> | <b>Name of the Company</b>  | <b>Designation</b>  | <b>Listed At</b>                                                                                                                     |
|---------------|-----------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 1.            | Sunil Healthcare Limited    | Whole-Time Director | The Calcutta Stock Exchange Association Limited, The Delhi Stock Exchange Association Limited and The Jaipur Stock Exchange Limited. |
| 2.            | Shalimar Industries Limited | Director            | Nil                                                                                                                                  |

|    |                                |          |     |
|----|--------------------------------|----------|-----|
| 3. | SWIL International Pvt Limited | Director | Nil |
|----|--------------------------------|----------|-----|

- 4.2.2.4 Mr. Sunil Kumar Khaitan holds 1,05,470 Equity shares of Target Company as on the date of Public Announcement. Mr. Sunil Kumar Khaitan has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to to date of Letter of Offer.

#### 4.2.3 MR. ANIL KHAITAN

- 4.2.3.1 Mr. Anil Khaitan is residing at 1, Ashoka Road, Alipore, Kolkata-700027. Tel No.: 033-24796735. He has 25 years of vast experience in the field of Metal Industry. Presently he is engaged in Pharmaceutical Industry.

- 4.2.3.2 He is having a networth of 105.47 Lacs as on 30.09.2006 as certified by as certified by Mr. Pramod Agrawal (Membership No. 76121) Partner of M/s. Sanjay Pramod & Associates, Chartered Accountants, 110, Saraogi Mansion, M.I. Road, Jaipur-3, Tel.: 0141-2572899 vide their certificate dated October 20, 2006.

- 4.2.3.3 Mr. Anil Khaitan, he holds directorship in the following Companies:

| S. No. | Name of the Company         | Designation | Listed At                                                                                                                            |
|--------|-----------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------|
| 1.     | Sunil Healthcare Limited    | Chairman    | The Calcutta Stock Exchange Association Limited, The Delhi Stock Exchange Association Limited and The Jaipur Stock Exchange Limited. |
| 2.     | Shalimar Industries Limited | Chairman    | Nil                                                                                                                                  |

- 4.2.3.4 Mr. Anil Khaitan holds 1,15,230 Equity shares of Target Company as on the date of Public Announcement. Mr. Anil Khaitan has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

#### 4.2.4 MR. UMAESH KUMAR KHAITAN

- 4.2.4.1 Mr. Umaesh Kumar Khaitan is residing at 1, Ashoka Road, Alipore, Kolkata-700027. Tel No.: 033-24796735. He has 15 years of experience in the field of international trade.

- 4.2.4.2 He is having a networth of 8.25 Lacs as on 30.09.2006 as certified Mr. Pramod Agarwal (Membership No. 76121) Partner of M/s. Sanjay Pramod & Associates, Chartered Accountants, 110, Saraogi Mansion, M.I. Road, Jaipur-3, Tel.: 0141-2572899 vide their certificate dated October 20, 2006.

- 4.2.4.3 Mr. Umaesh Kumar Khaitan, he holds directorship in the following Companies:

| S. No. | Name of the Company         | Designation | Listed At |
|--------|-----------------------------|-------------|-----------|
| 1.     | Shalimar Industries Limited | Director    | Nil       |

- 4.2.4.4 Mr. Umaesh Kumar Khaitan holds 1,04,410 Equity shares of Target Company as on the date of Public Announcement. Mr. Umaesh Kumar Khaitan has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of

target company through any mode including market purchase from date of PA to date of Letter of Offer.

**4.2.5 MRS. SASHI PRABHA KHAITAN**

4.2.5.1 Mrs. Sashi Prabha Khaitan is residing at 1/17, “Brindavan”, Civil Lines, Opp. Governor House, Jaipur. Tel No.: 0141-2222116/ 2220816. She is a housewife.

4.2.5.2 She is having a networth of 223.28 Lacs as on 30.09.2006 as certified by as certified by Mr. Pramod Agarwal (Membership No. 76121) Partner of M/s. Sanjay Pramod & Associates, Chartered Accountants, 110, Saraogi Mansion, M.I. Road, Jaipur-3, Tel.: 0141-2572899 vide their certificate dated October 20, 2006.

4.2.5.3 Mrs. Sashi Prabha Khaitan, she does not hold the position of Directorship in any Company.

4.2.5.4 Mrs. Sashi Prabha Khaitan holds 45,240 Equity shares of Target Company as on the date of Public Announcement. Mrs. Sashi Prabha Khaitan has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

**4.2.6 MRS. KAVITA KHAITAN**

4.2.6.1 Mrs. Kavita Khaitan is residing at 1, Ashoka Road, Alipore, Kolkata-700027. Tel No.: 033-24796735. She is housewife.

4.2.6.2 She is having a networth of 157.51 Lacs as on 30.09.2006 as certified by Mr. Pramod Agarwal (Membership No. 76121) Partner of M/s. Sanjay Pramod & Associates, Chartered Accountants, 110, Saraogi Mansion, M.I. Road, Jaipur-3, Tel.: 0141-2572899 vide their certificate dated October 20, 2006.

4.2.6.3 Mrs. Kavita Khaitan, she does not hold the position of Directorship in any Company.

4.2.6.4 Mrs. Kavita Khaitan holds 15,000 Equity shares of Target Company as on the date of Public Announcement. Mrs. Kavita Khaitan has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

**4.2.7 MRS. RASHMI KHAITAN**

4.2.7.1 Mrs. Rashmi Khaitan is residing at 1/17, “Brindavan”, Civil Lines, Opp. Governor House, Jaipur. Tel No.: 0141-2222116/ 2220816. She has working experience of 6 years in Steel Industry.

4.2.7.2 She is having a networth of 165.01 Lacs as on 30.09.2006 as certified by Mr. Pramod Agarwal (Membership No. 76121) Partner of M/s. Sanjay Pramod & Associates, Chartered Accountants, 110, Saraogi Mansion, M.I. Road, Jaipur-3, Tel.: 0141-2572899 vide their certificate dated October 20, 2006.

4.2.7.3 Mrs. Rashmi Khaitan, she does not hold the position of Directorship in any Company.

4.2.7.4 Mrs. Rashmi Khaitan holds 15,000 Equity shares of Target Company as on the date of Public Announcement. Mrs. Rashmi Khaitan has not made any acquisition in the target Company

through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

#### **4.2.8 MRS. SARITA KHAITAN**

4.2.8.1 Mrs. Sarita Khaitan is residing at 1, Ashoka Road, Alipore, Kolkata-700027. Tel No.: 033-24796735. She is housewife.

4.2.8.2 She is having a networth of 65.90 Lacs as on 30.09.2006 as certified by Mr. Pramod Agarwal (Membership No. 76121) Partner of M/s. Sanjay Pramod & Associates, Chartered Accountants, 110, Saraogi Mansion, M.I. Road, Jaipur-3, Tel.: 0141-2572899 vide their certificate dated October 20, 2006.

4.2.8.3 Mrs. Sarita Khaitan, she does not hold the position of Directorship in any Company.

4.2.8.4 Mrs. Sarita Khaitan holds 15,700 Equity shares of Target Company as on the date of Public Announcement. Mrs. Sarita Khaitan has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to to date of Letter of Offer.

#### **4.2.9 MRS. SUNITA KHAITAN**

4.2.9.1 Mrs. Sunita Khaitan is residing at 1, Ashoka Road, Alipore, Kolkata-700027. Tel No.: 033-24796735. She has 10 years experience in the field of Finance & Accounts.

4.2.9.2 She is having a networth of 76.08 Lacs as on 30.09.2006 as certified by Mr. Pramod Agarwal (Membership No. 76121) Partner of M/s. Sanjay Pramod & Associates, Chartered Accountants, 110, Saraogi Mansion, M.I. Road, Jaipur-3, Tel.: 0141-2572899 vide their certificate dated October 20, 2006.

4.2.9.3 Mrs. Sunita Khaitan, she does not hold the position of Directorship in any Company.

4.2.9.4 Mrs. Sunita Khaitan holds 15,000 Equity shares of Target Company as on the date of Public Announcement. Mrs. Sunita Khaitan has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

4.2.9.4 The relationship between Acquirer and PACs are as under:

| <b>S. No.</b> | <b>Name of the Acquirer/ PAC</b> | <b>Relationship</b>                      |
|---------------|----------------------------------|------------------------------------------|
| 1.            | Mrs. Sita Devi Khaitan (PAC)     | Mother of Mr. Sudhir Khaitan (Acquirer)  |
| 2.            | Mr. Sunil Kumar Khaitan (PAC)    | Brother of Mr. Sudhir Khaitan (Acquirer) |
| 3.            | Mr. Anil Khaitan (PAC)           | Brother of Mr. Sudhir Khaitan (Acquirer) |
| 4.            | Mr. Umaesh Kumar Khaitan (PAC)   | Brother of Mr. Sudhir Khaitan (Acquirer) |
| 5.            | Mrs. Sashi Prabha Khaitan (PAC)  | Mother of Mr. Sudhir Khaitan (Acquirer)  |
| 6.            | Mrs. Kavita Khaitan (PAC)        | Sister in Law Mr. Sudhir Khaitan         |

|    |                           |                                                                                       |
|----|---------------------------|---------------------------------------------------------------------------------------|
|    |                           | (Acquirer)/ Wife of Mr. Umaesh Kumar Khaitan (PAC)                                    |
| 7. | Mrs. Rashmi Khaitan (PAC) | Wife of Mr. Sudhir Khaitan (Acquirer)                                                 |
| 8. | Mrs. Sarita Khaitan (PAC) | Sister in Law of Mr. Sudhir Khaitan (Acquirer)/ Wife of Mr. Anil Khaitan (PAC)        |
| 9. | Mrs. Sunita Khaitan (PAC) | Sister in Law of Mr. Sudhir Khaitan (Acquirer)/ Wife of Mr. Sunil Kumar Khaitan (PAC) |

#### 4.2.10 **Background of Manglam India Limited (PAC)**

4.2.10.1 Manglam India Limited is a public limited company having its registered office situated at 10, Clive Row, 4<sup>th</sup> Floor, Kolkata-700001. Ph.: 033-22425884/4614.

4.2.10.2 Manglam India Limited is incorporated as a Public Limited Company under the name Mangalam India Limited vide certificate of Incorporation dated 17<sup>th</sup> October, 1985 Issued by the Registrar of Companies, Delhi & Haryana and obtained the certificate of commencement of business on 29<sup>th</sup> November, 1985. The Company belongs to Promoter Group of the target company.

4.2.10.3 Mangalam India Limited is engaged in the business of financing & investing activities.

4.2.10.4 The current promoters of the Company are Sheetal Farms Limited, Marigold Securities Limited, Pyramid Distr. & Sales Pvt. Ltd., Maya Viniyog Limited, All India Ex. SC. Holdings Association Limited, Meenakshi Tec. Co. Limited, Twenty First Century (India) Limited, Exim Scrips Enterprises Limited, Exim Scrips Traders Limited, Exim Scrips Merchantile Limited, Arihant Coal Co. Limited, Capital Holdings Private Limited, Perfect Proteins Private Limited, Industrial Progressive India Limited, Sheetal Farms Limited, Dilip Kumar Jain, Sonika Commerce Private Limited, Alankar India Private Limited, Manjusha Agencies Private Limited, Sujan Pandit, Rajala Bansali, B.K. Bansali, Akshaya Sneha, Depak Shah, Rajesh Guha and K.Q. Sidique.

4.2.10.5 The Board of Directors of Mangalam India Limited as on P.A. date consists of the following members:

| SL. No. | Name               | Designation | Qualification and Experience in no. of years                                  | Residential Address                                                   | Date of Appointment |
|---------|--------------------|-------------|-------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------------|
| 1.      | P.K. Dey           | Director    | Commerce Graduate/ 2 years experience in the field of Finance and Investment  | House No. 16, Utterpally, P.O. Sodepur, Distt-24, Parganas (N)-743178 | 01.12.2003          |
| 2.      | Kishori Lal Sharma | Director    | Commerce Graduate/ 10 years experience in the field of Finance and Investment | 11, H.R. Chamaria Road, Hawrah-711104                                 | 28.09.1996          |
| 3.      | Manoj Saraogi      | Director    | Commerce Graduate/ 3 years experience in the field of Finance and Investment  | 48 L/3, Rabindra Sarani, Liluah-711204                                | 01.02.2003          |

4.2.10.6 None of the above directors is on the board of Target Company.

4.2.10.7 The brief financials of Mangalam India Limited are as under: -

| <b>(Rs. in Lacs)</b>                             |                                      |                                      |                                      |                                                           |
|--------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------------------------------|
| <b>Profit and loss statement</b>                 | <b>Year ended 31.03.04 (Audited)</b> | <b>Year ended 31.03.05 (Audited)</b> | <b>Year ended 31.03.06 (Audited)</b> | <b>Certified figures for the period ended 30.09.2006*</b> |
| Income from Operations                           | 5.60                                 | 49.55                                | 25.99                                | Nil                                                       |
| Other Income                                     | 0.40                                 | 0.45                                 | 0.74                                 | Nil                                                       |
| <b>Total Income (excluding stock adjustment)</b> | <b>6.00</b>                          | <b>50.00</b>                         | <b>26.73</b>                         | <b>-</b>                                                  |
| Total Expenditure                                | (0.90)                               | 58.83                                | 28.93                                | 1.46                                                      |
| Profit Before Depreciation, Interest & Tax       | 5.10                                 | (8.83)                               | 2.20                                 | (1.46)                                                    |
| Depreciation                                     | -                                    | -                                    | -                                    | -                                                         |
| Interest                                         | -                                    | -                                    | -                                    | -                                                         |
| <b>Profit before Tax</b>                         | <b>5.10</b>                          | <b>(8.83)</b>                        | <b>(2.20)</b>                        | <b>(1.46)</b>                                             |
| Provision for Tax                                | -                                    | -                                    | -                                    | -                                                         |
| <b>Profit after Tax</b>                          | <b>5.10</b>                          | <b>(8.83)</b>                        | <b>(2.20)</b>                        | <b>(1.46)</b>                                             |



(Rs. in Lacs)

| <b>Balance Sheet Statement</b>                          | <b>Year ended<br/>31.03.04<br/>(Audited)</b> | <b>Year ended<br/>31.03.05<br/>(Audited)</b> | <b>Year ended<br/>31.03.06<br/>(Audited)</b> | <b>Certified figures<br/>for the period<br/>ended<br/>30.09.2006*</b> |
|---------------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------|
| <b>Sources of Funds</b>                                 |                                              |                                              |                                              |                                                                       |
| Paid up Share Capital                                   | 521.14                                       | 521.14                                       | 521.14                                       | 521.14                                                                |
| Reserves and Surplus (excluding<br>Revaluation Reserve) | 638.32                                       | 638.32                                       | 638.32                                       | 638.32                                                                |
| Profit & Loss Account (Debit<br>Balance)                | (53.35)                                      | (62.51)                                      | (64.71)                                      | (66.17)                                                               |
| Secured Loans                                           | -                                            | -                                            | -                                            | -                                                                     |
| Unsecured Loan                                          | 8.49                                         | 8.49                                         | -                                            | -                                                                     |
| Current Liabilities                                     | 129.47                                       | 117.30                                       | 17.58                                        | 20.16                                                                 |
| Deferred Tax Liability                                  | -                                            | -                                            | -                                            | -                                                                     |
| <b>Total</b>                                            | <b>1244.07</b>                               | <b>1222.74</b>                               | <b>1112.33</b>                               | <b>1113.45</b>                                                        |
| <b>Uses of Funds</b>                                    |                                              |                                              |                                              |                                                                       |
| Net Fixed Assets                                        | -                                            | -                                            | -                                            | -                                                                     |
| Investment                                              | 79.16                                        | 135.80                                       | 162.70                                       | 162.70                                                                |
| Current Assets                                          | 1164.91                                      | 1086.94                                      | 949.63                                       | 950.75                                                                |
| Miscellaneous Expenses not<br>written off               | -                                            | -                                            | -                                            | -                                                                     |
| <b>Total</b>                                            | <b>1244.07</b>                               | <b>1222.74</b>                               | <b>1112.33</b>                               | <b>1113.45</b>                                                        |

| <b>Other Financial Data</b>   | <b>Year ended<br/>31.03.04 (Audited)</b> | <b>Year ended<br/>31.03.05<br/>(Audited)</b> | <b>Year ended<br/>31.03.06<br/>(Audited)</b> | <b>Certified<br/>figures for the<br/>period ended<br/>30.09.2006*</b> |
|-------------------------------|------------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------|
| Dividend (%)                  | -                                        | -                                            | -                                            | -                                                                     |
| Earning Per Share (In Rs.)    | 0.12                                     | (0.17)                                       | (0.04)                                       | (0.03)                                                                |
| Networth (Rs in Lacs)         | 1106.11                                  | 1096.95                                      | 1094.75                                      | 1093.29                                                               |
| Return on Net worth (%)       | 0.58                                     | (0.80)                                       | (0.20)                                       | (0.13)                                                                |
| Book Value Per Share (in Rs.) | 21.22                                    | 21.05                                        | 21.01                                        | 20.98                                                                 |

\*As certified by Mr. Vipin Kanoongo (Membership No. 72716), Partner of D R Mohnot & Co, Chartered Accountants having office at C-20, Bhagwandas Road, C Scheme, Jaipur-302001, Rajasthan vide their certificate dated March 08, 2007

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)\*100

Earning Per Share=Profit After Tax/No. of Equity Shares issued

Return on Net worth (%)=(Profit After Tax/Networth)\*100

Book Value Per Share=Networth/ No. of Equity shares issued

- 4.2.10.8 The reason for fall/rise in income and PAT in the relevant years are as under:
- During the relevant years, due to depression in market conditions, there is fall in Income/ PAT.
- 4.2.10.9 The Company has nil contingent liability during the years 2002-03, 2003-04 & 2004-05.
- 4.2.10.10 Mangalam India Limited holds 5,82,327 Equity shares of Target Company as on the date of Public Announcement. Mangalam India Limited has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.
- 4.2.10.11 The Company's Shares are listed on The Calcutta Stock Exchange Association Limited, The Delhi Stock Exchange Association Limited and The Stock Exchange, Ahmedabad. Further, no punitive action has been taken by the Stock Exchange against the target company.
- 4.2.10.12 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 as per their certificate attached with annual report of the Company.
- 4.2.10.13 As confirmed, there is no litigation pending against Mangalam India Limited as on date of PA.
- 4.2.10.14 The reporting requirements under Regulation 8(3) of the SEBI (SAST) Regulations, 1997 are applicable to the Mangalam India Limited and disclosures under Regulation 8(3) have not been regularly filed with the stock exchanges for the year 1997 to 2006.
- 4.2.10.15 The name and contact details of the Compliance Officer are as under:

**Name of the Compliance Officer: Mr. Manoj Saraogi**  
**Contact Address:** 10, Clive Row, 4<sup>th</sup> Floor, Kolkata-700001.  
**Contact Number:** Ph: (033) 22425884/4614\

4.2.10.16 There has been no merger/Demerger, spin off during the past three years in Mangalam India Limited.

4.2.10.17 The shareholding Pattern of the Company as on the of PA is as under:

| S. No. | Category                               | No. of Shares Held | % of Shareholding |
|--------|----------------------------------------|--------------------|-------------------|
| 1.     | Promoters and Person Acting in Concert | 174370             | 3.34              |
| 2.     | Mutual Funds/ FIIs/ FIs/ Banks         | Nil                | Nil               |
| 3.     | Public and Others                      | 5037051            | 96.66             |
|        | <b>Total</b>                           | <b>5211421</b>     | <b>100</b>        |

#### 4.2.11 Background of Magadh Traders Limited (PAC)

4.2.11.1 Magadh Traders Limited is a public limited company having its registered office situated at 25, Ganesh Chandra Avenue, Kolkata-700013. Ph.: 033-22117500/8502.

4.2.11.2 Magadh Traders Limited is incorporated as a Public Limited Company vide certificate of Incorporation dated 1<sup>st</sup> September, 1962 under the name Magadh Textile Mills Limited and obtained the certificate of commencement of business on 28<sup>th</sup> September, 1962. The Company's name was changed to Magadh Traders Limited vide fresh certificate of Incorporation dated 12<sup>th</sup> June, 1984 issued by the Registrar of Companies, West Bengal.

4.2.11.3 Magadh Traders Limited is engaged in the business of financing & investing activities.

4.2.11.4 The current promoters of the Company are Sumangla Investment Co. Limited, Amit Commercial Co. Limited, Sikha Agrawal, Smita Agrawal, Niharika India Limited, Manglam India Limited, Esquire Engineering Limited, Renu Agarwal, Manoj Kumar Agrawal, Mohan Ghuwalewala (HUF), Mihir Ganguly, Giriraj Ratan Mundhra, Premrata Agrawal, Umesh Kumar Khaitan, Sanjay Kumar Koshik, Rashmi Khaitan, Gopira Singhania, Manoj Kumar Agrawal, Anuradha Agrawal, Gokul Agrawal, Anil Kumar Khaitan, Sunil Kumar Khaitan, Sarita Devi Koshik, Gobind Agrawal, Murarilal Gupta, Suresh Kumar Goel, Sunita Khaitan, Sarita Khaitan, Mahesh Kumar Agarwal, Sita Devi Khaitan, Manik Das, J. Ganguly, Kirti Ghuwalewala, Bharati Mishra, Nepal Karan, Manoj Kumar Sha, Kavita Khaitan, Nirmala Devi Agrawala, Manoj Kumar Jalan, Pankaj Kumar Khaitan, Kailash Kumar Agrawal, Sonali Ghosh, Urmila Devi Saraf, Ashish Kumar Suman, Arun Kumar Gupta, Uma Devi Agrawal, Jawaharlal Sah, Krishna Devi Bhupal, Amarish Prasad Mukul, Anupama Kumari, Sarita Falor, Susit Kumar Ghosh, Ramawtar Joshi, Ranjana Khator, Pawan Kumar Agrawal, Jhajha Mori Danera, Girdhari Falor, Binod Kumar Agrawal, Arun Mukherjee and Aditya Khator.

4.2.11.5 The Board of Directors of Magadh Traders Limited as on P.A. date consists of the following members:

| SL. No. | Name          | Designation | Qualification and Experience in no. of years | Residential Address             | Date of Appointment |
|---------|---------------|-------------|----------------------------------------------|---------------------------------|---------------------|
| 1.      | Binod Agarwal | Director    | B.Com/ 8 years experience in the             | 5, New Seal Lane, Howrah-711101 | 16.08.1997          |

|    |               |          |                                                     |                                                 |            |
|----|---------------|----------|-----------------------------------------------------|-------------------------------------------------|------------|
|    |               |          | field of Finance and Investment                     |                                                 |            |
| 2. | Pawan Agarwal | Director | B.Com/ 8 years experience in Finance and Investment | CA, 6/7, D.B. Nagar, Lbagluiati, Kolkata-700059 | 28.07.2001 |
| 3. | Aditya Khator | Director | B.Com/ 8 years experience in Finance and Investment | 10/1, Anant Ram Mukherjee Lane, Howrah-711101   | 01.08.2005 |

4.2.11.6 None of the above directors is on the board of Target Company.

4.2.11.7 The brief financials of Magadh Traders Limited are as under: -

| (Rs. in Lacs)                              |                               |                               |                               |                                                    |
|--------------------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------------------------------|
| Profit and loss statement                  | Year ended 31.03.04 (Audited) | Year ended 31.03.05 (Audited) | Year ended 31.03.06 (Audited) | Certified figures for the period ended 30.09.2006* |
| Income from Operations                     | 1.01                          | 0.83                          | 43.78                         | 0.44                                               |
| Other Income                               | 1.38                          | 1.72                          | 1.72                          | -                                                  |
| <b>Total Income</b>                        | <b>2.39</b>                   | <b>2.55</b>                   | <b>46.52</b>                  | <b>0.44</b>                                        |
| Total Expenditure                          | 0.89                          | 48.16                         | 0.99                          | 0.46                                               |
| Profit Before Depreciation, Interest & Tax | 1.50                          | (45.61)                       | 45.53                         | (0.02)                                             |
| Depreciation                               | -                             | -                             | -                             | -                                                  |
| Interest                                   | -                             | -                             | -                             | -                                                  |
| <b>Profit before Tax</b>                   | <b>1.50</b>                   | <b>(45.61)</b>                | <b>45.53</b>                  | <b>(0.02)</b>                                      |
| Provision for Tax                          | 0.01                          | -                             | -                             | -                                                  |
| <b>Profit after Tax</b>                    | <b>1.49</b>                   | <b>(45.61)</b>                | <b>45.53</b>                  | <b>(0.02)</b>                                      |

| (Rs. in Lacs)           |                               |                               |                               |                                                    |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------------------------------|
| Balance Sheet Statement | Year ended 31.03.04 (Audited) | Year ended 31.03.05 (Audited) | Year ended 31.03.06 (Audited) | Certified figures for the period ended 30.09.2006* |
| <b>Sources of Funds</b> |                               |                               |                               |                                                    |
| Paid up Share Capital   | 104.81                        | 104.81                        | 104.81                        | 104.81                                             |

|                                                            |                |                |                |                |
|------------------------------------------------------------|----------------|----------------|----------------|----------------|
| Reserves and Surplus<br>(excluding<br>Revaluation Reserve) | 941.14         | 941.14         | 941.14         | 941.15         |
| Profit & Loss<br>Account (Debit<br>Balance)                | (4.66)         | (50.27)        | (4.75)         | (4.77)         |
| Secured Loans                                              | -              | -              | -              |                |
| Unsecured Loan                                             | -              | -              | -              |                |
| Current Liabilities                                        | 140.60         | 117.26         | 90.04          | 90.48          |
| Deferred Tax<br>Liability                                  | -              | -              | -              |                |
| <b>Total</b>                                               | <b>1181.89</b> | <b>1112.94</b> | <b>1131.24</b> | <b>1131.67</b> |
| <b>Uses of Funds</b>                                       |                |                |                |                |
| Net Fixed Assets                                           | -              | -              | -              |                |
| Investment                                                 | 260.31         | 215.62         | 198.59         | 198.59         |
| Current Assets                                             | 921.58         | 897.32         | 932.65         | 933.08         |
| Miscellaneous<br>Expenses not written<br>off               | -              | -              | -              | -              |
| <b>Total</b>                                               | <b>1181.89</b> | <b>1112.94</b> | <b>1131.24</b> | <b>1131.67</b> |

| <b>Other Financial Data</b>   | <b>Year ended 31.03.04 (Audited)</b> | <b>Year ended 31.03.05 (Audited)</b> | <b>Year ended 31.03.06 (Audited)</b> | <b>Certified figures for the period ended 30.09.2006*</b> |
|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------------------------------|
| Dividend (%)                  | -                                    | -                                    | -                                    | -                                                         |
| Earning Per Share (In Rs.)    | 0.14                                 | (4.35)                               | 4.27                                 | (0.01)                                                    |
| * Networth                    | 1041.29                              | 995.68                               | 1041.20                              | 1041.19                                                   |
| Return on Net worth (%)       | 0.14                                 | (4.58)                               | 4.27                                 | (0.01)                                                    |
| Book Value Per Share (in Rs.) | 99.35                                | 95.00                                | 99.79                                | 99.35                                                     |

\*As certified by Mr. Vipin Kanoongo (Membership No. 72716), Partner of D R Mohnot & Co, Chartered Accountants having office at C-20, Bhagwandas Road, C Scheme, Jaipur-302001, Rajasthan vide their certificate dated March 08, 2007

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)\*100

Earning Per Share=Profit After Tax/No. of Equity Shares issued

Return on Net worth (%)=(Profit After Tax/Networth)\*100

Book Value Per Share=Networth/ No. of Equity shares issued

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

During the relevant years, due to depression in market conditions, there is fall in Income/ PAT.

4.2.11.9 Details of Contingent Liability of Magadh Traders Limited during the Last Three Years are as under:

#### **2004-2005**

- Contingent Liability on account of Income Tax demand for Rs. 3001192. For the Assessment year 1997-98, Rs. 2548941 and for the Assessment year 1998-99, Rs. 452251. The matters are in appeal.

#### **2003-2004**

- Contingent Liability on account of Income Tax demand for Rs. 3001192. For the Assessment year 1997-98, Rs. 2548941 and for the Assessment year 1998-99, Rs. 452251. The matters are in appeal.

#### **2002-2003**

- Contingent Liability on account of Income Tax demand for Rs. 3001192. For the Assessment year 1997-98, Rs. 2548941 and for the Assessment year 1998-99, Rs. 452251. The matters are in appeal.

- 4.2.11.10 Magadh Traders Limited holds 4,01,618 Equity shares of Target Company as on the date of Public Announcement. Magadh Traders Limited has not made any acquisition in the target Company through Open Offer(s).
- 4.2.11.11 The Company's Shares are listed on The Calcutta Stock Exchange Association Limited. Further, no punitive action has been taken by the Stock Exchange against the company.
- 4.2.11.12 The Company has not complied with the conditions of Corporate Governance as envisaged under clause 49 of the Listing Agreement and as per the declaration received no action has been taken against the company for said non compliance by the stock exchange.
- 4.2.11.13 The reporting requirements under Regulation 8(3) of the SEBI (SAST) Regulations, 1997 are applicable to the Magadh Traders Limited and disclosures under Regulation 8(3) have not been filed with the stock exchange for the year 1997 to 2006.
- 4.2.11.14 Following Litigation is pending with the Income Tax Appellate Tribunal:
1. Appeal against the order of Income Tax Department for an amount of Rs. 25, 48,941 Lacs for the assessment year 1997-98.
  2. Appeal against the order of Income Tax Department for an amount of Rs. 4,52,251 Lacs for the assessment year 1995-96.
- 4.2.11.15 The name and contact details of the Compliance Officer are as under:
- Name of the Compliance Officer: Mr. Binod Agarwal**  
**Contact Address:** 25, Ganesh Chandra Avenue, Kolkata-700013.  
**Contact Number:** Ph: (033) -22117500/8502
- 4.2.11.16 There has been no merger/Demerger, spin off during the past three years in Magadh Traders Limited.
- 4.2.11.17 The shareholding Pattern of the Company as on the date of PA is as under:

| S. No. | Category                               | No. of Shares Held | % of Shareholding |
|--------|----------------------------------------|--------------------|-------------------|
| 1.     | Promoters and Person Acting in Concert | 200                | 0.02              |
| 2.     | Mutual Funds/ FIIs/ FIs/ Banks         | Nil                | Nil               |
| 3.     | Public and Others                      | 1047902            | 99.98             |
|        | <b>Total</b>                           | <b>1048102</b>     | <b>100</b>        |

#### 4.2.12 Background of Niharika India Limited (PAC)

- 4.2.12.1 Niharika India Limited is a public limited company having its registered office situated at 10, Clive Row, 4<sup>th</sup> Floor, Kolkata-700001. Ph.: 033-22425884/4614.
- 4.2.12.2 Niharika India Limited is incorporated as a Public Limited Company under the name Niharika India Limited vide certificate of Incorporation dated 17<sup>th</sup> October, 1985 issued by the Registrar of Companies, Delhi & Haryana and obtained the certificate of commencement of business on 29<sup>th</sup> November, 1985.
- 4.2.12.3 Niharika India Limited is engaged in the business of financing & investing activities.

4.2.12.4 The current promoters of the Company are Purvanchal Leasing Limited, Mangalam India Limited, Meenakshi Tea Co. Limited, Multivin Estates Limited, Aardee Credits (P.) Limited and Purvanchal Leasing Limited.

4.2.12.5 The Board of Directors of Niharika India Limited as on P.A. date consists of the following members:

| SL. No. | Name                 | Designation | Qualification and Experience in no. of years                                  | Residential Address                                    | Date of Appointment |
|---------|----------------------|-------------|-------------------------------------------------------------------------------|--------------------------------------------------------|---------------------|
| 1.      | Surendra Kumar Jain  | Director    | Commerce Graduate/ 10 years experience in the field of Finance and Investment | 28, Strand Road, 2 <sup>nd</sup> Floor, Kolkata-700001 | 06.01.1995          |
| 2.      | Indra Kumar Agarwal  | Director    | Commerce Graduate/ 4 years experience in the field of Finance and Investment  | 51/10, B.L. Shah Road, Kolkata-700053                  | 15.10.2001          |
| 3.      | Naresh Kumar Singhal | Director    | Commerce Graduate/ 4 years experience in the field of Finance and Investment  | 14/12/9, Sanatan Mistry Road, Saiakia, Howrah-711106   | 15.10.2001          |

4.2.12.6 None of the above directors is on the Board of Target Company.

4.2.12.7 The brief financials of Niharika India Limited are as under: -

| (Rs. in Lacs)                                    |                               |                               |                               |                                                    |
|--------------------------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------------------------------|
| Profit and loss statement                        | Year ended 31.03.04 (Audited) | Year ended 31.03.05 (Audited) | Year ended 31.03.06 (Audited) | Certified figures for the period ended 30.09.2006* |
| Income from Operations                           | 6.98                          | 17.12                         | 37.99                         | Nil                                                |
| Other Income                                     | -                             | 1.97                          | 3.27                          | Nil                                                |
| <b>Total Income (excluding stock adjustment)</b> | <b>6.98</b>                   | <b>19.09</b>                  | <b>41.26</b>                  | -                                                  |
| Total Expenditure                                | 12.17                         | 60.23                         | 41.04                         | 1.18                                               |
| Profit Before Depreciation, Interest & Tax       | (5.19)                        | (41.14)                       | 0.22                          | (1.18)                                             |



|                          |               |                |             |               |
|--------------------------|---------------|----------------|-------------|---------------|
| Depreciation             | -             | -              | -           | -             |
| Interest                 | -             | -              | -           | -             |
| <b>Profit before Tax</b> | <b>(5.19)</b> | <b>(41.14)</b> | <b>0.22</b> | <b>(1.18)</b> |
| Provision for Tax        | -             | -              | -           | -             |
| <b>Profit after Tax</b>  | <b>(5.19)</b> | <b>(41.14)</b> | <b>0.22</b> | <b>(1.18)</b> |

**(Rs in Lacs)**

| <b>Balance Sheet Statement</b>                          | <b>Year ended<br/>31.03.04<br/>(Audited)</b> | <b>Year ended<br/>31.03.05<br/>(Audited)</b> | <b>Year ended<br/>31.03.06<br/>(Audited)</b> | <b>Certified figures<br/>for the period<br/>ended<br/>30.09.2006*</b> |
|---------------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------|
| <b>Sources of Funds</b>                                 |                                              |                                              |                                              |                                                                       |
| Paid up Share Capital                                   | 570.53                                       | 570.53                                       | 570.53                                       | 570.53                                                                |
| Reserves and Surplus<br>(excluding Revaluation Reserve) | 524.38                                       | 524.38                                       | 524.43                                       | 524.38                                                                |
| Profit & Loss Account<br>(Debit Balance)                | (2.81)                                       | (52.95)                                      | (69.45)                                      | (70.63)                                                               |
| Secured Loans                                           | -                                            | -                                            | -                                            | -                                                                     |
| Unsecured Loan                                          | 56.32                                        | 56.32                                        | 55.25                                        | 55.26                                                                 |
| Current Liabilities                                     | 341.24                                       | 341.93                                       | 322.38                                       | 325.22                                                                |
| Deferred Tax Liability                                  | -                                            | -                                            | -                                            | -                                                                     |
| <b>Total</b>                                            | <b>1489.66</b>                               | <b>1440.21</b>                               | <b>1403.14</b>                               | <b>1404.76</b>                                                        |
| <b>Uses of Funds</b>                                    |                                              |                                              |                                              |                                                                       |
| Net Fixed Assets                                        | -                                            | -                                            | -                                            | -                                                                     |
| Investment                                              | 241.43                                       | 47.49                                        | 82.90                                        | 93.25                                                                 |
| Current Assets                                          | 1248.23                                      | 1392.72                                      | 1320.24                                      | 1311.51                                                               |
| Miscellaneous<br>Expenses not written<br>off            | -                                            | -                                            | -                                            | -                                                                     |
| <b>Total</b>                                            | <b>1489.66</b>                               | <b>1440.21</b>                               | <b>1403.14</b>                               | <b>1404.76</b>                                                        |

|  |  |  |  |  |
|--|--|--|--|--|
|  |  |  |  |  |
|--|--|--|--|--|

| Other Financial Data          | Year ended<br>31.03.04<br>(Audited) | Year ended<br>31.03.05<br>(Audited) | Year ended<br>31.03.06<br>(Audited) | Certified figures<br>for the period<br>ended<br>30.09.2006* |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------------------------------|
| Dividend (%)                  | -                                   | -                                   | -                                   | -                                                           |
| Earning Per Share (In Rs.)    | (0.09)                              | (0.72)                              | 0.004                               | (0.02)                                                      |
| Networth                      | 1092.10                             | 1041.96                             | 1025.51                             | 1024.28                                                     |
| Return on Net worth (%)       | (0.47)                              | (3.95)                              | 0.02                                | (0.12)                                                      |
| Book Value Per Share (in Rs.) | 19.14                               | 18.26                               | 17.97                               | 17.95                                                       |

\*As certified by Mr. Vipin Kanoongo (Membership No. 72716), Partner of D R Mohnot & Co, Chartered Accountants having office at C-20, Bhagwandas Road, C Scheme, Jaipur-302001, Rajasthan vide their certificate dated March 08, 2007

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)\*100

Earning Per Share=Profit After Tax/No. of Equity Shares issued

Return on Net worth (%)=(Profit After Tax/Networth)\*100

Book Value Per Share=Networth/ No. of Equity shares issued

- 4.2.12.8 The reason for fall/rise in income and PAT in the relevant years are as under:  
During the relevant years, due to depression in market conditions, there is fall in Income/ PAT.
- 4.2.12.9 Details of Contingent Liability of Niharika India Limited during the Last Three Years are as under:
- 2004-2005**  
The Income tax department has raised a demand of Rs. 175 Lacs against Trinetra Commerce & Trade Private Limited and Rs. 79.27 Lacs against Baikuntha Distributors private Limited (Now merged with Niharika India Limited) for the Asst. year 1995-1996 and 1996-1997 respectively. and the Company has filed appeal with Appellate Authority.
- 2003-2004**  
The Income tax department has raised a demand of Rs. 1.75 Crores against Trinetra Commerce & Trade Private Limited (Now merged with Niharika India Limited) for the Asst. year 1995-1996 and the Company has filed necessary appeal.
- 2002-2003**  
Nil
- 4.2.12.10 Niharika India Limited holds 2, 53,088 Equity shares of Target Company as on the date of Public Announcement. Niharika India Limited has not made any acquisition in the target Company through Open Offer(s).
- 4.2.12.11 The Company's Shares are listed on The Calcutta Stock Exchange Association Limited, The Delhi

Stock Exchange Association Limited and The Stock Exchange, Ahmedabad. Further, no punitive action has been taken by the Stock Exchange against the target company.

- 4.2.12.12 The reporting requirements under Regulation 8(3) of the SEBI (SAST) Regulations, 1997 are applicable to the Niharika India Limited and disclosures under Regulation 8(3) have not been filed with the stock exchange for the year 1997 to 2006.
- 4.2.12.13 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 as per their certificate attached with annual report of the Company.
- 4.2.12.14 Following Litigation is pending with the Income Tax Appellate Tribunal
1. Appeal against the order of Income Tax Department for an amount of Rs. 1.75 Lacs for the assessment year 1995-96.
  2. Appeal against the order of Income Tax Department for an amount of Rs. 79.27 Lacs for the assessment year 1996-97.
- 4.2.12.15 The name and contact details of the Compliance Officer are as under:

**Name of the Compliance Officer: Mr. Naresh Kumar Singhal**  
**Contact Address:** 10, Clive Row, 4<sup>th</sup> Floor, Kolkata-700001.  
**Contact Number:** Ph: (033) -22425884/4614

- 4.2.12.16 There has been no merger/Demerger, spin off during the past three years in Niharika India Limited.
- 4.2.12.17 The shareholding Pattern of the Company as on the of PA is as under:

| S. No. | Category                               | No. of Shares Held | % of Shareholding |
|--------|----------------------------------------|--------------------|-------------------|
| 1.     | Promoters and Person Acting in Concert | 136000             | 2.38              |
| 2.     | Mutual Funds/ FIIs/ FIs/ Banks         | Nil                | Nil               |
| 3.     | Public and Others                      | 5569255            | 97.62             |
|        | <b>Total</b>                           | <b>5705255</b>     | <b>100</b>        |

- 4.2.12.18 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are applicable to the acquirer and PACs and timely disclosures have been made to the target company as well as to the stock exchanges from the year 1997 to 2006, except the disclosure for acquiring shares under preferential allotment and a suitable action would be initiated by SEBI at a later stage for the said Non Compliance under Chapter II of SEBI (SAST) Regulations, 1997.
- 4.2.12.19 The investments made by Mangalam India Ltd, Niharika India Ltd and Magadh Traders Ltd in the shares of the target company by way of allotment of shares to them pursuant to preferential allotment dated 25<sup>th</sup> April, 2005 has been shown in the Balance Sheet of these companies for the year ended March 31, 2005 instead of March 31, 2006 because earlier these shares were allotted to them by target company on 25.03.2005 without taking in principle approval of stock exchange and again said shares were allotted on 23.04.2005 by the Board of Directors of target company by way of passing of resolution in super session of earlier resolution dated 25.03.2005 after getting in principal approval of stock exchange.

#### **4.2.13 BACKGROUND OF DEEMED PACs**

##### **4.2.13.1 MR SUSHIL KUMAR KHAITAN**

Mr. Sushil Kumar Khaitan is residing at 2, Prabhat Udyog Nagar, Patel Estate, Jogeswari, Mumbai- 400102. Tel No.: 022-22789496. He is a businessman. Mr. Sushil Kumar Khaitan holds 15,000 Equity shares of Target Company as on the date of Public Announcement. Mr Sushil Kumar Khaitan has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to to date of Letter of Offer.

#### **4.2.13.2 MRS ASHA KHAITAN**

Mrs. Asha Khaitan is residing at 2, Prabhat Udyog Nagar, Patel Estate, Jogeswari, Mumbai-400102. Tel No.: 022-22789496. She is a housewife. Mrs. Asha Khaitan holds 15,000 Equity shares of Target Company as on the date of Public Announcement. Mrs Asha Khaitan has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to till date.

#### **4.2.13.3 MR SHIV S SHARMA**

Mr. Shiv S Sharma is residing at G- 802, Surya Vihar Mittal Raheja Complex, Kapashera Border, Gurgaon- 122016, Haryana. He is a Media Advisor and holds directorships in Creative Eue Limited and Anil Special Steel Industries Ltd. Mr. Shiv S Sharma holds 210 Equity shares of Target Company as on the date of Public Announcement. Mr. Shiv S Sharma has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

#### **4.2.13.4 MR ONKAR SINGH**

Mr. Onkar Singh is residing at 17 H, Civil Lines, Opp C M House Jaipur-302006, Rajasthan. He is a Ex chairman of Rajasthan State Finance Corporation and having around 35 years vast experience in finance and administration and holds directorships in Khimsar Fort (P) Ltd and Mayur Travels (P) Ltd and Anil Special Steel Industries Ltd. Mr .Onkar Singh holds 200 Equity shares of Target Company as on the date of Public Announcement. Mr. Onkar Singh has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

#### **4.2.13.5 MR VIPIN VIHARILAL MATHUR**

Mr. Vipin Biharilal Mathur is residing at 10-12, Barwara House, Civil Lines, Jaipur- 300206. Rajasthan. He is a Ex Sr IAS Officer and Chief Advisor to the Governer of Rajasthan and holds directorships in Reliance Chemotex Industries Ltd, Indo Continental Hotels & Resorts Ltd and Anil Special Steel Industries Ltd. Mr Vipin Biharilal Mathur holds 100 Equity shares of Target Company as on the date of Public Announcement. Mr. Vipin Biharilal Mathur has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

#### **4.2.13.6 Mr Deoki Nondan Khaitan, Mrs Gyatri Devi Khaitan, Mr Dwarka Prasad Khaitan and Mrs Tara Devi Khaitan holding 13500, 12500, 1500 and 7850 equity shares respectively are deceased at Present.**

#### **4.2.13.7 M/S AMIT COMMERCIAL CO. LTD**

Amit Commercial Co. Limited is a public limited company having its registered office situated at 2<sup>nd</sup> Floor, 25, Ganesh Chandra Avenue, Kolkata- 700013.. Ph.: 033-22349308. Amit Commercial Co. Limited is engaged in the business of financing & investing activities. The current directors of the Company are S K Kejriwal, D S Nagar. The shares of the company are listed at Calcutta Stock Exchange Association Limited. The company is not complying with the provisions of the Listing Agreement. Amit Commercial Co Ltd holds 187400 Equity shares of Target Company as on the date of Public Announcement. The company has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

#### **4.2.13.8 M/S SHALIMAR HOLDINGS LTD**

Shalimar Holdings Limited is a public limited company having its registered office situated at 909, Ansal Bhawan, 16 K G Marg, New Delhi- 110001 Ph.: 011-23355552. Shalimar Holdings Limited is engaged in the business of financing & investing activities. The current directors of the Company are S K Kejriwal, Naresh Singhal. The shares of the company are listed at Delhi Stock Exchange Association Ltd. The company is not complying with the provisions of the Listing Agreement. Shalimar Holdings Limited holds 78000 Equity shares of Target Company as on the date of Public Announcement. The company has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

#### **4.2.13.9 M/S ESQUIRE ENGINEERING LTD**

Esquire Engineering Limited is a public limited company having its registered office situated at 2, Prabhat Udyog Nagar, Patel Estate, Off S V Road, Jogeswari (W) Mumbai- 400102. Ph.: 022-26789496. Esquire Engineering Limited is engaged in the business of financing & investing activities. The current directors of the Company are Girdhari Lal Tulsian and Binod Aggarwal. Esquire Engineering Limited holds 11100 Equity shares of Target Company as on the date of Public Announcement. The company has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

#### **4.2.13.10 M/S SAMTUL INVESTMENT LTD**

Samtul Investments Limited is a public limited company incorporated on 22.05.1981 having its registered office situated at 2, Prabhat Udyog Nagar, Patel Estate, Off S V Road, Jogeswari (W) Mumbai- 400102 having telephone no. (022) 26789496. Samtul Investment Limited is engaged in the business of financing & investing activities. The current directors of the Company are Girdhari Lal Tulsian, Mr M B Agarwal and Mr D P Khaitan. Samtul Investments Limited holds 6100 Equity shares of Target Company as on the date of Public Announcement. The company has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

#### **4.2.13.11 M/S SATYA SONS SERVICES LTD.**

Satya sons services Limited is a public limited company incorporated on 10<sup>th</sup> day of August, 1988 with Registrar of companies Punjab, H P & Chandigarh and having its registered office situated at 7 A, Kiran Shankar Ry Road, Kolkata-700001. The issued subscribed and paid up capital of the company as on 31.03.2005 is 50500 equity shares of Rs 10/- each and Authorised

capital of the company is Rs 25,00,000/- divided in to 2,50,000 equity shares of Rs 10/- each. Satya Sons Services Limited is engaged in the business of providing financial and legal services. The current directors of the Company are Mr Deepak Das Gupta, Mr Rajat Kumar Niyogi and Mr Anil Kumar Parasrampuriya. Satya sons services Limited holds 350 Equity shares of Target Company as on the date of Public Announcement. The company has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

#### **4.2.13.12 M/S AGRO CHEMICALS FERTILIZERS LTD.**

Agro Chemicals and Fertilisers Limited is a public limited company incorporated on 01.04.1960 having its registered office situated at 2<sup>nd</sup> Floor, 25, Ganesh Chandra Avenue, Kolkata- 700013. having telephone no. (033) 22349308/9/10. Agro Chemicals and Fertilisers Limited is engaged in the business of financing & investing activities. The current Directors of the Company are Mr Binod Agarwal, Mr Aditya Khator and Mr Indra Kumar Agarwal. Agro Chemicals and Fertilisers Limited 24,570 Equity shares of Target Company as on the date of Public Announcement. The company has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer. At present the shares of the company are listed at the Calcutta Stock Exchange Association Ltd. The company is not fully complying with the provisions of the listing agreement.

#### **4.2.13.13 M/S SHALIMAR WIRES INDUSTRIES LTD.**

Shalimar Wire Industries Limited is a public limited company incorporated on 13.10.1996 having its registered office situated at 2<sup>nd</sup> Floor, 25, Ganesh Chandra Avenue, Kolkata- 700013. having telephone no. (033) 22349308/9/10. Shalimar Wire Industries Limited is engaged in the business of manufacturing Non ferrous wire cloth, stainless steel wire cloth, synthetic woven fabrics, dandy Rolland accessories and water showers. The current directors of Company are Mr Sujit Chhakravorti, Mr Sunil Khaitan, Mr B P Muktich, Mr L R Vaidyanath and Mr Dipak Das Gupta. Shalimar Wire Industries Limited holds 1,01,550 Equity shares of Target Company as on the date of Public Announcement. The company has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer. . At present the shares of the company are listed at the Bombay Stock Exchange Ltd and The Calcutta Stock Exchange Association Ltd. The company is not fully complying with the provisions of the listing agreement.

#### **4.2.13.14 RELIANCE SHEET WORKS (P) LIMITED**

Reliance Sheet Works (P) Limited is a private limited company incorporated on 03.05.1960 having its registered office situated at 2<sup>nd</sup> Floor, 25, Ganesh Chandra Avenue, Kolkata- 700013. having telephone no. (033) 22349308/9/10. Reliance Sheet Works (P) Limited is engaged in the business of financing & investing activities. The current directors of Company are Mr Pawan Agarwal and Mr Aditya Khator. Reliance Sheet Works (P) Limited holds 73118 Equity shares of Target Company as on the date of Public Announcement. The company has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

#### **4.2.13.15 M/S SUMANGLA INVESTMENT LTD**

Sumangala Investment Limited is a public limited company having its registered office situated at 25, Ganesh Chandra Avenue, Calcutta- 700013. Ph.: 033-22349308, 22349309. Sumangala Investment Limited is engaged in the business of financing & investing activities. The current directors of the Company are Mr D K Nath, Mr R S Agarwal and Mr G L Tulshan. Sumangala Investment Limited holds 30,000 Equity shares of Target Company as on the date of Public Announcement. The company has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

- 4.2.13.16 The Deemed PACs as mentioned above belongs to the promoter group of the target company. Since the instant Offer is being made under Regulation 11(1) of SEBI (SAST) Regulations, 1997, therefore they are not participating in the instant Offer and accordingly all of them have been shown as deemed PACs for the purpose of this Offer.

#### **4.3 DISCLOSURES IN TERMS OF REGULATION 21(3), IF APPLICABLE**

The minimum public shareholding required for the purpose of listing on continuous basis in terms of listing agreement is 25%. Assuming full acceptance, the public shareholding pursuant to this Offer will not falls below the limit specified for the purpose of listing on continuous basis in terms of Clause 40A of the listing agreement..

#### **5 BACKGROUND OF THE TARGET COMPANY – ANIL SPECIAL STEEL INDUSTRIES LIMITED (ASSIL)**

- 5.1 ASSIL was originally incorporated as public limited company under the name Anil Steel and Industries Limited on 04.05.1968, with the Registrar of Companies, Rajasthan, Jaipur and obtained the Certificate of Commencement of Business on 26.03.1968. The Company name was changed to ASIL Industries Limited vide fresh certificate of incorporation dated 16.02.1994 issued by the Registrar of Companies, Rajasthan, Jaipur. The Company name was further changed to Anil Special Steel Industries Limited vide fresh certificate of incorporation dated 29.03.2005 issued by the Registrar of Companies, Rajasthan, Jaipur.
- 5.2 The Registered & Corporate office of the company is at present situated at Kanakpura, P.O. Meenawala, Jaipur-302012. Tel No.: (0141) 2470211-212-215, Fax No.: (0141) 2470299.
- 5.3 ASSIL has been engaged in the business of manufacturing of hardened & tempered Steel Strips, Cold Rolled Steel Strips and Circular Saws, Discs of Various Grades and Sizes. The manufacturing facility of the Company is situated at Kanakpura, P.O. Meenawala, Jaipur-302012
- 5.4 The Authorised share capital of ASSIL as on the date of PA is Rs 14,00,00,000/- (Rupees Fourteen Crores Only) divided into 77,00,000 (Seventy Seven Lacs) Equity Shares of Rs. 10/- (Rs.Ten) each and 6,30,000 (Six Las Thirty Thousand) Redeemable Preference Shares of Rs. 100/- each. The company in its Annual General Meeting held on 30<sup>th</sup> June, 2005 cancel the unissued 6,30,000 redeemable preference shares of Rs 100 each and create 63,00,000 equity shares of Rs 10 each and accordingly total Authorised capital of the company comprises of Rs 14,00,00,000 divided in to 1,40,00,000 equity shares of Rs 10 each. The present Offer is for 13,57,836 equity shares representing 20% of the paid up capital & resultant voting rights of ASSIL.
- 5.5 The present capital structure of ASSIL is as under:

| <b>Paid up Equity Shares of ASSIL</b> | <b>No. of Equity Shares / voting rights</b> | <b>% of Shares / voting rights</b> |
|---------------------------------------|---------------------------------------------|------------------------------------|
|---------------------------------------|---------------------------------------------|------------------------------------|

|                                           |           |        |
|-------------------------------------------|-----------|--------|
| Fully paid-up equity shares               | 67,88,476 | 100.00 |
| Partly paid-up equity shares              | 702       | Nil    |
| Total paid-up equity shares               | 67,89,178 | 100.00 |
| Total voting rights in the Target Company | 67,88,476 | 100.00 |

5.6 There are 702 partly paid up equity shares in the company, out of which Rs. 5/- is remaining unpaid on 600 shares and Rs. 2.5/- is remaining unpaid on 102 shares. According to the Articles of the ASSIL, the partly paid up shares of the Company do not carry any voting rights. The total amount due in respect of 702 partly paid up shares is Rs 11778, which includes interest amount of Rs 6768 (calculated @6% p.a. from due date of payment i.e 3<sup>rd</sup> October, 1983 to April 24, 2007) and unpaid amount of Rs 5010 in respect of abovesaid shares and shareholders holding partly paid up shares shall be eligible to participate in the Offer provided they pay the allotment money due alongwith interest.

5.7 The current capital structure of the company has been build up since inception as under:

| Date of allotment | No of shares issued | % of shares issued | Cumulative paid up capital in Rs. | Mode of allotment           | Identity of allottees (promoters/ promoters/ others)  | Status of Compliance           |
|-------------------|---------------------|--------------------|-----------------------------------|-----------------------------|-------------------------------------------------------|--------------------------------|
| Subscriber to M&A | 430                 | 0.01               | 4300                              | Cash                        | Subscribers to Memorandum                             | No Compliance Pending          |
| 25.04.1970        | 7,000               | 0.15               | 74,300                            | Cash                        | Friends & Relatives                                   |                                |
| 31.10.1971        | 50,000              | 1.10               | 5,74,300                          | Cash                        | Friends & Relatives                                   |                                |
| 12.08.1972        | 2,72,570            | 5.97               | 33,00,000                         | Cash                        | Promoters                                             |                                |
| 06.12.1972        | 3,20,000            | 7.01               | 65,00,000                         | Cash                        | Public issue                                          |                                |
| 14.10.1982        | 3,20,725            | 7.03               | 97,07,250                         | Cash                        | Rights Issue                                          |                                |
| 01.10.1994        | 25,48,700@          | 55.84              | 3,5194,250                        | Cash                        | Rights Issue (Conversion of 15% FCD of Rs. 40/- each) |                                |
| 23.04.2005        | 10,44,753           | 22.89              | 4,56,41,780                       | Coverion of Unsecured Loans | Preferential Allotment                                | Final Listing Approval Pending |
| 08.12.2005        | 22,25,000           | 32.77              | 66,78,91,780*                     | Coverion of Unsecured Loans | Preferential Allotment                                | Final Listing Approval Pending |
| <b>TOTAL</b>      | <b>67,89,178</b>    |                    |                                   |                             |                                                       |                                |

Note: \* This Capital also includes re- issue of 10990 forfeited equity shares issued on 07.05.2005.



@ The said shares had been allotted on conversion of 15% fully convertible debentures issued on right basis.

- 5.8 As on date of this PA, the equity shares of "ASSIL" are listed on The Jaipur Stock Exchange Limited (JSE), The Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Association Limited (CSE). The Company shares have been delisted from The Delhi Stock Exchange Association Limited (DSE) w.e.f. 14<sup>th</sup> October, 2005. The company has also made applications to JSE & CSE for delisting of the equity shares, from whom it is yet to receive any confirmation to that effect.
- 5.9 ASSIL, the company has duly complied with all the requirements of Listing Agreement with the concerned stock exchanges where the shares of the company are listed/ permitted to trade and no punitive action has been taken against the company by SEBI or any Stock Exchange. As regards, Listing of 10, 44,753 Equity Shares on preferential basis, in-principle approval for listing has already been obtained by the company from BSE vide letter no.List/sdm/rk/sum/2005 dated April 22, 2005. The final listing approval is pending on account of non-fulfillment of the SEBI (SAST) Regulations, 1997. This Offer is made by Acquirer to regularize the same.
- 5.10 The Board of Directors of Anil Special Steel Industries Limited (hereinafter referred to as **"ASSIL/the Target Company"**) has also in their meeting held on December 08, 2005, allotted 22,25,000 equity shares (32.77% of post preferential paid up equity share capital & 32.776% of the post preferential voting rights of ASSIL) of Rs. 10/- each at a premium of Rs. 8/- aggregating to Rs 18/- each by way of conversion of Loan in to Equity shares to respective allottees those does not belong to Promoters Group of the company . The preferential issue has been duly authorised by a resolution passed by the Board of Directors of the Company in its meeting held on May 07, 2005 and by the special resolution passed under section 81(1A) of the Companies Act, 1956 by the members of the Company in their Extra-Ordinary General Meeting held on June 30, 2005.

The important features of the allotment of 22,25,000 Equity shares on preferential basis are laid down as under:

| Sr No. | Name of allottees                         | Pre Preferential holding and their percentage to the total paid up capital | Number of shares allotted | Post Preferential holding and their percentage to the total paid up capital |
|--------|-------------------------------------------|----------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------------|
| 1.     | Subhash Credit Capital Ltd                | Nil                                                                        | 1,79,643                  | 1,79,643 (2.64%)                                                            |
| 2.     | Mayank Securities (P) Ltd                 | 85,000 (1.86%)                                                             | 4,98,929                  | 5,83,929 (8.60%)                                                            |
| 3.     | Cube Fintex (P) Ltd                       | Nil                                                                        | 2,57,143                  | 2,57,143 (3.79%)                                                            |
| 4.     | Maryn Industries (P) Ltd                  | Nil                                                                        | 35,714                    | 35,714 ( 0.53%)                                                             |
| 5.     | Stressed Assets Stabilisation Fund (SASF) | Nil                                                                        | 12,53,571                 | 12,53,571 (18.46%)                                                          |
|        | <b>Total</b>                              |                                                                            | <b>22,25,000</b>          |                                                                             |

The company had taken a loan of an amount Rs 28.43 crore from Industrial Development Bank of India. The Industrial Development Bank of India had transferred the loan amount and interest to Stressed Assets Stabilisation Fund (SASF), one of the major allottees of said preferential allotment. SASF had approved a restructuring package under which company have to make a preferential allotment of shares to SASF on conversion of loan and interest. Subsequently four other allottees of the said preferential allotment have also been agreed to convert their loans which have been given to the company in to equity shares on the basis of restructuring package of SASF. After that company filed an application to the Bombay Stock Exchange (BSE) in order to obtain in-principle approval of

BSE so that shares can be issued to the respective allottees as early as possible in order to avoid heavy penalty and interest and also to comply with time limit as prescribed under said restructuring package. The BSE had given in-principle approval to the company for allotment of said shares vide BSE letter no. List/sdm/rk/sum/2005 dated November 29, 2005. Subsequently company had allotted 22,25,000 equity shares to the respective allottees on December 8, 2005 i.e within 15 days from the date of in-principle approval given by BSE as prescribed under SEBI (DIP) Guidelines, 2000. The said shares has not been listed on the stock exchanges.

Further the allottees to the said preferential allotment has complied with all applicable provisions of SEBI (SAST) Regulations, 1997 in respect of said preferential allotment except disclosure required to be filed under Chapter II of SEBI (SAST) Regulations, 1997. The Mayank Securities Limited, one of the allottees to the said preferential allotment failed to file disclosure under Regulation 7 of SEBI (SAST) Regulations, 1997 within due date prescribed thereon.

#### **Impact on Financials of ASSIL Pursuant to restructuring package approved by SASF**

Pursuant to restructuring package approved by SASF, after conversion of interest accrued in to equity shares, the networth of the company has been improved and it also reduced the financial burdens in the form of interest waived of an amount Rs 33 Crore. At present the Company has now paid the full amount due to SASF and also get waiver of additional interest accrued amounting approx Rs 2.50 crore.

- 5.11 The Company has also re-issued 10,990 forfeited shares on 07.05.2005 and intimation in this regard has been filed with the Stock Exchanges where the securities of the Company are listed. However, the Company has not obtained the approval of Stock Exchange(s) for the same. The Company has now taken steps for obtaining the approval of Stock Exchange(s). The shares has been re issued to the following allottees.

| Sr No. | Name of shareholder       | Folio No. | No. of shares allotted |
|--------|---------------------------|-----------|------------------------|
| 1      | Mr Banwari Lal Sharma     | 50394     | 9490                   |
| 2      | Mr Ramesh Chand Choudhary | 50392     | 750                    |
| 3      | Mrs Rama Choudhary        | 50393     | 750                    |
|        | Total                     |           | 10990                  |

- 5.12 There are no outstanding convertible instruments / warrants.

- 5.13 ASSIL has been complying with the requirements of provisions of chapter II of the SEBI (SAST) Regulations, 1997.

- 5.14 The composition of the Board of Directors of ASSIL as on November 24, 2005, the date of PA is as follows:

| S. No. | Name of the Director | Designation                    | Qualification and Experience in No. of years           | Residential Address                                         | Date of Appointment |
|--------|----------------------|--------------------------------|--------------------------------------------------------|-------------------------------------------------------------|---------------------|
| 1      | Sh. Sudhir Khaitan   | Chairman cum Managing Director | B.Com/ 21 years in Steel Industry                      | 1/17, "BRINDAVAN", Opp. Governor House, Civil Lines, Jaipur | 22.10.1990          |
| 2      | Sh. Shiv S. Sharma   | Director                       | IAS D.G. (Doordarshan) (Retd.)/ 25 years experience in | G-802, Surya Vihar, Mittal Raheja Complex,                  | 22.05.1992          |

|    |                                         |                        |                                                                                                                |                                                                                            |            |
|----|-----------------------------------------|------------------------|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|------------|
|    |                                         |                        | Administration                                                                                                 | Kapashera Border,<br>Gurgaon-122016                                                        |            |
| 3  | Shri Onkar Singh                        | Director               | Ex Chairman-RFC,<br>RSHC, Raj. State<br>Tanneries/ 30 years<br>in Financial matters                            | 17/H, Civil Lines,<br>Jaipur                                                               | 22.05.1993 |
| 4  | Shri V.B.L.<br>Mathur                   | Director               | Chief Secretary (Govt.<br>of Raj.) (Retd.)/<br>30.years experience in<br>Administration and<br>Finance Matters | 10-12, Barwara<br>House, Civil Lines,<br>Jaipur-300206                                     | 15.12.1993 |
| 5  | Shri Mihir<br>Ganguly                   | Director               | B.A. / 15 years<br>experience in HR<br>Matters                                                                 | 42, Green Park,<br>Block S, Jessore<br>Road, (Lake Town<br>Crossing),<br>Kolkatta-7000089. | 31.03.2003 |
| 6. | Lt. Col. Shri<br>Purshottam Lal<br>Bawa | Additional<br>Director | M.Sc. (Military<br>Sciences)/ 22 years<br>experience in<br>liaisoning with Govt.<br>Authorities.               | 268, Gom Defence<br>Colony, Gautam<br>Marg, Vaishali,<br>Jaipur-302021                     | 26.10.2005 |

5.15 There has been no merger / de-merger, spin-off during the past three years in ASSIL.

5.16 The financial information of ASSIL for the financial year ended on March 31, 2003, 2004 and 2005 & 2006 is given below:

| (Rs. in Lacs)                                    |                                              |                                              |                                              |                                                                      |
|--------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------------------------------|
| <b>Profit and loss statement</b>                 | <b>Year ended<br/>31.03.04<br/>(Audited)</b> | <b>Year ended<br/>31.03.05<br/>(Audited)</b> | <b>Year ended<br/>31.03.06<br/>(Audited)</b> | <b>Certified<br/>figures for the<br/>period ended<br/>30.09.2006</b> |
| Sales                                            | 7283.87                                      | 7884.81                                      | 8480.60                                      | 4854.00                                                              |
| Other Income                                     | 199.44                                       | 32.25                                        | 60.39                                        | 41.00                                                                |
| Stock Adjustment/<br>Increase/ (Decrease)        | (49.54)                                      | 140.94                                       | 276.27                                       | -                                                                    |
| <b>Total Income</b>                              | <b>7433.77</b>                               | <b>8058.00</b>                               | <b>8817.26</b>                               | <b>4895.00</b>                                                       |
| Total Expenditure                                | 6564.49                                      | 7131.47                                      | 7897.37                                      | 4495.00                                                              |
| Profit Before<br>Depreciation, Interest &<br>Tax | 869.28                                       | 926.53                                       | 919.89                                       | 400.00                                                               |
| Depreciation                                     | 317.96                                       | 333.20                                       | 314.96                                       | 168.00                                                               |

|                                  |               |               |               |              |
|----------------------------------|---------------|---------------|---------------|--------------|
| Interest                         | 443.60        | 487.42        | 389.51        | 135.00       |
| <b>Profit/ (Loss) before Tax</b> | <b>107.72</b> | <b>105.91</b> | <b>215.42</b> | <b>97.00</b> |
| Provision for Tax                | -             | -             | 14.16         | -            |
| <b>Profit/ (Loss) after Tax</b>  | <b>107.72</b> | <b>105.91</b> | <b>201.26</b> | <b>97.00</b> |

(Rs. in Lacs)

| <b>Balance Sheet Statement</b>                   | <b>Year ended 31.03.04 (Audited)</b> | <b>Year ended 31.03.05 (Audited)</b> | <b>Year ended 31.03.06 (Audited)</b> | <b>Certified figures for the period ended 30.09.2006</b> |
|--------------------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|----------------------------------------------------------|
| Paid up Share Capital                            | 350.82                               | 455.30#                              | 678.90                               | 678.90                                                   |
| Forfeited Share Capital                          | 0.48                                 | 0.48                                 | Nil                                  | Nil                                                      |
| Advance Against Equity                           | 0.00                                 | 350.66                               | Nil                                  | Nil                                                      |
| Reserves & Surplus excluding Revaluation Reserve | 793.67                               | 898.15                               | 1300.77                              | 729.00                                                   |
| Revaluation Reserve                              | 580.70                               | 462.99                               | 336.66                               | 294.00                                                   |
| Secured Loans                                    | 4637.61                              | 4207.44                              | 4221.29                              | 4228.00                                                  |
| Unsecured Loan                                   | 793.35                               | 573.28                               | 295.01                               | 308.00                                                   |
| Current Liabilities                              | 1018.82                              | 957.85                               | 1621.63                              | 1594.00                                                  |
| <b>Total</b>                                     | <b>8175.45</b>                       | <b>7906.15</b>                       | <b>8454.26</b>                       | <b>7831.90</b>                                           |
| <b>Uses of Funds</b>                             |                                      |                                      |                                      |                                                          |
| Net Fixed Assets                                 | 4262.11                              | 3969.27                              | 3701.55                              | 3588.00                                                  |
| Investment                                       | 36.08                                | 35.09                                | 35.09                                | 35.00                                                    |
| Current Assets                                   | 2574.64                              | 2705.86                              | 3738.46                              | 4208.90                                                  |
| Miscellaneous Expenses not written off           | 0.79                                 | 0.00                                 | 0.00                                 | 0.00                                                     |
| Profit/ Loss A/c Dr. Balance                     | 1301.83                              | 729.65                               | 668.47                               | -                                                        |
| Deferred Tax Assets                              | -                                    | 466.28                               | 310.69                               | -                                                        |

|                 |                |                |                |                |
|-----------------|----------------|----------------|----------------|----------------|
| <b>Total</b>    | <b>8175.45</b> | <b>7906.15</b> | <b>8454.26</b> | <b>7831.90</b> |
| <b>Networth</b> | (157.65)       | 624.28         | 1311.20        | 1407.90        |

| <b>Other Financial Data</b>   | <b>Year ended<br/>31.03.04<br/>(Audited)</b> | <b>Year ended<br/>31.03.05<br/>(Audited)</b> | <b>Year ended<br/>31.03.06<br/>(Audited)</b> | <b>Certified<br/>figures for the<br/>period ended<br/>30.09.2006*</b> |
|-------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------|
| Dividend (%)                  | Nil                                          | Nil                                          | Nil                                          | Nil                                                                   |
| Earning Per Share (In Rs.)    | 3.07                                         | 2.33                                         | 2.96                                         | 1.43                                                                  |
| Return on Net worth (%)       | Negative                                     | 16.97                                        | 15.35                                        | 6.89                                                                  |
| Book Value Per Share (in Rs.) | Negative                                     | 13.71                                        | 19.31                                        | 20.74                                                                 |

\*As Certified by Mr. Vipin Kanoongo (Membership No. 72716), Partner of D R Mohnot & Co, Chartered Accountants having office at C-20, Bhagwandas Road, C Scheme, Jaipur-302001, Rajasthan vide their certificate dated March 08, 2007

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)\*100

Earning Per Share=Profit After Tax/No. of Equity Shares issued

Return on Net worth (%)=(Profit After Tax/Networth)\*100

Book Value Per Share=Networth/ No. of Equity shares issued

Networth = Paid Up Capital + Forfeited Shares + Reserves & Surplus (Excluding Revaluation reserves) - Profit & Loss A/c (Dr. Balance) - Miscellaneous Expenditure not Written Off

# The Company had allotted 10,44,753 equity shares on preferential basis on 25.03.2005 without obtaining in principal approval from the Stock Exchanges under clause 24(a) of the listing agreement and subsequently after getting in principal approval from the stock exchange, the company again allotted same shares on 23.04.2005 by passing a resolution in super session of earlier resolution dated 25.03.2005. Therefore due to abovesaid reason allotment of 10,44,753 have been included in the share capital of the company for the year ended 31<sup>st</sup> March, 2005.

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

1. During the year ending 31<sup>st</sup> March, 2004, the total Income of the Company was increased from 5792.157 Lacs to 7433.77 Lacs as compared to previous year. Further the Profit after Tax of the Company was Rs. 107.72 in the financial year ending March 31, 2004 as compared to Rs. (136.92) Lacs for the year ending March 31, 2003. The Increase in total Income and PAT was due to increase in Turnover of the Company and waiver of interest by IDBI Bank (Term lending Institution).
2. During the year ended 31<sup>st</sup> March, 2005, the total Income of the Company was increased from 7433.77 Lacs to 8058 Lacs as compared to previous year. The

increase in total income is due increase in sales of Company

3. During the year ended 31<sup>st</sup> March, 2006, the total Income of the Company was increased from 8058 Lacs to 8817.26 Lacs as compared to previous year. The increase in total income is due increase in sales of Company

5.18 Details of Contingent Liability of ASSIL during the Last Three Years are as under:

| S. No. | Particulars                                                                                                                                                           | 2002-2003<br>(Amount in Rs.) | 2003-2004<br>(Amount in Rs.) | 2004-2005<br>(Amount in Rs.) |
|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|------------------------------|
| 1.     | Purchase of Raw Material and Stores and Spares Parts for which Letter of Credit has been opened                                                                       | 92,51,000                    | 1,05,02,000                  | 1,10,75,000                  |
| 2.     | Bank Guarantees                                                                                                                                                       | 1,09,88,071                  | 1,48,64,571                  | 1,48,64,571                  |
| 3.     | Pending Export Obligation under Advance Licence                                                                                                                       | 68,16,000                    | 50,00,000                    | -                            |
| 4.     | Against Sales Tax Cases for earlier years under appeal                                                                                                                | 25,42,877                    | 23,84,360                    | 20,27,093                    |
| 5.     | Against Excise matter being disputed                                                                                                                                  | 14,14,985                    | 1,08,000                     | 1,12,000                     |
| 6.     | Waiver of Interest & Finance Charges by IDBI and National Insurance Co. Ltd., subject to compliance of stipulated condition till final repayment of crystallized dues | 8,41,77,215                  | 29,14,52,600                 | 42,70,600                    |

5.19 The Pre and Post Offer Shareholding pattern of the Target Company are given as under:-

| Shareholder Category                            | Shareholding/ voting rights prior to the acquisition under Pref allot dated 23.04.2005 (A) |      | Shareholding/ voting rights acquired under Pref allot dated 23.04.2005 which triggered off the regulations (B) |     | Shareholding/ voting rights post Pref allotment Dated 23.04.2005 and prior pref dated 08.12.2005 (C) |      | Shareholding/ voting rights acquired pursuant pref allot dated 08.12.2005 |     | Shareholding/ voting rights after acquisition under pref allotment dated 08.12.2005 |      | Shareholding/ voting rights to be acquired in the Open Offer (assuming full acceptance) |    | Shareholding/ voting rights after the Open Offer |       |
|-------------------------------------------------|--------------------------------------------------------------------------------------------|------|----------------------------------------------------------------------------------------------------------------|-----|------------------------------------------------------------------------------------------------------|------|---------------------------------------------------------------------------|-----|-------------------------------------------------------------------------------------|------|-----------------------------------------------------------------------------------------|----|--------------------------------------------------|-------|
|                                                 | No.                                                                                        | %    | No.                                                                                                            | %   | No.                                                                                                  | %    | No.                                                                       | %   | No.                                                                                 | %    | No.                                                                                     | %  | No.                                              | %     |
| <b>(1) Promoter Group</b>                       |                                                                                            |      |                                                                                                                |     |                                                                                                      |      |                                                                           |     |                                                                                     |      |                                                                                         |    |                                                  |       |
| (A) Acquirer                                    | 105770                                                                                     | 3.01 | Nil                                                                                                            | Nil | 105770                                                                                               | 2.32 | Nil                                                                       | Nil | 105770                                                                              | 1.56 | 135783                                                                                  | 20 | 1463606                                          | 21.56 |
| (B) PACs (To whom shares are allotted under the |                                                                                            |      |                                                                                                                |     |                                                                                                      |      |                                                                           |     |                                                                                     |      |                                                                                         |    |                                                  |       |

|                                              |         |       |        |       |         |       |         |       |         |       |                                 |     |         |       |
|----------------------------------------------|---------|-------|--------|-------|---------|-------|---------|-------|---------|-------|---------------------------------|-----|---------|-------|
| preferential allotment                       |         |       |        |       |         |       |         |       |         |       |                                 |     |         |       |
| 1. Manglam India Ltd                         | 52650   | 1.50  | 530445 | 11.65 | 583095  | 12.81 | Nil     | Nil   | 583095  | 8.59  | Nil                             | Nil | 583095  | 8.59  |
| 2. Magadh Traders Ltd                        | 289300  | 8.25  | 112318 | 2.47  | 401618  | 8.82  | Nil     | Nil   | 401618  | 5.92  | Nil                             | Nil | 401618  | 5.92  |
| 3. Niharika India Ltd                        | 107600  | 3.07  | 145488 | 3.20  | 253088  | 5.56  | Nil     | Nil   | 253088  | 3.73  | Nil                             | Nil | 253088  | 3.73  |
| (C) PACs other than (B) above                |         |       |        |       |         |       |         |       |         |       |                                 |     |         |       |
| 1. Sita Devi Khaitan                         | 122410  | 3.49  | Nil    | Nil   | 122410  | 2.69  | Nil     | Nil   | 122410  | 1.80  | Nil                             | Nil | 122410  | 1.80  |
| 2. Sunil Kumar Khaitan                       | 105470  | 3.00  | Nil    | Nil   | 105470  | 2.32  | Nil     | Nil   | 105470  | 1.55  | Nil                             | Nil | 105470  | 1.55  |
| 3. Anil Khaitan                              | 115230  | 3.28  | Nil    | Nil   | 115230  | 2.53  | Nil     | Nil   | 115230  | 1.70  | Nil                             | Nil | 115230  | 1.70  |
| 4. Umaesh Kr Khaitan                         | 104410  | 2.97  | Nil    | Nil   | 104410  | 2.29  | Nil     | Nil   | 104410  | 1.54  | Nil                             | Nil | 104410  | 1.54  |
| 5. Sashi Prabha Khaitan                      | 45240   | 1.29  | Nil    | Nil   | 45240   | 0.99  | Nil     | Nil   | 45240   | 0.67  | Nil                             | Nil | 45240   | 0.67  |
| 6. Kavita Khaitan                            | 15000   | 0.43  | Nil    | Nil   | 15000   | 0.33  | Nil     | Nil   | 15000   | 0.22  | Nil                             | Nil | 15000   | 0.22  |
| 7. Rashmi Khaitan                            | 15000   | 0.43  | Nil    | Nil   | 15000   | 0.33  | Nil     | Nil   | 15000   | 0.22  | Nil                             | Nil | 15000   | 0.22  |
| 8. Sarita Khaitan                            | 15700   | 0.45  | Nil    | Nil   | 15700   | 0.34  | Nil     | Nil   | 15700   | 0.23  | Nil                             | Nil | 15700   | 0.23  |
| 9. Sunita Khaitan                            | 15000   | 0.43  | Nil    | Nil   | 15000   | 0.33  | Nil     | Nil   | 15000   | 0.22  | Nil                             | Nil | 15000   | 0.22  |
| (D) Others Deemed PACs                       | 578148  | 16.48 | Nil    | Nil   | 578148  | 12.70 | Nil     | Nil   | 578148  | 8.52  | Nil                             | Nil | 578148  | 8.52  |
| Total (1A+B +C+D)                            | 1686928 | 48.08 | 788251 | 17.32 | 2475179 | 54.36 | Nil     | Nil   | 2475179 | 36.46 | 1357836                         | 20  | 3833015 | 56.46 |
| 2. Non Promoters Holding (Other than 1)      |         |       |        |       |         |       |         |       |         |       |                                 |     |         |       |
| a. Mutual Funds/ Banks/FI                    | 288480  | 8.23  | Nil    | Nil   | 288480  | 6.34  | Nil     | Nil   | 288480  | 4.25  | (1357836) (20.00) 2956163 43.54 |     |         |       |
| b. Private Corporates Bodies                 |         |       |        |       |         |       |         |       |         |       |                                 |     |         |       |
| 1. Shalimar Industries Ltd                   | Nil     | Nil   | 256502 | 5.63  | 256502  | 5.63  | Nil     | Nil   | 256502  | 3.78  |                                 |     |         |       |
| 2. Stressed Assets Stabilisation fund (SASF) | Nil     | Nil   | Nil    | Nil   | Nil     | Nil   | 1253571 | 18.46 | 1253571 | 18.46 |                                 |     |         |       |
| 3. Subhash Credit Capital Ltd                | Nil     | Nil   | Nil    | Nil   | Nil     | Nil   | 179643  | 2.64  | 179643  | 2.64  |                                 |     |         |       |
| 4. Mayank Securities (P) Ltd                 | Nil     | Nil   | Nil    | Nil   | 85000   | 1.86  | 498929  | 7.35  | 583929  | 8.60  |                                 |     |         |       |
| 5. Cube Fintex (P) Ltd                       | Nil     | Nil   | Nil    | Nil   | Nil     | Nil   | 257143  | 3.79  | 257143  | 3.79  |                                 |     |         |       |
| 6. Maryn                                     | Nil     | Nil   | Nil    | Nil   | Nil     | Nil   | 35714   | 0.53  | 35714   | 0.53  |                                 |     |         |       |

|                               |         |       |        |       |          |       |         |       |          |       |  |              |
|-------------------------------|---------|-------|--------|-------|----------|-------|---------|-------|----------|-------|--|--------------|
| Industries (P) Ltd            |         |       |        |       |          |       |         |       |          |       |  |              |
| 2. Other Pvt Corporate Bodies | 201880  | 5.75  | Nil    | Nil   | 116880   | 2.57  | Nil     | Nil   | 116880   | 1.72  |  |              |
| c. Indian Public              | 1329047 | 37.88 | Nil    | Nil   | 1329047  | 29.19 | Nil     | Nil   | 1340037  | 19.74 |  |              |
| d. NRIs/OCBs                  | 2100    | 0.06  | Nil    | Nil   | 2100     | 0.05  | Nil     | Nil   | 2100     | 0.03  |  |              |
| Total (2a+2b+2c+2d)           | 1821507 | 51.92 | 256502 | 5.63  | 2078009  | 44.93 | 2225000 | 32.77 | 4313999  | 63.54 |  |              |
| Grand total (1+2)             | 3508435 | 100\$ | 104475 | 22.95 | 4553188* |       | 2225000 | 32.77 | 6789178# | 100   |  | 6789178# 100 |

Note(s): The data within bracket indicates sale of equity shares.

\$ Percentage shareholding on the basis of pre-preferential paid up capital of the Company.

\* It indicates post preferential paid up capital dated 23.04.2005 which triggered off the SEBI (SAST) Regulations, 1997.

# Percentage shareholding on the basis of post-preferential paid up capital of the Company. Dated 08.12.2005 including 10990 reissued shares on 07.05.2005.

5.20 The Changes in the shareholding of the promoters of the company are as per the details mentioned below.

| Year ended | No. of shares held by Promoters & PACs | Paid up equity capital of the company | % of total capital | % change in shareholding of Promoters & PACs | Status of Compliance                             |
|------------|----------------------------------------|---------------------------------------|--------------------|----------------------------------------------|--------------------------------------------------|
| 20.05.1997 | 1550798                                | 3508435                               | 44.20              | -                                            |                                                  |
| 31.03.1997 | 1550798                                | 3508435                               | 44.20              | -                                            | -                                                |
| 31.03.1998 | 1550798                                | 3508435                               | 44.20              | -                                            | -                                                |
| 25.07.1998 | 1494698                                | 3508435                               | 42.66              | (1.54)                                       |                                                  |
| 31.03.1999 | 1494698                                | 3508435                               | 42.66              |                                              | -                                                |
| 31.03.2000 | 1494698                                | 3508435                               | 42.66              | -                                            | -                                                |
| 31.03.2001 | 1496778                                | 3508435                               | 42.66              | -                                            | -                                                |
| 31.03.2002 | 1496778                                | 3508435                               | 42.66              | -                                            | -                                                |
| 31.03.2003 | 1524678                                | 3508435                               | 43.46              | 0.8                                          | -                                                |
| 31.03.2004 | 1686928                                | 3508435                               | 48.08              | 4.62*                                        | 7(1A) not filed                                  |
| 31.03.2005 | 2475179                                | 4553188                               | 54.36              | 6.28                                         | Public Announcement given under Regulation 11(1) |

5.21 As informed by the target Company, the approximate number of shareholders in ASSIL in Public Category is 6400 as on the date of PA.

5.22 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.

5.23 Details of pending Litigations of ASIL are as under:



| S.No. | Year  | Name & Status of Case                                                                                                                                    | Amount Involved<br>(in RS.) |
|-------|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
|       |       | <b>Under Central Sales Tax Act read with Rajasthan Sales Tax Act</b>                                                                                     |                             |
| 1.    | 81-82 | Department has filed appeal against the order of CTO before Rajasthan Kar Board                                                                          | 4,419.14                    |
| 2.    | 82-83 | Department has filed appeal against the order of CTO before Rajasthan Kar Board                                                                          | 22,700                      |
| 3.    | 84-85 | Department has filed appeal against the order of CTO before Rajasthan Kar Board                                                                          | 2,00,000/-                  |
| 4.    | 85-86 | Company has filed appeal against the order of CTO before Rajasthan Kar Board                                                                             | 8,20,393.75                 |
| 5.    | 86-87 | Company has filed appeal against the order of CTO before Rajasthan Kar Board                                                                             | 5,70,462.34                 |
| 6.    | 99-00 | Company has filed appeal against the order of CTO before the DC (Appeal), Jaipur-II                                                                      | 4,56,076/-                  |
|       |       | <b>Under Rajasthan Sales Tax Act</b>                                                                                                                     |                             |
| 7.    | 99-00 | Department has filed appeal against the order of DC (Bikaner) before the Rajasthan Kar Board                                                             | 1,08,114/-                  |
| 8.    | 99-00 | Company has filed appeal against the order of CTO before the DC (Appeal), Jaipur-II                                                                      | 1,12,540/-                  |
| 9.    | 99-00 | Company has filed appeal against the order of CTO before the DC (Appeal), Jaipur-II                                                                      | 60,000/-                    |
| 10    | 99-00 | Company has filed appeal against the order of CTO before the DC (Appeal), Jaipur-II                                                                      | 18,460/-                    |
|       |       | <b>Under Customs Act</b>                                                                                                                                 |                             |
| 11.   | 04-05 | Company has appealed to Chief Commissioner for Re-export of slitter head.                                                                                | 2318696/-                   |
| 12.   | 05-06 | Refund disallowed by C.E. Deptt. Company has filed appeal with Commissioner (Appeal), Jaipur                                                             | 897822/-                    |
| 13.   | 04-05 | Refund allowed by Commissioner appeal & received the cheque of Rs.1,08,000/- Deptt. filed appeal in Custom, Excise and service Tax Tribunal at New Delhi | 1,08,000/-                  |

5.24 The name & contact details of the compliance officer are as under:

**Name of the Compliance Officer:**

Mr. C.P. Vaid, Company Secretary

**Contact Address:**

Anil Special Steel Industries Limited,  
Kanakpura, P.O. Meenawala, Jaipur

**Contact Number:**

Tel: (0141) 2350011, Fax: (0141) 2350863

5.25 There has been, prima facie, non compliance of Regulation 23(1)(b) of the SEBI (SAST) Regulations, 1997 by the Board of Directors of the target company and the same is under examination by SEBI.

## 6 OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1 Justification of Offer Price

6.1.1 Presently the shares of the ASSIL are listed with JSE, CSE & BSE. The shares of the Target

Company are not traded during the period of last 26 weeks preceeding the reference date at JSE & CSE (Source: as per the information provided by Target Company/ Acquirer). The shares are frequently traded as per the data available with The Stock Exchange, Mumbai (Source: [www.bseindia.com](http://www.bseindia.com)) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations.

- 6.1.2 The annualized trading turnover of shares of the Company at The Bombay Stock Exchnage Limited during the six calendar months preceding the month of reference date (i.e. February, 2005) was 54.13% as listed below

| Name of the Exchange | Total no. of shares traded during the 6 months prior to the month of refernce date | Total number of listed shares | Annualized trading turnover (in terms of % of total listed shares) |
|----------------------|------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------------------------|
| BSE*                 | 952568                                                                             | 3519425                       | 54.13%                                                             |

\* Source: [www.bseindia.com](http://www.bseindia.com)

- 6.1.3 The offer price of Rs. 20/- per fully paid up share & Rs. 15/- per partly paid up along with interest of Rs. 2.30 (Rupees Two & Paise Thirty Only) per fully paid up share and Rs. 1.73 (Rupees One and Paise Seventy Three Only) per partly paid up share is justified in terms of Regulation 20(4) and 20(5) read with Regulation 20 (11) of the SEBI (SAST) Regulations, 1997 in view of the following:

|                                                                                                                                                                                                                     |                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| A. Negotiated Price                                                                                                                                                                                                 | Not Applicable                                                                          |
| 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 reference date, i.e., February 26, 2005 | Rs. 20.00 per share (Preferential Allotment to Companies, being part of Promoter Group) |
| C. The average of the weekly High and Low of the closing prices of the shares of ASSIL during 26 weeks period preceding the reference date, i.e., February 26, 2005                                                 | As Below#                                                                               |

| Week | End Date   | High (Rs.) | Low (Rs.) | Avg. (Rs.) | Volume |
|------|------------|------------|-----------|------------|--------|
| 1    | 03/09/2004 | 7.70       | 6.31      | 7.01       | 18714  |
| 2    | 10/09/2004 | 11.23      | 7.20      | 9.22       | 34506  |
| 3    | 17/09/2004 | 13.47      | 11.54     | 12.51      | 92507  |
| 4    | 24/09/2004 | 12.63      | 11.11     | 11.87      | 29068  |
| 5    | 01/10/2004 | 12.20      | 11.47     | 11.84      | 34619  |
| 6    | 09/10/2004 | 14.79      | 12.52     | 13.66      | 53806  |
| 7    | 15/10/2004 | 15.77      | 14.80     | 15.29      | 38110  |
| 8    | 22/10/2004 | 16.88      | 14.56     | 15.72      | 22020  |
| 9    | 29/10/2004 | 19.15      | 17.33     | 18.24      | 50814  |
| 10   | 05/11/2004 | 17.50      | 14.95     | 16.23      | 53471  |
| 11   | 12/11/2004 | 17.95      | 16.00     | 16.98      | 46203  |
| 12   | 19/11/2004 | 17.55      | 16.50     | 17.03      | 26501  |
| 13   | 26/11/2004 | 18.55      | 17.10     | 17.83      | 50710  |
| 14   | 03/12/2004 | 18.45      | 17.50     | 17.98      | 37650  |
| 15   | 10/12/2004 | 17.35      | 16.50     | 16.93      | 18371  |
| 16   | 17/12/2004 | 18.70      | 16.65     | 17.68      | 31688  |
| 17   | 24/12/2004 | 22.95      | 17.90     | 20.43      | 71836  |
| 18   | 31/12/2004 | 23.85      | 21.70     | 22.78      | 58057  |

|    |            |       |                         |              |       |
|----|------------|-------|-------------------------|--------------|-------|
| 19 | 07/01/2005 | 22.75 | 19.05                   | 20.90        | 42935 |
| 20 | 14/01/2005 | 22.35 | 18.95                   | 20.65        | 49066 |
| 21 | 21/01/2005 | 18.60 | 17.50                   | 18.05        | 24354 |
| 22 | 28/01/2005 | 20.15 | 17.25                   | 18.70        | 16676 |
| 23 | 04/02/2005 | 19.85 | 17.35                   | 18.60        | 59199 |
| 24 | 11/02/2005 | 19.80 | 18.25                   | 19.03        | 61298 |
| 25 | 18/02/2005 | 19.15 | 17.80                   | 18.48        | 48295 |
| 26 | 25/02/2005 | 19.45 | 18.70                   | 19.08        | 34661 |
|    |            |       | <b>26 weeks Average</b> | <b>11.58</b> |       |

|                                                                                                                                                           |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| D. The average of the daily High and Low of the prices of the shares of ASSIL during 2 weeks period preceding the reference date, i.e., February 26, 2005 | As Below# |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

| Day | End Date    | High (Rs.) | Low (Rs.)              | Avg. (Rs.)   | Volume |
|-----|-------------|------------|------------------------|--------------|--------|
| 1   | 12/02/2005* | -          | -                      | -            | -      |
| 2   | 13/02/2005* | -          | -                      | -            | -      |
| 3   | 14/02/2005  | 20.50      | 19.00                  | 19.75        | 16625  |
| 4   | 15/02/2005  | 19.50      | 18.00                  | 18.75        | 6350   |
| 5   | 16/02/2005  | 18.40      | 18.00                  | 18.20        | 3210   |
| 6   | 17/02/2005  | 18.00      | 17.50                  | 17.75        | 6850   |
| 7   | 18/02/2005  | 18.85      | 18.05                  | 18.45        | 15260  |
| 8   | 19/02/2005* | -          | -                      | -            | -      |
| 9   | 20/02/2005* | -          | -                      | -            | -      |
| 10  | 21/02/2005  | 19.80      | 19.10                  | 19.45        | 9030   |
| 11  | 22/02/2005  | 20.00      | 18.10                  | 19.05        | 11227  |
| 12  | 23/02/2005  | 19.50      | 18.45                  | 18.98        | 4820   |
| 13  | 24/02/2005  | 19.40      | 18.85                  | 19.13        | 4134   |
| 14  | 25/02/2005  | 19.50      | 18.50                  | 19.00        | 5450   |
|     |             |            | <b>2 Weeks Average</b> | <b>18.85</b> |        |

\*There was no trading on these dates as market was closed.

# Source: [www.bseindia.com](http://www.bseindia.com)

| e. | Other Financial Parameters                                                       | Based on the audited financial data for the year ended 31 <sup>st</sup> March, 2005 | Based on the audited financial data for the year ended 31 <sup>st</sup> March, 2006. |
|----|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 1. | Return on Net Worth (%)                                                          | 16.97                                                                               | 15.35                                                                                |
| 2. | Book Value per share (Rs.)                                                       | 13.71                                                                               | 19.31                                                                                |
| 3. | Earning per share (Rs.)                                                          | 2.33                                                                                | 2.96                                                                                 |
| 4. | Price Earning Multiple (with reference to the Offer price of Rs. 20/- per share) | 8.58                                                                                | 6.76                                                                                 |
| 5. | Industry Average price earning multiple (Industry-Steel Medium/ Small)*          |                                                                                     |                                                                                      |

\* Source: Capital Market Journal, September 26- October 09, 2005

6.1.4 Taking into consideration of the above parameters, in the opinion of the Manager to the Offer and Acquirer, the Offer Price of Rs. 20/- per fully paid up share & Rs. 15/- per partly paid up along with interest of Rs. 3.41 (Rupee Three & Paise Forty One Only) per fully paid up share and Rs. 2.56/- (Rupee Two & Paise Fifty Six Only) per partly paid up share is justified.

6.1.5 There is no non-compete agreement.

- 6.1.6 If the Acquirer 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.

## **6.2 Financial Arrangements**

- 6.2.1 The Acquirer & PACs have adequate resources to meet the financial requirements of the Offer. The Acquirer & PACs have made firm arrangements for the resources required to complete the Offer in accordance with the SEBI (SAST) Regulations, 1997. The acquisition will be financed through internal / personal resources and no borrowings from banks / FIs etc., is being made.
- 6.2.2 Assuming full acceptances, the total fund requirements for the acquisition of 13,57,836 equity shares/voting capital of "ASSIL" at Rs. 23.41 per share (including interest) is Rs. 3,17,86,940.76 (Rupees Three Crore Seventeen Lacs Eighty Six Thousand Nine Hundred Forty and paisa Seventy Six Only).
- 6.2.3 Mr. Pramod Agrawal, (Membership No. 76121) Partner of M/s. Sanjay Pramod & Associates, Chartered Accountants, 110, Saraogi Mansion, M.I. Road, Jaipur-3, Tel.: 0141-2572899 has certified vide his certificates dated October 20, 2006 that Acquirer and PACs have sufficient funds to fulfill the offer obligations.
- 6.2.4 In accordance with Regulation 28 of the SEBI (SAST) Regulations, 1997, the Acquirer has created an Escrow Account in the form of a Bank Guarantee for an amount Rs 48,00,000/- issued by Allahabad Bank, valid till May 31, 2007 and an Acquirer have marked a lien in favour of Chartered Capital And Investment Limited against fixed deposit kept with Bank of Rajasthan Limited, Kailash Coloney Branch, New Delhi for Rs. 31.50 Lacs and also deposit Rs 5,00,000 in a bank escrow account opened with Bank of Baroda, East of Kailash, New Delhi. Chartered Capital And Investment Limited, the Manager to the Offer has been empowered to realise the value of the Escrow in terms of the SEBI (SAST) Regulations, 1997.
- 6.2.5 The amount in terms of Bank Guarantee, Fixed Deposit and Cash Deposit jointly constitute more than 25% of the amount required for the Open Offer.
- 6.2.6 In terms of Regulation 28(13), in case of non-fulfillment of obligations by the Acquirer, the Manager to the Offer shall ensure realisation of escrow amount by way of foreclosure of deposit and invocation of bank guarantee.
- 6.2.7 The Manager to the Offer has satisfied itself about the Acquirer's ability to implement the offer in accordance with the SEBI (SAST) Regulations, 1997.

## **7. TERMS AND CONDITIONS OF THE OFFER**

### **7.1 Persons eligible to participate in the Offer**

- 7.1.1 Registered shareholders of Anil Special Steel Industries Limited and unregistered shareholders who own the equity shares of Anil Special Steel Industries Limited any time prior to the date of Closure of the Offer, other than Acquirer, PACs and Deemed PACs.
- 7.2 The Lock-in Shares shall be acquired by the acquirer subject to continuation of the residual lock-in period in the hands of the Acquirer and there shall be no discrimination in the acceptance of locked in and not locked in shares.

## 8.1 Statutory Approvals

- 8.1.1 Approval for transfer of shares of a company registered in India by a Non Resident to a person resident in India is required. The Acquirer shall apply for approval from RBI for transfer of shares in their name in due course after successful completion of this Offer.
- 8.1.2 No approval from any bank or financial institutions is required for the purpose of this Offer, to the best of the knowledge of the Acquirer.
- 8.1.3 As on the date of Public Announcement, to the best of the Acquirer' knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.
- 8.1.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. SEBI has power to grant extension of time to Acquirer for payment of consideration to shareholders subject to Acquirer agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of wilful default by the Acquirer in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

## 8.2 Others

- 8.2.1 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.
- 8.2.2 This Letter of Offer has been mailed to all the shareholders of ASSIL, whose names appeared on the Register of Members of ASSIL, except to the Acquirer , PACs and Deemed PACs as on **December 21, 2005 being the Specified Date.,**
- 8.2.3 Unaccepted Share/ Shares Certificates, Share Transfer Forms and other documents, if any, will be credited back to respectively depository account or returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.
- 8.2.4 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.

## 9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

- 9.1 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 or registered post, as the case may be, at the address mentioned in Para 9.17 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.
- 9.2 The Registrar to the Offer, **M/s MCS Limited.,** has opened a special depository account with JSEL Securities Limited (**Depository-Central Depository Services (India) Limited**).
- 9.3 Shareholders of ASSIL to whom this Offer is being made, are free to offer his / her / their equity shares of ASSIL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in this Offer.

9.4 Beneficial owner and shareholders holding shares in physical form, 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, as the case may be, so as to reach them on or before 1700 hours upto the date of closure of the offer i.e. **Monday, April 09, 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 ASSIL.
- 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 ASSIL or on the Share Certificate issued by ASSIL) as per the specimen signature(s) lodged with ASSIL 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.

9.5 Beneficial owners and **shareholders holding shares in the dematerialised form**, will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on or before 1700 hours upto the date of closure of the offer i.e. **Monday, April 09, 2007**, along with

- a Form of Acceptance cum Acknowledgement, duly completed and signed in accordance with the instructions contained therein by sole/all shareholders whose names appear (in case of joint holdings) in the same order in which their names appear in their beneficiary account;
- a photocopy of the delivery instructions in “**Off-market**” mode or counterfoil of the delivery instruction in “**Off-market**” mode, duly acknowledged by the Depository Participant (“DP”), in favour of “**CCIL-ESCROW ASSIL-OPEN OFFER**” (“Depository Escrow Account”) filled in as per the instructions given below:

|                         |                                                        |
|-------------------------|--------------------------------------------------------|
| <b>DP Name</b>          | : JSEL Securities Limited                              |
| <b>Client ID Number</b> | : 79990                                                |
| <b>DP ID Number</b>     | : 12029200000                                          |
| <b>Depository</b>       | : Central Depository Services (India) Limited (“CDSL”) |

Delivery Instruction: Special attention should be paid to the following:

- Beneficial owners, who hold equity Shares of ASSIL in dematerialised form, are required to execute an “**off-market**” trade by tendering the Delivery Instruction for debiting their beneficiary account with their concerned depository participant and crediting the above-mentioned account. The credit in the Depository Escrow Account should be received on or before the Offer Closing Date; i.e., **Monday, April 09, 2007**, else the application would be rejected.
- The Delivery Instructions to be given to the depository participant should be in “For Off Market Trade” mode only. For each Delivery Instruction, the beneficial owner should submit a separate Form of Acceptance cum Acknowledgement. Shareholders having their beneficiary account in **National Securities Depository Limited (“NSDL”)** have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with CDSL.

9.6 A Copy of the No Objection Certificate / Tax Clearance Certificate if obtained from the Indian tax authorities by the shareholders (applicable to NRIs/OCBs/FIIs).

- 9.7 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.
- 9.8 In case of Non-resident equity shareholders, Foreigners, Foreign Companies and Foreign Institutional Investors, photocopies of the approval(s) by the Reserve Bank of India for acquiring and holding equity shares in ASSIL.
- 9.9 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.
- 9.10 **Special Note for shareholders who have sent their Shares for Dematerialisation:** Shareholders who have sent their physical Shares for dematerialisation need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the Escrow Depository Account can be received on or before 1700 hours upto the Offer Closing Date i.e. **Monday, April 09, 2007** else the application would be rejected.
- 9.11 **No document should be sent to the Acquire, PACs, Deemed PACs or to ASSIL or to the Manager to the Offer.**
- 9.12 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 hereinabove, **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 **1700 hours** upto the date of closure of the offer i.e. **Monday, April 09, 2007**.
- 9.13 Persons who own equity shares of ASSIL any time prior to the date of Offer Closure, but are not registered holders, can tender their equity shares for purchase by the Acquirer, 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 recognised Stock Exchange, only at the address of Registrar to the Offer as mentioned hereinabove:  
*An unregistered shareholder can send his / her / their application to the Registrar to the Offer on the address mentioned hereinabove, 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 1700 hours on Monday, April 09, 2007**.*
- 9.14 No indemnity is required from the unregistered shareholders.
- 9.15 In case the Share Certificate(s) and the instrument(s) of transfer are lodged for transfer with ASSIL, 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 ASSIL by individual. 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 ASSIL. 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 ASSIL.

9.16 In case of shareholders who have not received the LOO and holding shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of shares offered along with a photocopy of the original delivery instructions in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the Depository Participant as specified in para 8.5 above, so as to reach the Registrar to the Offer on or before 1700 hours upto the date of Closure of the Offer **i.e. Monday, April 09, 2007**. Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

9.17 The following collection centre would be accepting the documents as specified above, both in case of shares in physical and dematerialized form.

**Address of Registrar to the Offer:**

| Sr. No. | Address of Registrar to the Offer                                                                                                                                                                                   | Business Hours                                                                                     | Mode of Delivery                               |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|------------------------------------------------|
| 1.      | <b>MCS Limited</b><br>Sri Venkatesh Bhawan, W-40, Okhla<br>Industrial Area,<br>New Delhi-110020<br>Tel: 011- 41406149/51/52<br>Fax: 011- 41709881<br>E.Mail: admin@mcsdel.com<br>Contact Person: Mr Aniruddha Mitra | <b>Monday to Friday</b><br>1000 hours to 1700 hours<br><b>Saturday</b><br>1000 hours to 1330 hours | Hand Delivery /<br>Courier/ Registered<br>Post |

**Holidays: Sundays and Bank Holidays**

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

9.19 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. **Monday, April 09, 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 1700 hours upto the last date of withdrawal i.e. **Wednesday, April 04, 2007**.

9.20 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:

9.20.1 In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares

9.20.2 In case of dematerialized shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in “off market” mode or counterfoil of the of the delivery instruction in “off market” mode, duly acknowledged by the DP, in favour of the “**CCIL-ESCROW ASSIL-OPEN OFFER**” (“Depository Escrow Account”).



- 9.20.3 The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account.
- 9.21 The intimation of returned shares to the Shareholders will be sent at the address as per the records of ASSIL / Depository as the case may be.
- 9.22 Acquirer will acquire all the 13,57,836 fully paid-up equity shares of Rs 10/- each tendered in the Offer with valid applications.
- 9.23 **Method of Settlement**
- 9.23.1 Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by Acquirer, Acquirer will accept the offers received from the share holders on a proportionate basis, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of ASSIL is 1 {one}.
- 9.23.2 The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents or/ and shares lying in the special depository account, tendered by the shareholders of ASSIL 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 Acquirer only upon the fulfilment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.
- 9.23.3 On fulfilment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirer 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 ASSIL whose equity shares are accepted by the Acquirer at his address registered with ASSIL/ DP. **It is desirable that shareholders holding Shares in physical mode 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. In case of shareholders holding Shares in electronic mode, bank particulars recorded with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.**
- 9.23.4 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.
- 9.23.5 The equity shares of ASSIL held in dematerialised form, which are not accepted in view of not being a valid tender of equity shares or which are withdrawn by the shareholders, will be released to the beneficial owner's depository account with the respective depository participant, from where the credit was initially received in favour of the Depository Escrow Account, at the sole risk of the beneficial owner. Intimation to that effect will be sent to the beneficial owner by Ordinary Post.
- 9.23.6 The Acquirer shall endeavor to complete all procedures relating to the Offer within Fifteen Days from the date of Closure of the Offer (i.e. **Tuesday, April 24, 2007**), including payment of

consideration to the shareholders of ASSIL whose equity shares are accepted for purchase by the Acquirer.

9.23.7 **While tendering the Shares under the Offer, the NRIs/OCBs/FIIs will be required to submit the No Objection Certificate/ Tax Clearance Certificate, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, from the Income Tax Authorities under Income Tax Act, 1961. In case the aforesaid No Objection Certificate/Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholder. The Acquirer will send the proof of having deducted and paid the tax along with the payment consideration.**

9.23.8 In case of non-receipt of any of statutory approvals, if any required, 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 Acquirer 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.

#### 9.24 General

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

9.24.2 Neither the Acquirer nor the PACs 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 Acceptance, Share certificate(s), Share transfer deed(s), copy of delivery instructions or other documents.

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

9.24.4 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 lodgment of the Form of Acceptance and other relevant particulars.

9.24.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirer 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, 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.

9.24.6 **“ If there is competitive bid:**

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

9.24.6.2 ***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”***

9.24.7 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 1700 hours upto three working days prior to the date of Closure of the Offer, i.e. Wednesday, April 04, 2007, as mentioned in para 9.20.

9.24.8 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 web-site: [www.sebi.gov.in](http://www.sebi.gov.in).

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

## **10 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.

- 10.1 Certificate from Mr. Pramod Agrawal, (Membership No. 76121) Partner, M/s. Sanjay Pramod & Associates, Chartered Accountants, certifying that Acquirer is having networth of Rs.101.08 Lacs as on 30.09.2006 and is having sufficient means for discharging his obligation under the offer.
- 10.2 Networth Certificate(s) of Individual PACs as on 30.09.2006 as certified by Mr. Pramod Agrawal, (Membership No. 76121) Partner, M/s. Sanjay Pramod & Associates, Chartered Accountants.
- 10.3 Certificate of Incorporation, Memorandum of Association of Mangalam India Limited (PAC).
- 10.4 Certificate of Incorporation, Memorandum of Association of Magadh Traders Limited (PAC).
- 10.5 Certificate of Incorporation, Memorandum of Association of Niharika India Limited (PAC).
- 10.6 Certificate of Incorporation, Memorandum of Association of ASSIL.
- 10.7 Audited Annual Reports of Mangalam India Limited (PAC) for the financial years 2004,2005 and 2006 and Certified financial data for the period ended 30.09.2006 by Mr Vipin Kanoongo (Membership No. 72716), partner of D R Mohnot & Co, Chartered Accountant.
- 10.8 Audited Annual Reports of Magadh Traders Limited (PAC) for the financial years 2004,2005 and 2006 and Certified financial data for the period ended 30.09.2006 by Mr Vipin Kanoongo (Membership No. 72716), partner of D R Mohnot & Co, Chartered Accountant.
- 10.9 Audited Annual Reports of Niharika India Limited (PAC) for the financial years 2004,2005 and 2006 and Certified financial data for the period ended 30.09.2006 by Mr Vipin Kanoongo (Membership No. 72716), partner of D R Mohnot & Co, Chartered Accountant.
- 10.10 Audited Annual Reports of ASSIL for the financial years 2004,2005 and 2006 and Certified financial data for the period ended 30.09.2006 by Mr Vipin Kanoongo (Membership No. 72716), partner of D R Mohnot & Co, Chartered Accountant.
- 10.11 Certificate from Bank of Baroda confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation 1997.
- 10.12 Bank Guarantee for Rs. 48,00,000/- (Rupees Forthly Eight Lacs) issued by Allahabad Bank in favour of Chartered Capital And Investment Limited and copy of Fixed Deposit of an amount Rs 31.50 lacs kept with Bank of Rajasthan in respect of which lien marked in favour of Chartered Capital And Investment Limited.

- 10.13 Published copy of the PA, which appeared in the newspapers on November 24, 2005 and Corrigendum to Public Announcement appeared in newspapers on March 16, 2007.
- 10.14 Copy of the agreement entered with DP for opening special account for the purpose of the Offer..
- 10.15 Copy of Observation letter from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

#### **11 DECLARATION BY THE ACQUIRER AND PACs**

- 11.1 The Acquirer and PACs accepts full responsibility for the information contained in this Letter of Offer and also for the obligations of the Acquirer & PACs laid down in the SEBI (SAST) Regulations, 1997.
- 11.2 The Acquirer and each of PACs would be severally and jointly responsible for ensuring compliance with the Regulations.
- 11.3 All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

**For and on behalf of Acquirer & PACs**

**(Sudhir Khaitan)**

Place: New Delhi  
Date: March 16, 2007

#### **12. 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 ascribed 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)**

|                                                                                        |          |                                   |
|----------------------------------------------------------------------------------------|----------|-----------------------------------|
| <b>OFFER OPENS ON</b>                                                                  | <b>:</b> | <b>March 21, 2007 (Wednesday)</b> |
| <b>OFFER CLOSSES ON</b>                                                                | <b>:</b> | <b>April 09, 2007 (Monday)</b>    |
| <b>Please read the Instructions overleaf before filling-in this Form of Acceptance</b> |          |                                   |

**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,**

**Mr. Sudhir Khaitan,**  
**C/o MCS Limited.**

Sri Venkatesh Bhawan,  
W-40, Okhla Industrial Area,  
New Delhi-110020.

Dear Sirs,

**Sub: Open Offer to acquire 13,57,836 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital and resultant voting rights of Target Company at a price of Rs. 20/- (Rupees Twenty Only) per fully paid equity share and Rs. 15/- (Rupees Fifteen Only) per partly paid up equity shares ("Offer Price"), along with interest of Rs. 3.41 (Rupees Three & Paise Forty One Only) per fully paid up share and Rs. 2.56 (Rupees Two & Paise Fifty Six Only) per partly paid up share by Mr. Sudhir Khaitan(Acquirer) along with M/s Mangalam India Limited, M/s Magadh traders Limited and M/s Niharika India Limited (Jointly refereed to as PACs)**

I / We, refer to the Letter of Offer dated 16.03.2007 for acquiring the equity shares held by me / us in **Anil Special Steel Industries Limited.**

1. I / We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
2. I / We, unconditionally offer to sell to **Mr. Sudhir Khaitan**, (hereinafter referred to as "Acquirer") the following equity shares in Anil Special Steel Industries Limited (hereinafter referred to as "ASSIL"), held by me / us, at price of Rs. 20/- (Rupees Twenty Only) per fully paid equity share and Rs. 15/- (Rupees Fifteen Only) per partly paid up equity share along with interest of 3.41 (Rupees Three & Paise Forty One Only) per fully paid up share and Rs. 2.56 (Rupees Two and Paise Fifty Six Only) per partly paid up share

**SHARES HELD IN PHYSICAL FORM**

3. I/We and 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).

|                                                                        |                 |                                        |                 |
|------------------------------------------------------------------------|-----------------|----------------------------------------|-----------------|
| <b>Ledger Folio No..... Number of share certificates attached.....</b> |                 |                                        |                 |
| <b>Representing ..... equity shares</b>                                |                 |                                        |                 |
| <b>Number of equity shares held in ASSIL</b>                           |                 | <b>Number of equity shares offered</b> |                 |
| <b>In figures</b>                                                      | <b>In words</b> | <b>In figures</b>                      | <b>In words</b> |
|                                                                        |                 |                                        |                 |

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

**SHARES HELD IN DEMATERLISED FORM**

| DP NAME | DP I.D. | CLIENT I D | NO OF SHARES OFFERED | NAME OF BENEFICIARY |
|---------|---------|------------|----------------------|---------------------|
|         |         |            |                      |                     |

4. I/We have done an off market transaction for crediting the equity Shares to the special depository account in CDSL styled “CCIL-ESCROW ASSIL-OPEN OFFER” (“Depository Escrow Account”) details are as under:

**DP Name** : JSEL Securities Limited  
**Client ID Number** : 79990  
**DP ID Number** : 12029200000  
**Depository** : Central Depository Services (India) Limited (“CDSL”)

5. I / We confirm that the equity shares of ASSIL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
6. I / We authorize the Acquirer to accept the equity shares so offered or such lesser number of equity shares that the Acquirer 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 Acquirer 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 Acquirer to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
7. 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 Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I / We agree that the Acquirer 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.
8. 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 Acquirer 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.

9. I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
10. 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.
11. I / We irrevocably authorise the Acquirer 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 ASSIL/D P :

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

-----

-----

**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. In case of shareholders holding Shares in electronic mode, bank particulars noted with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.**

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:

|               | 1 <sup>st</sup> Shareholder | 2 <sup>nd</sup> Shareholder | 3 <sup>rd</sup> 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, Marathi, 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 Acquirer is entirely at the discretion of the equity shareholder of ASSIL.
  - II. Shareholders of ASSIL to whom this Offer is being made, are free to offer his / her / their shareholding in ASSIL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.

5. Business Hours : Mondays to Friday : 1000 hours to 1700 hours  
Saturday : 1000 to 1330 hours  
Holidays : Sundays and Bank Holidays

## ACKNOWLEDGEMENT SLIP

**Sub: Open Offer to acquire 13,57,836 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital and resultant voting rights of Target Company at a price of Rs. 20/- (Rupees Twenty Only) per fully paid equity share and Rs. 15/- (Rupees Fifteen Only) per partly paid up equity shares ("Offer Price"), along with interest of Rs. 3.41 (Rupees Three & Paise Forty One Only) per fully paid up share and Rs. 2.56 (Rupees Two & Paise Fifty Six Only) per partly paid up share by Mr. Sudhir Khaitan(Acquirer) along with M/s Mangalam India Limited, M/s Magadh traders Limited and M/s Niharika India Limited (Jointly referred to as PACs)**

Received from Mr. / Ms. / Mrs. .... Ledger  
Folio No/ Client ID. .... DP ID.....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**

**MCS Limited**  
**Sri Venkatesh Bhawan, W-40, Okhla Industrial Area,**  
**New Delhi-110020**  
 Tel: 011- 41406149/51/52  
 Fax: 011- 41709881  
**E.Mail: [admin@mcsdel.com](mailto:admin@mcsdel.com)**  
 Contact Person: Mr Aniruddha Mitra



**FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT**  
(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

|                                |   |                                   |
|--------------------------------|---|-----------------------------------|
| <b>OFFER OPENS ON</b>          | : | March 21, 2007 (Wednesday)        |
| <b>LAST DATE OF WITHDRAWAL</b> | : | <b>April 04, 2007 (Wednesday)</b> |
| <b>OFFER CLOSES ON</b>         | : | <b>April 09, 2007 (Monday)</b>    |

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

**From:**

|                                          |
|------------------------------------------|
| <b>FOR OFFICE USE ONLY</b>               |
| <b>Withdrawal Number</b>                 |
| <b>Number of equity shares offered</b>   |
| <b>Number of equity shares withdrawn</b> |

**Tel. No.:**

**Fax No.:**

**E-mail:**

**To,**  
**Mr. Sudhir Khaitan,**  
**C/o MCS Limited.**  
Sri Venkatesh Bhawan,  
W-40, Okhla Industrial Area,  
New Delhi-110020.

Dear Sirs,

**Sub: Open Offer to acquire 13,57,836 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital and resultant voting rights of Target Company at a price of Rs. 20/- (Rupees Twenty Only) per fully paid equity share and Rs. 15/- (Rupees Fifteen Only) per partly paid up equity shares ("Offer Price"), along with interest of Rs. 3.41 (Rupees Three & Paise Forty One Only) per fully paid up share and Rs. 2.56 (Rupees Two & Paise Fifty Six Only) per partly paid up share by Mr. Sudhir Khaitan(Acquirer) along with M/s Mangalam India Limited, M/s Magadh traders Limited and M/s Niharika India Limited (Jointly refereed to as PACs)**

I/We refer to the Letter of Offer dated 16.03.2007 for acquiring the equity shares held by me/us in **Anil Special Steel Industries 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')**

| <b>Sr. No.</b> | <b>Certificate No.</b> | <b>Distinctive No(s)</b> |    | <b>No. Of Shares</b> |
|----------------|------------------------|--------------------------|----|----------------------|
|                |                        | 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.

**SHARES HELD IN DEMATERIALIZED FORM**

| DP NAME | DP I.D. | CLIENT I D | NO OF SHARES OFFERED | NAME OF BENIFICIARY |
|---------|---------|------------|----------------------|---------------------|
|         |         |            |                      |                     |

I/We have done an off market transaction for crediting the equity Shares to the special depository account in CDSL styled “**CCIL-ESCROW ASSIL-OPEN OFFER**” (“Depository Escrow Account”) details are as under:

**DP Name** : JSEL Securities Limited  
**Client ID Number** : 79990  
**DP ID Number** : 12029200000  
**Depository** : Central Depository Services (India) Limited (“CDSL”)

I/We note that the Shares will be credited back only to that Depository Account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

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

In case of dematerialised Shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

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.\DP ID Client ID:

Serial No.:  
(Acknowledgement Slip)

Received from  
Mr./Ms. \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

|                                                    |                                       |
|----------------------------------------------------|---------------------------------------|
| Signature of<br>Official<br>and Date of<br>Receipt | Stamp of<br>Registrar to<br>the Offer |
|----------------------------------------------------|---------------------------------------|

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**

**MCS Limited**  
**Sri Venkatesh Bhawan, W-40, Okhla Industrial Area,**  
**New Delhi-110020**  
Tel: 011- 41406149/51/52  
Fax: 011- 41709881  
**E.Mail: admin@mcsdel.com**  
Contact Person: Mr Aniruddha Mitra

**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 1700 hours upto the last date of withdrawal i.e. Wednesday, April 04, 2007.
2. Shareholders should enclose the following:-
  - a. **For Equity Shares held in demat form:**  
**Beneficial owners 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. Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
  - b. **For Equity Shares held in physical form:**  
**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/ Special Depository Escrow Account.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
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 in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from ASSIL. The facility of partial withdrawal is available only on to Registered shareholders.
7. **Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.**