LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

OPEN OFFER BY

SAINIK MINING AND ALLIED SERVICES LIMITED

Registered office: 82, Vasant Enclave, Rao Tula Marg, New Delhi- 110 057,
Tel No.: (011) 51662474, Fax: (011) 51662470

To

Acquire 7,00,540 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs.7.50/- (Rupees seven and paise fifty only) per fully paid equity shares of Rs.10/- each, payable in Cash.

Of

BHILWARA TEX-FIN LIMITED

Registered Office: 82, Vasant Enclave, New Delhi-110 057
Tel.(011) 51662474, Fax: (011)51662470

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

ATTENTION:

1. **The offer is not a conditional offer.**
2. Approval for transfer of shares of a company registered in India by a Non Resident to a person resident in India is required. The Acquirer shall apply for approval from RBI for transfer of shares in their name in due course after successful completion of this Offer.
3. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer i.e. February 22, 2005 (Tuesday)
4. If there is any upward revision in the Offer Price by the Acquirer upto seven working days prior to the date of closure i.e. upto March 16, 2005 (Wednesday), the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.
5. **If there is a Competitive Bid:**

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

   As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.
6. **A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's web-site: www.sebi.gov.in**

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

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Chartered Capital & Investment Limited 13, Community Centre, East of Kailash, New Delhi - 110065. Tel.: 011-26419079/26218274; Fax: 011-26219491; Email: ccapdelhi@indiatimes.com Contact Person: Mr. M. K. Doogar	TOWARDS EXCELLENCE **Skyline Financial Services Private Limited** 123, Vinoba Puri, Lajpat Nagar-II, New Delhi-110 024. Tel.: 011-29833777, 29847136 Fax : 011-29848352 Email: admin@skylinerta.com Contact Person: Mr. Praveen Agarwal
OFFER OPENS ON: March 09, 2005 (Wednesday)	**OFFER CLOSES ON: March 28, 2005 (Monday)**

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION "10" PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 10 TO 14)

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

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Sr.No.	Activity	Day and Date
1.	**Date of Public Announcement (PA)**	January 14, 2005 (Friday)
2.	Specified Date	February 11,2005 (Friday)
3.	**Last Date for a Competitive Bid(s)**	February 04, 2005 (Friday)
4.	Date by which Letter of Offer will be dispatched to the Shareholders	February 26, 2005 (Saturday)
5.	**Offer Opening Date**	March 09, 2005 (Wednesday)
6.	**Last Date for the Revision of the Offer Price / Number of Equity Shares.**	March 16, 2005 (Wednesday)
7.	Last date to withdraw acceptance tendered by shareholders	March 22,2005 (Tuesday)
8.	**Offer Closing Date**	March 28, 2005 (Monday)
9.	Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and / or the unaccepted equity shares / share certificates will be dispatched.	April 11, 2005 (Monday)

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1. DEFINITIONS

1.	Acquirer or The Acquirer	SAINIK MINING AND ALLIED SERVICES LIMITED
2.	BSE	The Stock Exchange, Mumbai
3.	DSE	The Delhi Stock Exchange Association Limited
4.	FEMA	Foreign Exchange Management Act, 1999
5.	Form of Acceptance	Form of Acceptance cum Acknowledgement
6.	Form of Withdrawal	Form of Withdrawal cum Acknowledgement
7.	BTFL/Target Company	Bhilwara Tex-fin Limited
8.	LOO or Letter of Offer	Offer Document
9.	Manager to the Offer or, Merchant Banker	Chartered Capital and Investment Limited
10.	Negotiated Price	Rs.2/- (Rupees Two Only) per fully paid-up equity share of face value of Rs.10/- each.
11.	Offer or The Offer	7,00,540 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 7.50/- (Rupees Seven and Paise fifty Only) per fully paid equity share, payable in Cash.
12.	Offer Price	Rs. 7.50/- (Rupees Seven and Paise Fifty Only) per fully paid equity share, payable in Cash.
13.	Persons eligible to participate in the Offer	Registered shareholders of Bhilwara Tex-fin Limited and unregistered shareholders who own the equity shares of Bhilwara Tex-fin Limited any time prior to the Offer closure other than the Parties to SPA i.e. Acquirer & the Sellers
14.	Public Announcement or **"PA"**	Announcement of the Open Offer by The Acquirer, which appeared in the newspapers on January 14, 2005.
15.	RBI	Reserve Bank of India
16.	Registrar or Registrar to the Offer	Skyline Financial Services Private Limited
17.	SEBI	Securities and Exchange Board of India
18.	SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
19.	SEBI Act	Securities and Exchange Board of India Act, 1992
20.	Sellers	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, Santosh Lal Rajendra Prasad HUF, R.P. Baldwa HUF, A.K. Baldwa HUF, S.C. Baldwa HUF
21.	SPA	Share Purchase Agreement
22.	Specified Date	February 11,2005 (Friday)
23.	UPSE	The UP Stock Exchange Association Limited

2. RISK FACTORS

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

ii. The acquirer intends to make an offer for 20% of the voting capital amounting to 7,00,540 equity shares of BTFL under the SEBI (SAST) regulations, 1997. Further, the shares tendered in the offer will lie to the credit of a designated escrow account, till the completion of the offer formalities. Accordingly, the acquirer makes no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.

iii. The share purchase agreement provides that, in case of non-compliance of any provisions of the SEBI (SAST) Regulations, 1997 (the "Regula-

tions"), the agreement shall not be acted upon either by the sellers or the acquirer.

iv. The shares of BTFL have recently been suspended from trading by the Stock Exchange, Mumbai. The target company is taking steps to revoke suspension, but at present, the final decision lies with the exchange.

V. The acquirer company is mainly into the business of coal transpotation and allies mining activities and therefore it may or may not carry on the financing activity aggressively which is the main activity of the target company.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of BTFL or any other related matters, and are neither exhaustive not intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of BTFL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

3. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF BHILWARA TEX-FIN LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 27.01.2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

4. DETAILS OF THE OFFER

4.1 Background of the Offer

4.1.1 The offer is being made under Regulation 10 read with Regulation 12 and as a result of this offer, the Acquirer will have substantial acquisition of shares or voting rights accompanied with complete change in control and management of "Bhilwara Tex-Fin Limited".

4.1.2.1 The Acquirer entered into an SPA dated January 11, 2004 to acquire 12,43,000 (Twelve Lacs Forty Three Thousand only) fully paid up equity shares of Rs.10/- each representing 35.49% of the total paid up equity share capital of "Bhilwara Tex-Fin Limited" from among the Indian promoters of BTFL, namely, Sh. Rajendra Prasad Baldwa, Sh. Satish Chandra Baldwa, Sh. Arun Kumar Baldwa, Sh. Santosh Lal Baldwa, Smt Shakuntala Baldwa, Smt. Trishala 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 all having registered address at 16, Rajinder Marg, Bhilwara-311001 (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.

4.1.2.2 There has been no non compete fees paid by the acquirer under the aforementioned acquisition.

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

a. In consideration of the purchase of the shares, the Acquirer shall pay total cash consideration of Rs.24,86,000 (Rupees Twenty Four Lacs Eighty Six Thousands) to the Sellers.

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

c. The obligation of the Acquirer to purchase shall be conditional upon the satisfaction of the of the following conditions:

Completion of the financial, legal and technical due diligence of the Target Company and the findings of the same being to the full and complete satisfaction of the Acquirer.

d. The Acquirer undertakes and covenants to take all steps and actions as may be necessary for compliance with the provisions of the Takeover Code. The Promoters agree to provide the Acquirer with all necessary support, for complying with the provisions of the Takeover Code relating to public offers as are applicable to the transaction envisaged herein.

e. On completion, by the Acquirer, of the obligations relating to the public offer under the Takeover Code, as certified by Chartered Capital And Investment Limited the merchant banker appointed for such public offer in accordance with the Takeover Code, the parties shall ensure that the Board of Directors of the target company shall pass effective resolutions for recording the transfer of shares of the target company to the Acquirer and appointment of the persons nominated by the Acquirer on the Board of Directors of the target company.

f. In the event the Acquirer fail to comply with the applicable provisions of the Takeover Code relating to the public offer, the SPA shall stand terminated and shall be null and void.

4.1.4 Neither the Acquirer, Sellers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

4.1.5 Acquirer have not acquired any equity shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

4.1.6 There may be a change in the composition of the Board of Directors of the Target Company as per SEBI (SAST) Regulation 1997 and such change will be done after a period of 21 days from the date of PA.

4.2 Details of the proposed offer

4.2.1 The Acquirer has made a Public Announcement, which was published on 14th January 2005 in the following newspapers in accordance with the Regulation 15 and pursuant to Regulation 10 and 12 of SEBI (SAST) Regulations, 1997.

Publication	Editions
Financial Express (English)	All Editions
Jansatta (Hindi)	All Editions

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

4.2.2 The Acquirer is making an offer under the SEBI (SAST) Regulations, 1997 to acquire 7,00,540 equity shares of Rs. 10/- each fully paid up presenting 20% of the voting 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.

4.2.3 There are no partly paid up shares in "Bhilwara Tex-Fin limited".

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

4.2.5 Apart from the 12,43,000 equity shares constituting 35.49% of the total issued, subscribed, paid-up and voting share capital from sellers under SPA, the Acquirer has not acquired any equity share in the Target Company since the date of Public Announcement i.e. **January 14, 2005**, upto the date of Letter of Offer.

4.3 Object of the acquisition/offer

4.3.1 The Acquirers 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.

4.3.2 The Acquisition will further enhance the capital base of the acquirer company enabling it to further diversify its business activities.

4.3.3 The Acquirer is mainly into the business of Transportation of coal and allied mining activities and the Target Company is into the business of providing Financial Services in different capacities including acting as Financial Advisors and Consultants. Therefore the position of the Acquirer in terms of market positioning, capacity utilization etc. would not change much.

5. BACKGROUND OF THE ACQUIRER

5.1.1 Sainik Mining and Allied Services Limited is the sole acquirer in this open offer and there are no person(s) acting or can be deemed to be acting in concert with the Acquirer.

5.1.2 The Acquirer Company i.e. Sainik Mining and Allied Services 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, seven 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.

5.1.3 The registered office of the Acquirer company is situated at 82, Vasant Enclave, Rao Tula Ram Marg, New Delhi and the Phone numbers are 011-51662474, 51662475 and the Fax No. is 011-51662470.

5.1.4 Sainik Mining and Allied Services Limited, the acquirer was promoted by Ex-service defence officers to provide support services to Ex-servicemen Transport companies sponsored under the DGR scheme of the ministry of Defence, Govt. of India. The company was providing Automobiles spares, Lubricants and other support services like workshops etc. to these Transport companies. Later on the company amalgamated itself with M/S Sainik Transporters Private Limited and other companies and diversified into Coal mining, Coal Benefactions and Coal handling business as Sainik Transporters Private Limited was doing these activities for various subsidiaries of coal India Limited. 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 Coal India limited is also doing coal lignite mining for Rajasthan State Mines Development Limited.

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

5.1.6 The Acquirer company belongs to "Sainik Group". The same promoters of the acquirer company 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.

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

5.1.8 As per declarations give, the acquirer company has complied with the requirements of provisions of chapter II of the regulations to the extent applicable.

5.1.9 Shareholding pattern of SMASL as on 20.01.2005 is as under: -

Sl. No.	Shareholder's Category	No. & %age of shares held
1.	Promoters	28,53,292 (88.52%)
2.	Mutual Funds/FIIs/FIs	Nil
3.	Bodies Corporate and Others	3,69,815 (11.48%)
	TOTAL	**32,23,107 (100%)**

5.1.10 The Board of Directors of SMASL as on P.A. date has the following members:

Sl. No.	Name	Designation	Qualification and Experience in no. of years	Address	Date of Appointment
1.	Ex-Capt. Rudra Sen Sindhu	Director	Graduate/23 yrs. Exp. In open cast and underground transportation and loading.	C-101, New Multan Nagar, New Delhi-56	08.02.89
2.	Col. Girdhari Singh, AVSM (Retd.)	Director	Graduate/21 yrs exp. In Mining, transportation, loading, washing and automobile spares/workshops.	E-69, Vasant Vihar, New Delhi-57	08.02.89
3.	Maj. Gen. Virender Awasthy (Retd.)	Director	Graduate/16 yrs. Exp. In mining and coal transportation	A-5/1, Vasant Vihar, New Delhi-57	01.04.90
4.	Ex-Capt. Kuldeep Singh Solanki	Director	Graduate/23 yrs. Exp. In coal mining and transportation	E-69, Vasant Vihar, New Delhi-57	11.12.02
5.	Mr. Vir Sen Sindhu	Director	Graduate/ 23 yrs. Exp. In general administration and human resource management	53-56, Sector-14, Rohtak-124001, Haryana	11.12.02
6.	Mr. G.M.S. Johar	Director	Mining Engineer/41 yrs. Exp. In dealing with coal, natural gas, liquid and other fuels used in power generation.	J-7/68, G.F. and F.F., Rajouri Garden, New Delhi-27	31.05.03
7.	Mr. V.K. Sehgal	Director	Mining Engineer/43 yrs. Exp. In coal industry and retired as Chairman cum Managing Director of South Eastern Coal Fields Limited.	19, North Avenue, Punjabi Bagh, New Delhi	31.05.03

None of the above directors are on the board of the target company as on date.

5.1.11 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 Delhi stock exchange Association Limited has already delisted the shares of Garuda Finance Limited w.e.f. 23.10.2003 citing certain non-compliances by the company. (Source: DSE letter dated 20.08.2003) and the decision of the U.P. Stock Association Limited is still awaited.

5.1.12 The brief audited financials of SMASL is as under: -

(Rs. In Lacs)

Profit and loss statement	Year ended 31.03.02 (Audited)	Year ended 31.03.03 (Audited)	Year ended 31.03.04 (Audited)	Six Months ending 30.09.04*
Income from Operations	282.94	4,579.16	6,256.68	3,131.07
Other Income	95.01	422.83	19.60	251.14
Total Income	377.95	5,002.00	6,276.29	3,382.21
Total Expenditure	205.64	4,578.44	4,850.13	2,688.68
Profit Before Depreciation Interest and Tax	172.31	423.55	1,426.16	693.54
Depreciation	7.93	76.81	639.27	277.78
Interest	2.87	43.91	169.20	39.29
Profit Before Tax	161.51	302.83	617.69	376.47
Provision for Tax	55.19	109.49	192.89	111.35
Profit After Tax	106.33	193.35	424.80	265.12

(Rs. In Lacs)

Balance Sheet Statement	**Year ended 31.03.02 (Audited)**	**Year ended 31.03.03 (Audited)**	**Year ended 31.03.04 (Audited)**	**Six Months ending 30.09.04***
Sources of Funds				
Paid up Share Capital	72.03	322.31	322.31	322.31
Reserves and Surplus (excluding revaluation reserves)	242.57	2,298.26	2,698.00	2,963.12
Networth	314.60	2618.65	3018.87	3283.99
Secured Loans	2.04	616.35	1,449.84	1,119.50
Unsecured Loans	-	49.50	500.80	515.82
Deferred Tax Liability	-	37.93	128.33	128.66
Total	316.64	3,324.35	5,099.28	5,049.40
Uses of Funds				
Net Fixed Assets	22.04	1,002.69	1,948.88	1,690.47
Investments	61.21	258.45	403.29	454.80
Net Current Assets	233.39	2,061.30	2,745.67	2,902.69
Total miscellaneous expenditure not written off	-	1.92	1.44	1.44
Total	**316.64**	**3,324.35**	**5,099.28**	**5,049.40**

Other Financial Data	**Year ended 31.03.02 (Audited)**	**Year ended 31.03.03 (Audited)**	**Year ended 31.03.04 (Audited)**	**Six Months ending 30.09.04***
Dividend (%)	100.00	20.00	-	-
Earning Per Share (in Rs.)	14.76	6.00	13.18	8.23
Return on Net worth (%)	33.80	7.38	14.07	8.07
Book Value Per Share (in Rs.)	43.68	81.25	93.66	101.89

*Source: As certified by statutory auditors of the company namely 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 vide his certificate dated 13.01.2005.

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

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

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

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

5.1.13 As per the declarations given by the acquirer company, it has not promoted any other company.

5.1.14 As per the declaration given by the Acquirer company, there are no litigation pending against it as on date.

5.1.15 No action has been taken by SEBI under section 11B or under any of the Regulations made under the SEBI Act, 1992 against the Acquirer and disclosure in this regard have been made.

6. Disclosure in terms of Regulation 16 (ix)

The object and purpose of this acquisition is to have Substantial acquisition of shares/voting rights resulting in complete change in control and management of the Target Company and to further enhance the capital base of the acquirer company enabling it to further diversify its business activities.

The Acquirer at present has not set out any future plans and has no intention to sell, dispose of or otherwise encumber any significant assets of BTFL in the succeeding two years, except in the ordinary course of business of BTFL. BTFL's future policy for disposal of its assets, if any, will be decided by it's Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of BTFL.

7. BACKGROUND OF BHILWARA TEX-FIN LIMITED

7.1.1 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 Commencement 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.

7.1.2 "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. No action has been taken by RBI against the BTFL.

7.1.3 The present authorized share capital of BTFL is Rs.4,00,00,000/- (Rupees Four Crores only) divided into 40,00,000 (Forty lacs) equity share of Rs.10/- each and a paid up equity share capital of 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.

7.1.4 The present capital structure of BTFL is as under: -

Paid-up equity shares of BTFL	No. of Equity Shares/ Voting Rights	% of shares/ Voting Rights
Fully paid-up equity shares	35,02,700	100
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	35,02,700	100
Total Voting Rights in BTFL	35,02,700	100

7.1.5 At present, BTFL is into the business of trading of yarns and investment in securities.

7.1.6 The current capital structure of BTFL has been build up since inception as under:-

Date of allotment	No of shares issued	% of shares issued	Cumulative paid up. capital in Rs	Mode of allotment	Identity of allottees (promoters / ex-promoters/ others)	Status of compliance
16.11.1994	7	0.00	70	Cash	Subscribers	No Compliance is pending.
05.01.1995	4,11,993	11.76	41,20,000	Cash	Promoters	
13.05.1995	6,38,000	18.22	1,05,00,000	Cash	Promoters	
12.07.1995	24,52,700	70.02	3,50,27,000	Cash	Public Issue	
TOTAL	**35,02,700**	**100**				

7.1.7 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.

7.1.8 There are no outstanding convertible instruments like warrants, FCDs or PCDs etc. in BTFL.

7.1.9 Based on the information available, there were considerable delays in compliance of provisions of chapter II of the regulations and of the requirements of listing agreement by the target company, sellers, promoters and other major shareholders of BTFL. Also, the company did not avail the SEBI (Regularization) Scheme, 2002, therefore, SEBI and stock exchange(s) may initiate appropriate action against BTFL.

7.1.10 The composition of the Board of Directors of BTFL as on the date of this letter of offer is as under:-

Sl.No.	Name	Designation	Date of Appointment	Educational Qualification/ Experience in no. of years	Address
1	Mr.Ashok Arora	Director	20.04.2004	C.S., C.W.A. / 15 Yrs.	26/566, Jawahar Nagar, Rohtak, (Haryana)
2.	Mr. Ajay Sachdeva	Director	20.04.2004	LLB/12 Yr.	58, Adarsh Nagar, Rohtak, (Haryana)
3.	Mr. B.S. Kashtwal	Director	20.04.2004	C.S. / 12 Yr.	136-B, Pocket-B, Dilshad Garden, New Delhi - 110009
4.	Mr. Rajendra Pd. Baldwa	Managing Director	31.10.1994	F.C.A./ 25 Yr.	13, Gandhi Nagar Bhilwara (Rajasthan)
5.	Mr. Satish Chandra Baldwa	Director	31.10.1994	Bsc., LL.B/ 20	13, Gandhi Nagar Bhilwara (Rajasthan)
6.	Mr. Arun Kumar Baldwa	Director	31.10.1994	B.Com / 14 yr	13, Gandhi Nagar Bhilwara (Rajasthan)

As on date, none of the directors on the board of directors of the Target company represent the Acquirer.

7.1.11 There has no merger/de-merger, spin off during the past three years in BTFL.

7.1.12 The audited financial information of BTFL is as under: -

(Rs. in lac)

Profit and loss statement	Year ended 31.03.02 (Audited)	Year ended 31.03.03 (Audited)	Year ended 31.03.04 (Audited)	Nine Months ending 31.12.04 (Audited)
Income from Operations	3.10	0.00	13.38	10.30
Interest	18.52	10.52	9.23	13.13
Dividend	0.00	0.01	0.01	0.00
Miscellaneous Income	0.02	0.00	1.28	0.00
Increase/ (Decrease) in stocks	(14.21)	0.00	(5.38)	(60.50)

Total Income	7.43	10.53	18.52	(37.07)
Total Expenditure	7.02	12.57	44.70	23.55
Profit Before Depreciation Interest and Tax	0.41	(2.04)	(26.18)	(60.62)
Depreciation	0.05	0.05	0.05	0.04
Interest	0.03	0.03	0.35	0.00
Profit Before Tax	0.33	(2.12)	(26.57)	(60.66)
Provision for Tax	0.23	0.00	0.00	0.00
Profit After Tax	0.10	(2.12)	(26.57)	(60.66)

(Rs. in lac)

Balance Sheet statement	**Year ended 31.03.02 (Audited)**	**Year ended 31.03.03 (Audited)**	**Year ended 31.03.04 (Audited)**	**Nine Months ending 31.12.04 (Audited)**
Sources of Funds				
Paid up Share Capital	350.27	350.27	350.27	350.27
Reserves and Surplus (excluding revaluation reserves)	2.20	2.20	2.20	2.20
Networth	346.08	346.10	321.66	261.00
Secured Loans	0.00	0.00	0.00	0.00
Unsecured Loans	0.00	0.00	0.00	0.00
Deferred Tax Liability	0.08	0.08	0.08	0.08
Total	**352.55**	**352.55**	**352.55**	**352.55**
Uses of Funds				
Net Fixed Assets	0.52	0.47	0.42	0.40
Investments	0.03	0.03	0.03	0.03
Net Current Assets	345.62	345.68	321.29	260.65
Total miscellaneous expenditure not written off	6.39	4.25	2.12	2.12
Profit & Loss account	0.00	2.12	28.69	89.35
Total	**352.55**	**352.55**	**352.55**	**352.55**

Other Financial Data	**Year ended 31.03.02 (Audited)**	**Year ended 31.03.03 (Audited)**	**Year ended 31.03.04 (Audited)**	**Nine Months ending 31.12.04 (Audited)**
Dividend (%)	0.00	0.00	0.00	0.00
Earning Per Share (in Rs.)	0.00	(0.06)	(0.76)	(1.73)
Return on Networth (%)	0.03	(0.61)	(8.26)	(23.24)
Book Value Per Share (in Rs.)	9.88	9.88	9.18	7.45

Source: As certified by statutory auditors of the company namely, Mr. Madhusudan Aggarwal (M.No. 86580) Partner of M/s. Doogar & Associates, Chartered Accountants, 13, Community Centre, East of Kailash, New Delhi-110 065, Tel: 011-26419079, 26472557, Fax: 011-26219491 vide his certificate dated 23.02.2005.

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

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

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

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

The Total Income & Profit after tax has been low due to fall in the value of shares held as stock in trade and increase in the bad debts.

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

Sr. No.	Shareholder Category	Shareholding & Voting rights prior to the Acquisition and offer		Shares/voting rights acquired Which triggered off the Regulations		Shares/Voting rights to be acquired in the open offer (assuming full acceptance)		Shareholding/voting rights after the acquisition and Offer	
		(A)		(B)		(C)		(A+B+C)	
1.	Promoter Group								
	a. Seller								
	1. Satish Chandra Baldwa	1,50,001	4.28	(1,50,001)	(4.28)	Nil	Nil	Nil	Nil
	2. Arun Kr. Baldwa	1,50,001	4.28	(1,50,001)	(4.28)	Nil	Nil	Nil	Nil
	3. Shakuntla Baldwa	1,50,001	4.28	(1,50,001)	(4.28)	Nil	Nil	Nil	Nil
	4. Trishla Baldwa	1,50,001	4.28	(1,50,001)	(4.28)	Nil	Nil	Nil	Nil
	5. Kavitya Baldwa	1,50,001	4.28	(1,50,001)	(4.28)	Nil	Nil	Nil	Nil
	6. Rajendra Pd. Baldwa	1,49,994	4.28	(1,49,994)	(4.28)	Nil	Nil	Nil	Nil
	7. Susheela Baldwa	75,000	2.14	(75,000)	(2.14)	Nil	Nil	Nil	Nil
	8. Santosh Lal Baldwa	70,001	2.00	(70,001)	(2.00)	Nil	Nil	Nil	Nil
	9. Santosh Lal RajendraPrasad Huf	49,500	1.41	(49,500)	(1.41)	Nil	Nil	Nil	Nil
	10.R.P. Baldwa HUF	49,500	1.41	(49,500)	(1.41)	Nil	Nil	Nil	Nil
	11 A.K. Baldwa HUF	49,500	1.41	(49,500)	(1.41)	Nil	Nil	Nil	Nil
	12.S.C. Baldwa HUF	49,500	1.41	(49,500)	(1.41)	Nil	Nil	Nil	Nil
	b. other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total of 1 (a+b)	**12,43,000**	**35.49**	**(12,43,000)**	**(35.49)**	**Nil**	**Nil**	**Nil**	**Nil**
2.	**Acquirer**								
	SAINIK MINING & ALLIED SERVICES LIMITED	Nil	Nil	12,43,000	35.49	7,00,540	20.00	19,43,540	55.49
	Total	**Nil**	**Nil**	**12,43,000**	**35.49**	**7,00,540**	**20.00**	**19,43,540**	**55.49**
3.	**Parties to agreement other than 1(a) & (2)**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
4.	**Public (other than 1 to 3)**								
	1. FIs / MFs / FIIs /Banks								
	The Bank of Rajasthan Limited	99,100	2.83	Nil	Nil	(7,00,540)	(20)	15,59,160	44.51
	2. Others	21,60,600	61.68	Nil	Nil				
	Total (4(1) + 4(2)	**22,59,700**	**64.51**	**Nil**	**Nil**	**(7,00,540)**	**(20)**	**15,59,160**	**44.51**
	Grand Total	**35,02,700**	**100**	**Nil**	**Nil**	**Nil**	**Nil**	**35,02,700**	**100**

Note: • The data within bracket indicates sale of equity shares.

7.1.14 The approximate number of shareholders in BTFL in public category is 1040.

7.1.15 The company has complied with the conditions of corporate governance.

7.1.16 The name and contact details of the compliance officer are as under:-

Name of the Compliance Officer	:	Mr. R.P. Baldwa
Contact Address	:	82, Vasant Enclave, New Delhi
Contact Number	:	(011) 51662474, 51662475
Fax	:	(011) 51662470

8. OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 Justification of Offer Price

8.1.1 The equity shares of "BFTL" are listed. But the shares of "BTFL" are infrequently traded at all the Stock Exchanges where they are listed/permitted to trade during the preceding six calender months prior to the month of this Public Announcement, the offer price in terms of Regulation 20(5) of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 is determined taking into account the following parameters.

1.	Negotiated price under an agreement as referred to in sub-regulation (1) of Regulation 14 of Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.	Rs. 2/-(Rupees Two only)
2.	Price paid by the acquirer for acquisition including by way of allotment in a public or rights or preferential issue during the twenty-six week period prior to the date of this public announcement.	There has been no acquisition by the acquirer during the said period of 26 weeks.
3.	Other Parameters# Return on Net Worth as on 31.12.2004 Book Value Per Share as on 29.12.2004 Earning Per Share as on 31.12.2004 P/E	 -ve 7.45/- -ve Not Ascertainable

#Source: As certified by statutory auditors of the company namely Mr. Madhusudan Aggarwal, (Membership No. 86580) Partner of, M/s. Doogar & Associates, Chartered Accountants, 13, Community Centre, East of Kailash, New Delhi-110 065, Tel: 011-26419079, 26472557, Fax: 011-26219491, vide his certificates dated 16.02.2005 & 23.02.2005.

The Highest Price of the above is Rs.7.45/-. Hence, the offer price of Rs.7.50/- is justified.

8.1.2 If the acquirer acquires equity shares after the date of Public Announcement upto 7 working days prior to the closure of the offer at a price higher than the officer, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the offer.

8.2 Financial Arrangements

8.2.1 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. The Acquirer will meet out its financial obligations from its Internal resources. 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.

8.2.2 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.

8.2.3 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.

8.2.4 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.

8.2.5 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.

9. TERMS AND CONDITIONS OF THE OFFER

9.1 Persons eligible to participate in the Offer

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

9.1.2 None of the existing shares of BTFL are under any Lock-in requirements.

9.2 Statutory Approvals

9.2.1 Approval for transfer of shares of a Company registered in India by a Non Resident to a person resident in India is required. The Acquirer shall apply for approval from RBI for transfer of shares in their name in due course after successful completion of this Offer.

9.2.2 As on the date of Public Announcement, no approval from any bank or financial institutions is required for the purpose of this Offer, to the best of the knowledge of the Acquirer.

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

9.2.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. SEBI has power to grant extension of time to Acquirer for payment of consideration to shareholders subject to Acquirer agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of willful default by the Acquirer in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

9.3 Others

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

9.3.2 This Letter of Offer has been mailed to all the shareholders of BTFL (other than parties to SPA), whose names appeared on the Register of Members of BTFL as on February 11,2005 (Friday), being the Specified Date. Persons who own equity shares of BTFL any time prior to the date of Offer Closure, but are not registered holders, are also eligible for accepting the offer.

9.3.3 Unaccepted Share/ Shares Certificates, Share Transfer Forms and other documents, if any, will be credited back to respective depository account or returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

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

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

10.1 Shareholders who wish to tender their equity shares will be required to send their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and duly signed Share Transfer Form(s) to the Registrar to the Offer by hand delivery /registered post or through courier, as the case may be, at the address mentioned in Para 10.17 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

10.2 The Registrar to the Offer, **M/s. Skyline Financial Services Private Limited** has opened a special depository account with **Central Depository Services (India) Limited (CDSL), details of which are as per para 10.5 below.**

10.3 Shareholders of BTFL to whom this Offer is being made, are free to offer his / her / their equity shares of **BTFL** for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in this Offer.

10.4 Beneficial owners and shareholders holding shares in physical form, who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post, as the case may be, so as to reach them on or before 5.00 PM upto the date of closure of the offer i.e. March 28, 2005 (Monday).

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

10.5 Beneficial owners and **shareholders holding shares in the dematerialised form,** will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on or before 5.00 PM upto the date of closure of the offer i.e. March 28, 2005 (Monday) along with:

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

DP Name	**:**	**SAM GLOBAL SECURITIES LIMITED.**
DP ID Number	**:**	**12019101**
Client ID Number	**:**	**00080529**
Depository	**:**	**Central Depository Services (India) Ltd.**

- Delivery Instruction: Special attention should be paid to the following:-
- Beneficial owners, who hold equity Shares of BTFL in dematerialised form, are required to execute an "off-market" trade by tendering the Delivery Instruction for debiting their beneficiary account with their concerned depository participant and crediting the above-mentioned account. The credit in the Depository Escrow Account should be received on or before the Offer Closing Date; i.e., March 28, 2005 (Monday) else the application would be rejected.
- The Delivery Instructions to be given to the depository participant should be in "For Off Market Trade" mode only. For each Delivery Instruction, the beneficial owner should submit a separate Form of Acceptance cum Acknowledgement. Shareholders having their beneficiary account in National Securities Depository Limited **("NSDL")** have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with CDSL.

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

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

10.8 In case of Non-resident equity shareholders, Foreigners, Foreign Companies and Foreign Institutional Investors, photocopies of the approval(s) by the Reserve Bank of India for acquiring and holding equity shares in BTFL

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

10.10 **Special Note for shareholders who have sent their Shares for Dematerialisation:** Shareholders who have sent their physical Shares for dematerialisation need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the Escrow Depository Account can be received on or before 5.00 PM upto the Offer Closing Date i.e. March 28, 2005 (Monday), else the application would be rejected.

10.11 **The offer documents are being dispatched to only those shareholders, who are eligible to participate in the offer. As the Acquirer and the parties to the agreement dated January 10, 2005 are not eligible, the offer documents are not sent to them.**

10.12 In case of non-receipt of Letter of Offer, the eligible shareholders may send his / her / their applications to the Registrar to the Offer on the address mentioned hereinabove, on a plain paper stating the **name, address, number of equity shares held, folio number(s), certificate number(s), distinctive number(s), and number of shares** tendered along with the relevant documents as mentioned hereinabove, so as to reach them on or before **5.00 PM** upto the date of closure of the offer i.e. March 28, 2005 (Monday).

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

An unregistered shareholder can send his / her / their application to the Registrar to the Offer on the address mentioned hereinabove, on a **plain paper** stating the name, address, number of shares held, folio number(s), certificate number(s), distinctive number(s) and number of equity shares tendered along with the relevant documents as mentioned hereinabove, so as to reach them **on or before 5.00 PM on** March 28, 2005 (Monday).The forms are also available on sebi website www.sebi.gov.in .

10.14 No indemnity is required from the unregistered shareholders.

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

10.16 In case of shareholders who have not received the LOO and holding shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in para 10.5 above, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. March 28, 2005 (Monday). Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

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

Address of Registrar to the Offer:

Sr. No.	Address of Registrar to the Offer	Business Hours	Mode of Delivery
1.	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	**Monday to Friday** 10.30 AM to 5.00 PM **Saturday** 10.30 AM to 1.30 PM	Hand Delivery / Courier/ Registered Post

Holidays: Sundays and Bank Holidays

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

10.19 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the date of Closure of the Offer i.e. March 22, 2005 (Tuesday). The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed in the Letter of Offer. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 5.00 PM upto the last date of withdrawal i.e. March 22, 2005 (Tuesday).

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

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

10.22 In case of dematerialized shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP, in favour of the **"Skyline A/c-BTFL Open Offer Escrow A/c"** ("Depository Escrow Account").

10.23 The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account. Physical shares withdrawn by shareholders would be returned to the shareholders by Registered post.

10.24 The acquirer shall acquire the shares received from the shareholders under the offer on a proportional basis in terms of Regulation 21(6) & the intimation of returned shares to the Shareholders will be sent at the address as per the records of BTFL.

10.25 **Acquirer will acquire all the 7,00,540 fully paid-up equity shares tendered in the Offer with valid applications.**

10.26 Method of Settlement

10.26.1 The marketable lot of BTFL is 100 {one hundred} equity share.

10.26.2 The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents or/ and shares lying in the special depository account, tendered by the shareholders of BTFL under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirer only upon the fulfillment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.

10.26.3 On fulfillment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirer will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of BTFL whose equity shares are accepted by the Acquirer at his address registered with BTFL. **It is desirable that shareholders holding Shares in physical mode provide bank details of the first/ sole shareholder in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque/demand draft. In case of shareholders holding Shares in electronic mode, bank particulars recorded with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.**

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

10.26.5 The Acquirer shall endeavor to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer (i.e. March 28, 2005 (Monday)), including payment of consideration to the shareholders of BTFL whose equity shares are accepted for purchase by the Acquirer.

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

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

10.27 General

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

10.27.2 Neither the Acquirer nor the Manager nor the Registrar nor the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, Share certificate(s), Share transfer deed(s), copy of delivery instructions or other documents.

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

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

10.27.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirer till the last day of revision, viz., at any time upto seven working days prior to the date of closure of the Open Offer or withdrawal of the Offer i.e. March 16, 2005 (Wednesday), the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

10.27.6 **"If there is competitive bid:**

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

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

10.27.7 Acquirer does not hold any share in the Target Company except 12,43,000 fully paid equity shares acquired through SPA.

10.27.8 **In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer on or before 5.00 PM upto three working days prior to the date of Closure of the Offer, i.e. Tuesday, March 22, 2005, as mentioned in para 11.17.**

10.27.9 Alternatively, a copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal cum Acknowledgement can be obtained from SEBI's official **web-site: www.sebi.gov.in.**

10.27.10 The manager to the Offer i.e. Chartered Capital & Investment Limited does not hold any shares in BTFL as on the date of PA.

10.27.11 Applications which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of offer i.e. March 28, 2005 (Monday) would be approved and the shares so offered would be accepted by the Acquirers free from all lien, charges, encumbrances along with all the rights attached to the shares like the right to all dividends, bonus and right shares and all other rights as are attached to such acquired shares.

10.27.12 Locked in shares
There are no shares of "BTFL" with lock in period.

11. DOCUMENTS FOR INSPECTION

11.1 The following documents are available for inspection at the Office of the Manager to the Offer i.e. Chartered Capital and Investment Limited, 13, Community Centre, East of Kailash, New Delhi - 110 065, from 10:00 a.m. to 5:00 p.m. on all working days except Sundays, until the closure of the Offer:

11.1.1. Certificate of Incorporation, Memorandum and Articles of Association in case of the Acquirer as well as the Promoter companies.
11.1.2 Net worth Certificates issued by Chartered Accountant certifying the net worth of the Acquirers.
11.1.3. Net worth certificates issued by Chartered Accountant certifying the adequacy of financial resources with the Acquirers to fulfill the open offer obligations.
11.1.4 Audited Annual Reports of "BTFL" for the financial year 2004, 2003 and 2002 along with the audited financial accounts for the period ended 31.12.2004.
11.1.5 Audited Annual Reports of "SMASL" for the financial year 2004, 2003 and 2002 along with the certified financial figures for the period ending 30.09.2004.
11.1.6 A letter from Bank of Baroda confirming the amount kept in Escrow Account and that the lien is in favour of Chartered Capital and Investment Limited.
11.1.6 Copy of the Share Purchase Agreement (SPA) dated January 10, 2005.
11.1.7 Published copies of the Public Announcement dated January 14,2005.
11.1.8 A copy of the letter from SEBI in terms of proviso to Regulation to 18(2) of the Regulations.
11.1.9 A copy of the agreement entered with DP for opening special depository account for the purpose of the Offer.

12. DECLARATION BY THE ACQUIRER

12.1. The Acquirer accept full responsibility for the information contained in this Letter of Offer.

12.2 The Acquirer will be severally and jointly responsible for ensuring compliance with the Regulations.

For and on behalf of the Acquirer

Sainik Mining and Allied Services Limited

Place : New Delhi
Date : 22.02.2005

13. Enclosures

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

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