LETTER OF OFFER

"This Document is important and requires your immediate attention"

This Letter of Offer is sent to you as a shareholder(s) of **ESSEN SUPPLEMENTS INDIA LIMITED.**

If you require any clarifications about the action to be taken, you may consult your Stock Broker or investment consultant or Manager / Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER

By

Shri Ganesh Kumar Singhania & Smt Anita Singhania (the "Acquirers")

both Residing at No. 28B, Rowland Road, Kolkata - 700 020
Ph: (033) 2474-2832, Fax No. (033) 2474 2832
email: singhaniadev_003@yahoo.com, anu28b@yahoo.com

To the shareholders of

ESSEN SUPPLEMENTS INDIA LIMITED ("ESIL")

having its registered office at Plot No 35, Samrat Colony, West Marredpally, Secunderabad – 500 026
Ph No: (040) 2770 0300, Fax No: (040) 2780 8889
email: esil@hd2.dot.net.in

For the acquisition of 12,00,000 fully paid up equity shares of Rs. 10/- each representing 20.66% of the expanded subscribed equity share capital and 20.88% of the expanded voting share capital at a price of Rs. 10/- per fully paid up equity shares & Rs. 5/- per partly paid up equity shares ("Offer Price") payable in cash , in accordance with regulation 20(2)(a) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof, from the existing equity shareholders of ESIL.

Please Note:

1. This Offer is being made in compliance with Regulations 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof (hereinafter referred to as "Regulations").
2. The Offer is subject to receiving the necessary approval(s), if any, from the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders, if any. In case of acceptances from Non-Resident shareholders, the Acquirers would after the closure of the Offer, make the requisite applications to RBI to obtain its approval for transfer of such shares of ESIL to the Acquirers. As on the date, to the best of the knowledge of the Acquirers, there are no other statutory approvals and / or consents required. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.
3. If there is any upward revision in the Offer Price / Size at any time up to seven working days prior to the date of closure of the Offer viz. 08.10.2009 or withdrawal of the Offer in terms of the regulation, the same would also be informed by way of a Public Announcement in the same newspapers where the original Public Announcement dated 30.07.2009 and Corrigendum to Public Announcement dt. 21.09.2009 had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.
4. 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 14.10.2009 i.e. three working days prior to the closure of the Offer.
5. **No Competitive bid has been announced as on the date of this Letter of Offer.**
6. The offer is not subject to a minimum level of acceptance by the shareholders of ESIL.
7. The Procedure for Acceptance is set out in Para 8 of this Letter of Offer. A Form of Acceptance and a Form of Withdrawal is enclosed with this Letter of Offer.
8. The Public Announcement , Corrigendum to Public Announcement and Letter of Offer (including Form of Acceptance cum Acknowledgement and Form of Withdrawal) would also be available at SEBI's website www.sebi.gov.in.

MANAGER TO THE OFFER:	REGISTRAR TO THE OFFER:
VC CORPORATE ADVISORS PRIVATE LIMITED SEBI REGN NO: INM000011096 (Contact Person: Ms. Neha Dalmia) 31 Ganesh Chandra Avenue, 2nd Floor, Suite No –2C, Kolkata-700 013 Phone No : (033) 2225-3940 / 3941 Fax : (033) 2225-3941 Email: mail@vccorporate.com	**MAHESHWARI DATAMATICS PRIVATE LIMITED** SEBI REGN No : INR000000353 (Contact Person:Mr. S. Raja Gopal) 6, Mangoe Lane, 2nd Floor, Kolkata- 700 001 Tel: (033) 2243-5809/5029 Fax: (033) 2248-4787 E-mail: mdpl@cal.vsnl.net.in
OFFER OPENS ON: 01.10.2009	**OFFER CLOSES ON : 20.10.2009**

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activity	Original Date & Day	Revised Date & Day
Date of Public Announcement	30.07.2009 (Thursday)	30.07.2009 (Thursday)
Specified date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	21.08.2009 (Friday)	21.08.2009 (Friday)
Last Date for a Competitive Bid, if any	20.08.2009 (Thursday)	20.08.2009 (Thursday)
Date by which Letter of Offer to be dispatched to the shareholders	09.09.2009 (Wednesday)	24.09.2009 (Thursday)
Date of Opening of the Offer	18.09.2009 (Friday)	01.10.2009 (Thursday)
Last Date for revising the Offer Price / Number of Shares	24.09.2009 (Thursday)	08.10.2009 (Thursday)
Last Date for withdrawal of acceptance by shareholders who have accepted the Offer	01.10.2009 (Thursday)	14.10.2009 (Wednesday)
Date of Closing of the Offer	07.10.2009 (Wednesday)	20.10.2009 (Tuesday)
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired shares and / or the share certificates for the rejected shares will be despatched.	21.10.2009 (Wednesday)	03.11.2009 (Tuesday)

RISK FACTORS

Risks related to the proposed Offer:

1. The Offer involves an offer to acquire 12,00,000 fully paid up equity shares of Rs. 10/- each representing 20.66% of the expanded subscribed equity share capital and 20.88% of the expanded voting share capital at a price of Rs 10/- per fully paid up equity shares & Rs. 5/- per partly paid up equity shares from the eligible persons for the Offer. In the case of over subscription in the Offer, as per the Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

2. In the event that either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this LO. Consequently, the payment of consideration to the public shareholders of ESIL whose Shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers may be delayed. In case of the delay, due to non-receipt of the statutory approvals, as per Regulation 22(12) of the Regulations, SEBI, may, if satisfied that the non-receipt of approval was not due to the willful default or negligence or failure to diligently pursue on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by the SEBI. Further, shareholders should note that after the last date of withdrawal i.e. 14.10.2009, the shareholders who have lodged the shares would not be able to withdraw them even if the acceptance of the Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

   The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers under the Offer. The Acquirers may not be able to proceed with the Offer in the event the approvals are not received in terms of the Regulation 27 of the Regulations. Delay, if any, in the receipt of these approvals may delay completion of the offer.

3. The Acquirers intend to acquire 12,00,000 fully paid up equity shares of Rs. 10/- each representing 20.66% of the expanded subscribed equity share capital and 20.88% of the expanded voting share capital of ESIL at a price of Rs 10/- per fully paid up equity shares & Rs. 5/- per partly paid up equity shares under the SEBI (SAST) Regulations, 1997. Further, the Shares tendered in the Offer in physical form will lie with the Registrar to the Offer, till the completion of the Offer formalities. The Acquirers 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 the shareholders on whether or not to participate in the Offer.

Risks involved in associating with the Acquirers

Post this Offer, the Acquirers will have significant equity ownership and effective management control over the Target Company pursuant to Regulations 10 and 12 of the Regulations. The Acquirers 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 the shareholders on whether or not to participate in the Offer. Both the Acquirers have no past experience in the current business undertaking of the Target Company.

The risk factor set forth above pertains to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risk with respect to their respective participation in the Offer.

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DEFINITIONS/ABBREVIATIONS

Acquirers	Shri Ganesh Kumar Singhania & Smt Anita Singhania
BSE	Bombay Stock Exchange Limited
ASE	Ahmedabad Stock Exchange Limited
Corrigendum to PA	Corrigendum to Public Announcement dt. 21.09.2009
HSE	The Hyderabad Stock Exchange Limited
FOA or Form of Acceptance	Form of Acceptance – cum – Acknowledgment accompanying this Letter of Offer
FOW or Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
LO	Letter of Offer
Manager to the Offer	VC Corporate Advisors Private Limited
NRI(s)	Non- Resident Indians
Offer Period	24.07.2009 to 03.11.2009
Offer Price	Rs. 10/- per fully paid up equity shares & Rs. 5/- per partly paid up equity shares payable in cash
Offer/Open Offer	Cash Offer being made by the Acquirers to acquire 12,00,000 fully paid up equity shares of Rs. 10/- each representing 20.66% of the expanded subscribed equity share capital and 20.88% of the expanded voting share capital at a price of Rs 10/- per fully paid up equity shares & Rs. 5/- per partly paid up equity shares.
PA	Public Announcement dt. 30.07.2009
Persons eligible to participate in the Offer	All owners (registered and unregistered) of shares of ESIL except the parties to the Share Purchase Agreement.
RBI	Reserve Bank of India
Registrar	Maheshwari Datamatics Private Limited
Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent Amendments thereof.
SEBI	Securities & Exchange Board of India
Sellers	N L Kanani, Mayur N Kanani, Koshore Bhai Paun, Bharat Vaju Keshwala, Vaju N Keshwala, Kirti Ben Paun, Dinesh Bhai Paun, Piyush Paun, Chiraj N Kanani, Bhavesh Paun, Lalita Ben Paun, Rakesh Paun, Natwarlal Paun, Nikunj Paun, Mukund T Kotecha, Vinod G Kotecha, Anil T Kotecha, Manubhai T Kotecha, Radhaben Kotecha, Vibha D

	Dattani, Bijal Natha Odedra, Rana Khimji Khunti, Rajen Rana Khunti, Bhima S Maher, Anil C Thakrar, Pennaben Paun, Bharat Bhai Paun, Bharti Keshwala & Kant Finance Pvt. Ltd.
SPA / Agreement	Share Purchase Agreement dt. 24.07.2009 entered into between Acquirers and Sellers.
Specified date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of ESIL, to whom the Letter of Offer should be sent, i.e. 21.08.2009
Target Company / ESIL	Essen Supplements India Limited

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF ESIL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES/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 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 THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER VC CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 12.08.2009 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER."

2. DETAILS OF THE OFFER:

2.1. Background of the Offer:

2.1.1 This Offer is being made by the Acquirers in compliance with Regulations 10 & 12 of the Regulations. The prime object of the Offer by the Acquirers is substantial acquisition of shares / voting rights of the Target Company and thereby obtaining effective management control of the Target Company.

2.1.2 The Acquirers have entered into Share Purchase Agreement dated 24.07.2009 ("SPA" or "Agreement") to acquire in aggregate 10,54,588 fully paid up equity shares of Rs. 10/- each representing 18.15% of the expanded subscribed equity share capital & 18.35% of the expanded voting share capital of ESIL, with the existing promoters, their relatives, friends, and associate companies represented by Shri N.L.Kanani through Power of Attorneys executed by the Individuals and board resolution passed by Associate Companies (hereinafter collectively referred to as "Sellers") as detailed below:

Sr. No	Name	Address	Phone No. & Fax No.	No. of Shares	% w.r.t. expanded subscribed Equity capital	% w.r.t. expanded subscribed Voting Equity capital
1.	N L Kanani	102 Tan Man Apartments, DV Colony, Secunderabad, Pin - 500003	09324824498 / (040)2780-8889	143,840	2.48%	2.50%
2.	Mayur N Kanani	102 Tan Man Apartments, DV Colony, Secunderabad, Pin - 500003	09848030889 / (040)2780-8889	287,906	4.96%	5.01%
3.	Koshore Bhai Paun	C/O T J & Sons, S V P Road, Porbandar, Pin - 360575	09879024864	15,060	0.26%	0.26%
4.	Bharat Vaju Keshwala	304 Sharma Complex, 9-1--83 S D Road, Secunderabad, Pin - 500003	4417823-19822	30,100	0.52%	0.52%

5.	Vaju N Keshwala	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09879028111	34,900	0.60%	0.61%
6.	Kirti Ben Paun	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09879024864	2,500	0.04%	0.04%
7.	Dinesh Bhai Paun	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09426809273	200	0.00%	0.00%
8.	Piyush Paun	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09824223636	5,000	0.09%	0.09%
9.	Chirag N Kanani	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09820284568	6,700	0.12%	0.12%
10.	Bhavesh Paun	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09879136001	2,500	0.04%	0.04%
11.	Lalita Ben Paun	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09879136001	7,400	0.13%	0.13%
12.	Rakesh Paun	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09824223636	2,500	0.04%	0.04%
13.	Natwarlal Paun	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09879136001	2,500	0.04%	0.04%
14.	Nikunj Paun	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09879136001	2,500	0.04%	0.04%
15.	Mukund T Kotecha	27 Imperial Drive North, Harrow Middex HA 23 DG, United Kingdom	4420895-21260	23,900	0.41%	0.42%
16.	Vinod G Kotecha	105 Kings Field Avenue, North Harrow Middex, United Kingdom	4420842-74149	23,930	0.41%	0.42%
17.	Anil T Kotecha	27 Imperial Drive North, Harrow Middex HA 23 DG, United Kingdom	447976724850	23,200	0.40%	0.40%
18.	Manubhai T Kotecha	105 Kings Field Avenue, North Harrow Middex, United Kingdom	441895832714	23,248	0.40%	0.40%
19.	Radhaben Kotecha	27 Imperial Drive North, Harrow Middex HA 23 DG, United Kingdom	447976724850	11,500	0.20%	0.20%
20.	Vibha D Dattani	27 Imperial Drive North, Harrow Middex HA 23 DG, United Kingdom	442084674777	45,811	0.79%	0.80%
21.	Bijal Natha Odedra	Tallmatare V 41 411664 Trollhattan Sweden	09879028111	9,286	0.16%	0.16%
22.	Rana Khimji Khunti	Tallmatare V 41 411664 Trollhattan Sweden	4652074693	7,893	0.14%	0.14%
23.	Rajen Rana Khunti	Tallmatare V 41 411664 Trollhattan Sweden	4652074693	5,571	0.10%	0.10%
24.	Bhima S Maher	Lextorpsuagen 291 46164 Trollhattan, Sweden	4652074954	4,643	0.08%	0.08%
25.	Anil C Thakrar	21 East Gate DR Champhill PA 17011 USA	17176480164	93,800	1.61%	1.63%
26.	Pennaben Paun	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09879136001	4,900	0.08%	0.09%
27.	Bharat Bhai Paun	7 Kotecha Commercial Centre, Jayshree Road, Junagadh, Pin-362001	09879136001	7,800	0.13%	0.14%
28.	Bharati Keshwala	304 Sharma Complex, 9-1--83	441782319822	500		

		S D Road, Secunderabad, Pin - 500003			0.01%	0.01%
29.	Kant Finance Private Limited	H No. 10-518 Plot No. 6, Srisatya Raghvendra Colony, Malkajgiri, Hyderabad, Pin – 500 047	09848030889	225,000	3.87%	3.91%
TOTAL				10,54,588	18.15%	18.35%

at a price of Rs. 8/- per fully paid up equity share payable in cash ("Negotiated Price"). The total consideration for the equity shares acquired as mentioned above is Rs 84,36,704/- (Rupees Eighty Four Lacs Thirty Six Thousand Seven Hundred Four only). Further no consideration either directly or indirectly is being given to the sellers (i.e.those selling shares under the SPA) apart from the consideration specifically mentioned above. The Equity Shares forming part of SPA are under lock in upto 30.04.2010 as per the terms and conditions stipulated by BSE vide its letter Ref No. DCS/COMP/OT/AJ/539/2008-09 dtd. 02.03.2009 at the time of revoking the suspension in trading of Equity shares of ESIL. However, the Acquirers have given an undertaking that the aforesaid shares under SPA, if transferred in their favour, shall be subject to continuation of lock-in in their hand for the remaining period of lock-in and also in compliance of the Regulations.

2.1.3 The Acquirers do not hold any Equity Shares in the Target Company except 20,00,000 Equity shares allotted on 24.07.2009 on Preferential basis at par in accordance with the guidelines for preferential issue under Chapter XIII of the SEBI (Disclosure & Investor Protection) Guidelines, 2000 and the subsequent amendments thereto. The Equity Shares issued on preferential basis are subject to "lock-in" as per the abovementioned Guidelines. Other than the above, the Acquirers have not acquired any equity shares of ESIL during the preceding twelve months from the date of PA. Pursuant to the Preferential Issue and SPA, the Acquirers shall be holding 30,54,588 Equity Shares constituting 52.58% of the expanded subscribed equity share capital and 53.14% of the expanded voting share capital of the Target Company and that resulted the triggering of the Regulations.

As on the date of PA, the Manager to the Offer does not hold any equity share in the Target Company. They declare and undertake not to deal in the shares of ESIL during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of the Offer.

The Offer is not as a result of global acquisition resulting in indirect acquisition of ESIL.

2.1.4 Some of the main features of the Agreement are mentioned below: -

a) The Sellers hold 10,54,971 equity shares of Rs. 10/- representing 18.16% of the expanded subscribed equity share capital & 18.35% of the expanded voting share capital of the Target Company.

b) That the Sellers subject to the terms and conditions hereinafter have agreed to sell, transfer and assign 10,54,588 fully paid up equity shares of Rs. 10/- each representing 18.15% of the expanded subscribed equity share capital & 18.35% of the expanded voting share capital of ESIL to the Acquirers @ Rs 8.00 (Rupees Eight only) per fully paid up equity share payable in cash.

c) That the Acquirers shall pay a sum of Rs. 25,000/- only to the Sellers towards part consideration on the date of the Share Purchase Agreement and the balance amount shall be released to the Sellers within 7 workings days from the date of successful completion of the open offer formalities.

d) That the Sellers agree to abide by its obligations as contained in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, as amended from time-to-time.

e) That the Acquirers shall comply with all the requirements of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

f) That in case of non-compliance of any provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997, the agreement for such sale shall not be acted upon by the Sellers or the Acquirers.

2.1.5 The proposed change in control is consequent to the Agreement whose salient features are described in 2.1.4 above.

2.1.6 The Acquirers, Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulation made under the SEBI Act, 1992.

2.1.7 The Offer will result in change in control of ESIL and a change in the Board of Directors of ESIL is contemplated by the Acquirers, consequent to this acquisition. As on the date of Public Announcement, none of the Director representing the Acquirers is on the Board of ESIL.

2.2. Details of the proposed Offer:

2.2.1. The Public Announcement dated 30.07.2009 & Corrigendum to Public Announcement dt. 21.09.2009 in respect of the Offer was made in Business Standard (English Daily) all editions, Business Standard (Hindi Daily) all editions, Lakshwadeep (Marathi Daily) Mumbai Edition and Andhra Prabha (Hyderabad) in compliance with Regulation 15(1) of the Regulations. The Public Announcement made on 30.07.2009 & Corrigendum to Public Announcement dt. 21.09.2009 is available on the SEBI web-site at www.sebi.gov.in.

2.2.2. The Acquirers propose to acquire from the existing equity shareholders of ESIL (other than the parties to the Agreement) 12,00,000 fully paid up equity shares of Rs. 10/- each representing 20.66% of the expanded subscribed equity share capital and 20.88% of the expanded voting share capital at a price of Rs 10/- per fully paid up shares & Rs. 5/- per partly paid up equity shares ("Offer Price") payable in cash ("Offer" or "Open Offer") in terms of Regulation 20 of the Regulations. There are 60,402 partly paid up equity shares of ESIL outstanding as on the date of the PA. The amount due on each partly paid equity shares is Rs. 5/- each. The Offer price in respect of partly paid up shares is in compliance with the Regulation 20(10) of the Regulations.

2.2.3. The Offer is not subject to any minimum level of acceptances from shareholders and is not a conditional Offer.

2.2.4. Since the date of the PA to the date of this LO, the Acquirers have not acquired any shares of ESIL.

2.2.5. No competitive bid has been received as on date of LO.

2.3. Object of the Offer:

2.3.1 The Offer has been made pursuant to Regulations 10 & 12 and other provisions of the Chapter III and in compliance with the Regulations.

2.3.2 The prime object of the Offer is to acquire substantial acquisition of shares / voting rights of the Target Company thereby obtaining effective management control of the Target Company.

2.3.3 The Acquirers through ESIL intend to invest, incubate in activities viz. Real Estate, Hotel / Hospital business and other infrastructure activities and also to reap the benefits of corporate opportunities available to companies listed on the Stock Exchanges having pan India presence. The Acquirers reserve the right to modify the present structure of the Target Company in a manner which is useful to the larger interest of the Shareholders along with change in Object Clause that may be effected will be in accordance with the applicable laws.

3. BACKGROUND OF THE ACQUIRERS:

3.1. Shri Ganesh Kumar Singhania, son of Shri Maman Chand Singhania, aged about 39 years, residing at 28B, Rowland Road, Kolkata – 700 020 is having more than 15 years of experience in Real Estate Investments by way of buying, selling of the plots of land & also in construction of residential and commercial complexes. M/s G.S.Global Projects Pvt. Ltd., a Company in which he is a director has successfully completed Diamond Super Bazar, a Market Complex at Diamond Harbour Road, Kolkata. His networth as on 31/03/2009 as certified by Mr. S. S. Lohia, (Membership No. 051739) Partner of M/s S. S. Lohia & Co., Chartered Accountants, having office at 27, Brabourne Road, Narayani Building, 5th Floor, Room No 505, Kolkata-700 001 Ph: No. (033) 2242 4684 / 2243 3261 E-mail sslohiaca@rediffmail.com vide their certificate dated 18.07.2009 is Rs. 94.54 Lacs.

Shri Ganesh Kumar Singhania holds the post of Directorship in Ankush Vyapaar Private Limited, Macro Netcom Private Limited, Macro Network Private Limited, Macro Telecom Private Limited, Macro Entertainment Private Limited, Ramanlal Madanlal Trading Private Limited, Ujjal Barter Private Limited, Shivarpan Engineers Private Limited, Tripti Vinimay Private Limited, Ananta Vyapaar Private Limited, G.S Global Projects Private Limited, Calcutta Fan [1995] Private Limited, Dalhousie Square Medical & Research Centre Private Limited, Ratnagiir Engineering Private Limited, Singhania Developers Private Limited, Sylvan Commercial Private Limited, G.K.S. Finvest Private Limited and Biswanath Realtors Private Limited. He is not a full time Director in any Company.

3.2. Smt. Anita Singhania, wife of Shri Ganesh Kumar Singhania, aged about 35 years, residing at 28B, Rowland Road, Kolkata-700020 is having more than 8 years of experience in the finance and hospitality business. She is independently looking after the finance and administrative functions of various nurshing homes like St. Mary's Nurshing Home Pvt. Ltd., Lansdown Nurshing Home, D.G.Medical Laboratory & Lansdown Nurshing Home &

Research Centre.Her networth as on 31/03/2009 as certified by Mr. S. S. Lohia (Membership No.051739) Partner of M/s S.S.Lohia & Co., Chartered Accountants, having office at 27, Brabourne Road, Narayani Building, 5th Floor, Room No 505, Kolkata-700001 Ph: No. (033) 2242 4684 / 2243 3261 E-mail sslohiaca@rediffmail.com vide their certificate dated 18.07.2009 is Rs. 26.21 Lacs.

Smt. Anita Singhania holds the post of Directorship in Ankush Vyapaar Private Limited, Macro Netcom Private Limited, Macro Network Private Limited, Macro Telecom Private Limited, Macro Entertainment Private Limited, Ramanlal Madanlal Trading Private Limited, Ujjal Barter Private Limited, Shivarpan Engineers Private Limited, Tripti Vinimay Private Limited, Ananta Vyapaar Private Limited and Biswanath Realtors Private Limited. She is not a full time Director in any Company.

3.3. None of the Acquirers hold office of directorship in any listed company.

3.4. The Acquirers i.e. Shri Ganesh Kumar Singhania & Smt Anita Singhania are husband & wife.

3.5. The Acquirers among themselves have not entered into any formal agreement with regard to SPA and / or the Open Offer. However, the Acquirers have informal understanding to hold the Equity Shares of the Target Company in equal proportion.

3.6. The Acquirer, till date have complied with the relevant provisions of Chapter II of the Regulations, wherever applicable except there is a delay of 1 day in respect of compliance u/r 7(1).

3.7. The information for the last three financial years ended 31st March 2009 based on the audited statements in respect of all the companies promoted by the Acquirers or where they exercise management control are given as under: -

3.7.1. **SINGHANIA DEVELOPERS PRIVATE LIMITED** was incorporated on 08.03.1995 in the State of West Bengal. (CIN No. U45202WB1995PTC069008). The registered Office of the Company is situated at 34, Ganesh Chandra Avenue, Kolkata – 700 013. The Company is presently engaged in the activities of Investment in land and properties.

The Shareholding Pattern of the Company as on 30.07.2009 is as follows:

S.No	Particulars	No.of shares of Rs. 10/- each	% to total capital
a.	Ganesh Kumar Singhania	8900	15.09
b.	G.S.Global Projects Pvt. Ltd	4250	7.20
c.	G.K.S. Finvest Pvt. Ltd	3750	6.36
d.	Calcutta Fan[1995] Pvt. Ltd	3100	5.26
e.	Baghwan Vanijay Pvt. Ltd	4000	6.78
f.	Dhan Virdhi Tie-Up Pvt. Ltd	10000	16.95
g.	Fairwell Marketings Pvt. Ltd.	10000	16.95
h.	Priority Marketing Pvt. Ltd	5000	8.47
i.	T.R.Investment Pvt. Ltd.	5000	8.47
j.	Zoom Vyapaar Pvt. Ltd.	5000	8.47
k.	**TOTAL**	**59000**	**100.00**

Brief financials based on Audited Accounts for the last three financial year ended 31/03/2009 are given below :

(Rs. in Lacs)

Particulars	**31st March 2007**	**31st March 2008**	**31st March 2009**
Equity Share Capital	1.30	2.00	5.90
Reserves (excluding revaluation reserve)	1.70	7.72	41.93
Miscellaneous Expenditure	-	-	0.02
Total Income	0.54	-	-
Profit After Tax (PAT)	(-)0.02	(-)0.28	(-)0.89
Earnings Per Share (EPS) (in Rs.)	(-)0.12	(-)1.38	(-)1.50
Net Asset Value (NAV)) per share in Rs.(Equity share of Rs 10/- each)	23.05	48.60	81.05

The Company is not a Sick Industrial Company.

3.7.2. **SHIVARAPAN ENGINEERS PRIVATE LIMITED** was incorporated on 29.09.1995 in the State of West Bengal. (CIN No.U52201WB1995PTC074608). The registered Office of the Company is situated at 34, Ganesh Chandra Avenue, Kolkata – 700 013. The Company is presently engaged in the activities of Investment in land and properties.

The Shareholding Pattern of the Company as on 30.07.2009 is as follows:

S.No	Particulars	No.of shares of Rs. 10/- each	% to total capital
a.	Ganesh Kumar Singhania	3800	16.52
b.	Anita Singhania	100	0.43
c.	G.S.Global Projects Pvt. Ltd	6350	27.61
d.	Singhania Developers Pvt, Ltd	3750	16.31
e.	G.K.S. Finvest Pvt. Ltd	3000	13.04
f.	Calcutta Fan[1995] Pvt. Ltd	6000	26.09
g.	**TOTAL**	**23000**	**100.00**

Brief financials based on Audited Accounts for the last three financial year ended 31/03/2009 are given below :

(Rs. in Lacs)

Particulars	**31st March 2007**	**31st March 2008**	**31st March 2009**
Equity Share Capital	2.30	2.30	2.30
Reserves (excluding revaluation reserve)	11.48	11.44	11.41
Miscellaneous Expenditure	0.05	0.04	0.02
Total Income	-	-	-
Profit After Tax (PAT)	(-)0.05	(-)0.03	(-)0.04
Earnings Per Share (EPS) (in Rs.)	(-)0.22	(-)0.15	(-)0.17
Net Asset Value (NAV)) per share in Rs.(Equity share of Rs 10/- each)	59.69	59.60	59.48

The Company is not a Sick Industrial Company.

3.7.3. **RAMANLAL MADANLAL TRADING PRIVATE LIMITED** was incorporated on 10.08.2001 in the State of West Bengal. (CIN No. U51900WB2001PTC093601). The registered Office of the Company is situated at 34, Ganesh Chandra Avenue, Kolkata – 700 013. The Company is presently engaged in the activities of Investment in land and properties.

The Shareholding Pattern of the Company as on 30.07.2009 is as follows:

S.No	Particulars	No.of shares of Rs. 10/- each	% to total capital
a.	Ganesh Kumar Singhania	14590	99.93
b.	Anita Singhania	10	0.07
	TOTAL	**14600**	**100.00**

Brief financials based on Audited Accounts for the last three financial year ended 31/03/2009 are given below :

(Rs. in Lacs)

Particulars	**31st March 2007**	**31st March 2008**	**31st March 2009**
Equity Share Capital	14.60	14.60	14.60
Reserves (excluding revaluation reserve)	(-)1.06	(-)1.13	(-)1.26
Miscellaneous Expenditure	-	-	-
Total Income	-	-	-
Profit After Tax (PAT)	(-)0.33	(-)0.07	(-)0.13
Earnings Per Share (EPS) (in Rs.)	(-)2.29	(-)0.49	(-)0.86
Net Asset Value (NAV)) per share in Rs.(Equity share of Rs 100/- each)	92.75	92.26	91.40

The Company is not a Sick Industrial Company

3.8. Disclosures in terms of Regulations 16(ix) of the Regulations:

3.8.1. The Offer has been made pursuant to Regulations 10 & 12 and other provisions of Chapter III and in compliance with the Regulations.

3.8.2. The prime object of the Offer is to acquire substantial acquisition of shares / voting rights of the Target Company and thereby obtaining effective management control of the Target Company.

3.8.3. The Acquirers do not have any plans to dispose off or otherwise encumber any assets of ESIL in the next two years except in the ordinary course of business of ESIL and / or for the purposes of restructuring, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of ESIL.

3.8.4. The Acquirers undertake not to sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company and in accordance with and subject to the applicable laws, permissions and consents, if any.

3.9. Future Plans / Strategies of the Acquirers with regard to the Target Company

The Acquirers through ESIL intend to invest, incubate in activities viz. Real Estate, Hotel /Hospital business and other infrastructure activities and also to reap the benefits of corporate opportunities available to companies listed on the Stock Exchanges having pan India presence. The Acquirers reserve the right to modify the present structure of the Target Company in a manner which is useful to the larger interest of the Shareholders along with change in Object Clause that may be effected, will be in accordance with the applicable laws.

4. OPTION IN TERMS OF REGULATION 21 (2)

Assuming full acceptances, the Offer would not reduce the public shareholding below the minimum limit prescribed by SEBI. After this Offer, public shareholding will be 26.77 % & 25.99 % of the paid up equity capital & voting capital respectively of the Target Company. Hence, pursuant to this Offer, the Acquirer will not exercise the delisting option.

5. BACKGROUND OF THE TARGET COMPANY – ESIL

5.1. Brief History and Main Areas of Operations:

5.1.1 ESIL having its Registered Office at Plot No 35, Samrat Colony, West Marredpally, Secunderabad – 500 026, was incorporated in the name of Essen Supplements India Private Limited on 02.01.1992 under the Companies Act, 1956 as a Private Limited Company with the Registrar of Companies, Andhra Pradesh. The name of the Target Company was subsequently changed to Essen Supplements India Limited pursuant to resolution passed on 20.04.1992 in terms of Section 31(1)/ 44 of the Companies Act, 1956 and fresh Certificate of Incorporation issued by Registrar of Companies, Andhra Pradesh, Hyderabad on 15.06.1992. The CIN No. of ESIL is L24230AP1992PLC013635. ESIL came out with initial public offer in the year 1994.

5.1.2 ESIL is presently engaged in the business of manufacturing of Construction Chemical and Epoxy Resins at its plant located at 39B & 40B, Anrich Industrial Estate, Bollaram, Jinnaram Mandal, Dist- Medak (Andhra Pradesh)

5.1.3 As on the date of PA, the Authorized share capital of ESIL is Rs.10,00, 00,000/- divided into 1,00,00,000 equity shares of Rs. 10/- each fully paid up. The Paid-up Equity Share Capital of ESIL is Rs. 5,77,86,990/- divided into 57,48,498 fully paid up equity shares of Rs.10/- each and 60,402 partly paid up equity shares of Rs. 10/- each partly paid to the extent of Rs.5/- per share.

5.1.4 The Equity Shares of ESIL are listed on Stock Exchanges at BSE, ASE and HSE. The shares of the ESIL are not admitted as permitted security in any other Stock Exchange. HSE has since being de-recognised by SEBI. The shares of the Target Company were suspended from trading from BSE w.e.f 31.12.2007 due to the non-compliances of the various clauses of the Listing agreement. The aforesaid suspension has been revoked by BSE vide Notice No. 20090429-15 dated 29.04.2009 effective from 07.05.2009.

5.1.5 The share capital structure of the Target Company is as follows:

Paid up Equity Shares of Target Company	No. of Shares / Voting Rights	% of Shares / Voting Rights
Fully Paid up Equity Shares	57,48,498/57,48,498	98.96/100
Partly Paid up Equity Shares	60,402/0	1.04/0
Total Paid up Equity Shares/voting rights	*58,08,900/57,48,498	100/100

* 27,00,000 Equity Shares allotted on 24.07.2009 on Preferential allotment basis are yet to be listed.

5.1.6 Current capital structure of the Target Company has been built up since inception as per the details given below:

Date of allotment	Shares Issued		Cumulative paid up capital (Rs)	Mode of allotment	Face Value (Rs.)	Issue Price (Rs.)	Identity of allottees	Compliance status
02.01.1992 (On Incorporation)	120	0.002	1200	Cash	10	10	Subscribers to the Memorandum	Yes
20.03.1992	300	0.005	4200	Cash	10	10	Subscribers to the Memorandum on conversion from Private to Public	Yes
26.10.1993	1,63,580	2.846	16,40,000	Cash	10	10	Promoters/ Promoter Group	Yes
17.04.1994	1,13,130	1.968	27,71,300	Firm Allotment by way of Reservation in Public Issue through Cash	10	10	Promoters/ Promoter Group & Associates	Yes
27.07.1994	10,22,870	17.794	1,30,00,000	Firm Allotment by way of Reservation in Public Issue through Cash	10	10	Promoters/ Promoter Group & Associates	Yes
27.07.1994	18,08,900	31.467	3,10,89,000	Allotment through Public Issue in Cash	10	10	Public Shareholders	Yes
24.07.2009	*27,00,000	46.97	5,80,89,000	Preferential Allotment in cash to Acquirers and Strategic Investors	10	10	Acquirers & Strategic Investors	Yes

* 27,00,000 equity shares of Rs. 10/- each at par were allotted by the Target Company on 24.07.2009 in accordance with the guidelines for preferential issue under Chapter XIII of the SEBI (Disclosure & Investor Protection) Guidelines, 2000 and the subsequent amendments thereto ("Guidelines"). The Equity Shares issued on preferential basis are subject to "lock-in" as per the abovementioned Guidelines. The break up of Preferential Issue is as follows:

Name of Allottees	No of Shares Allotted	Price per Share(Rs)	Category of Allottees
Mr. Ganesh Kumar Singhania	10,00,000	10	Acquirer
Mrs. Anita Singhania	10,00,000	10	Acquirer
M/s Vastav Dealers Private Limited	5,00,000	10	Strategic Investor
Mrs. Abha Sultania	2,00,000	10	Strategic Investor

5.1.7 As on the date there are no outstanding convertible instruments such as warrants / FCDs / PCDs etc. There are 60,402 partly paid up shares as on the date of PA.

5.1.8 As per our verification and undertaking received from the Target Company, we state that there has not been any suspension of trading of shares of ESIL on BSE, ASE & HSE i.e. the Stock Exchange where the shares of the Company are listed except suspension of the Equity Shares from BSE w.e.f 31.12.2007 due to non compliance of various clauses of the Listing Agreement. The aforesaid suspension has been revoked by BSE vide its notice no. 20090429-15 dt. 29.04.2009 effective from 07.05.2009. We have further been informed that as on date no other punitive action has been taken against the Target Company by any of the Stock Exchanges. In this respect we have already written to BSE, ASE & HSE vide our letter dt. 01.08.2009 and reminder letter dated 06.08.2009 to provide us the information of compliance made by ESIL along with any suspension / disciplinary / penal action taken by them against the Target Company. We have not received any information from any of the Stock Exchange till date. As per the letter dt. 22..09.2009 received from the Registrar of the Company, we state that there is no Investor's grievances pending as on date against the Target Company.

5.1.9 ESIL has belatedly complied with the disclosure requirement under Regulation 6(2) and 6(4) for the years 1997 and Regulation 8(3) for the year 1998 to 2003 with BSE on 01.09.2004 and with HSE on 03.09.2009. However we have not been provided any documentary evidence in respect of compliance done with ASE for the aforesaid period. The disclosure under Regulation 8(3) for the years 2004 to 2008 has been done with BSE, ASE & HSE on 20.10.2008. Further Compliance u/r 8(3) for the year 2009 has been submitted to BSE on 24.04.2009 whereas the Compliance done in respect of the same with ASE & HSE has not been provided to us. There has been an increase in the shareholding of the Promoters/ promoter group during the year 2003-04 on account of reclassification and during the year 2006-07 and 2007-08 on account of fresh acquisition which in our opinion requires compliance u/r 7(1A) and 11(1) of the Regulations. However the same has not been complied with. Apart from above, the sellers, promoter/ promoter group, wherever applicable have complied with the applicable provisions of Chapter II of the Regulations in time. Further the Target Company has not complied with the disclosure required under regulation 7(3) during the year 2003-04, 2006-07 and 2007-08 as they had not received the required disclosure u/r 7(1A) as stated above. **For such non-compliance/ delayed compliance, SEBI may initiate suitable action against the Promoter sellers and the Target Company.**

5.1.10 As per our verification and confirmation received from ESIL, we state that,
ESIL has:

a) Paid up to date Listing Fees to BSE, ASE & HSE.

b) Belatedly Complied with the Listing Agreement requirements of the Stock Exchanges in most of the cases. However no punitive actions have been taken against it by any of the stock exchange till date except as already mentioned in para 5.1.8 above.

5.1.11 The Board of Directors of ESIL as on the date of the PA is as follows:

Names of Directors	**Designation**	**DIN No.**	**Date of Apptt.**	**Quali fication**	**Residential Address**	**Experience**	**No. & % of shares of ESIL held as on date of P.A. i.e. 30.07.09 (Equity/ Voting)**	**No. & % of shares sold through agreement (Equity/ Voting)**
N L Kanani	Managing Director	01822492	02.01.92	B.E.Civil	501, Ashok Kumar Tower, 47, Union Park, Chembur, Mumbai – 400 071	Having experience of over 27 years in Civil Engineering and Chemical Manufacturing.	143,840 (2.48/2.50)	143,840 (2.48/2.50)
Mayur N. Kanani	Executive Director	01660322	14.07.94	B.Com	501, Ashok Kumar Tower, 47, Union Park, Chembur, Mumbai – 400 071	Having experience of over 15 years in Chemical Manufacturing	287,906 (4.96/5.01)	287,906 (4.96/5.01)
V. Subramanian	Independent Director	01660447	29.10.05	B. Com	118/2 RT, Prakash Nagar. Opp Old Airport, Begumpet, Hyderabad – 500 016	Having experience of over 25 years in handling operation of organisations	Nil	Nil
Pawan Kumar Goel	Independent Director	00238445	28.05.07	FCA	27, Abhoy Guha Goel, Flat No.- 405, Liluah Howrah – 711 204, West Bengal	Having experience of over 25 years in Finance	Nil	Nil
Sanjay Jhajharia	Independent Director	00222973	28.05.07	FCA, CS	CJ-29 Salt Lake City Sector – II Kolkata – 700 091, West Bengal	Having experience of over 25 years in Finance	Nil	Nil

NOTE:
No director representing the Acquirers is on the board of the Target Company as on the date of LO. Compliance of Regulation 22(9) of the Regulation is therefore not applicable in this case.

5.1.12 There has been no merger / demerger or spin off involving ESIL during the last 3 years.

5.2 Financial Information:

The financial details of ESIL as per the audited accounts for the last three financial years ended March 31, 2009 are as follows:

Profit & Loss Statement

(Rs. in Lacs)

For the Year Ended	31st March 2007 (Audited)	31st March, 2008 (Audited)	31st March, 2009 (Audited)
Income from Operations	79.88	80.78	80.65
Other Income	0.04	0.05	0.07
Liabilities written back	108.97	-	-
Total Income	188.89	80.83	80.72
Total Expenditure	74.81	77.96	77.02
Profit/(Loss) before Interest, Depreciation and Tax	114.08	2.87	3.70
Depreciation	14.26	14.26	14.26
Interest	0.01	1.79	-
Profit/(Loss) before Tax	99.81	(-)13.18	(-)10.56
Prior period expenses	-	(-)0.61	-
Provision for Tax (including deferred and fringe benefit tax)	(-)1.16	(-) 0.38	(-) 0.52
Profit/(Loss) after tax	98.65	(-) 14.17	(-)11.08

Balance Sheet

(Rs. in Lacs)

As on	31st March 2007 (Audited)	31st March, 2008 (Audited)	31st March, 2009 (Audited)
Sources of funds			
Paid up share capital	307.87	307.87	307.87
Reserves & Surplus (excluding revaluation reserves)	(-) 396.29	(-)410.47	(-)421.55
Net Worth	(-)88.42	(-)102.60	(-)113.68
Secured loans	171.46	218.50	232.00
Unsecured loans	101.34	59.55	59.55
Total	**184.38**	**175.45**	**177.87**
Uses of funds			
Net Fixed Assets(including W.I.P)	163.61	149.35	147.91
Investments	-	-	-
Deferred Tax Assets (Net)	-	-	-
Net Current Assets	20.77	26.10	29.96
Pre-Operating Expenses	-	-	-
Miscellaneous Expenditure	-	-	-
Total	**184.38**	**175.45**	**177.87**

Other Financial Data

For the Year Ended	31st March 2007 (Audited)	31st March, 2008 (Audited)	31st March, 2009 (Audited)
Dividend (%)	Nil	Nil	Nil
Earning Per Share (Rs.)	3.20	(-)0.46	(-)0.36
Return on Networth (%)	N.M*	N.M*	N.M*
Book Value Per Share (Rs.)	(-)2.87	(-)3.33	(-)3.69

****N.M means not meaningful***

Note:

(i) EPS = Profit after tax / number of outstanding equity shares at the close of the year.
(ii) Return on Net Worth = Profit after Tax / Net Worth
(iii) Book Value per Share = Net Worth / No. of equity shares
(iv) Source: Audited Annual Reports

(i) Reason for fall/rise in Total Income, Expenditure and PAT in the relevant year if applicable: - Year wise reason for the fall in the Total Income, Expenditure & PAT is cited below: -

1. Reason for change in total Income, Expenditure and PAT for the year ended 31st March, 2009 over year ended 31st March 2008:

   Total Income for the year ended 31st March 2009 was Rs. 80.72 Lacs as compared to Rs. 80.83 Lacs for the year ended 31st March 2008. Further total Expenditure (excluding interest and depreciation) for the year ended 31st March 2009 was Rs.77.02 Lacs as compared to Rs.77.96 Lacs for the year ended on 31st March 2008. Consequently the Loss for the year ended 31st March 2009 was Rs. 11.08 Lacs as against the loss of Rs. 14.17 Lacs for the year ended on 31st March 2008.

2. Reason for change in Total Income, Expenditure and PAT for the year ended 31st March 2008 over year ended 31st March 2007:

   Total Income for the year ended 31st March 2008 was decreased to Rs. 80.83 Lacs as compared to Rs. 188.89 Lacs for the year ended 31st March 2007 mainly due to liabilities written back of Rs. 108.97 lacs in the year ended 31st March 2007 as compared to Rs. Nil for the year ended 31st March 2008.. Total expenditure for the year ended 31st March 2008 was Rs. 77.96 Lacs as compared to Rs. 74.81 Lacs for the previous year ended 31st March 2007.Consequently the loss for the year ended 31st March 2008 was Rs. 14.17 Lacs as against the profit of Rs 98.65 Lacs for the year ended 31st March 2007.

5.3 Pre and Post-Offer Shareholding Pattern of ESIL (based on the Subscribed & Paid-up Equity Shares) is as Under:

Shareholders' Category	Share holding Prior to the Agreement/ Preferential Allotment, acquisition and Offer		Shares acquired on Preferential basis / SPA which triggered off the Regulation		Shares to be acquired in open Offer (assuming full acceptances)		Share holding after Acquisition, Preferential Allotment and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
1. Promoter Group								
a) Parties to Agreement	10,54,971	33.93	(-)10,54,588	(-)18.15	-	-	383	0.01
b) Promoter other than (a) above #	37,703	1.21	-	-	-	-	37,703	0.65
TOTAL 1 (a + b)	10,92,674	35.14	(-)10,54,588	(-)18.15	-	-	38,086	0.66
2. Acquirers:								
(a) Through Preferential Allotment	-	-	20,00,000	34.43	-	-		
(b) Through SPA	-	-	10,54,588	18.15	-	-	42,54,588	73.24
(c) Through Open offer	-	-	-	-	12,00,000	20.66		
TOTAL 2	-	-	30,54,588	52.58	12,00,000	20.66	42,54,588	73.24
3. Public Share Holding [Other than 1(a) & (2)]*								
I)Institutions								
a) Mutual Funds / UTI	70,800	2.28						
b) FIIs	113,700	3.66	-	-				
II)Non-Institutions					(-)12,00,000	(-)20.66	15,16,226	26.11
a) Bodies Corporate	564,000	18.14	5,00,000*	8.61				
b) Individuals	1,267,726	40.78	2,00,000*	3.44				
Total 3 (I) + (II)	2,016,226	64.86	7,00,000	12.05	(-)12,00,000	(-)20.66	15,16,226	26.11
GRANDTOTAL (1+2+3)	**31,08,900**	**100.00**	**27,00,000**	**46.48**	**-**	**-**	**58,08,900**	**100.00**

 # The Promoters other than 1(a) above stated under Promoter group category are also eligible to participate under the Open Offer. The Post Offer shareholding of erstwhile promoter / promoter group remaining if any will be forming part of the public shareholding.
*** Preferential Allotment of shares to Non-Promoters.**

5.4 Pre and Post-Offer Shareholding Pattern of ESIL (based on the Voting Capital) is as under:

Shareholders' Category	Share holding Prior to the Agreement/ Preferential Allotment, acquisition and Offer		Shares acquired on Preferential basis / SPA which triggered off the Regulation		Shares to be acquired in open Offer (assuming full acceptances)		Share holding after Acquisition, Preferential Allotment and Offer (A+B+C)	
	(A)		**(B)**		**(C)**		**(D)**	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
1. Promoter Group								
a) Parties to Agreement	10,54,971	34.61	(-) 10,54,588	(-)18.35	-	-	383	0.01
b) Promoter other than (a) above#	37,703	1.24	-	-	-	-	37,703	0.65
TOTAL 1 (a + b)	10,92,674	35.85	(-) 10,54,588	(-)18.35	-	-	38,086	0.66
2. Acquirers:								
(A) Through Preferential Allotment	-	-	20,00,000	34.79	-	-		
(B) Through SPA	-	-	10,54,588	18.35	-	-	42,54,588	74.01
(C) Through Open offer	-	-			12,00,000	20.88		
TOTAL 2	-	-	30,54,588	53.14	12,00,000	20.88	42,54,588	74.01
3. Public Share Holding [Other than 1(a) & (2)]*								
I) Institutions								
a) Mutual Funds / UTI	70,800	2.32	-	-				
b) FIIs	113,700	3.73	-	-				
II) Non- Institutions					(-)12,00,000	(-)20.88	14,55,824	25.33
a) Bodies Corporate	564,000	18.50	5,00,000*	8.70				
b) Individuals	1,207,324 60,402 partly paid with no voting rights	39.60 -	2,00,000*	3.48				
Total 3 (I) + (II)	1,955,824	64.15	7,00,000	12.18	(-)12,00,000	(-)20.88	14,55,824	25.33
GRANDTOTAL (1+2+3)	**3,048,498**	**100.00**	**27,00,000**	**46.97**	**-**	**-**	**57,48,498**	**100.00**

 # The Promoters other than 1(a) above stated under Promoter group category are also eligible to participate under the Open Offer. The Post Offer shareholding of erstwhile promoter / promoter group remaining if any will be forming part of the public shareholding
*** Preferential Allotment of shares to Non-Promoters**

5.5 The total number of shareholders in Public Category is 525 as on 23rd July, 2009.

5.6 There was no trading of the shares of ESIL as on 30.07.2009 i.e. the date of Public Announcement at any of the Stock Exchange.

5.7 The details of the buildup of the Promoter shareholding in the Target Company are as follows: -

Shareholdings			Purchase / Inter se Transfer/ transmission made during the year	Sale / Inter se /Transfer/ transmission made during the year	Mode of allotment / acquisition	Shareholdings			Status of compliance with SEBI (SAST) Regulations, other regulations under SEBI Act, 1992 & statutory requirements as applicable
As on	No. of Shares	%				As on	No. of Shares	%	
20/02/97	726,070	23.35	-	-		31.03.97	726,070	23.35	N.A
01/04/97	726,070	23.35	-	-		31.03.98	726,070	23.35	N.A.
01/04/98	726,070	23.35	-	-		31.03.99	726,070	23.35	N.A.
01/04/99	726,070	23.35	0	1,36,500	Off Market Transaction	31.03.00	589,570	18.96	N.A.
01/04/00	589,570	18.96	0	14,500	Off Market Transaction	31.03.01	575,070	18.50	N.A.
01/04/01	575,070	18.50	-	-		31.03.02	575,070	18.50	N.A.
01/04/02	575,070	18.50	-	-		31.03.03	575,070	18.50	N.A.
01/04/03	575,070	18.50	298,704	0	reclassification	31.03.04	873,774	28.11	NO
01/04/04	873,774	28.11	0	100	Off Market Transaction	31.03.05	873,674	28.10	N.A.
01/04/05	873,674	28.10	0	44,700	Off Market Transaction	31.03.06	828,974	26.66	N.A.
01/04/06	828,974	26.66	129,200	-	Off Market Transaction	31.03.07	958,174	30.82	NO
01/04/07	958,174	30.82	1,36,800	0	Off Market Transaction	31.03.08	1,094,974	35.22	NO
01/04/08	1,094,974	35.22	0	2300	Off Market Transaction	31.03.09	1,092,674	35.15	N.A.
01/04/09	1,092,674	35.15	0	10,54,588	Sale pursuant to SPA dt. 24.07.09	24.07.09	38,086	0.66	YES

During the year 2003-04, there was reclassification of Promoters Shareholding of the Target Company. Due to this reclassification, the Promoters shareholding increased from 5,75,070 Equity shares (18.50%) in the year 2002-2003 to 8,73,774 Equity Shares (28.11%) in the Year 2003-2004. As per the available information, we state that the Promoter of the Target Company have not complied with Regulation 7(1A) and 11(1) of the Regulations, incase the re-classification is considered as fresh acquisition, in this case.

There were no Inter-se transfers of shares amongst the promoters/promoter group of the Target Company.

Purchase/ Inter Se Transfer					Sale/ Inter Se Transfer								
Year	Date	Buyer	No of shares	Rate	Seller	No of shares	Rate	Remarks	Promoters Shareholding before transaction	Purchase	Sales	Promoters Shareholding after transaction	Compliance Status Complied (Yes/ No)
1997-98													
Total			**0**			**0**			23.35%	-	-	23.35%	NA
1998-99													
Total			**0**			**0**			23.35%	-	-	23.35%	NA
1999-2000	30.03.00	Non-Promoter			Natwar Lal Lalji Kanani	40000	5	Off Market	23.35%	-	1.29%	22.06%	NA
	30.03.00	Non-Promoter			Mayur N Kanani	4000	5	Off Market	22.06%	-	0.12%	21.94%	NA
	30.03.00	Non-Promoter			Mayur N Kanani	92500	5	Off Market	21.94%	-	2.98%	18.96%	NA
Total						**136500**							
2000-2001	01.08.00	Non-Promoter			Hajivan Narandas Thakrar	500	10	Off Market	18.96%	-	0.01%	18.95%	NA
	01.08.00	Non-Promoter			Jitendra Laxmidas Kanani	1100	6	Off Market	18.96%	-	0.03%	18.92%	NA
	01.08.00	Non-Promoter			Mayur N Kanani	3000	10	Off Market	18.92%	-	0.10%	18.82%	NA
	01.08.00	Non-Promoter			Mayur N Kanani	9900	10	Off Market	18.92%	-	0.32%	18.50%	NA
Total						**14500**							
2001-2002													
Total			0			0			18.50%	-	-	18.50%	NA
2002-2003													
Total			0			0			18.50%	-	-	18.50%	NA
2003-2004			298704					**Reclassi fi cation**	18.50%	-	-	28.11%	NO
Total			**298704**										
2004-2005	07.01.00	Non-Promoter			Mayur N Kanani	100	10	Off Market	28.11%	-	0.01%	28.10%	NA
Total						**100**							
2005-2006	06.03.06	Non-Promoter			Leela Paun	5000	10	Off Market	28.10%	-	0.16%	27.94%	NA
	06.03.06	Non-Promoter			Dinesh Bhai Paun	7800	10	Off Market	27.94%	-	0.25%	27.69%	NA
	06.03.06	Non-Promoter			Harish Bhai Paun	10000	10	Off Market	27.69%	-	0.32%	27.37%	NA
	06.03.06	Non-Promoter			Devakur Ben Paun	7500	10	Off Market	27.37%	-	0.24%	27.13%	NA
	06.03.06	Non-Promoter			Rajul Paun	2500	10	Off Market	27.13%	-	0.08%	27.05%	NA
	06.03.06	Non-Promoter			Milap Paun	2500	10	Off Market	27.05%	-	0.08%	26.97%	NA
	06.03.06	Non-Promoter			Indumati Ben Paun	4500	10	Off Market	26.97%	-	0.14%	26.83%	NA
	06.03.06	Non-Promoter			Jayshri Ben Paun	4900	10	Off Market	26.83%	-	0.15%	26.66%	NA
Total						**44700**							

2006-2007	13.02.07	Mayur N Kanani	62500	2.43	Non-Promoter			Off Market	26.66%	2.01%	-	28.67%	NO
	01.03.07	Natwar Lal Lalji Kanani	66700	15	Non-Promoter			Off Market	28.67%	2.15%	-	30.82%	NO
		Total	**129200**										
2007-2008	28.06.07	Mayur N Kanani	96800	15	Non-Promoter		15	Off Market	30.82%	3.11%	-	33.93%	NO
	02.01.08	Natwar Lal Lalji Kanani	40000	6	Non-Promoter		6	Off Market	33.93%	1.29%	-	35.22%	NO
		Total	**136800**										
2008-2009	31.05.08	Kantaben Kakubhai Thakrar			Non-Promoter	1200	8	Off Market	35.22%	-	0.04%	35.18%	NA
	31.05.08	Vipul Sureshbhai Kotecha			Non-Promoter	800	8	Off Market	35.18%	-	0.03%	35.15%	NA
	31.05.08	Jitendra Laxmidas Kanani			Non-Promoter	300	8	Off Market	35.15%	-	-	35.15%	NA
		Total				**2300**							
24.07.2009					Non-Promoter	1054588	8	Sale pursuant to SPA	35.15%	-	*18.15 %	17.00%	Yes
		Total				**1054588**							

* of the expanded subscribed equity share capital

5.8 Corporate Governance and Pending Litigations:

Corporate Governance As per Certificate dated 30.05.2009 issued by Vimal Chand Jain, Partner of M/s Vimal C. Jain & Co., the statutory auditor, the Target Company has complied with conditions of Corporate Governance as stipulated in the Listing Agreement.

Pending Litigations:
We state that as per the Annual Report of ESIL for the financial year ended dated 31.03.2009, there are no pending Litigations / Claims against the Target Company contingent in nature.

5.9 Compliance Officer:
Mr. Mayur N. Kanani is acting as the Compliance Officer and his address is 102 Tan Man Apartments, DV Colony, Secunderabad. Ph No: 09848030889, Fax No: (040) 2780-8889, email- kananimayur@rediffmail.com

5.10 No director representing Acquirers is on the board of the Target Company as on the date of LO.

6. OFFER PRICE & FINANCIAL ARRANGEMENTS:

6.1. Justification of Offer Price:

6.1.1. The Equity Shares of ESIL are presently listed at BSE, ASE and HSE.

6.1.2. The Annualised trading turnover during the preceding six calendar months ended June 2009 in BSE, ASE and HSE are as follows:

Name of Stock Exchange	Total no of shares traded during the 6 calendar months prior to the month in which PA was made	Total No. of listed Shares	Annualised Trading Turnover (in terms of % to total listed shares)
*BSE	500	3,108,900	0.02%
ASE	-	3,108,900	-
HSE	-	3,108,900	-

*Source: www.bseindia.com

6.1.3. The shares of ESIL are listed on Bombay Stock Exchange Limited (BSE), Ahmedabad Stock Exchange Limited (ASE) & The Hyderabad Stock Exchange Limited (HSE). HSE has since being de-recognised by SEBI. The shares of the Target Company were suspended from trading from BSE w.e.f 31.12.2007 due to the non-compliances of the various clauses of the Listing agreement. The aforesaid suspension has been revoked by BSE vide Notice No. 20090429-15 dated 29.04.2009 effective from 07.05.2009. As the annualised trading turnover of the Equity shares of ESIL is not more than 5% of the total number of listed shares on stock exchanges, the equity shares are deemed to be infrequently traded within the meaning of explanation (i) to Regulation 20(5) of the Regulations and therefore the Offer Price has been determined taking into account the following parameters: -

	Negotiated Price under the Agreement(SPA)	:	Rs. 8.00/- per fully paid equity share
a)	Highest Price agreed to be paid by the Acquirers 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 Public Announcement	:	Rs.10.00/- per fully paid equity share
b)	Other parameters		Based on Audited Accounts for the year ended March 31, 2009
	Return on Networth (%)	:	#N.M
	Book Value per share (Rs)	:	(-)3.69
	Earning per Share (Rs)	:	(-)0.36
	Industry Average P/E Multiple for Chemicals		10.60
	Offer price P/E Multiple*		#N.M

#N.M means not meaningful
*Offer price/EPS
(Source: Capital Market VolXXIV/09 June 29-July 12, 2009)
The Industry PE is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied, and different businesses compared to ESIL and also vary widely in terms of financial parameters with ESIL.

There are 60402 partly paid up equity shares as on the date of Public Announcement on which a sum of Rs. 5/- per share is outstanding. Further the Company has earlier passed a resolution waiving the interest component on the partly paid up amount. The calculation of arriving offer price on partly paid up shares has been derived after deducting Rs. 5/- per share from the fully paid up offer price i.e Rs. 10/- per equity share which is in compliance with Regulation 20(10) of the Regulations.

The last traded price of the equity shares on BSE was Rs 4.00 per share on 26.06.2009 (Source-www.bseindia.com)

6.1.4. In view of the above, the Offer price of Rs. 10/- per share is justified in terms of Regulation 20(5).

6.1.5. As on the date of this PA, ESIL has 60,402 partly paid up equity shares of Rs. 10/- each and the total amount of allotment money in arrear is Rs.3,02,010/- i.e. Rs. 5/- per share. The Offer Price for partly paid up equity shares shall be adjusted to the extent unpaid as per Regulation 20(10) of the Regulations.

6.1.6. The Offer is not as a result of global acquisition resulting in indirect acquisition of ESIL.

6.1.7. The Acquirers have not entered into any non-compete agreement.

6.1.8. It is ensured that the Offer Price shall not be less than the highest price paid by the Acquirers for any acquisition of shares of the ESIL from the date of Public Announcement upto 7 working days prior to the closure of the offer viz. 08.10.2009.

6.2. Financial arrangements:

6.2.1. The Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of their own sources / networth and no borrowings from any Bank and / or Financial Institution are envisaged. Mr. S.S.Lohia, (Membership No. 051739), Partner of M/s S.S.Lohia & Co., Chartered Accountants, having Office at 27, Brabourne Road, Narayani Building, 5th Floor, Room No 505, Kolkata-700 001 Ph: (033) 2242 4684/ 2243 3261 e-mail sslohiaca@rediffmail.com vide their certificate dated 25th July 2009 have certified that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

6.2.2. The maximum consideration payable by the Acquirers assuming full acceptance of the Offer would be Rs. 1,20,00,000/- (Rupees One Crore Twenty Lacs Only). In accordance with regulation 28 of the Regulations, the Acquirers have opened an Escrow Account in HDFC Bank, IDBI House, 3A, Gurusaday Road Branch, Kolkata-700 019("Escrow Banker") and made therein a cash deposit of Rs. 30,00,000/- (Rupees Thirty Lacs Only) being 25% of the consideration payable in the Open Offer.

6.2.3. The Acquirers have sufficient liquid assets by way of Investment in Shares and Securities including Units of Mutual Fund to meet their obligations under the Open Offer. Mr. S.S.Lohia, (Membership No. 051739) , Partner of M/s S.S.Lohia & Co., having Office at 27, Brabourne Road, Narayani Building, 5th Floor, Room No 505, Kolkata-700 001 Ph: (033) 2242 4684/ 2243 3261 e-mail sslohiaca@rediffmail.com, has certified the liquid assets of Ganesh Kumar Singhania & Anita Singhania amounting to Rs. 139.48 Lacs & Rs. 36.26 Lacs respectively.

6.2.4. The Manager to the Offer i.e. VC Corporate Advisors Private Limited is authorized to operate the above-mentioned Escrow Account to the exclusion of all others and to instruct the Escrow Banker to issue cheques / pay orders / demand drafts / ECS credit, if required , in accordance with the Regulations.

6.2.5. Based on the aforesaid financial arrangements and based on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the offer in accordance with the Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER:

7.1. The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of ESIL (except parties to the Agreement) whose name appear on the Register of Members at the close of business hours on 21.08.2009 ("Specified Date").

7.2. All the owners of the shares, registered or unregistered (except parties to the agreement) are eligible to participate in the Offer as per the procedure set out in Para 8 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.

7.3. Accidental omission to dispatch this LO or the non-receipt or delayed receipt of this LO will not invalidate the Offer in anyway.

7.4. Subject to the conditions governing this Offer, as mentioned in the LO, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

7.5. Locked-in Shares:

The 10,54,588 Equity Shares forming part of SPA are under lock in upto 30.04.2010 as per the terms and conditions stipulated by BSE vide its letter Ref No. DCS/COMP/OT/AJ/539/2008-09 dtd. 02.03.2009 at the time of revoking the suspension in trading of Equity shares of ESIL. However, the Acquirers have given an undertaking that the aforesaid shares under SPA, if transferred in their favour, shall be subject to continuation of lock-in in their hand for the remaining period of lock-in and also in compliance of the Regulations.

7.6. Eligibility for accepting the Offer:

The Offer is made to all the public shareholders (except the parties to the agreement) whose names appeared in the register of shareholders on 21.08.2009 and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

7.7. Statutory Approvals and conditions of the Offer:

7.7.1. The Offer is subject to the approval from Reserve Bank of India ("RBI"), under the Foreign Exchange Management Act, 1999 ("FEMA"), for acquisition of equity shares by the Acquirers from non-resident persons under the offer.

7.7.2. To the best of knowledge and belief of the Acquirers, as of the date of the PA, other than the above no statutory approvals are required by them to acquire the equity shares tendered pursuant to this offer. If any other statutory approvals are required or become applicable, the offer would be subject to the receipt of such other statutory approvals. In terms of Regulation 27 of the Regulations, the Acquirers shall not proceed with the Offer in the event that such statutory approvals that are required are refused.

7.7.3. In case of non receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 22(12) of the Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 22(13) of the Regulations will also become applicable.

7.7.4. No approval is required from any bank or financial institutions, for this Offer, to the best of the Knowledge of the Acquirers.

7.8. In case of delay due to non-receipt of the statutory approvals within time, SEBI has a power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest to the shareholders for delay in payment of consideration beyond 03.11.2009.

7.9. 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 i.e.14.10..2009 i.e three working days prior to the closure of the Offer.

7.10. The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

8.1. The Shareholder(s) of ESIL who qualify and who wish to avail of this Offer will have to send their shares to the Registrar to the Offer as mentioned in the Form of Acceptance at the following address:

Maheshwari Datamatics Private Limited
SEBI REGN No : INR000000353
Contact Person : Mr. S. Raja Gopal
6, Mangoe Lane , 2nd Floor,
Kolkata- 700 001
Ph: (033) 2243-5809 / 5029
Fax:(033) 2248-4787
Email: mdpl@cal.vsnl.net.in

Acceptances may be sent by Registered Post or by hand so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. 20.10.2009. Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday – Friday	10.00 a.m. to 2.00 p.m & 2.30 p.m to 5.00 p.m.	Hand Delivery
Saturday	10.00 a.m. to 1.00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

8.2. Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed. 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.

8.2.1. For Equity Shares held in physical form:

(i) Registered shareholders should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s).
- **Original share Certificates**
- **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 ESIL and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this LO.

(ii) Unregistered owners should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed & signed in accordance with the instructions contained therein.

- **Original share Certificate(s)**

- **Broker contract note.**

- **Valid share transfer form(s) as received from the market**. The details of the buyer should be left blank failing which; the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. All other requirements for valid transfer will be preconditioned for acceptance. No indemnity is required from unregistered shareholders.

8.3. The Share Certificate(s), Share Transfer Form, Form of Acceptance, Form of Withdrawal and other documents, if any should be sent only to the Registrar to the Offer, as mentioned above. **They should not be sent to the Manager to the Offer or the Acquirers or the Target Company.**

8.4. In case of non-receipt of the Letter of Offer, the eligible persons may obtain a copy of the same from Registrar to the Offer or Manager to the Offer on providing suitable documentary evidence of acquisition of shares of ESIL. The Public Announcement, LO, Form of Acceptance Cum Acknowledgement and Form of Withdrawal will be available on SEBI website at ***www.sebi.gov.in***, from the Offer opening date. The eligible persons can download these documents from the SEBI's website & apply using the same. Alternatively, they may send their consent to participate in the Offer, to the Registrar to the Offer, on a plain paper stating the name & address of the first holder, name(s) & address(s) of joint holders, if any, regd. folio no, share certificate no., distinctive nos., no. of the shares held, no. of the shares Offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before closure to the Offer i.e. 20.10.2009. Unregistered owners should not sign the transfer deeds & the transfer deed should be valid.

8.5. Non resident shareholders should also enclose copy of permission received from RBI for the shares held by them in ESIL and 'no-objection' certificate / tax clearance certificate from the Income Tax authorities under Income Tax Act, 1961, indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid 'no-objection' certificate is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the shareholder, on the entire consideration amount payable.

8.6. The Acquirers shall complete all procedures relating to the Offer including payment of consideration to the shareholders by 03.11.2009. In case of delay due to non-receipt of the statutory approvals within time, SEBI has a power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest to the shareholders for delay in payment of consideration beyond 03.11.2009.

8.7. The payment of consideration for the applications so accepted in the Offer, if any, shall be given within 15 days from the date of closure of the Offer. Credit for the consideration will be paid to the shareholders who have tendered shares in the Open Offer, by ECS, Direct Credit or Crossed account payee cheques / pay order / demand drafts, RTGS and NEFT. It is desirable that the shareholders provide bank details in the Form of Acceptance-cum-Acknowledgement, so that the same can be incorporated in the cheque / demand draft / pay order.

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8.8. In case the shares tendered in the Offer are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be in accordance with Regulation 21(6) of the Regulations, on a proportionate basis. The marketable lot of ESIL is 100 Equity Shares.

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

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

8.11. In case any person has lodged shares of ESIL for transfer & such transfer has not yet been effected, the concerned person may apply as per the instructions in Para 8.4 above together with the acknowledgement of lodgment shares for transfer. Such persons should also instruct ESIL to send the transferred share certificate(s) directly to the Registrar to the Offer. The applicant should ensure that the certificate(s) reached the Registrar to the Offer on or before the Offer closing date.

8.12. In case the shareholder has already sold his Shares, he may kindly forward this Offer document to the transferee or to the broker through whom the shares were sold.

8.13. The shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of closure of the Offer, i.e. on or before 14.10.2009 in terms of Regulation 22(5A).

8.14. The withdrawal option can be exercised by submitting the document as per the instruction below, so as to reach the Registrar to the Offer on or before 14.10.2009. The withdrawal option can be exercised by submitting the form of withdrawal.

8.15. In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:
In case of physical shares: Name, address, distinctive numbers, folio nos., number of shares tendered / withdrawn.

8.16. The shares withdrawn by the shareholders, if any would be returned by registered post, in case of physical shares.

9. DOCUMENTS FOR INSPECTION:

Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, M/s. VC Corporate Advisors Private Limited at 31 Ganesh Chandra Avenue, 2nd Floor, Suite No –2C, Kolkata-700 013 on any working day between 10.00 a.m. and 2.00 p.m. during the period the Offer is open i.e., from 01.10.2009 to 20.10.2009.

i) Certificate from Mr. S. S. Lohia, (Membership No. 051739) Partner of M/s S.S.Lohia & Co., Chartered Accountants, having office at 27, Brabourne Road, Narayani Building, 5th Floor, Room No 505, Kolkata-700 001 Ph: No. (033) 2242 4684 / 2243 3261 E-mail sslohiaca@rediffmail.com, certifiying the net worth as on 18.07.2009 of the Acquirers.

ii) Memorandum & Articles of Association of ESSEN SUPPLEMENTS INDIA LIMITED along with Certificate of Incorporation.

iii) Audited Annual Reports for the financial year ended March 31, 2007, March 31, 2008 & March 31, 2009 of ESSEN SUPPLEMENTS INDIA LIMITED.

iv) Certificate dated 25.07.2009 from Mr. S.S.Lohia, (Membership No. 051739), Partner of M/s S.S.Lohia & Co., Chartered Accountants, having Office at 27, Brabourne Road, Narayani Building, 5th Floor, Room No 505, Kolkata-700 001 Ph: (033) 2242 4684/ 2243 3261 e-mail sslohiaca@rediffmail.com certifying that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

v) Certificate dated 27.08.2009 from Mr. S.S.Lohia (Membership No. 051739), Partner of M/s S.S.Lohia & Co., Chartered Accountants, having Office at 27, Brabourne Road, Narayani Building, 5th Floor, Room No 505, Kolkata-700 001 Ph: (033) 2242 4684/ 2243 3261 e-mail sslohiaca@rediffmail.com certifying the Liquid Assets of the Acquirers.

vi) Letter of HDFC Bank, IDBI House, 3A, Gurusaday Road Branch, Kolkata-700 019 dated 29.07.2009 confirming the amount kept in the Escrow Account .

vii) Copy of Escrow Agreement dt. 27.07.2009 entered amongst the Manager to the Offer, the Acquirers and HDFC Bank Limited.

viii) The copy of Share Purchase Agreement dated 24.07.2009 between the sellers and the Acquirers.

ix) A copy of the Public Announcement for the Offer dated 30.07.2009 and Corrigendum to Public Announcement dated 21.09.2009.

x) Copy of the Memorandum of Understanding between the Acquirers & the Manager to the Offer, dated 24.07.2009.

xi) Information obtained from BSE website about stock market data.

xii) Copy of SEBI letter no. CFD/DCR/TO/SS/176734/2009 dated September 14, 2009. issued in terms of proviso to the regulation 18(2) of the Regulations.

10. DECLARATION BY THE ACQUIRERS:

The Acquirers, accept full responsibility for the information contained in this Letter of Offer and also for their obligations as laid down in Regulation 22(6) of the Regulations.

Sd/
(Shri Ganesh Kumar Singhania)

sd/-
(Smt Anita Singhania)

Place: Kolkata
Date: 22nd September, 2009

Attached: Form of Acceptance cum Acknowledgement & Form of Withdrawal

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

To,
Maheshwari Datamatics Private Limited
6, Mangoe Lane, 2nd Floor,
Kolkata- 700 001

Date:

OFFER	
Opens on	October 01,, 2009
Closes on	October 20, 2009
Last date of Withdrawal	October 14, 2009

Dear Sir,

Subject: **Open Offer by Shri Ganesh Kumar Singhania & Smt Anita Singhania , residing at 28B, Rowland Road, Kolkata - 700 020 (hereinafter referred to as "Acquirers ") to the shareholders of ESSEN SUPPLEMENTS INDIA LIMITED (ESIL) to acquire from them 12,00,000 fully paid up equity shares of Rs. 10/- each representing 20.66% of the expanded subscribed equity share capital and 20.88% of the expanded voting share capital at a price of Rs 10/- per fully paid up equity shares & Rs. 5/- per partly paid up equity shares.**

I/We refer to the Letter of Offer dated 22.09.2009 for acquiring the equity shares held by me / us in ESSEN SUPPLEMENTS INDIA LIMITED.
I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

SHARES IN PHYSICAL FORM

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	Ledger Folio No.	Certificate No(s).	Distinctive No(s).	No. of shares
Total number 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 Acquirers gives the purchase consideration as mentioned in the Letter of Offer.
I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.
I/We note and understand that the Shares would reside in the special account opened for the purpose of this Offer until the time the Acquirers accepts the Shares and makes the payment of purchase consideration as mentioned in the Letter of Offer.
I/We confirm that the equity shares of ESSEN SUPPLEMENTS INDIA 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 authorize the Acquirers to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted.
I/We authorise the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the draft/cheque/warrant/ECS Credit, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.
I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and Delivered

	Full Names (s) of the holders	Address	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings all must sign. Enclose duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s). A corporation must affix its common seal and enclose necessary certified corporate authorizations. Non-resident shareholders with repatriable benefits must enclose appropriate documentation.
Place:
Date:

Bank Details

So as to avoid fraudulent encashment in transit, and also to enable payment through ECS the shareholder(s) may, at their option, provide details of bank account of the first / sole shareholder and the consideration cheque or demand draft will be drawn accordingly.
I / We permit the Acquirers or the Manager to the Offer to make thw payment of Consideration through Electronic Clearance Service (ECS) of the Reserve Bank of India based on the Bank Account Details provided below and a photo copy of cheque is enclosed.
Savings/Current/(Others; please specify) : ______________________________________
Name of the Bank Branch: ____
Account Number: ____IFSC Code of Bank____

---**Tear along this line** ---

Acknowledgement slip

Ledger Folio No. ____Received from ______________________________ ___________an application for sale of __________Equity Share(s) of ESSEN SUPPLEMENTS INDIA LIMITED together with ________share certificate(s) bearing Certificate Numbers _________________________ and _______transfer deed(s).

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

Date of receipt **Signature of the official**

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

From:
Name:
Address:

Tel. No.
Fax No.
E-mail:

OFFER	
Opens on	October 01,, 2009
Closes on	October 20, 2009
Last date of Withdrawal	October 14, 2009

To,
Maheshwari Datamatics Private Limited
6, Mangoe Lane, 2nd Floor,
Kolkata- 700 001

Dear Sir,

Subject: **Open Offer by Shri Ganesh Kumar Singhania & Smt Anita Singhania , residing at residing at 28B, Rowland Road, Kolkata - 700 020 (hereinafter referred to as "Acquirers ") to the shareholders of ESSEN SUPPLEMENTS INDIA LIMITED (ESIL) to acquire from them 12,00,000 fully paid up equity shares of Rs. 10/- each representing 20.66% of the expanded subscribed equity share capital and 20.88% of the expanded voting share capital at a price of Rs 10/- per fully paid up equity shares & Rs. 5/- per partly paid up equity shares.**

I/We refer to the Letter of Offer dated 22.09.2009 for acquiring the equity shares held by me/us in ESSEN SUPPLEMENTS INDIA LIMITED.
I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
I/We, hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/We further authorize 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 shares from the Offer, no claim or liability shall lie against the Acquirers /Manager to the Offer/ Registrar to the Offer.
I/We note that this Form of Withdrawal should reach the Registrar to the Offer before the last date of withdrawal i.e.14.10.2009.
I/We note that the Acquirers/Manager to the Offer/ Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form. I/We also note and understand that the Acquirers will return the original share certificate(s), share transfer deed(s) and shares only on completion of verification of the documents and signatureses.

SHARE HELD IN PHYSICAL FORM

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

Sr. No.	Ledger folio No.	Certificate No.	Distinctive No.		No. of Shares
			From	To	
Total number of shares					

I/We confirm that the particulars given above are true and correct.
Yours faithfully,
Signed and Delivered

	Full Names (s) of the holders	Address	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all shareholders must sign. A corporate body must sign under its official name. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance cum Acknowledgement. Applicants are requested to clearly mark the envelope with the words "ESSEN SUPPLEMENTS INDIA LIMITED Open Offer" while sending the documents to the Registrar to the Offer. All future correspondence, if any, should be sent to the Registrar to the Offer, Maheshwari Datamatics Private Limited. (unit: ESSEN SUPPLEMENTS INDIA LIMITED), at their aforesaid address.

Place: Date:

--- TEAR HERE---

ACKNOWLEDGEMENT RECEIPT

Received Form of Withdrawal from Mr./ Mrs./Ms. --

Folio No.--------------------------------

Number of shares tendered ------------------------------------

Number of share withdrawn ---

Stamp of Registrar **Signature of official** **Date of Receipt**