LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer constitutes an "offer" and not an "invitation to offer". This Letter of Offer is sent to you as equity shareholder(s) of Aroni Chemical Industries Limited ("Aroni" or "Target Company"). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager/Registrar to the Offer. In case you have sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgment, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

To acquire up to 452,915 fully Paid-up Equity Shares of face value Rs. 10/- each, representing 10.98% of the equity voting capital ("Offer")

OF

Aroni Chemical Industries Limited ("Aroni"/ "Target Company")
Registered Office: K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001
Tel: +91 22 5638 8600; Fax: 91 22 56388610

BY
Winro Commercial (India) Limited ("Winro"/ "Acquirer"),
Registered Office: 15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072
Tel: + 91 33 22377323, Fax: + 91 33 22375528
ALONGWITH
Saraswati Commercial (India) Limited ("Saraswati")
"Person Acting in Concert"
Registered Office: 15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072
Tel: + 91 33 2237 7323 Fax: +91 33 2237 5528
And
Four Dimensions Securities (India) Limited ("FDSIL")
"Person Acting in Concert"
Registered Office: K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001
And
Jacqart Chemical Industries Limited ("Jacqart")
"Person Acting in Concert"
Registered Office: K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001

at Rs. 66.80 per Share comprising of Rs. 31.50 per Share (the "Offer Price"), with accrued interest thereon of Rs. 35.30 per Share calculated at the rate of 15% p.a. from July 28, 1998 upto January 12, 2006, i.e. the scheduled date of payment of consideration (the interest amount is subject to change depending upon the actual date of payment of the consideration).

The Offer is being made pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof to rectify the violations made by the Acquirer Group (as defined hereinbelow) in terms of certain acquisitions in Aroni leading to "Consolidation of Holdings" in terms of Regulation 11(2) and *inter-se* transfers amongst the Acquirer Group which were either made without making a public announcement or not reported for exemption as per the requirements of the Regulations.

The Offer is not subject to a minimum level of acceptance by the Shareholders of Aroni.

As of the date of the Public Announcement, to the best of the knowledge of the Acquirer, there are no statutory approvals required to implement the Offer. If however, any statutory or other approval becomes applicable, the Offer would be subject to such approval. As per Regulation 27, the Acquirer will not proceed with the Offer in the event of any statutory approval not being obtained and the same would be notified by way of a public announcement in the same newspapers where the Public Announcement appeared. In case of delay in receipt of any statutory approval, if required, SEBI has the power to grant an extension of the time required for payment of the consideration under the Offer provided that the Acquirer agrees to pay interest in accordance with Regulation 22(12). Further, if the delay occurs due to willful default of the Acquirer in obtaining the requisite approvals, Regulation 22(13) will become applicable.

Shareholders who accept the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to 3 (three) working days prior to the date of closure of the Offer, in terms of Regulations 22 (5A) of the SEBI (SAST) Regulations. (i.e. till Friday, December 23, 2005).

The Acquirer can revise the Offer Price upwards up to 7 (seven) working days prior to the date of closure of the Offer (i.e. Monday, December 19, 2005). If there is any upward revision in the Offer Price by the Acquirer till the last date for revising the Offer Price (i.e. Monday, December 19, 2005), or if the Offer is withdrawn, the same would be communicated by a public announcement in the same newspapers in which the Public Announcement appeared. The Acquirer would pay such revised Offer Price for all the equity shares validly tendered any time during the Offer and accepted under the Offer.

In case of resident Shareholders tendering their shares under the Offer, the Acquirer will deduct tax on the interest component of the consideration payable to such Shareholders exceeding Rs. 5,000 per Shareholder at applicable rates and such Shareholders would be required to give their PAN number for Income Tax purposes. For further details, please refer to para 10.16 of this Letter of Offer.

If there is a competitive bid(s):

- **The public offers under all the subsisting bids shall close on the same date;**
- **As the Offer Price cannot be revised during 7 (seven) 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.**

There was no competitive bid received for this Offer.

A copy of the Public Announcement and the Letter of Offer (including Form of Acceptance and Form of Withdrawal) is also available on SEBI's website (www.sebi.gov.in) and may be downloaded therefrom.

Manager to the Offer		Registrar to the Offer
JM MORGAN STANLEY	**JM Morgan Stanley Private Limited** 141, Maker Chambers III, Nariman Point, Mumbai – 400 021 Tel: + 91 22 5630 3030 Fax: + 91 22 2204 7185 E-mail: kushal.doshi@jmmorganstanley.com **Contact Person: Mr. Kushal Doshi**	**MCS Limited** Sri Venkatesh Bhavan, Plot No. 27 Road No. 11, MIDC, Andheri (East),Mumbai – 400 093 Tel: +91 22 5502 5235 Fax: + 91 22 5502 5245 E-mail: mcssvb@eth.net Contact Person:Mr Rajesh Satardekar
Offer Opens on: December 9, 2005		**Offer Closes on December 28, 2005**

The table below summarizes the schedule of activities:

Activity	Day	Date
Public Announcement Date	Tuesday	October 11, 2005
Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Friday	October 14, 2005
Last Date for receiving competitive bid	Tuesday	November 01, 2005
Date by which Letter of Offer will be posted to the shareholders	Tuesday	December 06, 2005
Date of opening of the Offer	Friday	December 09, 2005
Last date for revising the Offer Price/number of shares	Monday	December 19, 2005
Last date for shareholders for withdrawing their acceptance tendered in the offer	Friday	December 23, 2005

Activity	Day	Date
Date of closure of the Offer	Wednesday	December 28, 2005
Date by which acceptance/rejection under the Offer would be intimated and the corresponding payment for the acquired shares and/or the unaccepted shares/share certificates will be dispatched/credited	Thursday	January 12, 2006

RISK FACTORS

Given below are the risks related to the transaction, the Offer and getting associated with the Acquirer:

1. In the event of statutory approvals as may be required, if any, not being received in a timely manner or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the Schedule of Major Activities indicated in this Letter of Offer.

2. The Acquirer makes no assurance with respect to the market price of the Equity Shares during/after the Offer.

3. The Offer to the Shareholders of Aroni is for substantial acquisition of Equity Shares and Regulation 11(2) of the SEBI (SAST) Regulations. There is no assurance with respect to the continuation of the past trend in the financial performance of Aroni.

4. The Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the Shareholders will not be able to trade such Shares. During such period there may be fluctuations in the market price of the Shares of Aroni. Accordingly, the Acquirer and the PACs make no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any Shareholder of Aroni on whether to participate or not to participate in the Offer.

5. The consideration of Rs.66.80 per Share comprises of the Offer Price of Rs. 31.50 per Share, with accrued interest thereon of Rs. 35.30 per Share calculated at the rate of 15% p.a. from July 28, 1998 upto January 12, 2006, i.e. the scheduled date of payment of consideration. The interest amount is subject to change depending upon the actual date of payment of the consideration.

6. Litigation, regulatory measures and similar claims could affect the Offer.

7. The Acquirer Group has not made disclosures in respect of the changes in the shareholding/ voting rights in Aroni as required under Regulation 7 of Chapter II of the Regulations, either to Aroni or to the stock exchanges. Hence, the Acquirer is not in compliance with Chapter II of the SEBI (SAST) Regulations and SEBI may initiate appropriate action in light of such non-compliance of Regulation 7 of SEBI (SAST) Regulations

The Risk Factors set forth above pertain to the Offer and do not relate to the present or future business or operations of Aroni or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in the Offer. The Shareholders of Aroni are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

TABLE OF CONTENTS

DEFINITIONS/ ABBREVIATIONS

Terms	Definitions
Acquirer Group	The Acquirer Group for the purposes of this Offer, comprising the Acquirer and the PACs being Mr. Ashwin Kumar Kothari, Mr. Rohit Kothari, Mrs. Meena Kothari, Mrs. Savita Kothari, Mrs. Niyati P Mehta, Mrs. Tejal Kothari, Mr. Harisingh Shyamsukha, Mr. Jaysukhlal N Shah, Mrs. Vanleela J Shah, Ashwin Kumar Kothari HUF, Ashwin Kumar Kothari (S) (HUF), PC Kothari (HUF), Saraswati, FDSIL and Jacqart
Acquirer or Winro	Winro Commercial (India) Limited
BSE	Bombay Stock Exchange Limited
Closing Date	Date of closing of the Open Offer
Companies Act	The Companies Act, 1956
CSE	Calcutta Stock Exchange Association Limited
Date of Public Announcement	October 11, 2005
Depository	National Securities Depository Limited
Depository Bank	HDFC Bank Limited
Depository Escrow Account	The depository escrow account opened by the Registrar with the Depository Bank styled “MCS Limited Escrow Account – Aroni Open Offer”
Disclosures	Disclosures regarding the changes in the shareholding/voting rights of the Acquirer Group required to be made by Aroni under Regulations 6(4) and 8(3) (from FY1997 to FY 2002 under the SEBI Regularization Scheme, 2002 and yearly disclosures from FY 2003 to FY 2005)
DP	Depository Participant
Equity Shares	Fully paid-up equity shares of Rs. 10/-each of Aroni
Escrow Bank	HDFC Bank Limited
FDSIL	Four Dimensions Securities (India) Limited
Form of Acceptance	Form of Acceptance-cum-Acknowledgment enclosed with this Letter of Offer
INR or Rupees or Rs.	Indian National Rupees
Jacqart	Jacqart Chemical Industries Limited
JMMS/ Manager to the Offer	JM Morgan Stanley Private Limited
Letter of Offer	This Letter of Offer dated December 1, 2005
NSDL	National Securities Depository Limited
Offer or Open Offer	Cash offer for acquisition of upto 452,915 Equity Shares representing 10.98% of the voting share capital of Aroni at a price of Rs. 31.50 plus interest of Rs. 35.30 per Equity Share being made in terms of this Letter of Offer
Offer Price	Rs. 31.50 per Equity Share
Opening Date	Date of opening of the Open Offer, being December 2, 2005
PAC(s)	Persons Acting in Concert with the Acquirer
Promoters	Promoters of Aroni, being Mr. Ashwin Kumar Kothari, Mr. Rohit Kothari, Mrs. Meena Kothari, Mrs. Savita Kothari, Mrs. Niyati P Mehta, Mrs. Tejal Kothari, Ashwin Kumar Kothari (S) HUF, Ashwin Kumar Kothari HUF, P C Kothari (HUF), Mr. Harisingh Shyamsukha, Mr. Jaysukhlal N Shah, Mrs. Vanleela J Shah

Terms	Definitions
Public Announcement or PA	The Public Announcement relating to the Offer as appeared in the newspapers on October 11, 2005
RBI	Reserve Bank of India
Registrars to the Offer	MCS Limited
Regulation(s) or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof as applicable on Trigger Dates, unless specified otherwise
Saraswati	Saraswati Commercial (India) Limited
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
Shareholder(s)	All equity shareholders of Aroni who are eligible for the Offer (except the Acquirer Group) comprising persons whose names appear in the register of members of Aroni as of the Specified Date and also persons (except the Acquirer Group), who acquire any Shares of Aroni at any time prior to the closure of the Offer, whether or not they are registered shareholders.
Specified Date	Date specified in the Public Announcement for the purpose of determining the names of the shareholders to whom the Letter of Offer is to be sent being October 14, 2005
Stock Exchanges	BSE and CSE
Target Company or Aroni	Aroni Chemical Industries Limited
Trigger Dates	The dates on which Equity Shares were either acquired by or transferred *inter-se* amongst the Acquirer Group in violation of Regulation 11(2), such dates being, September 16, 1997, March 31, 1998, April 16, 1998, December 17, 1998, March 9, 1999, November 8, 1999, July 30,2000 February 5, 2001, July 30, 2001 and on which dates, SEBI (SAST) Regulations as existing on such dates are applicable, unless specified otherwise
Valuation Reports	Valuation Reports dated August 8, 2005 of M/s. Chaturvedi and Shah, Chartered Accountants

1. 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 SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE EQUITY SHAREHOLDERS OF ARONI CHEMICAL INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS 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 THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES HIS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER – JM MORGAN STANLEY PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 18, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS AND SUBSEQUENT AMENDMENT(S) 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."

2. DETAILS OF THE OFFER

2.1 This Offer is for substantial acquisition of upto 452,915 equity shares of Rs. 10/- each ("**Equity Shares**") of the Target Company pursuant to Regulation 11(2) and other applicable provisions of SEBI (SAST) Regulations, 1997 and subsequent amendments thereto consequent to the circumstances enumerated hereunder:

2.2 The Acquirer is a company registered and incorporated under the Companies Act, 1956 with its registered office at 15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072.

2.3 The Promoters of Aroni, the Acquirer and the persons acting in concert ("PACs") with the Promoters and the Acquirer (collectively referred to as the "Acquirer Group") are holding 3,672,085 Equity Shares representing 89.02% of the total equity share capital of Aroni as on the date of the PA. The details of such shareholding are as under –

(a) The Promoters being, Mr. Ashwin Kumar Kothari, Mr. Rohit Kothari, Mrs. Meena Kothari, Mrs. Savita Kothari, Mrs. Niyati P Mehta, Mrs. Tejal Kothari, Ashwin Kumar Kothari (S) HUF, Ashwin Kumar Kothari HUF, P C Kothari (HUF), Mr. Harisingh Shyamsukha, Mr. Jaysukhlal N Shah, Mrs. Vanleela J Shah are collectively holding 1,899,935 Equity Shares representing 46.06% of the total shareholding/voting rights of Aroni.

(b) The PACs are Saraswati Commercial (India) Limited ("Saraswati"), Four Dimensions Securities (India) Limited ("FDSIL") and Jacqart Chemical Industries Limited ("Jacqart"). The PACs together with the Acquirer are holding 1,772,150 Equity Shares representing 42.96% of the total shareholding/voting rights of Aroni.

2.4 The members of the Acquirer Group have disclosed their shareholding/voting rights to Aroni as required in terms of Regulations 6 and 8 for the period from 1997 to 2005. However, no disclosures have been made by the members of the Acquirer Group to Aroni and to the stock exchanges under Regulation 7.

Aroni has disclosed the changes in the shareholding/voting rights of the Acquirer Group to the stock exchanges as per the disclosures required under Regulations 6(4) and 8(3) (from 1997 to 2002 under the SEBI Regularization Scheme, 2002 and yearly disclosures from 2003-2005) ("**Disclosures**").

However, at any stage, the Acquirer Group has not made disclosures in respect of the changes in the shareholding/ voting rights in Aroni as required under Regulation 7 of Chapter II of the Regulations, either to Aroni or to the stock exchanges. Hence, the Acquirer is not in compliance with Chapter II of the SEBI (SAST) Regulations and SEBI may initiate appropriate action in light of such non-compliance of Regulation 7 of SEBI (SAST) Regulations.

2.5 The instances of violations/ non-compliances of the Regulations in case of Aroni involving the changes in shareholding/voting rights of the Acquirer Group (in aggregate or *inter-se*) after the Regulations came into effect on February 20, 1997 are as under -

(i) On February 20, 1997, the shareholding of the Acquirer Group was 1,386,962 Equity Shares representing 79.25% of shareholding/ voting rights to the total paid-up capital of Aroni.

(ii) On September 16, 1997, Mr. Ashwin Kumar Kothari, Mrs. Meena Kothari, Mrs. Savita Kothari and Ashwin Kumar Kothari sold 400, 100, 400 and 50 Equity Shares respectively and FDSIL purchased 2,550 Equity Shares. As a result thereof, the shareholding of the Acquirer increased by 1,600 Equity Shares representing an increase of 0.09% in the shareholding/voting rights.

(iii) On December 20, 1997 there was an issue and allotment of bonus Equity Shares in the ratio of 1:2 as a result of which the aggregate shareholding increased to 2,083,743 Equity Shares, however, being a bonus allotment, there was no increase in the aggregate percentage of shareholding/ voting rights.

(iv) On March 31, 1998 and April 16, 1998 Winro purchased 6,600 and 3,675 Equity Shares respectively, as a result of which the shareholding of the Acquirer Group increased by 10,275 to 2,094,018 Equity Shares representing 79.77% of shareholding/ voting rights.

(v) On December 17, 1998 there was an issue of 10,00,000 Equity Shares (arising on conversion of 5,00,000 Zero Interest Fully Convertible Debentures of Rs. 35/- each ("FCDs")) to Saraswati, Winro, FDSIL and Jacqart on preferential basis and 5,00,000 bonus Equity Shares thereon. As a result of such conversion of FCDs, 600,000 Equity Shares each were issued to Winro, Saraswati and 240,000 and 60,000 Equity Shares respectively to FDSIL and Jacqart. As a result of the issue of the FCDs, the shareholding of the Acquirer Group increased to 3,592,918 Equity Shares representing 87.10% of shareholding/voting rights.

(vi) On March 9, 1999 there was *inter-se* transfer amongst the Acquirer Group whereby Mr. Harisingh Shyamsukha and Ms. Arti Shyamsukha transferred 66,000 Equity Shares each as gift to Ms. Tejal Kothari representing 3.2% of shareholding/ voting rights.

(vii) During FY 2000, Jacqart acquired an aggregate of 33,500 Equity Shares starting from November 8, 1999, however, only 33,200 Equity Shares so acquired were lodged for transfer in the year FY 2000 – 2001. Hence, the Disclosures for the year ending March 31, 2001 show an increase of 33,200 Equity Shares held by Jacqart. As a result of such acquisition the shareholding of the Acquirer Group increased to 3,626,018 Equity Shares representing 87.90% of the shareholding/voting rights. However, the balance 300 Equity Shares acquired by Jacqart has not been lodged for transfer till the date of the PA and hence, such Equity Shares are not included in the shareholding of the Acquirer Group till the date of the PA.

(viii) On July 30, 2000, there was an *inter-se* transfer of 160,000 Equity Shares from Mr. Ashwin Kumar Kothari to Mrs. Meena Kothari and thereupon, Mrs. Meena Kothari on February 5, 2001, made an *inter-se* transfer of the same to Winro and Jacqart in lots of 30,000 and 130,000 Equity Shares respectively.

Furthermore, the Equity Shares acquired by Mrs. Meena Kothari were not lodged for transfer and due to the same, such *inter-se* transfer was not disclosed in the Disclosures for year ending March 31, 2001.

(ix) As per the Disclosures filed for the year ending March 31, 2002, the aggregate shareholding of the Promoters and PACs was 3,672,568 Equity Shares representing 89.03% of the total paid up capital. This change in the shareholding of the Acquirer Group was due to the following changes –

(a) The 160,000 Equity Shares acquired by Mrs. Meena Kothari (as explained in paragraph (viii) above) were not lodged for transfer, however, the same were lodged for transfer only upon further *inter-se* transfer to Winro and Jacqart;

(b) In addition, Jacqart acquired 46,750 Equity Shares on February 5, 2001 in FY 2001 and during period starting from July 30, 2001 in FY 2002. However, of the Equity Shares so acquired, only 45,050 were lodged for transfer and as on the date of the PA, 1,700 Equity Shares are yet to be transferred in the name of Jacqart;

(c) 1,000 Equity Shares acquired by Ms. Tejal Kothari on September 22, 1994 in her maiden name Ms Tejal Doshi, were lodged for transfer during the year 2002 and accordingly the same was reflected in the relevant Disclosures; and

(x) The shareholding of the Acquirer Group decreased by 483 Equity Shares as the same were being held by Mr. Arastu Hussain who resigned as a director of the Company with effect from March 29, 2003 and hence the shareholding of the Acquirer Group as per the Disclosures filed for the year ending March 31, 2004 is 3,672,085 Equity Shares representing 89.02% of the total shareholding/voting rights.

(xi) As per Disclosures filed for year ending March 31, 2004 and March 31, 2005, the shareholding of the Acquirer Group has been 3,672,085 Equity Shares representing 89.02% of shareholding/ voting rights to the total paid-up capital. Furthermore, there have been no *inter-se* transfers amongst the Acquirer Group during this period.

(xii) The dates mentioned above under paragraph (ii), (iv), (v), (vi), (vii), (viii), and (ix)(b) are the trigger dates (hereinafter referred to as “Trigger Dates”) under the Regulations.

2.6 In respect of the details provided in paragraph 2.5 above, the following must be noted –

(i) Mr. Ashwin Kumar Kothari and Mr. Rohit Kothari had sold 1,800 and 200 Equity Shares respectively in the year 1994, however, such Equity Shares have not been lodged by the buyers for transfer till the date of the PA and therefore, the shareholdings of Mr. Ashwin Kumar Kothari and Mr. Rohit Kothari are overstated to that extent; and

(ii) As on the date of the PA, a total of 2,000 Equity Shares acquired by Jacqart (as explained in paragraphs vii and ix above) have not been lodged for transfer and therefore, the shareholdings of Jacqart are understated to that extent.

Hence, overall as on the date of PA, the shareholding of the Acquirer Group is 3,672,085 Equity Shares representing 89.02% of the total shareholding/voting rights

2.7 The violations/ non-compliances of the Regulations due to the acquisitions by and *inter-se* transfers of Equity Shares amongst the Acquirer Group on the Trigger Dates mentioned in paragraph 2.5 above were unintentional in nature and no open offer in terms of Regulation 11(2) was made by the Acquirer Group. However, it may be mentioned that in respect thereof, there have been no shareholders’ complaints nor any action has been initiated by any regulator.

Therefore, the Offer is being made to rectify the violations made by the Acquirer Group in terms of certain acquisitions made by them without making a public announcement or *inter-se* transfers amongst themselves without reporting the same for exemption as per the requirements of the Regulations.

2.8 As a remedy for not meeting the compliance requirements under Regulation 11(2), the Acquirer *vide* this Letter of Offer is making an Offer to acquire the balance 452,915 Equity Shares representing 10.98% of shareholding/ voting rights to the total paid-up equity capital. Post this Offer, the Acquirer shall divest its shareholding/ voting rights in Aroni in the manner as described in paragraph 7 below.

3. DETAILS OF THE OFFER

3.1 The Acquirer is making this offer to acquire upto a maximum of 452,915 Equity Shares representing 10.98% of the total equity share capital of Aroni at a price of Rs. 31.50/- per Equity Share ("**Offer Price**") plus interest of Rs. 35.30/- per Equity Share ("**Interest**"), calculated at the rate of 15% per annum from July 28, 1998 upto January 12, 2006, i.e., the scheduled date of the payment of consideration (the interest amount being subject to change depending upon the actual date of dispatch of such consideration).

3.2 The Offer Price and Interest shall be payable in cash, subject to the terms and conditions mentioned in the Public Announcement dated October 11, 2005.

3.3 At present, the Acquirer Group holds 3,672,085 Equity Shares representing 89.02% of the fully paid-up equity share capital of Aroni.

3.4 Of the above, the Acquirer holds 650,175 Equity Shares representing 15.76% of the paid-up capital of Aroni.

3.5 Neither the Promoters, the Acquirer, the PACs nor any of their directors have acquired any Equity Shares in Aroni during the 12 months period prior to the date of the Public Announcement.

3.6 None of the Directors of the Acquirer hold any shares in the Target Company as on the date of PA except Mr. V.V. Sureshkumar who is holding 2,040 equity shares as on the said date.

3.7 Neither the Acquirer, nor the Promoters or the PACs have been prohibited by the SEBI from dealing in securities, in terms of direction issued under section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

3.8 The equity shares of Aroni are listed on the Bombay Stock Exchange Limited, Mumbai ("BSE") and the Calcutta Stock Exchange Association Limited, Kolkata ("CSE"). With reference to the Trigger dates, the Equity Shares were infrequently traded on the BSE and CSE in terms of Regulation 20(3) (applicable as on March 31, 1998). However, as on date of PA, equity shares of Aroni are frequently traded at BSE. (Source: http://www.bseindia.com).

3.9 This Offer is not subject to any minimum level of acceptance.

3.10 The Offer is being made in order to remedy the violation of the Regulation 11(2) caused by the Acquirer Group and is not being made pursuant to any proposed acquisition of Equity Shares in Aroni being made either by way of an agreement or market purchases by any entity.

3.11 All Equity Shares tendered pursuant to this Offer, will be acquired by the Acquirer subject to terms and conditions set out in the Public Announcement and this Letter of Offer.

3.12 The Public Announcement for this Offer appeared in the following newspapers on October 11 2005 in accordance with Regulation 15.

Newspapers	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition

A copy of the Public Announcement is also available on SEBI's website at http://www.sebi.gov.in**.**

Further terms and conditions of the Offer are set out in Paragraph 9 of this Letter of Offer and the procedure for acceptance and settlement is set out in Paragraph 10 of this Letter of Offer.

4. OBJECT AND PURPOSE OF THE OFFER

4.1 The Offer is being made pursuant to SEBI (SAST) Regulations to rectify the violations made by the Acquirer Group in terms of certain acquisitions in Aroni leading to "Consolidation of Holdings" in terms of Regulation 11(2) and *inter-se* transfers amongst the Acquirer Group which were either made without making a public announcement or not reported for exemption as per the requirements of the Regulations.

4.2 As required under Regulation 16 (ix) (as applicable on March 31, 1998), the Acquirer Group does not intend to dispose of or otherwise encumber any assets of Aroni in the succeeding two years except in the ordinary course of the business of Aroni and in any event, shall not do so except with the prior approval of the shareholders of the Aroni.

5. DETAILS OF THE ACQUIRER AND THE PERSONS ACTING IN CONCERT

5.1 DETAILS OF THE ACQUIRER

5.1.1 The Acquirer was incorporated under the name and style of "Winro Commercial (India) Limited" as a limited company on January 15, 1983 *vide* Certificate of Registration No. 35688 of 1983 issued by the Registrar of Companies, West Bengal with its registered office at 15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072. The Acquirer was issued a Certificate for Commencement of Business pursuant to section 149(3) of the Act on January 24, 1983 by the Registrar of Companies, West Bengal.

5.1.2 The Acquirer is engaged in investment, trading and finance activities.

5.1.3 The Acquirer is a listed company and its equity shares are listed on the BSE and CSE.

5.1.4 The details of the promoters and the persons in control over the Acquirer and their shareholding on March 31, 2005 as per the disclosures filed by the Acquirer in terms of Regulation 8(3) of the Regulations on April 15, 2005 are as under –

(a) The Promoters being, Mr. Ashwin Kumar Kothari, Mrs. Meena Kothari, Mr. Rohit Kothari, Mrs. Savita Kothari, Ashwin Kumar Kothari (HUF), Ashwin Kumar Kothari (S) (HUF) and P C Kothari (HUF) are collectively holding 280,430 Equity Shares representing 22.39% of the total shareholding/voting rights of the Acquirer; and

(b) The PACs being, Mahotsav Trading and Finance Private Limited, Sareshwar Trading and Finance Private Limited, Four Dimensions Securities (India) Limited, Jacqart, Saraswati and Sam Jag Deep are collectively holding 345,600 Equity Shares representing 27.59% of the total shareholding/voting rights of the Acquirer.

5.1.5 The details of the share capital of the Acquirer as on the date of the PA are as under –

(a) The authorised capital is Rs. 1,50,00,000 divided into 15,00,000 Equity Shares of Rs. 10/- each.

(b) The issued, subscribed and paid-up capital is Rs. 1,25,25,360 divided into 12,52,536 Equity Shares of Rs. 10/- each.

5.1.6 The Board of Directors of the Acquirer as on the date of the PA comprises –

Name	Designation	Residential Address	Date of appointment	Experience
Mr. V. V. Sureshkumar	Director	601 Bharat Kunj Plot No 21, Sion (West) Mumbai 400 022	July 25, 1997	Mr. Sureshkumar is a commerce graduate and is an experienced professional in the field of trading and marketing. He has over 20 years of experience in these fields. Except the Acquirer, he is also a director

Name	Designation	Residential Address	Date of appointment	Experience
				in the following companies – 1. Arcies Laboratories Limited 2. Mahotsav Trading and Finance Private Limited 3. Sareshwar Trading and Finance Private Limited 4. Jacqart Chemical Industries Limited
Mr. Jagdish J Jhan	Director	76 Jodhpur Park, Kolkata – 700 068	April 10, 1994	Mr. Jhan is a commerce graduate and also has an M.B.A. degree. He has a varied experience of 20 years in the field of investment, trading and finance. Except the Acquirer, he is also a director in the following companies – 1. GTZ (Bombay) Private Limited
Mr. A. N. Nair	Director	Kores Tower, 903 Neha Vartak Nagar, Thane(West) Thane 400606	February 14, 2000	Mr. Nair is an intermediate in commerce. He has a varied experience of 25 years in the field of trading and marketing. Except the Acquirer, he is also a director in the following companies – 1. Mahakaya Trading and Finance Private Limited 2. Vishist Trading and Finance Private Limited
Mr. Narendra Kumar Jain	Director	401 Mamta Towers 1/1 Manorama Ganj Indore 452001 Madhya Pradesh	March 7, 2005	Mr. Jain is a commerce graduate. He has a varied experience of 15 years in the field of investment, trading and finance. Except the acquirer, he is not a director in any other company

Neither the Acquirer nor any of the directors of the Acquirer have acquired any Equity Shares of Aroni during 12 months preceding the date of the PA.

5.1.7 None of the Directors of the Acquirer is on the Board of Directors of the Target Company.

5.1.8 The Acquirer is holding 650,175 Equity Shares representing 15.76% of the paid-up capital of Aroni as on the date of the PA.

5.1.9 The promoters and persons in control of the Acquirer (as mentioned at paragraph 5.1.4) have disclosed their shareholding/voting rights to the Acquirer as required in terms of Regulations 6 and 8 for the period from 1997 to 2005. However, no disclosures have been made by the promoters and persons in control of the Acquirer as required under Regulation 7.

The Acquirer has disclosed the shareholding/voting rights of its promoters and persons in control to the stock exchanges as per the disclosures required under Regulations 6(4) and 8(3) (from 1997 to 2002 under the SEBI Regularization Scheme, 2002 and yearly disclosures from 2003-2005).

5.1.10 At any stage, the Acquirer has not made the disclosures in respect of its shareholding/voting rights in Aroni as required under Regulation 7 of Chapter II of the Regulations, either to Aroni or to the stock exchanges. Hence, the Acquirer is not in compliance with Chapter II of the SEBI (SAST) Regulations.

5.1.11 The brief financials of the Acquirer (audited for the years ended March 31, 2003, March 31, 2004 and March 31, 2005) are as under:

Profit and Loss Statement **(in Lacs)**

For the year ended March 31	**2003**	**2004**	**2005**
Income from operations	6985.54	25658.86	20729.51
Other Income	0.77	0	0
Total Income	6986.31	25658.86	20729.51
Total Expenditure.	6738.54	24020.95	19832.96
Profit Before Depreciation Interest and Tax	247.77	1637.91	896.55
Depreciation	1.62	1.22	0.92
Interest	79.62	84.57	31.46
Profit Before Tax	166.53	1552.12	864.17
Provision for Tax	14.21	171.99	216.05
Profit After Tax	152.32	1380.13	648.12

Balance Sheet **(in Lacs)**

As on March 31	**2003**	**2004**	**2005**
Sources of funds			
Paid up share capital	125.25	125.25	125.25
Reserves and Surplus (excluding revaluation reserves)	1646.04	3026.12	3674
Net worth	1771.29	3151.37	3799.25
Secured loans	0	262.76	501.43
Unsecured loans	692.59	509.86	191.03
Total	2463.88	3923.99	4491.71
Uses of funds			
Net fixed assets	6.18	4.96	4.06
Investments	387.65	477.36	996.76
Net current assets	2068.53	3440.84	3490.6
Total miscellaneous expenditure not written off	1.52	0.83	0.29
Total	2463.88	3923.99	4491.71

Other Financial Data

As on March 31	**2003**	**2004**	**2005**
Dividend (%)	Nil	Nil	Nil
Earnings per share	12.16	110.19	51.75
Return on Net Worth (%)	8.60	43.79	17.06
Book Value per Share	141.30	251.54	303.31

5.1.12 As on March 31, 2005, the Acquirer does not have any contingent liabilities.

5.1.13 Reasons for the fall in the total income and profit after tax:

In comparison to previous year, during the year ended on March 31, 2005 the Acquirer has earned less income on the trading of shares and units and investments

5.1.14 Please refer to paragraphs from 2.4 to 2.8 under "Background of the Offer" for details of earlier acquisitions made in Aroni by the Acquirer Group and change in shareholding pursuant to the said acquisitions/ offers and compliance with SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992.

5.1.15 Significant accounting policies of the Acquirer as stated in the annual report for the year ended March 31, 2005 are given below:-

a) Basis of Accounting:

- Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956.

- The Company generally follows mercantile system of accounting and recognises significant items income and expenditure on accrual basis.

b) Fixed Assets and Depreciation:

Fixed assets are stated at cost of acquisition less accumulated Depreciation. Depreciation has been provided on written down value method at the rates and the manner prescribed in scheduled XV of the Companies Act, 1956. Depreciation on additions/deletions during the year in provided on prorata basis.

c) Investments:

Long Term Investments are stated at cost. Provision for diminution in the Market Value/Break-up value is made only if; such a decline is other than temporary in the opinion of Management.

During the year Company has transferred securities from stock to Investment on account of reclassifying it as being an investment of long term in nature to be held for a period of 1 to 3 years from the date of acquisition .The said transfer has been done at lower of cost and closing market price on the date of transfer stated in AS-13 regarding Accounting for Investments & the same is valued at transfer price.

d) Stock in Trade:

Stocks of shares are valued at Lower of cost or market value.

e) Retirement Benefits:

As informed to us provisions of payment of Gratuity Act, 1972 and Employees Provident Funds and Miscellaneous Provisions Act, 1952 are not applicable to the company for the year under review.

f) Miscellaneous Expenditure:

Miscellaneous Expenditure is written off over a period of ten years.

g) Taxation

- Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the provisions of the Income-Tax Act 1961.

- Deferred tax for timing differences between tax profits and book profits is accounted by using the tax rates and laws that have been enacted or substantial enacted as of the balance sheet date. Deferred tax assets in respect of unabsorbed losses are recognised to the extent there is reasonable certainty that these assets can be realised in future.

h) Future / Option Contracts:-

In respect of future/option contracts income/loss is booked on the date of settlement of Contracts. However, in respect of outstanding contracts as at the Balance Sheet date keeping in view the consideration of produce, loss is booked but income is not recognised.

i) Contingent liabilities:-

These are disclosed by way of notes on the Balance sheet. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the finalization of accounts and have material effect on the position stated in the Balance sheet.

5.1.16 The status of Corporate Governance in the Acquirer is as below -

Particulars	Listing Agreement Clause
Board or Directors	49 I
Audit Committee	49 II
Shareholders / Investors Grievance Committee	49 VI(C)
Remuneration Committee	49 III
Board Procedures	49 IV
Management	49 V
Shareholders	49 VII
Report on Corporate Governance	49 VII

The Acquirer has complied with all of the above clauses of the listing agreement relating to the corporate governance requirements.

5.1.17 The name and details of the Compliance Officer of the Acquirer is as below –

Name: Mr. Suhas Sawant

Address: K.K. Chambers, 4th Floor,
Sir Purushottamdas Thakurdas Road,
Fort, Mumbai – 400 001
Tel No.: +91 22 5638 8600
Fax No: +91 22 5638 8610
Email: sawant@fdcml.com

5.1.18 The shareholding pattern of the Acquirer as on September 30, 2005 is as below –

S. No.	Names of the Shareholders	No. of Shares	%age of shareholding/ voting rights
A.	**Promoters**		
1	**Indian Promoters**		
	Rohit Kothari	60,280	4.81
	Meena Kothari	57,000	4.55
	P C Kothari (HUF)	56,250	4.49
	Ashwin Kumar Kothari (HUF)	36,200	2.89
	Ashwin Kumar Kothari	30,200	2.41
	Ashwin Kumar Kothari (S) HUF	22,200	1.77
	Savita Kothari	18,300	1.46
	Jacqart Chemical Industries Limited	136,150	10.87
	Saraswati Commercial (India) Limited	100,150	8.00
	Mahotsav Trading and Finance Private Limited	37,000	2.95
	Sareshwar Trading and Finance Private Limited	36,000	2.87
	Four Dimensions Securities (India) Limited	34,850	2.78
	Sam Jag Deep Investments Private Limited	1,450	0.12
	Total	**626,030**	**49.98**

S. No.	Names of the Shareholders	No. of Shares	%age of shareholding/ voting rights
2	**Foreign Promoters**	**Nil**	**Nil**
B.	**Non Promoters**		
3	**Institutional Investors**		
	a) Mutual Funds and UTI	Nil	Nil
	b) Banks, FIs, Insurance Companies, Institutions	Nil	Nil
	c) FIIS	Nil	Nil
4	**Others**		
	a) Private Corporate Bodies	546,456	43.63
	b) Indian Public		
	➢ Holding more than 1%	72,900	5.82
	➢ Others	7150	0.57
	c) NRIs/ OCBs	Nil	Nil
	d) Any Other	Nil	Nil
	Total	**626,506**	**50.02**
	Grand Total	**1,252,536**	**100.00**

5.1.19 The details of the shareholding/voting rights of the Acquirer Group in Aroni as on the date of the Public Announcement is the same as provided in Column A of the table provided in paragraph 6.9 of this Letter of Offer.

5.2 DETAILS OF THE PERSONS ACTING IN CONCERT

The details of the PACs are as follows –

(a) **Four Dimensions Securities (India) Limited**, a public limited company with its registered office at K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001.

The company was incorporated on January 5, 1985 and currently having an authorized equity share capital of Rs.5,00,00,000/- divided into 50,00,000 equity shares of Rs.10 each. The issued and paid up equity share capital of the Company is Rs.4,59,00,000/- comprising of 45,90,000 equity shares of Rs.10 each.The Equity Shares of FDSIL were listed on the BSE, however, FDSIL was delisted from BSE with effect from March 18, 2002.The Company is engaged in the business of share broking and making long term investments in shares and securities. It is a Corporate Member of the National Stock Exchange of India Limited, Mumbai.

The details of Board of Directors of FDSIL are as follows:

Name	Designation	Residential Address	Date of appointment	Experience
Mr. Sandeep Kejariwal	Director	604, Gypsy Rose, Shastri Nagar, Lokhandwala, Andheri (West), Mumbai – 400 053	February 7, 1997	Mr. Kejariwal is a chartered accountant by profession and has a varied experience of 15 years in taxation, accounts and corporate laws. Except FDSIL, he is also a director in the following companies – 1. GTZ (Bombay) Private Limited 2. Sam Jag Deep Investments Private Limited

Name	Designation	Residential Address	Date of appointment	Experience
				3. Windsor Trading and Finance Private Limited 4. Mahotsav Trading and Finance Private Limited 5. Four Dimensions Capital Markets Private Limited
Mr. Harisingh Shyamsukha	Director	Flat No 2A & B Naples 9, Sobani Road Cuff Parade Mumbai 400005	February 7, 1997	Mr. Shyamsukha has a B.E. degree in Chemical Engineering and he has over 20 years of experience in manufacturing, investment and trading fields. Except FDSIL, he is also a director in the following companies – 1. Saraswati Commercial (India) Limited 2. Elrose Mercantile Private Limited 3. Gwalior Chemical Industries Limited 4. Kurmaraj Investment and Trading Company Private Limited
Mr. Ashwin Kumar Kothari	Director	4 Gold Cornet, 1st Floor 11 Navrojee Gamadia Road, Mumbai – 400 026	January 5, 1995	Mr. Ashwin Kumar Kothari is a graduate of Chemical Engineering from Massachusetts Institute of Technology, USA. He has a varied experience of over 25 years in the field of investment trading, finance and manufacturing. He is a director of several investment and trading companies. Except FDSIL, he is also a director in the following companies – 1. Sam Jag Deep Investments Private Limited 2. Jacqart Chemical Industries Limited 3. Gwalior Chemical Industries Limited 4. Five Star Trading and Investment Co. Limited 5. Rajashree Holding Limited 6. Park Avenue Engineering Limited 7. Meenakshi Steel Industries Limited 8. Jatayu Textile and Industries Limited 9. Sunayana Traders and Investments Company Limited

Name	Designation	Residential Address	Date of appointment	Experience
				10. Essel Mining and Industries Limited 11. Aditya Birla Health Services Limited 12. Sambhav Finance and Trading Co. Limited 13. Precision Wires India Limited 14. Mahavir Box Manufacturing Private Limited 15. Aroni Chemical Industries Limited 16. Four Dimensions Capital Markets Private Limited

The brief financials of FDSIL (audited for the years ended March 31, 2003, March 31, 2004 and March 31, 2005) are as under:

Profit and Loss Statement(in Lacs)

For the year ended March 31	2003	2004	2005
Income from operations	270.95	488.27	1062.24
Other Income	140.46	676.81	73.21
Total Income	411.41	1165.08	1135.45
Total Expenditure.	144.44	202.65	490.36
Profit Before Depreciation Interest and Tax	266.97	962.43	645.09
Depreciation	7.10	8.64	10.89
Interest	75.48	81.00	51.20
Profit Before Tax	184.39	872.79	583.00
Provision for Tax	35.94	83.37	249.96
Profit After Tax	148.45	789.42	333.04

Balance Sheet **(in Lacs)**

As on March 31	2003	2004	2005
Sources of funds			
Paid up share capital	384.00	459.00	459.00
Reserves and Surplus (excluding revaluation reserves)	373.03	1387.45	1720.49
Net worth	757.03	1846.45	2179.49
Secured loans	0.00	602.75	475.77
Unsecured loans	652.14	0.00	982.93
Total	1409.17	2449.20	3638.19
Uses of funds			
Net fixed assets	14.84	31.34	29.34
Investments	6.26	6.26	6.26
Net current assets	1387.99	2411.57	3602.59
Total miscellaneous expenditure not written off	0.08	0.03	0.00
Total	1409.17	2449.20	3638.19

Other Financial Data

As on March 31	2003	2004	2005
Dividend (%)	**11.00%**	**Nil**	**0.00**
Earnings per share	3.87	17.20	7.26
Return on Net Worth (%)	19.61	42.75	15.28
Book Value per Share	19.71	40.23	47.48

- FDSIL has following Contingent liabilities as on March 31, 2005.

  Contingent liabilities not provided in respect of demand of Rs.19,25,.012/- and Rs.9,94,484/- under Income Tad Act for disallowances made in the assessments against which appeals are filed with Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal respectively..

- Reasons for the fall in the total income and profit after tax:

  In comparison to previous year, during the year ended on March 31, 2005 the company has earned less income as brokerage and earned lower income on its trading of shares and units.

- Please refer to paragraphs from 2.4 to 2.8 under "Background of the Offer" for details of earlier acquisitions made in Aroni by the Acquirer Group and change in shareholding pursuant to the said acquisitions/ offers and compliance with SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992.

- Significant accounting policies of FDSIL as stated in the annual report for the year ended March 31, 2005 are given below:-

a. <u>Accounting Concept</u>

The Company follows mercantile system of accounting recognising income and expenses on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting Policies not referred to specifically otherwise, are consistent with generally accepted accounting principles.

b. <u>Fixed Assets</u>

Fixed Assets are stated at their cost of acquisition less accumulated depreciation.

c. <u>Depreciation</u>

Depreciation on fixed assets has been provided on Written Down Value Method as provided in Section 205 (2) (b) of the Companies Act, 1956 read with Schedule XIV of the Act on pro-rata basis.

d. <u>Investment</u>

Investment held by the company are of long term nature and are stated at cost.

e. <u>Inventories</u>

Inventory has been valued at lower of cost or market price .

f. <u>Retirement Benefits</u>

The Company has policy of recognizing liability of Gratuity on actual basis.

g. <u>Taxation</u>

Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is a virtual certainty that sufficient taxable profits will be available against which such deferred assets can be realized.

(b) **Saraswati Commercial (India) Limited ("Saraswati")**, a public limited company with its registered office at 15, Chittaranjan Avenue, 4th Floor, Kolkata - 700 072;

The company was incorporated on January 24, 1983 and currently having an authorized equity share capital of Rs.75,00,000/- divided into 7,50,000 equity shares of Rs.10/- each. The issued and paid up capital of Rs.64,00,000/- comprising of 6,40,000 equity shares of Rs.10/- each. The Equity Shares of Saraswati are listed on the Stock Exchange, Mumbai ("BSE") and the Calcutta Stock Exchange Association Limited, Kolkata ("CSE"). The company is engaged in the business of trading in shares and securities and making long term investments in shares and securities and in financing body corporates.

The details of Board of Directors of Saraswati are as follows:

Name	Designation	Residential Address	Date of appointment	Experience
Mr. Harisingh Shyamsukha	Director	Flat No 2A & B Naples 9, Sobani Road Cuff Parade Mumbai 400005	August 28, 1984	Mr. Shyamsukha has a B.E. degree in Chemical Engineering and he has over 20 years of experience in manufacturing, investment and trading fields. Except Saraswati, he is also a director in the following companies – 1. Four Dimensions Securities (India) Limited 2. Elrose Mercantile Private Limited 3. Gwalior Chemical Industries Limited 4. Kurmaraj Investment and Trading Company Private Limited
Mr. Jaysukhlal N Shah	Director	105, Suvadhi Apartments, Sarvodaya Parshavnath Nagar, Nehur Road, Mulund (West), Mumbai – 400 080.	July 8, 1991	Mr. Shah has an intermediate degree in commerce. He is an experienced professional in the field of finance, trading and investment and has an experience of over 30 years in these fields. Except Saraswati, he is also a director in 1. Arcies Laboratories Limited 2. Aroni Chemical Industries Limited
Mr. Parag J Shah	Director	Anugrah, 25/27 Dr Wilson Street, Mumbai 400004	September 29, 1993	He is has a graduate degree in Commerce. He is an experience professional in the filed of finance, trading and investment and has an experience of over 15 years in these fields. Except Saraswati, he is also a director in the following companies –

Name	Designation	Residential Address	Date of appointment	Experience
				1. Sovereign Global Finance Private Limited; 2. Raksha Holding Private Limited; and 3. Stock Guardian (India) Private Limited.

The brief financials of Saraswati (audited for the years ended March 31, 2003, March 31, 2004 and March 31, 2005) are as under:

Profit & Loss Statement			
For the year ended March 31	**2003**	**2004**	**2005**
Income from operations	3.02	20.83	5.02
Other Income	0.00	0.00	0.00
Total Income	3.02	20.83	5.02
Total Expenditure.	8.32	8.92	4.87
Profit Before Depreciation Interest and Tax	(5.30)	11.91	0.15
Depreciation	0.08	0.05	0.03
Interest	0.01	0.00	0.00
Profit Before Tax	(5.39)	11.86	0.12
Provision for Tax	0.00	1.00	(0.00)
Profit After Tax	(5.39)	10.86	0.12
Balance Sheet Statement			
As On March 31,	**2003**	**2004**	**2005**
Sources of funds			
Paid up share capital	64.00	64.00	64.00
Reserves and Surplus (excluding revaluation reserves)	474.80	485.65	485.77
Networth	538.80	549.65	549.77
Secured loans	0.00	0.00	0.00
Unsecured loans	0.87	0.75	0.75
Total	539.67	550.40	550.52
Uses of funds			
Net fixed assets	0.12	0.07	0.05
Investments	55.96	355.80	355.80
Net current assets	483.50	194.52	194.67
Total miscellaneous expenditure not written off	0.09	0.01	0.00
Total	539.67	550.40	550.52
Other Financial Data	**2003**	**2004**	**2005**

Dividend (%)	Nil	Nil	Nil
Earning Per Share	(0.84)	1.70	0.02
Return on Networth	(1.00)	1.98	0.02
Book Value Per Share	84.17	85.88	85.90

- As on March 31, 2005, Saraswati has following contingent liabilities :-

  Contingent liabilities not provided for in respect of corporate guarantees given by Saraswati is Rs.14.00 Crores.

- Reasons for the fall in the total income and profit after tax:

  On account of lower interest income and lower Income on shares trading company 's profit fall during the year ended on March 31,2005 in comparison to previous year

- Please refer to paragraphs from 2.4 to 2.8 under "Background of the Offer" for details of earlier acquisitions made in Aroni by the Acquirer Group and change in shareholding pursuant to the said acquisitions/ offers and compliance with SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992.

- Significant accounting policies of Saraswati as stated in the annual report for the year ended March 31, 2005 are given below:-

a. Basis of Accounting:

   o Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956.

   o The Company generally follows mercantile system of accounting and recognises significant items income and expenditure on accrual basis.

b. Fixed Assets and Depreciation:

Fixed assets are stated at cost of acquisition less accumulated Depreciation. Depreciation has been provided on written down value method at the rates and the manner prescribed in scheduled XIV of the Companies Act, 1956. Depreciation on additions/deletions during the year is provided on pro-rata basis.

c. Investments:

Long Term Investments are stated at cost. Provision for diminution in the Market Value/Break-up Value is made only if; such a decline is other than temporary in the opinion of Management.

d. Stock in Trade:

Stocks of shares are valued at Cost.

e. Retirement Benefits:

As informed to us provisions of payment of Gratuity Act, 1972 are not applicable to the company for the year under review.

f. Miscellaneous Expenditure:

Miscellaneous Expenditure is written off over a period of ten years.

g. Taxation:

   o Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act 1961.

- o Deferred tax for timing differences between tax profits & book profits is accounted by using the tax rates & laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets in respect of unabsorbed Losses are recognised to the extent there is reasonable certainty that these assets can be realised in future.

h. Contingent liabilities:-

These are disclosed by way of notes on the Balance sheet. Provision is made in the accounts in respect of those contingencies which are likely to materialise into liabilities after the year end, till the finalisation of accounts and have material effect on the position stated in the Balance sheet.

(c) **Jacqart Chemical Industries Limited**, a public limited company with its registered office at K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001

The company was incorporated on January 11, 1985 and currently having an authorized equity share capital of Rs.22,500,000/- divided into 2,250,000 equity shares of Rs.10/- each. The issued and paid up capital of Rs.20,400,000/- comprising of 20,400,000 equity shares of Rs.10/- each. The Equity Shares of Jacqart are listed on only the BSE. The company is engaged in the business of trading in shares and securities and making long term investments in shares and securities and in financing body corporates.

The details of Board of Directors of Jacqart are as follows:

Name	Designation	Residential Address	Date of appointment	Experience
Mr. V. V. Sureshkumar	Director	601 Bharat Kunj Plot No 21, Sion (West) Mumbai 400 022	January 1, 2005	Mr. Sureshkumar is a commerce graduate and is an experienced professional in the field of trading and marketing. He has over 20 years of experience in these fields. Except Jacqart, he is also a director in the following companies – 1. Arcies Laboratories Limited 2. Mahotsav Trading and Finance Private Limited 3. Sareshwar Trading and Finance Private Limited 4. Winro Commercial (India) Limited
Mr. Rajesh Bhavsar	Director	A – 205, Siddhivinayak Plaza, Chikuwadi, Shimpoli Village, Borivali(west) Mumbai – 400 092	April 28, 2005	Mr. Rajesh Bhavsar is a commerce graduate. He has a varied experience of 15 years in the field of share trading and investments. Except Jacqart, he is also a director in the following companies – • Sareshwar Trading and Finance Private Limited; • Four Dimesnisons Commodities Private Limited.
Mr. Ashwin Kumar Kothari	Director	4 Gold Cornet, 1st Floor	January 11, 1985	Mr. Ashwin Kumar Kothari is a graduate of Chemical Engineering from

Name	Designation	Residential Address	Date of appointment	Experience
		11 NavrojeeGamadia Road, , Mumbai – 400 026		Massachusetts Institute of Technology, USA. He has a varied experience of over 25 years in the field of investment trading, finance and manufacturing. He is a director of several investment and trading companies. Except Jacqart, he is also a director in the following companies – • Sam Jag Deep Investments Private Limited • Four Dimensions Securities (India) Limited • Gwalior Chemical Industries Limited • Five Star Trading and Investment Co. Limited • Rajashree Holding Limited • Park Avenue Engineering Limited • Meenakshi Steel Industries Limited • Jatayu Textile and Industries Limited • Sunayana Traders and Investments Company Limited • Essel Mining and Industries Limited • Aditya Birla Health Services Limited • Sambhav Finance and Trading Co. Limited • Precision Wires India Limited • Mahavir Box Manufacturing Private Limited • Aroni Chemical Industries Limited • Four Dimensions Capital Markets Private Limited

The brief financials of Jacqart (audited for the years ended March 31, 2003, March 31, 2004 and March 31, 2005) are as under:

Profit & Loss Statement **(Rs In Lacs)**

For the year ended March 31	2003	2004	2005
Income from operations	22.41	65.13	224.81
Other Income	9.51	1.45	74.88
Total Income	31.92	66.58	299.69
Total Expenditure.	8.81	25.48	55.35
Profit Before Depreciation Interest and Tax	23.11	41.10	244.34
Depreciation	0.30	0.25	0.39
Interest	2.88	23.00	66.01
Profit Before Tax	19.93	17.85	177.94
Provision for Tax	2.48	1.37	12.43
Profit After Tax	17.45	16.48	165.51
Balance Sheet Statement	**2003**	**2004**	**2005**
As On March 31,			
Sources of funds			
Paid up share capital	204.00	204.00	204.00
Reserves and Surplus (excluding revaluation reserves)	250.23	266.71	432.22
Networth	454.23	470.71	636.22
Secured loans	0	0	652.52
Unsecured loans	0	17.91	0
Total	454.23	488.62	1288.74
Uses of funds			
Net fixed assets	1.5	1.29	1.78
Investments	34.43	18.55	136.22
Net current assets	417.78	468.44	1150.51
Total miscellaneous expenditure not written off	0.52	0.34	0.23
Total	454.23	488.62	1288.74
Other Financial Data	**2003**	**2004**	**2005**
Dividend (%)	0	0	0
Earning Per Share	0.86	0.81	8.11
Return on Networth	3.84	3.50	26.01
Book Value Per Share	22.24	23.06	31.18

- As on March 31, 2005, the Jacqart has following contingent liabilities :-
  - ➢ Contingent Liability on of Rs 2250/- Partly paid 300 Preference shares of Urudavan Investment & Trading Private Limited
  - ➢ Contingent liabilities not provided for in respect of corporate guarantees given by Jacqart is Rs.14.00 Crores

- Reasons for the rise in the total income and profit after tax:

  On account of higher income on trading of shares and investments company 's profit increased during the year ended on March 31,2005 in comparison to previous year

- Please refer to paragraphs from 2.4 to 2.8 under "Background of the Offer" for details of earlier acquisitions made in Aroni by the Acquirer Group and change in shareholding pursuant to the said acquisitions/ offers and compliance with SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992.

- Significant accounting policies of Jacqart as stated in the annual report for the year ended March 31, 2005 are given below:-

  - Accounting Concept
    The Company follows mercantile system of accounting recognizing income and expenses on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting Policies not referred to specifically otherwise, are consistent with generally accepted accounting principles.

  - Fixed Assets
    Fixed Assets are stated at their cost of acquisition.

  - Depreciation
    Depreciation on fixed assets has been provided on Written Down Value Method at the rates provided in section 205 (2) (b) of the Companies Act, 1956 read with Schedule XIV of the Act on pro-rata basis.

  - Valuation Of Inventories
    Inventory includes shares and securities have been valued at Lower of cost or Market Value.

  - Investments
    The shares acquired for the purpose of investment are stated at their cost of acquisition.

  - Revenue Recognition

    The Income and Expenditure are accounted on accrual basis, except dividend, leave salary and gratuity which are accounted for on the basis of receipt.

6. DETAILS OF THE TARGET COMPANY

6.1 The Target Company was incorporated under the name and style of "Aroni Commercial Company Limited" as a public limited company on January 11, 1985 *vide* Certificate of Registration No. 35047 of 1984-85 issued by the Registrar of Companies, Maharashtra with its registered office at 29 Bank Street, 1st Floor, Fort, Mumbai 400 023. The Acquirer was issued a Certificate for Commencement of Business pursuant to section 149(3) of the Act on January 16, 1985 by the Registrar of Companies, Maharashtra.

The name of the Target Company was changed to "Aroni Chemical Industries Limited" on June 9, 1992 *vide* a fresh Certificate of Incorporation No. 11-35047 issued by the RoC pursuant to section 23(1) of the Act and the registered office has been shifted with effect from May 20, 2004 to K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001, Tel No. 022 – 5638 8600.

6.2 The Target Company is engaged in investment, trading and finance activities.

6.3 The details of share capital of Aroni are as under -

The authorised capital of the Target Company as on the date of PA is Rs. 7,50,00,000 divided into 75,00,000 Equity Shares of face value of Rs. 10/- each.

S. No.	Description of Shares	No. of Shares / Voting Rights (Face Value of Rs. 10/- each)	%age of Shares
1.	Fully Paid-up Equity Shares	41,25,000	100
2.	Partly Paid-up Equity Shares	Nil	Nil
3.	Total Paid-up Equity Shares	41,25,000	100
3.	Total voting rights in the Acquirer	41,25,000	100

6.4 The details of the Registered Office and the Corporate Office of the Target Company are as below –

Address of the Registered and Corporate Office:

Aroni Chemical Industries Limited
K.K. Chambers,
4th Floor,
Sir Purushottamdas Thakurdas Road,
Fort, Mumbai – 400 001,
Tel No.: +91 22 5638 8600

The Target Company does not have any location, branches or manufacturing facilities except its Registered Office and Corporate Office.

6.5 There have been no mergers/de-mergers/spin-offs in respect of the Target Company in the last 3 years.

6.6 The equity shares of Aroni are listed on the Bombay Stock Exchange Limited, Mumbai ("BSE") and the Calcutta Stock Exchange Association Limited, Kolkata ("CSE"). With reference to the Trigger dates, the Equity Shares were infrequently traded on the BSE and CSE in terms of Regulation 20(3) (applicable as on March 31, 1998). However, as on date of the PA, the Equity Shares are frequently traded on BSE. (Source: http://www.bseindia.com).

6.7 The details of the built up of the current capital structure of Aroni since inception and the disclosure status of compliance with applicable provisions of SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act and other statutory requirements are as under-

Date of Allotment	No. of Shares issued	% age of Shares issued	Cumulative Paid-up Capital	Face Value (in Rs.)	Issue Price (In Rs.)	Reason for Allotment	Identity of Allottees	Compliance
January 11, 1985	70	0.00	70	10	10	Subscription to MoA	Promoters	Yes
September 9, 1985	239,930	5.82	240,000	10	10	Public Issue	Public	Yes
December 21, 1993	480,000	11.64	720,000	10	10	Bonus Issue(2:1)	Existing Shareholders	Yes
October 1, 1994	864,000	20.95	1,584,000	10	10	Bonus Issue (1.2:1)	Existing Shareholders	Yes
October 31, 1994	121,000	2.93	1,705,000	10	75	Preferential Allotment	Mr. H.J. Choksi	Yes
October 31, 1994	45,000	1.09	1,750,000	10	75	Preferential Allotment	Mr. Vinod Kandoi	Yes
December 20, 1997	875,000	21.21	2,625,000	10	10	Bonus Issue(1:2)	Existing Shareholders	Yes
December 17, 1998	600,000	14.55	3,225,000	10	17.50	Upon Conversion of FCDs*	Saraswati	Yes
December 17, 1998	600,000	14.55	3,825,000	10	17.50	Upon Conversion of FCDs*	Winro	Yes
December 17, 1998	240,000	5.82	4,065,000	10	17.50	Upon Conversion of FCDs*	Four Dimensions Securities	Yes
December 17, 1998	60,000	1.45	4,125,000	10	17.50	Upon Conversion of FCDs*	Jacqart	Yes

***** Issue of 10,00,000 Equity Shares (converted at a price of Rs. 17.50 per share) arising on conversion of 5,00,000 Zero Interest Fully Convertible Debentures of Rs. 35/- issued to Saraswati, Winro, Four Dimensions Securities and Jacqart on preferential basis and 5,00,000 bonus Equity Shares thereon.

These 1,500,000 Equity Shares of the Target Company are pending listing with the CSE, though the same have been listed with the BSE. The Target Company has followed up with the authorities at CSE for the listing of these shares, but has not heard from them as of date of PA. There is no complaint from any shareholder of the Target Company in relation to this matter. The Target Company has expedited its efforts by sending reminder and follow-up with CSE authorities to ensure listing of the said 1,500,000 unlisted Equity Shares.

6.8 There are no outstanding convertible instruments (warrants, fully convertible debentures, partly convertible debentures) of the Target Company as on the date of this Letter of Offer.

6.9 The Pre and Post Offer shareholding pattern of Aroni (assuming full acceptance in the Offer) is as follows –

S. No.	Shareholders' Category	Shareholding/Voting rights prior to Open Offer (A)		Shares/ Voting rights to be acquired in the Open Offer (assuming full acceptances) (B)		Shareholding/ Voting rights post open offer (A) + (B)	%age of Shareholding/ Voting post Open Offer
		No.	%	No.	%	No.	%
1	**Promoters/ Acquirer Group**						
	Acquirer						
	Winro	650,175	15.76	452,915	10.98	1,103,090	26.74
	Ashwin Kumar Kothari	282,640	6.85	Nil	Nil	282,640	6.85
	Meena Kothari	444,360	10.77	Nil	Nil	444,360	10.77
	Rohit Kothari	310,005	7.52	Nil	Nil	310,005	7.52
	Tejal Kothari	133,000	3.22	Nil	Nil	133,000	3.22
	Savita Kothari	290,913	7.05	Nil	Nil	290,913	7.05
	Ashwin Kumar Kothari HUF	105,552	2.56	Nil	Nil	105,552	2.56
	Ashwin Kumar Kothari (S) HUF	120,054	2.91	Nil	Nil	120,054	2.91
	Niyati P Mehta	198,000	4.80	Nil	Nil	198,000	4.80
	FDSIL	243,825	5.91	Nil	Nil	243,825	5.91
	Saraswati	609,900	14.79	Nil	Nil	609,900	14.79
	Jacqart	268,250	6.50	Nil	Nil	268,250	6.50
	P C Kothari(HUF)	15180	0.37	Nil	Nil	15180	0.37
	Harisingh shyamsukha	99	0.00	Nil	Nil	99	0.00
	Jaysukhlal N Shah	99	0.00	Nil	Nil	99	0.00
	Vanleela J Shah	33	0.00	Nil	Nil	33	0.00
	Total (Acquirer Group)	**3,672,085**	**89.02**	**452,915**	**10.98**	**4,125,000**	**100.00**
2	**Public**						
	a) FIs/FIIs/Mutual Funds/ UTI/ Banks	0	0.00				
	b) Private Corporate Bodies	150716	3.66				
	c) Individual Shareholders			(452,915)	(10.98)	0	0.00
	Individual Shareholders holding more than 1%	51000	1.24				
	Individual Shareholders holding less than 1%	250364	6.06				
	d) NRI	835	0.02				
	Total	**452,915**	**10.98**				
	Grand Total	**4,125,000**	**100.00**			**4,125,000**	**100.00**

The total number of public shareholders of the Target Company as on the specified date are 903

6.10 The Board of Directors of the Target Company on the date of the PA comprises –

Name	Designation	Residential Address	Date of appointment	Experience
Mr. Jaysukhlal N Shah	Director	105, Suvadhi Apartments, Sarvodaya Parshavnath Nagar, Nehur Road, Mulund (West), Mumbai 400 080.	January 29,1999	Mr. Shah has an intermediate degree in commerce. He is an experienced professional in the field of finance, trading and investment and has an experience of over 30 years in these fields. Except the Target Company, he is also a director in 1.Arcies Laboratories Limited 2Saraswati Commercial (India) Limited
Ashwin Kumar Kothari	Director	Gold Cornet, Flat No. 4, 11 Nawrojee Gamadia Road, Mumbai- 400 026	September 1,1987	Mr. Ashwin Kumar Kothari is a graduate of Chemical Engineering from Massachusetts Institute of Technology, USA. He has a varied experience of over 25 years in the field of investment trading, finance and manufacturing. He is a director of several investment and trading companies. Except the Target Company, he is also a director in the following companies – 1. Sam Jag Deep Investments Private Limited 2. Jacqart Chemical Industries Limited 3. Gwalior Chemical Industries Limited 4. Five Star Trading and Investment Co. Limited 5. Rajashree Holding Limited 6. Park Avenue Engineering Limited 7. Meenakshi Steel Industries Limited 8. Jatayu Textile and Industries Limited 9. Sunayana Traders and Investments Company Limited 10. Essel Mining and Industries Limited 11. Aditya Birla Health Services Limited 12. Sambhav Finance and Trading Co. Limited 13. Precision Wires India Limited 14. Mahavir Box Manufacturing Private Limited

Name	Designation	Residential Address	Date of appointment	Experience
				15. Four Dimensions Securities (India) Limited 16. Four Dimensions Capital Markets Private Limited
Vasantlal Jamnadas Bhavsar	Director	B/102, Padmalaya Shimpoli Village, Borivali (West), Mumbai- 400 092	April 28,2005	Mr. Vasantlal J Bhavsar is an experienced person in the field of trading and investments. He is having 30 years experience in these fields. Apart from the Target Company, Mr. Bhavsar is not a director in any other company.
Rohit Kothari	Director	Gold Cornet, Flat No. 4, 11 Nawrojee Gamadia Road, Mumbai- 400 026	March 29,2003	Mr. Rohit A Kothari is a qualified Chartered accountant and MBA from Babson College, USA.He has varied experience in the trading, investment, finance management and stock Broking. Except the Target Company, he is also a director in the following companies 1. Sushree Trading Limited 2. Alpine Trading & finance Limited 3. Rangoli Holding Limited 4. Innovista Ventures Private Limited 5. Mansoon Trading Company Limited

6.11 Summarized financial statements of the Target Company

The brief financials of the Target Company (audited for the years ended March 31, 2003, March 31, 2004 and March 31, 2005) are as under:

Profit & Loss Statement			
For the year ended March 31	**2003**	**2004**	**2005**
Income from operations	92.47	38.78	142.2
Other Income	46.20	139.95	1495.75
Total Income	138.67	178.73	1637.95
Total Expenditure.	54.37	132.22	67.75
Profit Before Depreciation Interest and Tax	84.30	46.51	1570.2
Depreciation	0.70	0.52	0.09
Interest	1.25	0	0.7
Profit Before Tax	82.35	45.99	1569.41
Provision for Tax	21.67	29.98	126.13
Profit After Tax	60.68	16.01	1443.28

Balance Sheet Statement			
As On March 31,	**2003**	**2004**	**2005**
Sources of funds			
Paid up share capital	412.50	412.50	412.50
Reserves and Surplus (excluding revaluation reserves)	1910.45	1926.47	3369.74

Balance Sheet Statement			
As On March 31,	**2003**	**2004**	**2005**
Networth	2322.95	2338.97	3782.24
Secured loans	0	0	0
Unsecured loans	5.05	0	0
Total	2328.00	2338.97	3782.24
Uses of funds			
Net fixed assets	6.89	6.36	4.96
Investments	1348.36	76.48	1943.97
Net current assets	972.75	1567.82	1833.31
Total miscellaneous expenditure not written off	0.00	0.00	0.00
Total	2328.00	1650.66	3782.24
Other Financial Data	**2003**	**2004**	**2005**
Dividend (%)	Nil	Nil	Nil
Earning Per Share	1.47	0.39	34.99
Return on Networth	2.61	0.68	38.16
Book Value Per Share	56.31	56.70	91.69

- As on March 31, 2005, the target Company has following contingent liabilities :-

  1. Contingent liabilities not provided for uncalled liability on partly paid up preference shares Rs.37,500/-.

  2. The company has availed sales tax exemption in respect of wind mills till 15.03.1999 amounting to Rs.988.25 lacs in compare to Rs.350.51 lacs as per eligibility certificates issued by Madhya Pradesh Uraja Vikas Nigam for which decree was passed by Hon'ble High Court of Madhya Pradesh in favour of the company, however Madhya Pradesh Uraja Vikas Nigam has filed second appeal before the special bench of Hon'ble High Court which is still pending.

  3. Demand of Rs.80,22,602/- and Rs.10,906/- is pending under Madhya Pradesh Sales Tax Act against which appeals have been filed with Deputy Commissioner of Commercial Tax, same has been set aside for reassessment and with Tribunal of Sales Tax Gwalior respectively.

  4. Demand of Rs.14,391/- is pending under Central Excise Act. Appeal is filed by Commissioner Indore to Tribunal New Delhi against the order passed by Commissioner (Appeals).

  5. Company has kept Rs.100.70 Lacs in Escrow account with Calyon Bank ,Nariman Point Branch for any demands of stamp duty ,penalties and liabilities that may arise on the scheme of arrangement as approved by the High Court of Judicature at Mumbai in terms of which company has transferred its Aluminium Chloride undertaking and wind mill undertaking to Nagda Orgo Chem Private Limited under section 391 to section 394 of the companies Act,1956.

- Reasons for the rise in the total income and profit after tax:

  The Company has sold its long-term investment in Atofina Catalyst (India) Limited to Atofina S.A. of France and has also extinguished its rights in the said company for which it has received compensation. The total consideration received for sale of shares and compensation for extinguishments of rights was Rs.1663 lacs resulting in a long term capital gain to the company of Rs.1320 Lacs

- Please refer to paragraphs from 2.4 to 2.8 under "Background of the Offer" for details of earlier acquisitions made in Aroni by the Acquirer Group and change in shareholding pursuant to the said acquisitions/ offers and compliance with SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992.

- Significant accounting policies of Aroni as stated in the annual report for the year ended March 31, 2005 are given below:-
  - Accounting Concept

    The Company follows mercantile system of accounting recognising income and expenses on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting Policies not referred to specifically otherwise, are consistent with generally accepted accounting principles.

  - Fixed Assets
    Fixed Assets are stated at cost less accumulated depreciation.

  - Depreciation

    Depreciation on fixed assets has been provided on Written Down Value Method as provided in Section 205 (2) (b) of the Companies Act, 1956 read with Schedule XIV of the Act on pro-rata basis.

  - Investments

    Investments are stated at Cost.

  - Valuation of Inventories

    Inventory includes shares and securities are valued at their cost on FIFO basis.

  - Revenue Recognition

    Terms of income and expenditure are recognised on accrual basis, except for the following:

    - Since it is not possible to ascertain with reasonable certainty the quantum of accruals in respect of certain insurance claims, and interest on overdue bills from customers, the same are accounted on acceptance basis.

    - Claims of customers in respect of rate differences on account of revision of sales value are accounted for in the year in which the matters are finally settled with the Customers.

The brief financials of the Target Company (audited for the years ended March 31, 1998, March 31, 1999, March 31, 2000 and March 31, 2001) are as under:

Profit & Loss Statement				
For the year ended March 31	**1998**	**1999**	**2000**	**2001**
Income from operations	3960.01	4523.57	85.12	918.06
Other Income	160.38	98.72	79.72	185.66
Total Income	4120.39	4622.29	164.84	1103.72
Total Expenditure.	3461.01	3527.8	37.46	1213.74
Profit Before Depreciation Interest and Tax	659.38	1094.49	127.38	(110.02)
Depreciation	145.64	165.95	0.5	1.20
Interest	188.36	151.68	2.24	0.00

Profit & Loss Statement				
For the year ended March 31	1998	1999	2000	2001
Profit Before Tax	325.38	776.86	124.64	(111.22)
Provision for Tax	26.24	151.5	25	0.00
Profit After Tax	299.14	625.36	99.64	(111.22)

Balance Sheet Statement				
As On March 31,	1998	1999	2000	2001
Sources of funds				
Paid up share capital	262.50	412.50	412.50	412.50
Reserves and Surplus (excluding revaluation reserves)	1092.5	1743.63	1843.27	1732.05
Networth	1355.00	2156.13	2255.77	2144.55
Secured loans	918.23	0	0	0.00
Unsecured loans	175.00	0.00	4.00	3.17
Total	2448.23	2156.13	2259.77	2147.72
Uses of funds				
Net fixed assets	1185.85	4.87	9.38	8.19
Investments	22.18	22.27	605.28	1460.28
Net current assets	1240.2	2128.99	1645.11	679.25
Total miscellaneous expenditure not written off	0	0	0	0.00
Total	2448.23	2156.13	2259.77	2147.72
Other Financial Data	1998	1999	2000	2001
Dividend (%)	21	0	0	0.00
Earning Per Share	11.40	15.16	2.42	(2.70)
Return on Networth	22.08	29.00	4.42	(5.19)
Book Value Per Share	51.62	52.27	54.69	51.99

6.12 The status of corporate governance of the Target Company is as given below –

Particulars	Listing Agreement Clause
Board or Directors	49 I
Audit Committee	49 II
Shareholders / Investors Grievance Committee	49 VI(C)
Remuneration Committee	49 III
Board Procedures	49 IV
Management	49 V
Shareholders	49 VII
Report on Corporate Governance	49 VII

The Target company has complied with all of the above clauses of the listing agreement relating to the corporate governance requirements.

6.13 There are following litigations pending against the Target Company other than claims classified as contingent liabilities that have been disclosed in paragraph 6.11 above.

1. Aroni has filed an appeal being Appeal No. 5627/M/01 on 28.11.2001 before the ITAT with respect to the of its income for Assessment Year 1998 - 1999 under the Income-tax Act. In the matter, the Assessing Officer completed assessment proceedings under Section 143(3) of the Income-tax Act and issued a notice of demand of Rs.15,52,939/- to Aroni on account of **(i)** disallowance of the deduction of Rs.1,72,36,615/- claimed by the Company under section 80IA of the Income-tax Act while computing Book Profit under Section 115JA of the Income-tax Act and **(ii)** disallowance of claim a of bad debts of Rs.27,18,598/. Against this order Aroni filed an appeal being Appeal No. CIT(A)/JCSR 34/IT 35/2001-02 on 24.4.2001 with the CIT(A)**.** An Order was passed by the CIT (A) on 12.10.01 recd by us on 27.10.01 and the CIT(A) confirmed the disallowance made by the assessing officer. Against the said Order, Aroni filed the aforesaid appeal before the ITAT. Till date Aroni has not received any order from the ITAT. The Company received notice. Under Section131 of the Income Tax Act stating the arrears position of Rs.14,76,816/- on 10.8.2004 against which the company wrote letter requesting the authorities to keep the demand abeyance till the disposal of appeal by the ITAT on 13.9.2004. The matter is still pending.

2. The Income Tax Department has filed an appeal being Appeal No. 5051/M/02 on 11.09.2002 before the ITAT with respect to the assessment of Aroni of its income for Assessment Year 1999 – 2000 under the Income-tax Act. In the matter, an assessment order under Section 143 (3) of the Income-Tax Act was passed on 28.3.02 by the assessing officer and in pursuance thereof he issued a notice of demand under Section 256 for a sum of Rs.2,22,48,294/- (which included tax demand of Rs.2,22,48,294/- and penalty of Rs.Nil levied under Sections 274 and 271 of the Income-Tax Act). The said demand was raised on account of a capital loss of Rs.25,09,000 not being allowed to be carried forward by the assessing officer. Against the said Order, Aroni filed an appeal being Appeal No.CIT (A) XXXII/IT on 22.5.2002 before the CIT(A). The CIT(A) by his order dated 12.7.02 deleted the additions made by the assessing officer. The Income Tax Department has therefore filed the aforesaid appeal before the the ITAT and last date of hearing was on October 6,2005 but the matter is still pending.

3. Aroni has filed an appeal being Appeal No. on 16.8.2004 before the ITAT with respect to the assessment of its income for Assessment Year 2001-02 under the Income-tax Act. In the matter the assessing officer had completed assessment proceedings under Section 143(3) of the Income Tax Act for the Assessment Year 2001-02 in which he rejected the claim of bad debts made by Aroni amounting to Rs.87,76,319 vide assessment order dated 11.8.2003. ARONI filed an appeal being Appeal No.IT(A)-II/R-2(1)/IT-II/03-04 on 4.12.2003 before the CIT(A). The CIT(A) rejected the claim made by the Company before it vide order dated 14.06.2004. The Company has thereafter filed the aforesaid appeal before the ITAT and the same is pending before the ITAT for adjudication.

4. <u>Assessment Year – 1995-96, 1996-97, 1997-98, 1998-99 & 1999-2000</u>

   The Govt.of Madhya Pradesh had announced a Scheme for Non conventional Power Generation 1995 and issued CTD Notification No. A-3-32-94ST-V (5) dated 28.2.1995. allowing the investors for installation of Wind Electric Generators at Jamgodrani Hills, Dewas (M P) , they are eligible for exemption of Sales Tax to the extent of 100% of the eligible investment for a period of 5 years or the eligible investment amount whichever is earlier.

   As per the above notification Company had installed 9 Nos. Wind Electric Generators at location No. 7 & 8, 31 & 32, 63 to 65, 67 & 54 at Jamgodrani Hills, Dewas during the period from 26.9.1995 to 31.3.1998 in 5 phases, making total investment of Rs. 988.250 Lacs as per Annexure attached.

   Against these WEGs installation Company got Provisional Eligibility Certificate to the extent of Rs. 775.250 Lacs & in lieu of this Company got Permanent Eligibility Certificates to the extent of 350.510 Lacs, from M P Urja Vikas Nigam Ltd, Bhopal, for availing of exemption from payment of Sales Tax up to 100% of investment on non conventional power generation units. Company has already availed 100% Sales Tax exemption to the extent of Rs. 988.250 Lacs during the above exemption period as against Permanent Eligibility Certificate received to the extent of Rs. 350.510 Lacs from M.P. Urja Vikas Nigam Ltd, Bhopal.

Initially the Competent Authority issued a Provisional Eligibility Certificate in which the quantum of exemption was stated 100% of the total eligible investment of Rs.988.250 Lacs. However while considering issue of the Permanent Eligibility Certificate by Madhya Pradesh Urja Vikas Nigam Ltd. ("MPUVN"), reduced the quantum of eligible investment to the extent of 100% to 67% on the ground that the committee had discretion to reduce such quantum keeping in view of actual generation in these WEG units.

Against this decision and issue of Permanent Eligibility Certificates at reduced quantum of 67% by MPUVN , the Company filed a Writ Petition No. 1256/99 dated 14.9.99, 1257/99 dated 14.9.99, 717/2000 dated March 2000, 718/2000 dated March 2000 & 719/2000 dated March 2000, before the Hon'ble High Court Indore Bench. The Hon'ble High Court has disposed off the Writ Petition in favour of the Company and finally delivered its judgment vide Order dated 31.7.2000 by setting aside the order of the State Level Committee of MPUVN. Against this Order MPUVN filed an appeal being Appeal No.LPA/314/2000 against the Company before Double Bench of Hon'ble High Court. Indore. The Double Bench of Hon'ble High Court , has passed interim orders vide order dated 28.9.2000 to maintain status-quo by the both the Parties till the disposal of the Appeal.

Year wise bifurcation of Sales Tax exemption availed

Ass. Year	Exemption availed			Total	Remarks
	CST	State Sales Tax	State Purchase Tax		
1995-96	3450015	22067	1974834	5446916	Assessment pending
1996-97	14857908	26608	4534842	19419358	Assessment pending
1997-98	15253841	21787	6821578	22097206	-do-
1998-99	17756039	47037	8107896	25910972	-do-
1999-2000	6792396	9057	3107791	9909244	-do-
TOTAL	58110199	126556	24546941	82783696	
Total amount availed by Aroni (Rs. In Lacs)				827.83	
Balance amount availed by Atofina (Rs. In Lacs)				160.41	
GRAND TOTAL				988.24	

Because of this Central Sales Tax as well as State Sales Tax Assessments for the period 1996-97, 1997-98 & 1998-99 are pending.

5. Aroni filed a Writ Petition No. 287/2002 before the Hon'ble High Court of Madhya Pradesh on 2.8.02 against the State of Madhya Pradesh and Collector of Stamps and District Registrar., Ujjain against the Show Cause Notice No. 91/GP/1/2002 dated 21.1.2002 and GP/2002 dated 4.2.2002 issued by the Collector of Stamps & Dist. Registrar, Ujjain.

In the matter, in pursuance of the Scheme of Arrangement approved by the Hon'ble Bombay High Court vide Order dated 17.7.1999, ARONI transferred its assets (pertaining to the Aluminum Chloride undertaking and the windmill undertaking) to Nagda Orgo Chem. Stamp Duty amounting to Rs.59,64,000/- was deposited vide Receipt No. 21 dated 3.4.2001 under the Bombay Stamp Act, 195_. Thereafter, a demand was raised by Collector of Stamps Ujjain, M.P. for Rs.1,30,17,000/- after giving rebate of Rs. 59,64,000/- for the amount deposited in Maharashtra State by the Notice No.91/GP/2/1/2002 dated 21.1.2002 and GP/2002 dated 4.2.2002.

To debar the Dist. Registrar , Ujjain from passing any orders , Company filed Writ Petition before Hon'ble High Court, Indore Bench . During the course of hearing of Writ Petition Collector of Stamps , Ujjain passed conditional order dated 6.5.2002 for payment of Rs. 1,30,17,000/- as deficit stamp duty and penalty @ 10% per year amounting to Rs. 35,79,675/- raising a total demand of Rs., 1,65,96,675/- with the condition that the operation of this order shall be subject to the cecision of the Honourable High Court Bench at Indore in the Petition No. 287/2002.

The Company has decided to file a Revision Petition before the Revenue Board, Gwalior on 1st Aug. 2002 and has withdrawn the Writ Petition from High Court, Indore

6. Smt.Sumati Bhajang has filed a Special Leave Petition being Special Leave Petition (Civil) No.CC6326 of 2004 on _13.7.2004before the Hon'ble Supreme Court against the (i) State of Madhya Pradesh, Department of Revenue, (ii) Madhya Pradesh State Electricity Board, (iii) Collector, Land Acquisition Officer, Madhya Pradesh, (iv) Superintending Engineering Civil (v) ARONI and (vi) Atofina Catalyst Limited.

In the matter, Smt. Sumati Bhajang 's late husband Gopal Rao Bhujang was, inter-alia, the owner of the piece of land situate at village Mehtwas, Birlagram, Nagda (Madya Pradesh), which was purchased by Madhya Pradesh Electricity Board through private negotiations.

Land of 0.576 Hectare (5760 Square feet) was unintentionally came in to the possession of Aroni and Aroni started negotiation with M P State Electricity Board to settle this issue. Finally Madhya Pradesh State Electricity Board agreed to sell this subject land to Aroni at a consideration of Rs.22.00 Lacs.

The said land was subsequently transferred by Aroni to Atofina Catalyst India Limited on 25.10.03 at NIL consideration, since the consideration for the transfer of business (which included the sale of land) was paid by Atofina Catalyst India Ltd to ARONI in terms of Scheme of Arrangement.

Against this sale of land Smt. Sumati Bhujang, widow of Late Gopal Rao Bhujang challenged the sale transactions before various authorities like High Court, Indore Bench and High Court, Jabalpur by filing Writ Petition being Writ Petition No. 9454 of 2003 and also challenged the mutation of land in favour of ARONI before Tehsildar, Nagda and filed appeal against mutation order against SDM, Khachrod but every places her cases were dismissed . The Hon'ble High Court of Madhya Pradesh passed an Order dated 16th October, 2003 dismissing the said writ petition.

Against the above Order of the of the Hon'ble High Court of Madhya Pradesh, Smt. Sumati Bhujang filed a Special Leave Petition No. CC 6326 of 2004 dated 13.7.2004 before the Hon'ble Supreme Court of India, against this Aroni has also filed preliminary submissions on 9.2.2005 before the Honourable Supreme Court of India.The Special Leave Petition is yet to be heard

6.14 Mr. Ritesh Zaveri is the Compliance Officer of the Target Company and may be contacted at K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001, Tel No.: +91 22 5638 8600.

6.15 There has been no punitive action taken against the Target Company by the Stock Exchanges.

6.16 As mentioned, in paragraph 2.4 above, the Target Company has taken steps to regularize the reporting requirements under Chapter II of the Regulations (for the period from 1997 to 2002 as per the SEBI Regularization Scheme, 2002 and yearly reporting from 2003-2005.

6.17 The Target Company is in compliance with the listing agreement as on the date of Public Announcement, however, no punitive action has been initiated against the Target Company by the Stock Exchanges.

6.18 None of the Directors of the Target Company have been prohibited from dealing in securities in terms of section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

6.19 The details of the changes in the shareholding/voting rights of the Acquirer Group in the Target Company is as provided in paragraph 2.5 of this Letter of Offer.

7. UNDERTAKING BY THE ACQUIRER AS PUBLIC SHAREHOLDING WILL REDUCE BELOW THE LIMIT SPECIFIED IN THE LISTING AGREEMENT

7.1 As the Offer would result in public shareholding being reduced to 10% or less of the voting capital of the Target Company, the Acquirer undertakes to disinvest through sale of such number of Equity

Shares within a period of 6 months from the date of closure of the Offer, so as to satisfy the requirements of the listing agreement entered into with the stock exchanges.

8. JUSTIFICATION OF OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 Justification of Offer Price

8.1.1 The equity shares of Aroni are listed on the Bombay Stock Exchange Limited, Mumbai ("BSE") and the Calcutta Stock Exchange Association Limited, Kolkata ("CSE"). With reference to the Trigger dates, the Equity Shares were infrequently traded on the BSE and CSE in terms of Regulation 20(3) (applicable as on March 31, 1998). However, as on date of PA, equity shares of Aroni are frequently traded at BSE. (Source: http://www.bseindia.com).

8.1.2 As mentioned in paragraph 2.4(iv) above, on March 31, 1998, the Acquirer purchased 6,600 at a price of Rs.31.50 per Equity Share. Apart from this, all other changes in shareholding or inter-se transfers amongst the Acquirer Group as described above in paragraph 1.6 of the PA have been made at prices below Rs.31.50 per Equity Share. Interest @ 15% per annum has been calculated from the date 120 days after this date i.e., July 28, 1998 up to January 12, 2006 (scheduled date of dispatch of consideration to the Shareholders in terms of this Offer) which is Rs. 35.30 per Equity Share making the total consideration payable under the Offer Rs. 66.80 per Equity Share.

8.1.3 Since the Equity Shares of Aroni were infrequently traded on the abovementioned stock exchanges with reference to the Trigger Dates, valuation of Aroni has been done by an independent valuer, M/s. Chaturvedi & Shah, Chartered Accountants, Membership No. 35629 (situated at A-3, Laxmi Towers, First Floor, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, India, Telephone: +91 22 30616100 Fax: +91 22 30616125), in accordance with Regulation 20(3) (applicable as on March 31, 1998) with respect to each Trigger Date when an open offer should have been made, based on the audited accounts of Aroni for FY 1997, FY 1998, FY 1999, FY 2000 and FY 2001.

The fair value of Equity Shares of Aroni has been arrived at by M/s Chaturvedi & Shah, Chartered Accountants vide their valuation certificates dated August 8, 2005 and report dated November 19 considering the financial parameters of Aroni with reference date to respective Trigger Dates as mentioned in the table under para 2.5 below and by placing reliance on the Supreme Court judgment in the case of *Hindustan Lever Employee Union* v. *Hindustan Lever Limited and others*, (1995) 83 Com Case 30. Considering this judgment, weighted average has been taken by applying higher weight of 2 to the value per Equity Share under earnings capitalization method and market value method (using market price of the Shares as quoted on Stock Exchanges) and lower weight of 1 to the value per share under net assets method to arrive at Fair value per Equity Share of Aroni. An illustration of calculation with reference to Trigger Date March 31, 1998 is given below:-

Method	Value per share (Rs.) (X)	Weights (Y)	Weighted Amount (Rs.) (X * Y)
Net Assets Method	31.34	1	31.34
Earning Capitalization Method	26.20	2	52.39
Imputed Market Value Method	24.20	2	48.40
Total		5	132.13
Fair Value per Equity Share (Rs.)			26.43
		Rounded off	27.00

8.1.4 The details of Trigger Dates, acquisition prices, fair value per share and other financial parameters of Aroni as on various Trigger Dates are given in table below:-

	Trigger Dates						
	16 -Sep-97	31-Mar-98	17-Dec-98	8-Nov-99	30-Jul -2000	5-Feb-2001	30-Jul-01
i) 52 weeks average price(1)	Infreque-ntly Traded	Infreque-ntly Traded	Infreque-ntly Traded	Infreque-ntly Traded	Infreque-ntly Traded	Infreque-ntly Traded	Infreque-ntly Traded
ii) 2 weeks average price	Infrequently Traded	Infrequently Traded	Infrequently Traded	Infrequently Traded	Infrequently Traded	No trading	No trading
iii) Preferential allotment in last one year before Trigger Date	N.A.	N.A.	17.50(5)	N.A.	N.A.	N.A.	N.A.
iv) Highest price paid by Acquirer Group for acquisition of Shares (2) (Rs. Per Share)	27.67(4)	31.50	N.A.	20.01	13.80	6.05	7.00
v) Negotiated price paid under any agreement	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
vi) Fair Value per share as per valuation reports (Rs. per share)	27.00(4)	27.00(4)	27.00	22.00	22.00	21.00	18.00
Earning Per Share (Rs.)	14.49	14.49	11.40	15.16	15.16	2.42	(2.70)
P/E ratio • Industry (3)	5.00	5.00	3.50	3.50	3.50	2.40	2.50
• Offer Price to Earnings	1.36	1.36	1.43	1.09	1.09	7.13	(6.07)
RONW of Target Company (%)	23.14	23.14	22.08	29.00	29.00	4.42	(5.19)
Book Value Per Share	62.64	62.64	51.62	52.27	52.27	54.69	51.99
Highest price per share of (i) to (vi) above (Rs.)	27.67	31.50	27.00	22.00	22.00	21.00	18.00
Interest per share @15% from the date 120 days from the Trigger Dates upto January 12, 2006	33.22	35.30	27.34	19.33	16.93	14.52	11.16
Consideration (Price plus interest) per share (Rs.)	60.89	66.80	54.34	41.33	37.93	35.52	29.16

1. *Equity Shares of Aroni are infrequently traded on the Stock Exchanges in terms of Regulation 20(3) (applicable as on March 31, 1998) with reference to Trigger Dates.*
2. *These are the highest prices paid by Acquirer Group for acquisition of Equity Shares during the period of 26 weeks prior to respective Trigger Dates.*
3. *Source: Capital Markets, Capitaline*
4. *Price adjusted on account of increase in equity share capital due to issue of bonus shares in the ratio of 1:.2 made on December 20, 1997.*
5. *Each FCD of Rs. 35 each allotted to Saraswati, Winro, FDSIL and Jacqart on preferential basis were converted into two equity share at a price of Rs.17.50 per Equity Share.*

As per the table above, the maximum price per Equity Share is Rs.31.50 and maximum consideration (Price + Interest) per share is Rs.66.80 per Equity Share. Hence, Rs.31.50 per Equity Share has been determined as the Offer Price.

8.1.5 In view of the information mentioned above, in terms of Regulation 20(3) (as applicable on the Trigger Dates), the Offer Price of Rs.31.50 per Equity Share is justified as follows:

- There was no preferential allotment of equity shares of Aroni made during the 12 months prior to the Trigger Dates, to the Acquirer Group except issue of Equity shares on December 17, 1998 on conversion of 5,00,000 FCDs of Rs.35 each issued on preferential basis to Saraswati, Winro, FDSIL and Jacqart on October 31,1994. Each FCD was converted into two Equity Share at a price of Rs.17.50 per Equity Share.

- As mentioned in paragraph 2.3 above, Rs.31.50 per Equity Share was the highest price paid by the Acquirer Group to acquire shares of Aroni. Except as mentioned in the table above and disclosed under para 1.6 above, Acquirer Group has not acquired any equity shares of Aroni including by way of allotment in a public or rights issue during the 26 week period prior to the Trigger Dates.

- The Acquirer Group has not acquired any equity shares of Aroni under any agreement referred to in Regulation 14(1).

- As per the four Valuation Reports prepared on the basis of audited accounts of Aroni for FY 1997, FY 1998, FY 1999, FY 2000 and FY 2001, the highest fair value is Rs.27 per Equity Share.

8.2 Financial Arrangements

8.2.1 The maximum purchase consideration as per the Offer Price including the interest payable by the Acquirer, assuming full acceptance of the Offer, would be Rs.302.55 lakhs. This includes the interest the interest amount of Rs.159.88 lakhs calculated @ 15% per annum from July 28, 1998 upto January 12, 2006 being the scheduled date of dispatch of consideration to those shareholders who have tendered their Equity Shares in the Offer, assuming full acceptance.

8.2.2 In accordance with the provisions of Regulation 28 of the Regulations, the Acquirer has established a bank guarantee in favour of the Manager to the Offer for Rs. 85.00 lakhs (being not less than 25% of the total consideration payable) through HDFC Bank Limited, Sandoz House , Dr Annie Besant Road ,Worli, Mumbai – 400 018 (hereinafter referred to as the “Escrow Bank”) and has also deposited with the Bank a sum of Rs. 3.50 lakhs (being not less than 1% of the total consideration payable), as and by way of security for fulfillment of the obligations under the Regulations. This bank guarantee shall be valid till March 31, 2006. The Acquirer has empowered the Manager to the Offer to realize the value of the Escrow Account under the Regulations.

8.2.3 The Acquirer’s statutory auditors M/s. Ajmera Ajmera & Associates has confirmed vide letter dated October 10, 2005 that the Acquirer has sufficient resources to fulfill its obligations in full under the Offer. On the basis of the above, the Manager to the Offer has satisfied itself that the Acquirer has the ability to implement the Offer in accordance with the Regulations.

9. TERMS AND CONDITIONS OF THE OFFER

Shareholders who wish to accept the Offer should tender their Shares and should submit documents in accordance with the procedure specified in paragraph 11 of this Letter of Offer and in the Form of Acceptance.

9.1 The Letter of Offer together with the Form of Acceptance and Form of Withdrawal is being mailed to the all the Shareholders of Aroni (except the Acquirer Group) whose names appear on the Register of Members of Aroni and to the beneficial owners of the Equity Shares of Aroni whose names appear on the beneficial records of the respective depositories at the close of business on October 14, 2005 (the "Specified Date").

9.2 All Shares tendered and accepted under the Offer, will be acquired by the Acquirer, subject to the terms and conditions set out in this Letter of Offer. All necessary requirements for the valid transfer of the Shares to the Acquirer will be pre-conditions for acceptance of the tendered Shares. Aroni does not have any Shares that are subject to lock-in.

9.3 All equity shareholders of Aroni (except the Acquirer Group), whose names appear in the register of members of Aroni as of October 14, 2005 and also persons (except the Acquirer Group), who acquire any Shares of Aroni at any time prior to the closure of the Offer, whether or not they are registered Shareholders, are eligible to participate in the Offer anytime before the closure of the Offer.

9.4 The acceptance of the Offer made by Acquirer is entirely at the discretion of the Shareholders of Aroni and each Shareholder of Aroni to whom this Offer is being made, is free to offer his shareholding in Aroni, in whole or in part while accepting the Offer.

9.5 Accidental omission to dispatch this Letter of Offer, non-receipt or delayed receipt of this Letter of Offer will not invalidate the Offer in any way.

9.6 Shareholders having their beneficiary account in CDSL shall have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the special depository account with NSDL.

9.7 The Acquirer will not be responsible in any manner for any loss of Equity Share certificate(s) and offer acceptance documents during transit and the Shareholders of Aroni are advised to adequately safeguard their interest in this regard.

9.8 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

9.9 The Acquirer is permitted to revise the Offer Price upward any time up to seven working days prior to the date of the closure of the Offer (i.e. Monday, December 19, 2005). If there is any upward revision in the Offer Price before the last date of revision (i.e. Monday, December 19, 2005) or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where the original Public Announcement has appeared. Such revised Offer Price would be payable by the Acquirer to all Shareholders who tender their equity shares at any time during the Offer and which are accepted under the Offer. However, the Acquirer does not intend to revise the Offer Price.

9.10 As of the date of the Public Announcement, to the best of the knowledge of the Acquirer, there are no statutory approvals required to implement the Offer. If however, any statutory or other approval becomes applicable, the Offer would be subject to such approval. As per Regulation 27, the Acquirer will not proceed with the Offer in the event of any statutory approval not being obtained and the same would be notified by way of a public announcement in the same newspapers where the Public Announcement appeared.

9.11 Subject to the receipt of statutory approvals, if required, the Acquirer shall complete all procedures relating to the Offer including payment of consideration within a period of 15 days from the Offer Closing Date to those Shareholders whose share certificates and/or other documents are found valid and in order and are approved for acquisition by the Acquirer. In case of delay due to the non-receipt of statutory approvals, if any, as per Regulation 22(12), SEBI may, if satisfied that the non-receipt of approvals was not due to the willful default or negligence of the Acquirer, grant an extension for the purpose of the completion of the Offer, subject to the Acquirer paying to the Shareholders interest as may be specified by SEBI for the delay beyond 15 days.

9.12 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

9.13 Barring unforeseen circumstances and factors beyond their control, the Acquirer intends to complete all formalities pertaining to the purchase of the shares, including dispatch of payment of consideration to the Shareholders who have accepted the Offer, by Thursday, January 05, 2006.

9.14 This document has not been filed, registered or approved in any jurisdiction outside India. Recipients of this document resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

10.1 Shareholders who hold shares in physical form and wish to tender their shares will be required to send the Form of Acceptance, original share certificate(s) accompanied with blank transfer deed(s) duly signed to the Registrar to the Offer, MCS Limited (hereinafter referred to as the "Registrar") at their office at Sri Venkatesh Bhavan, Plot No. 27 Road No. 11, MIDC, Andheri (East),Mumbai – 400 093 either by hand delivery during normal business hours or by Registered Post on or before Closure of the Offer, i.e., December 28, 2005 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

10.2 The Registrar has opened a special depositary account with **HDFC Bank Limited**. Beneficial owners and Shareholders holding shares in dematerialized form, will be required to send their Form of Acceptance to the Registrar by hand delivery during normal business hours or by Registered Post on or before the close of the Offer, i.e., December 28, 2005, alongwith a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depositary Participant ("DP"), if favor of "**MCS Limited Escrow Account – Aroni Open Offer**" ("Depository Escrow Account") filled in as per the instructions given below:

Depository	**National Securities Depository Limited**
Depository Participant	**HDFC Bank Limited**
Depository Escrow Account	**MCS Limited Escrow Account – Aroni Open Offer**
DP ID Number	**IN 301151**
Account No	**20180259**

For shares which are tendered in electronic form, the bank account as obtained from the beneficiary provided by the Depositary will be considered and the warrants will be issued with the said bank particulars.

10.3 Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects, otherwise the same is liable to be rejected. In case of dematerialized Equity Shares, the Shareholders are advised to ensure that their Equity Shares are credited in favour of the Depository Escrow Account before the Closure of the Offer. The Form of Acceptance of such dematerialized Equity Shares, not credited in favour of the Depository Escrow Account before the Closure of the Offer, will be rejected.

For Equity shares held in physical form:

Registered Shareholders shall enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the share certificates.

- Original Share Certificate(s).

- 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 “Aroni” and duly witnessed at the appropriate place. A blank Share Transfer Form is enclosed along with this Letter of Offer.

Unregistered owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original broker contract note.
- Valid Share Transfer form(s) as received from the market.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

II. For Equity Shares held in dematerialized form:

Beneficial owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

10.4 In addition to the address mentioned in paragraph 10.1, the Shareholders of Aroni , who wish to avail and accept the Offer can deliver the Form of Acceptance alongwith all the relevant documents at any of the collection centers below.

Name and Address of the Collection Centre	Tel No.	Fax No.	Contact Person	Mode of Delivery
MCS Limited Sri Venkatesh Bhavan, Plot No. 27 Road No. 11, MIDC, Andheri (East),Mumbai – 400 093	022-5502 5235	022-5502 5245	Mr Rajesh Satardekar	Registered Post/Hand Delivery
MCS Limited 77-2A, Hazra Road Kolkatta 700093	033-24767350	033-24541961	Mr Alok Mukherjee	Hand Delivery

Business Hours: Mondays to Fridays between 10:00 A.M. to 1:00 P.M. and 2:00 P.M. to 4:00 P.M.
Saturdays between 10:00 A.M. to 1:00 P.M.

Holidays: Sundays and Bank Holidays

10.5 The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar of Offer and not to the Manager to the Offer, the Acquirer or the Target Company.

10.6 All owners of shares, registered or unregistered, who own the shares at any time prior to the closure of the Offer are eligible to participate in the Offer. Unregistered owners and Shareholders who do not receive a copy of the Letter of Offer can send their application in writing to the Registrar, on a plain paper stating their Name, Address, Number of shares held, Number of shares offered, Distinctive Numbers, Folio No. together with the original share certificate(s), valid transfer deed(s) and a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

10.7 In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance to the Registrar, on a plain paper stating their Name, Address, Number of shares held, Number of shares offered, alongwith documents as mentioned above, so as to reach the Registrar on or before the close of the Offer, i.e., December 28, 2005. Unregistered owners should not sign the Transfer Deed and the Transfer Deed should be valid for transfer.

10.8 The Registrar will hold in trust the shares/share certificates tendered in physical form and shares lying in credit of the special depositary account, Form of Acceptance, if any, and the transfer form(s) on behalf of the Shareholders of Aroni who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted shares/share certificates are dispatched/returned.

10.9 Applications in respect of shares that **are the subject matter of litigation wherein the Shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these shares pending transfer are not received together with the shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.**

10.10 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Registrar's special depository account should be received on or before the date of closure of the offer, i.e. December 28, 2005, else the application would be rejected.

10.11 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. Shares held in dematerialized form to the extent not accepted will be credited back to the same depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance.

10.12 In case of delay in receipt of statutory approvals, interest will be payable for the delayed period in terms of Regulation 22(12). Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) will also become applicable.

10.13 Payment of consideration will be made by crossed account payee cheque/demand draft and sent by registered post and /or courier in case of consideration amount exceeding Rs. 1,500/- (under Certificate of Posting otherwise), to those Shareholders/unregistered owners and at their own risk, whose shares/ share certificates and other documents are found in order and accepted by the Acquirers. In case of joint registered holders, cheques/demand drafts will be drawn in the name of the sole/first named holder/unregistered owner and will be sent to him. **It is desirable that Shareholders provide bank details in the Form of Acceptance, so that the same can be incorporated in the cheque / demand draft.**

10.14 In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, Shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents only to the Registrar to the Offer as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before December 23, 2005:

For Equity shares held in demat form:

Beneficial Shareholders shall enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- Photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the DP.

II. For Equity shares held in physical form:

Registered Shareholders shall enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- In case of partial withdrawal, valid Share Transfer Form(s) duly signed by transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Aroni and dully witnessed at appropriate place.

Unregistered Shareholders shall enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.

In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details.

- In case of physical shares: Name; Address; Distinctive Numbers; Folio Number; Number of Shares tendered and
- In case of dematerialised shares: Name; Address; Number of Shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

III. 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.

IV. The intimation of returned shares to the Shareholders will be at the address through Registered post as per the records of Aroni/Depository as the case may be.

V. 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 Aroni.

VI. Partial withdrawal of tendered shares can be done only by the Registered Shareholders/Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

VII. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

10.15 While tendering shares under the Offer, Non-resident Shareholders will be required to submit the previous RBI approvals (specific or general) obtained by them for acquiring the shares of Aroni, and a No Objection Certificate/ Tax Clearance Certificate from the Income Tax authorities under the Income Tax Act, 1961, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. In case such RBI approvals are not submitted, the Acquirer reserves the right to reject the tendered shares. In case the aforesaid No Objection Certificate/ Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the currently prevailing rate of 41.820% in case of a non-resident corporate Shareholder, 33.66% in case of non-resident partnership firms and 30.6% in case of non-resident individual Shareholders or trusts on the entire consideration amount (offer price as well as interest thereon) if the amount paid is upto Rs.1,000,000 and at the rate of 33.66% if the amount paid exceeds Rs.1,000,000.

10.16 In case of resident Shareholders tendering their shares under the Offer, the Acquirer will deduct tax on the interest component of the consideration payable to such Shareholders exceeding Rs. 5,000 per Shareholder at the rate of 22.44% in case of resident corporate Shareholders, at the rate of 11.22% in case of resident partnership firms and at the rate of 10.2% in case of resident individual Shareholders, trusts, association of persons or body of individuals if the amount paid is upto Rs.1,000,000 and at the rate of 11.22% if the amount paid exceeds Rs.1,000,000. As per the provision of the Income-tax Act, 1961, if the resident Shareholder requires that no tax be deducted or tax be deducted at a rate lower than the prescribed rate, then in such an event the resident Shareholder will be required to submit No Objection Certificate from the Income-Tax authorities or a self-declaration in Form 15G, as may be applicable, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. All the Shareholders eligible to receive an interest component of the consideration payable exceeding Rs. 5,000 per Shareholder, would be required to give their PAN number for Income Tax purposes.

10.17 The Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent. Such documents may include, but are not limited to:

- duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single Shareholder) if the original Shareholder is deceased;
- duly attested Power of Attorney if any person apart from the Shareholder has signed the application form and/or transfer deed(s);
- no objection certificates from the chargeholder/ lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance;
- in case of companies, the necessary corporate authorisation (including Board Resolutions);
- any other relevant documentation.

11. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the corporate office of the Acquirer at K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001 from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closes:

11.1 Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer.

11.2 Memorandum and Articles of Association of the Target Company.

11.3 Annual reports containing audited financial results of the Acquirer for the years ending March 31, 2003, March 31, 2004 and March 31, 2005.

11.4 Annual reports containing audited financial results of the PACs for the years ending March 31, 2003, March 31, 2004 and March 31, 2005.

11.5 Annual reports containing audited financial results of the Target Company for the years ending March 31, 2003, March 31, 2004 and March 31, 2005.

11.6 Copy of the Valuation Reports dated August 8, 2005 for the years ended on March 31,1997, March 31,1998, March 31,1999,March 31,2000 and March 31,2001 respectively of M/s. Chaturvedi & Shah, Chartered Accountants for valuation of the Equity Shares of the Target Company in terms of Regulation 20(5) of the SEBI (SAST) Regulations. Copy of Reports of M/s. Chaturvedi & Shah, Chartered Accountants dated November 19, 2005 regarding adjustment of fair value as on March 31, 1997 due to bonus issue and dated November 21, 2005 regarding adjusted acquistion cost

11.7 Certificate dated October 10, 2005 of M/s. Ajmera Ajmera and Associates, the statutory auditors of the Acquirer regarding the adequacy of financial resources with the Acquirer.

11.8 Letter dated October 4, 2005 issued by the Registrar to the Offer confirming the opening of the Depository Escrow Account with HDFC Bank Limited as the Depository Participant for the purpose of the Offer.

11.9 Copy of the Escrow Agreement dated October 10, 2005 between the Acquirer, Manager to the Offer and HDFC Bank Limited alongwith a copy Bank Guarantee dated October 10, 2005 for Rs. 85.00 Lacs issued by HDFC Bank Limited, Sandoz House, Dr. Annie Besant Road, Worli, Mumbai 400 018 favoring the Manager to the Offer and Deposit Confirmation Certificate from HDFC Bank Limited dated October 17, 2005 regarding deposit of Rs. 3.50 lakhs with the Bank made on October 10, 2005.

11.10 Published copy of the Public Announcement dated October 11, 2005.

11.11 Copy of letter received from SEBI, Ref. No. CFD/DCR/NM/TO/54647/05 dated November 28, 2005, in terms of proviso to Regulation 18(2) of the SEBI (SAST) Regulations.

DECLARATION BY THE ACQUIRER AND PERSONS ACTING IN CONCERT

12.1 The Acquirer and the PACs accept joint and several responsibility for the information contained in this Draft Letter of Offer, Form of Acceptance and Form of Withdrawal. The Acquirer and the PACs are jointly and severally liable for ensuring compliance with, and fulfillment of their obligations under the SEBI (SAST) Regulations. All information contained in this document is as of the date of the Public Announcement, unless stated otherwise.

This Letter of Offer has been signed by the persons duly and legally authorised by the Acquirer and the PACs.

for Winro Commercial (India) Limited	**for Four Dimensions Securities (India) Limited**	**for Saraswati Commercial (India) Limited**
A.N. Nair, Director	**Sandeep Kejariwal, Director**	**Jaysukhlal N Shah, Director**

for Jacqart Chemical Industries Limited

Rajesh Bhavsar, Director

Place: **Mumbai**

Date: **December 1, 2005**

Enclosed:
I. **Form of Acceptance**
II. **Form of Withdrawal**
III. **Transfer Deed for shares held in physical form**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrars to the Offer at their address given overleaf)

OFFER SCHEDULE	
OPENS ON:	Friday, December 9, 2005
CLOSES ON:	Wednesday, December 28, 2005

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

From:

Folio No./DP ID No./Client ID No.:

Name:

Full Address:

Status: Resident/ Non-Resident

Tel No: Fax No: E-mail:

To,
MCS Limited
Sri Venkatesh Bhavan, Plot No. 27 Road No. 11
MIDC, Andheri (East),Mumbai – 400 093

Re. : Open Offer by Winro Commercial India Limited ("Acquirer") to acquire 452,915 Equity Shares of Aroni Chemical Industries Limited ("Aroni"/ "Target Company") in terms of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997

Dear Sir**,**

I/We refer to the Letter of Offer dated December 01, 2005 constituting an offer to acquire the equity shares held by me / us in Aroni Chemical Industries Limited. I/We the undersigned, have read the Letter of Offer and accept unconditionally its contents including the terms and conditions as mentioned therein.

For Equity Shares held In Physical Form:

I/We, accept the Offer and enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my/our shares as detailed below:

Sr. No.	**Certificate No.**	**Distinctive Nos**		**No. of Equity Shares**
		From	To	
1				
2				
3				
4				
5				
(In case the space provided is inadequate, please attach a separate sheet with details and authenticate the same.) **Total No. of Equity Shares**				

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer pays the purchase consideration (including interest) as mentioned in the Letter of Offer.

I/We have enclosed the following herewith:

- No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities
- Self-declaration in Form 15G

For Equity Shares held in Demat Form

I/We hold equity shares in demat form, accept the Offer and enclose a photocopy of the Delivery Instruction Slip duly acknowledged by the DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	No. of Equity Shares	Name of Beneficiary

I/We have done an off market transaction for crediting the equity shares to the Escrow Account named "MCS Limited Escrow Account – Aroni Open Offer" (the "Special Depository Account") with the following particulars:

Depository Participant Name: HDFC Bank Limited

DP ID No.: IN 301151	**Client ID No.: 20180259**

Shareholders having their beneficiary Account in CDSL have to use an inter–depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depositary Account with NSDL.

In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by me/us.

I/We note and understand that the equity shares would lie in the Special Depository Account until the time the Acquirer makes payment of the purchase consideration (including interest) as mentioned in the Letter of Offer.

For NRIs/OCBs/FIIs/Foreign Shareholders:

I/we have enclosed the following documents:
☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.
☐ Previous RBI approvals for holding the shares of Aroni Chemical Industries Limited hereby tendered in the Offer.

For FII Shareholders : I/We confirm that the equity shares of Aroni Chemical Industries Limited are held by me/us on ☐ Investment/Capital Account OR ☐ Trade Account. (☑ whichever is applicable in your case)

For NRIs/OCBs Shareholders :
(1) I/We confirm that the equity shares of Aroni Chemical Industries Limited are held by me/us on ☐ Investment/Capital Account OR ☐ Trade Account.
(2) I/We confirm that the equity shares of Aroni Chemical Industries Limited are held by me/us as ☐ Long Term Capital Asset OR ☐ Short Term Capital Asset. (☑ whichever is applicable in your case)

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

I/We also note and understand that the Acquirer will pay the purchase consideration (including interest) only after verification of the documents and signatures, and obtaining necessary approvals, including approvals from the FIPB and the RBI.

I/We authorise the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and to the extent that the equity shares tendered by me/us are not acquired (in terms of and subject to the Letter of Offer), I/We further authorise the Acquirer to return to me/us, equity shares/share certificate(s) and in the case of dematerialised equity shares, to credit such equity shares to my/our depository account, in each case at my/our sole risk and without specifying the reasons thereof.

I/We authorise the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by registered post, the draft / cheque in settlement of the amount, to the sole / first holder at the address mentioned below.

Yours faithfully,
Signed and Delivered:

	FULL NAMES	SIGNATURE(S)	PAN No.
First/Sole Shareholder			
Second Shareholder			
Third Shareholder			
Fourth Shareholder			

Address of First/Sole Shareholder

Place: Date :

Note: In case of joint holdings, all shareholders must sign. A body corporate must affix its company stamp.
So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For equity shares that are tendered in electronic form, the bank account as obtained from the beneficiary position provided by the Depository will be considered and the warrants/ bank drafts will be issued with the said bank particulars

Name of the Bank ______________________ Branch ______________________
Account Number ______________________ Savings/Current/Others (please specify) ______________________

---Tear along this line---

Folio No. : **Sr. No.** **Acknowledgement Slip for the Acquirer**

Winro Commercial (India) Limited
15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072

Received from Mr./Ms ....
Address ......……………………………………………………………………
Form of Acceptance-cum-Acknowledgement, # ___________ Number of S
Certificates for_______________shares
Copy of Delivery instruction to (DP) for _____________ shares
(Delete whatsoever is not applicable)

Signature of official and Date of Receipt	Stamp Of Collection Centre

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

MCS Limited
Sri Venkatesh Bhavan, Plot No. 27 Road No. 11, MIDC, Andheri (East),Mumbai – 400 093

Phone : +91 22 5502 5235 ; Fax: + 91 22 5502 5245
E-mail: mcssvb@eth.net; Contact Person: Mr Rajesh Satardekar

Details of Collection Centres:

Name and Address of the Collection Centre	Tel No.	Fax No.	Contact Person	Mode of Delivery
MCS Limited Sri Venkatesh Bhavan, Plot No. 27 Road No. 11, MIDC, Andheri (East),Mumbai – 400 093	022-5502 5235	022-5502 5245	Mr Rajesh Satardekar	Registered Post/Hand Delivery
MCS Limited 77-2A, Hazra Road Kolkatta 700093	033-24767350	033-24541961	Mr Alok Mukherjee	Hand Delivery

Business Hours **: Monday to Friday : 10.00 a.m. to 3.00 p.m.**
Saturday : 10.00 a.m. to 1.00 p.m.

Holidays **: Sundays and Bank Holidays**

---TEAR ALONG THIS LINE---

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

MCS Limited
Sri Venkatesh Bhavan, Plot No. 27 Road No. 11, MIDC, Andheri (East),Mumbai – 400 093
Phone : +91 22 5502 5235 ; Fax: + 91 22 5502 5245
E-mail: mcssvb@eth.net; Contact Person: Mr Rajesh Satardekar

FORM OF WITHDRAWAL

OFFER SCHEDULE
OPENS ON: Friday, December 9, 2005 **CLOSES ON: Wednesday, December 28, 2005**
LAST DATE OF WITHDRAWAL: Friday, December 23, 2005

To,
MCS Limited
Sri Venkatesh Bhavan, Plot No. 27 Road No. 11
MIDC, Andheri (East),Mumbai – 400 093

Dear Sir,

Sub Open Offer by Winro Commercial India Limited ("Acquirer") to acquire 452,915 Equity Shares of Aroni Chemical Industries Limited ("Aroni"/ "Target Company") in terms of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997

I/We refer to the Letter of Offer dated December 01, 2005 for acquiring the equity shares held by me/us in **Aroni Chemical Industries Limited. I/We the undersigned have read the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.**

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in para 10.14 of the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our equity shares from the Offer and I/We further authorise the Acquirers to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our equity shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the equity shares held in physical form and also for the non receipt of equity shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/ We also note and understand that the Acquirer will return Original Share Certificate(s), Share Transfer Deed(s) and equity shares only on completion of verification of the documents, signatures carried out by Aroni Chemical Industries Limited and/ or their R & T Agents and beneficiary position data as available from the Depository from time to time, respectively.

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) and wish to withdraw are detailed below:

Ledger Folio No._________No. of Share Certificate(s) ___________ No. of Equity Shares _____________

	Sr. No	Certificate No.	Distinctive Nos. From	To	No. of Equity Shares
		Tendered			
	1				
	2				
	3				
		Withdrawn			
	1				
	2				
	3				
	Total				

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We hold the following equity shares in dematerialised form and tendered the equity shares in the Offer and had done an off-market transaction for crediting the Shares to the "MCS Limited Escrow Account – Aroni Open Offer" (Special Depositary Escrow Account) as per the following particulars: -

Depository Participant Name: HDFC Bank Limited

DP ID No.: IN 301151	**Client ID No.: 20180259**

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP.

The particulars of the account from which my/our equity shares have been tendered are as detailed below

DP Name	**DP ID**	**Client ID**	**Name of Beneficiary**	**No. of Equity Shares**

I/We note that the equity shares will be credited back only to that Depository Account, from which the equity 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 equity 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(S)	SIGNATURE(S)	Verified and Attested by us. Please affix the stamp of DP (in case of demat Shares) /Bank (in case of physical Shares)
1st Shareholder			
2nd Shareholder			
3rd Shareholder			

Note : In case of joint holders all must sign. In case of body corporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place: Date :

--Tear along this line --

Acknowledgement Slip

Folio No. **Sr. No.**

Winro Commercial (India) Limited
15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072

	Signature of official and date of Receipt	Stamp of collection centre
Received from Mr./Ms./M/s. .... Form of Withdrawal #.......... Number of Share Certificates for.................Equity Shares/ # Copy of the Delivery Instruction to (DP) for.....................Equity Shares # Delete whichever is not applicable		

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 below as per the mode of delivery indicated therein on or before the last date of withdrawal.**
2. Shareholders should enclose the following:-
   i. For Equity Shares held in demat form:

      Beneficial 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
      - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP

   ii. For Equity Shares held in physical form:

      Registered Shareholders 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
      - 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 R&T Department of ONIL and duly witnessed at the appropriate place.

   iii 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 the Target. 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.**

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

MCS Limited

Sri Venkatesh Bhavan, Plot No. 27 Road No. 11, MIDC, Andheri (East),Mumbai – 400 093

Phone : +91 22 5502 5235 ; Fax: + 91 22 5502 5245

E-mail: mcssvb@eth.net; Contact Person: Mr Rajesh Satardekar

Details of Collection Centres:

Name and Address of the Collection Centre	Tel No.	Fax No.	Contact Person	Mode of Delivery
MCS Limited Sri Venkatesh Bhavan, Plot No. 27 Road No. 11, MIDC, Andheri (East),Mumbai – 400 093	022-55025235	022-55025245	Mr Rajesh Satardekar	Registered Post/Hand Delivery
MCS Limited 77-2A, Hazra Road Kolkatta 700093	033-24767350	033-24541961	Mr Alok Mukherjee	Hand Delivery

Business Hours : Monday to Friday: 10.00 a.m. to 3.00 p.m.
Saturday : 10.00 a.m. to 1.00 p.m.

Holidays : Sundays and Bank Holidays

---TEAR ALONG THIS LINE---

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:

MCS Limited

Sri Venkatesh Bhavan, Plot No. 27 Road No. 11, MIDC, Andheri (East),Mumbai – 400 093

Phone : +91 22 5502 5235; Fax: + 91 22 5502 5245

E-mail: mcssvb@eth.net; Contact Person: Mr Rajesh Satardekar