PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF BHILWARA TEX-FIN LIMITED

This Public Announcement ("PA") is being issued by Chartered Capital and Investment Limited, Manager to the Offer on behalf of the Acquirer i.e. Sainik Mining and Allied Services Limited pursuant to Regulation 10 read with Regulation 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 [hereinafter referred to as "SEBI (SAST) Regulations, 1997"] and subsequent amendments thereto.

I. The Offer

1.1 This offer is being made by Sainik Mining and Allied Services Limited (hereinafter referred to as 'Acquirer/Acquirer Company/ SMASL') to the equity shareholders of M/s. Bhilwara Tex-Fin Limited, having its Registered office at 82, Vasant Enclave, Rao Tularam Marg, New Delhi - 110057 (hereinafter referred to as **"BTFL/the Target Company"**). No other entity/person is acting/deemed to be acting in concert with the Acquirer Company for the purpose of this offer.

1.2 The Acquirer i.e. Sainik Mining and Allied Services Limited has entered into a Share Purchase Agreement dated ***January 10, 2005*** ("SPA") to acquire in aggregate 12,43,000 (Twelve Lacs Forty Three Thousands only) fully paid up equity shares of Rs.10/- each representing 35.49% of the total paid up equity share capital and voting rights of "BTFL" from the promoters of BTFL, namely, Sh. Rajendra Prasad Baldwa, Sh. Satish Chandra Baldwa, Sh. Arun Kumar Baldwa, Sh. Santosh Lal Baldwa, Smt.Shakuntala Baldwa, Smt. Trishla Baldwa, Smt. Kavita Baldwa, Smt. Sushila Devi Baldwa, all residing at 13, Gandhi Nagar, Bhilwara- 311001 and Santosh Lal Rajendra Prasad HUF, R.P. Baldwa HUF, A.K. Baldwa HUF, S.C. Baldwa HUF, all having registered address as 16, Rajinder Marg, Bhilwara-311 001 (collectively referred to as the "Sellers"), at a price of Rs. 2.00 (Rupees Two Only) per fully paid up equity share payable in cash ("Negotiated Price"). The total consideration for the shares acquired under the SPA is Rs. 24,86,000/- (Rupees Twenty Four Lacs Eighty Six Thousand Only) to be discharged to the Sellers by the Acquirer as per the terms agreed upon and contained in the SPA. All the Sellers are part of the Promoter Group of the Target Company.

1.3 The Offer is not as a result of global acquisition resulting in indirect acquisition of the target company.

1.4 The Acquirer is making an offer to acquire 7,00,540 equity shares of Rs. 10/- each fully paid up representing 20% of the paid up/voting equity share capital of "BTFL" at a price of Rs. 7.50/- (Rupees Seven and paise fifty only) per fully paid up equity share ("Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter. The Offer is not subject to any minimum level of acceptances from shareholders.

1.5 The shares of "BTFL" are listed on The Jaipur Stock Exchange (JSE), The Stock Exchange, Mumbai (BSE) and The Delhi Stock Exchange Association Limited (DSE). Based on the information available, the shares are either infrequently traded or not traded on all the above stock exchanges. The Stock Exchange, Mumbai has suspended the trading in securities of BTFL w.e.f. December 21, 2004 due to non-compliance with clause 35 of the Listing Agreement. However, the company vide its letter dated December 28, 2004 has complied with the same and has requested the exchange to revoke suspension in trading of its securities. The Acquirer has not acquired any share of the Target Company during the 12 months period prior to the date of this Public Announcement.

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

i.	Negotiated price under an agreement as referred to in sub-regulation (1) of Regulation 14 of SEBI (SAST) Regulations, 1997	Rs.2.00 (Rupees Two Only)
ii.	Price paid by the Acquirer for acquisition including by way of allotment in a public or	There has been no acquisition by the Acquirer

	rights or preferential issue during the twenty-six week period prior to the date of this public announcement	during the said period of 26 weeks
iii.	OTHER PARAMETERS: (as per certified financial data for 6 months ending 30.09.2004) Return on Net-Worth Book Value Per Share (as on 29.12.2004) Earning Per Share P/E	 -Ve 7.45/- -Ve Not Ascertainable

The highest price of the above is Rs. 7.45/-.

In view of the above, the offer price of Rs.7.50/- in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 is justified.

1.7 As on the date of this Public Announcement, the Acquirer has acquired/agreed to acquire 12,43,000 fully paid up shares of Rs.10/- each representing 35.49% of the total equity share capital of "BTFL" in terms of the SPA.

II. Information about the Acquirer

2.1 The Acquirer Company i.e. Sainik Mining and Allied Services Private Limited was originally incorporated as a Private Limited company in the name of Sainik Automobiles Private Limited and was registered with the Registrar of Companies, NCT of Delhi & Haryana on 08.02.1989. It then became a deemed public company i.e. Sainik Automobiles Limited vide ROC certificate dated 10.08.2001. During 2001, six other companies were merged into Sainik Automobiles Limited and finally the name was changed to Sainik Mining and Allied Services Limited vide fresh ROC Certificate dated 10.12.2002.

2.2 Sainik Mining and Allied Services Limited, the Acquirer was promoted by Ex-service defense officers to provide support services to Ex-servicemen Transport companies sponsored under the DGR scheme. The company was providing Automobile spares, Lubricants and other support services like workshops etc. to these Transport companies. Later on the company amalgamated with itself M/s. Sainik Transporters

Private Limited and other six companies and diversified into Coal Mining, Coal Benefications and Coal Handling business. The amalgamation strengthened the financial position of the company and enabled it to diversify into new line of business activities. The company besides doing mining works for subsidiaries of Coal India Limited is also doing lignite mining for Rajasthan State Mines Development Limited (RSMDC).

2.3 The Acquirer company was promoted by Capt. Rudra Sen Sindhu (Retd.) and Col. Girdhari Singh (Retd.). Both the promoters are ex-service defense officers. The company at present is being managed by a professional board of directors, who are having experiences in the field of Mining, Benefications, Transport, Finance etc.

2.4 The Acquirer company belongs to "Sainik Group". The promoters had in the past promoted M/s Garuda Clays Limited and acquired M/s. Ramanuj Leasing Limited. M/s. Ramanuj Leasing Limited later on merged itself into M/s. Garuda Clays Limited, which changed it's name to M/s Sainik Finance and Industries Limited.

M/s. Sainik Finance and Industries Limited is listed at Delhi, Ahemdabad, Mumbai and Jaipur Stock Exchanges.

2.5 Based on the latest certified financial datas made upto six months ending September 30, 2004, SMASL has a net income from operations of Rs.3131 Lacs, Profit before depreciation, interest and tax of Rs.693.54 Lacs, depreciation of Rs.277.78 Lacs, Profit After Tax of Rs.265.12 Lacs, Earning Per Share of Rs.8.23, Return on Net worth of 8.07% and Book Value of Rs.101.93/-. (Source: Certificate dated January 13,2005 issued by Mr. Raman Chawla, (Membership No. 88805) Partner, Nagar Goel and Chawla, Chartered Accountants, 206, Grover Chamber, 4-B, Pusa Road, New Delhi-110 008, Tel. No.: 011-25745365, 25815365, Fax: 011-25758048)

2.6 SMASL is not a listed company. However, due to its merger with 7 other companies out of which Garuda Finance Limited was a listed company, it made application to the U.P. Stock Exchange Association Limited and the Delhi Stock Exchange Association Limited for listing of the unlisted equity, post amalgamation. The stock exchanges are yet to grant the approval for listing.

III. Information about the Target Company

3.1 Bhilwara Tex-Fin Limited ("BTFL") was incorporated as a public limited company on 16.11.1994 with the Registrar of Companies, Rajasthan, Jaipur and it obtained the Certificate of Commence of Business to carry on the business in the area of providing Financial Services in different capacities including acting as Financial Advisors and Consultants. The registered office of the company has been shifted from 13, Gandhi Nagar, Bhilwara, Rajasthan to 82, Vasant Enclave, Rao Tularam Marg, New Delhi – 110057 vide CLB order dated 20.07.2004.

3.2 "BTFL" is also registered with the Reserve Bank of India as a Non-Deposit Accepting Non-Banking Financial Company (NBFC) vide the RBI certificate of Registration bearing No.:10.00047 dated March 24,1998. At present, BTFL is into the business of trading of yarns and investment in securities.

3.3 The present paid up equity share capital of "BTFL" is Rs. 3,50,27,000/- (Rupees Three Crore Fifty Lacs Twenty Seven Thousand Only) divided into 35,02,700 fully paid equity shares of Rs.10/- each. There are no partly paid up shares in the Company.

3.4 The equity shares of "BTFL" are listed on The Jaipur Stock Exchange, Jaipur (JSE), The Stock Exchange, Mumbai (BSE) and The Delhi Stock Exchange Association Limited (DSE).

3.5 Based on the latest audited accounts for the year ending 31st March, 2004 the company has made total income (including stock in trade) of Rs.104.48 Lacs and suffered a net Loss of Rs.26.57 lacs after providing depreciation of Rs.0.05 lacs. As at six months ending 30.09.2004, it has the total income of Rs.14.40 lacs, net loss of Rs.5.46 lacs after providing for a depreciation of Rs.0.02 lacs, negative Earning Per Share of (Rs.0.16), negative return on networth of (1.55%) and book value per share of Rs.9.03. Further, each equity share of BTFL as at 29.12.2004 has been valued at Rs.7.45/-. (Source: Certificate dated January 13,2005 issued by Mr. Raman Chawla, (Membership No. 88805) Partner, Nagar Goel and Chawla, Chartered Accountants, 206, Grovers Chambers, 4-B, Pusa Road, New Delhi-110 005, Tel. No.: 011-25745365, 25815365, Fax: 011-25758048)

IV. Reasons for the Acquisition and offer and future plan about the Target Company

4.1 The Acquirer as a result of this offer will have Substantial acquisition of shares/voting rights resulting in complete change in control and management of the Target Company.

4.2 The offer to the shareholders of "BTFL" is being made in accordance with Regulation 10 and 12 of the SEBI (SAST) Regulations, 1997.

4.3 This Acquisition will further enhance the capital base of the Acquirer Company enabling it to further diversify its business activities.

4.4 As on the date of this Public Announcement, the Acquirer company do not have plans to dispose of or other wise encumber any asset of "BTFL" in two years from the date of closure of the offer except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or otherwise of "BTFL" to take appropriate decisions in these matters as per prevailing laws/regulations as per the requirement of business after obtaining the approval of the shareholders of BTFL in general meeting. As per the Acquirer company, Reorganization/diversification and streamlining of the business may be considered if found to be in the best interest of the Company and its shareholders.

V. Statutory Approvals/Other Approvals required for the Offer

5.1 Since there is no Non-Resident shareholding in the company, prima-facie no approval is required to be taken from the Reserve Bank of India under Foreign Exchange Management Act, 1999.

5.2 As on date of this Public Announcement, to the best of Acquirer's knowledge, there are no other statutory approvals required, other than that indicated above. The Acquirer will not proceed with the offer to the extent the statutory approval that is enumerated above being refused in terms of the SEBI (SAST) Regulations, 1997.

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

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

5.5 The Acquirer shall withdraw this offer if the statutory approval(s) required as above is refused as provided in Regulation 27 of the SEBI (SAST) Regulations, 1997.

VI. Delisting Option to the Acquirer

Pursuant to this Offer the public shareholding will not be reduced to 10% or less of the voting capital of "BTFL" and therefore the provisions of Regulation 21(3) of SEBI (SAST) Regulations, 1997 does not apply.

VII. Financial Arrangements

7.1 The Acquirer has made firm financial arrangements to meet the obligation under the offer in full. The Acquirer has confirmed that the firm financial arrangements required to meet the obligation under the offer are in place and are available with them. As per the Net Worth Certificate dated 29.12.2004 issued by Mr. Raman Chawla, (Membership No. 88805) Partner of M/s. Nagar Goel and Chawla, Chartered Accountants, 206, Grover Chamber, 4-B, Pusa Road, New Delhi-110 008, Tel: 011-25745365, 25815365, Fax: 011-25758048, the Net Worth of the Acquirer company as at 30.09.2004 is Rs. 3285.43 lacs which is sufficient surplus funds to meet the obligations under this offer.

7.2 The total fund requirements for the acquisition of 7,00,540 equity shares/voting capital of "BTFL" at Rs. 7.50/- per share is Rs. 52,54,050/- (Rupees Fifty Two Lacs Fifty Four Thousand Fifty Only). In accordance with Regulation 28 of the SEBI (SAST) Regulations, 1997 the Acquirer has created an Escrow Account in the form of a cash deposit for an amount of Rs.13,50,000/- (Rupees Thirteen Lacs Fifty Thousand Only) being more than 25% of the total consideration payable to shareholders under the offer with Bank of Baroda, East of Kailash, New Delhi-110 065.

7.3 The Acquirer has empowered Chartered Capital and Investment Limited, Manager to the Offer to operate and realize the value of the Escrow Account in terms of SEBI (SAST) Regulations, 1997.

7.4 In terms of Regulation 28(13), in case of non-fulfillment of obligations by the Acquirer, the Manager to the Offer shall ensure realisation of escrow amount by way of foreclosure of deposit.

7.5 The Manager to the Offer has satisfied itself about the Acquirer's ability to implement the offer in accordance with the SEBI (SAST) Regulations, 1997.

VIII. Other terms of the Offer

8.1 The Offer is not subject to any minimum level of acceptances from shareholders.

8.2 The Letter of Offer with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders (except to the Acquirer and the Sellers) of "BTFL" whose names appear in the Register of Members of "BTFL" and to the beneficial owners of the shares of "BTFL", whose names appear on the beneficial records of the respective Depositories, at the close of business hours as on Friday, February 11, 2005 (the "Specified Date"). The Letter of Offer will be mailed to such shareholders by Monday, February 28, 2005.

8.3 The shareholders of "BTFL" are eligible to participate in the offer anytime before the closure of the offer by sending their Form of Acceptance cum Acknowledgement, original share certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer *viz*: **Skyline Financial Services Private Limited** 123, Vinoba Puri, Lajpat Nagar-II, New Delhi- 110024 **Telephone Nos. (011) 29833777, 29847136, Fax: (011) 29848352**, **Contact Person: Mr. Praveen Agarwal** either by Registered Post, Courier or Hand Delivery (between 10:00 a.m. to 5:00 p.m. on all working days), on or before the date of closure of the Offer i.e. Monday, March 28, 2005 in accordance with the instructions specified in the Letter of Offer & Application Form.

8.4 Skyline Financial Services Private Limited, the Registrar to the Offer has opened a special depository account with Central Depository Services Limited (CDSL) styled as **"Skyline a/c-BTFL-OPEN OFFER Escrow A/c"**. **The DP ID is 12019101, DP Name: SAM**

GLOBAL SECURITIES LIMITED and the Beneficiary **Client ID is 00080529**.

8.5 Beneficial owners (i.e. those shareholders who hold shares in dematerialised form) can participate in the offer anytime before the closure of the offer i.e. Monday, March 28, 2005 by sending their Form of Acceptance cum Acknowledgement alongwith a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant (DP) in favour of special depository account as mentioned in point (4) above to the Registrar to the Offer either by Registered Post, Courier or Hand Delivery (between 10:00 a.m. to 5:00 p.m. on all working days), on or before the closure of the Offer i.e. Monday, the March 28,2005, in accordance with the instructions specified in the Letter of Offer & Application Form.

8.6 The Contact person in the Office of the Registrar to the Offer is **Mr. Praveen Agarwal.**

8.7 Eligible persons to the offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement, which will be available on SEBI's website at **http:/www.sebi.gov.in** and can apply for the offer in such downloaded form.

8.8 The unregistered owners of shares are also eligible to participate in the Offer by sending their application in writing to the Registrar to the Offer on a plain paper stating the Name, Address, No. of shares held, No. of shares offered under the offer, Distinctive Nos., Folio No., together with the original Share Certificate(s) and transfer deed(s) and the original contract note issued by the broker through whom they have acquired their shares. No indemnity is required from unregistered shareholders.

8.9 In the event of non-receipt of Letter of Offer, the eligible persons may send application on plain paper stating the Name, Address, No. of shares held, No. of shares offered under the offer, Distinctive Nos., Folio No. along with all documents as mentioned above, so as to reach the Registrar to the Offer on or before the date of closure of the offer i.e. Monday, March 28, 2005 or in case of beneficial owners (those shareholders who hold shares in dematerialised form) may send the application in writing to the Registrar to the Offer on a plain paper stating the Name, Address, No. of shares held, No. of shares offered under the offer, the name of the DP, DP ID No., beneficiary account number with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP in favour of special depository account so as to reach the Registrar to the Offer on or before the closure of the Offer i.e. Monday, March 28, 2005.

8.10 The Registrar to the Offer will hold in trust the shares/share certificate(s), shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer deed(s), till the Acquirers complete their offer obligations in terms of the SEBI (SAST) Regulations, 1997.

8.11 Applications which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of the Offer i.e. Monday, March 28,2005, would be approved and accepted by the Acquirers. The payment of consideration for the applications so accepted will be made by crossed account payee cheque/demand draft/pay order. The intimation regarding acceptance of applications and payment of consideration will be dispatched to the shareholders by registered post at the shareholders' sole risk. In case of joint holder(s), the cheque/demand draft will be drawn in the name of the first holder and in case of unregistered owners of shares the consideration will be paid to the person whose name is stated in the contract note.

8.12 In the event of non-acceptance of any application, all the documents as forwarded to the Registrar to the Offer will be sent back to the shareholder by registered post at shareholders' sole risk. In case of shares held in dematerialised form, to the extent not accepted will be credited back to the beneficiary account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

8.13 All valid responses will be accepted subject to maximum of the offer made as per this public announcement. In case of response in excess of this offer made by the Acquirers, the acceptances would be made on proportionate basis in consultation with the Manager to the Offer in accordance with the SEBI (SAST) Regulations, 1997.

8.14 Schedule of activities pertaining to the Offer is given below:

Activity	**Day and Date**
Specified Date	February 11,2005 (Friday)
Date by which Letter of Offer Will be posted to the shareholders	February 26, 2005 (Saturday)
Date of Opening of the offer	March 09, 2005 (Wednesday)
Date of Closing of the	March 28, 2005 (Monday)

offer	
Last date for a competitive bid	February 04, 2005 (Friday)
Last date for revising the offer price/number of shares	March 16, 2005 (Wednesday)
Date of communicating Rejection/acceptance And payment for application Accepted will be dispatched	April 11, 2005 (Monday)

IX. General

9.1 Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public Announcement/Letter of Offer, can withdraw the same upto three working days prior to the date of the closure of the offer" i.e. latest by Tuesday, March 22, 2005, by filling the Form of Withdrawal enclosed with the Letter of Offer. The Form of Withdrawal will also be available on the SEBI website **http://www.sebi.gov.in.**

9.2 The Acquirers can revise the price upwards upto 7 (seven) working days prior to closure of offer and if there is any upward revision in the offer price by the Acquirers till the last date of revision i.e. Wednesday, March 16, 2005 the same would be informed by way of Public Announcement in the same newspapers in which the original public announcement had appeared and same price would be paid to all the shareholders who tender their shares in the offer.

9.3 If there is competitive bid:

i. The public offers under all the subsisting bids shall close on the same date.

ii. As the offer price cannot be revised during 7 working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly"

9.4 The Acquirer, Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of SEBI Act.

9.5 This Public Announcement would also be available on the SEBI's web site at **http://www.sebi.gov.in.**

This Public Announcement is issued on behalf of the Acquirer by Chartered Capital and Investment Limited, the Manager to the Offer.

The Acquirer company *viz.* Sainik Mining and Allied Services Limited, having it's registered office at 82, Vasant Enclave, New Delhi-110 057 accept full responsibility for the information contained in this Public Announcement and also for the obligations of Acquirers laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

ISSUED BY MANAGER TO THE OFFER:

Chartered Capital and Investment Limited
13, Community Centre,
East of Kailash
New Delhi – 110 065
Tel.: (011) 26419079, 26218274
Fax: (011) 26219491
Email: ccapdelhi@indiatimes.com
Contact Person: Mr. M.K. Doogar

REGISTRAR TO THE OFFER:

TOWARDS EXCELLENCE

Skyline Financial Services Private Limited
123, Vinoba Puri,
Lajpat Nagar-II,
New Delhi - 110024
Tel.: 011- 29833777, 29847136
Fax.: 011- 29848352
E-mail: admin@skylinerta.com
Contact Person: Mr. Praveen Agarwal

On behalf of the Acquirer

Date: 12.01.2005
Place: New Delhi