LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as shareholder(s) of IID Forgings 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 IID Forgings 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

MRS. ARCHANA A MITTAL

62- A, Pedder Road, Mittal Bhawan, Mumbai - 400 026.
Tel No (022)- 2380 4008 Fax no: (022) 2851 6593/94

To

Acquire 3,96,000 fully paid up equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital / voting share capital of Target Company at a price of Rs. 25/- (Rupees Twenty Five only) per fully paid equity share of Rs. 10/- each, payable in cash

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

Of

IID FORGINGS LIMITED

Registered Office: 302, Vikas, 11 Bank Street, Fort, Mumbai - 400 001.
Tel No: (022)-2267 0142 Fax No(022)- 2263 3224

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 upon closure of the offer once the basis of acceptance is determined.
3. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer i.e. **Wednesday, December 14,2005**
4. If there is any upward revision in the Offer Price by the Acquirer upto seven working days prior to the date of closure i.e. upto **Thursday, December 08,2005** 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. **There is no competitive bid**
6. **A copy of Public Announcement, corrigendum to Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's website: 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 Contact Person: **Mr. Deepak Singhvi** 301, Camy House, Cawasji Hormusji Street, Marine Lines,Mumbai - 400 002. Tel nos.: 022-22004271 Fax no.: 022 - 22004273 email: mumbai@charteredcapital.net	**Bigshare Services Private Limited** Contact Person: **Mr. Mahendra Gaur** E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E) Mumbai - 400 072. Tel Nos. : 022 - 2847 0652/ 53 Fax : 022 - 2847 5207 email : bigshare@bom7.vsnl.net.in

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 8 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 10 TO 13)

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	Original Schedule		Revised Schedule	
		Day	Date	Day	Date
1.	**Date of Public Announcement (PA)**	**Wednesday,**	**September 21, 2005**	**Wednesday,**	**September 21, 2005**
2.	Specified Date	Friday,	October 14, 2005	Friday,	October 14, 2005
3.	**Last Date for a Competitive Bid(s)**	**Wednesday,**	**October 12, 2005**	**Wednesday,**	**October 12, 2005**
4.	Date by which Letter of Offer will be dispatched to the Shareholders	Wednesday	November 02,2005	Monday,	November 21,2005
5.	**Offer Opening Date**	**Friday,**	**November 11, 2005**	**Wednesday,**	**November 30, 2005**
6.	**Last Date for the Revision of the Offer Price / Number of Equity Shares.**	**Monday,**	**November 21, 2005**	**Thursday,**	**December 08, 2005**
7.	Last date to withdraw acceptance tendered by shareholders	Friday,	November 25, 2005	Wednesday,	December 14, 2005
8.	**Offer Closing Date**	**Wednesday,**	**November 30, 2005**	**Monday,**	**December 19, 2005**
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.	Thursday,	December 15, 2005	Tuesday	January 03, 2006

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DEFINITIONS

1. Acquirer or The Acquirer	Mrs. Archana A Mittal
2. BSE	Bombay Stock Exchange Limited, Mumbai
3. "Corrigendum to PA" or "corrogendum"	Corrigendum to Public announcement which appeared on news papers on 18th November 2005
4. EPS	Profit after tax / No. of Equity Shares
5. FEMA	Foreign Exchange Management Act, 1999
6. Form of Acceptance	Form of Acceptance cum Acknowledgement
7. Form of Withdrawal	Form of Withdrawal cum Acknowledgement
8. IIDFL	IID Forgings Limited, that is, Target Company
9. LOO, or Letter of Offer	Offer Document
10. Manager to the Offer or, Merchant Banker	Chartered Capital and Investment Limited
11. Negotiated Price	Rs. 25/- (Rupees Twenty Five Only) per fully paid-up equity share/ Voting Share Capital of face value of Rs.10/- each.
12. Net Asset Value/ Book Value per Share	(Equity Capital + Free Reserve excluding of Revaluation reserve-Debit balance in Profit & Loss a/c-Misc expenditure not written off) / No. of Equity Shares
13. NSE	National Stock Exchange of India Limited
14. Offer or The Offer	3,96,000 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital /the voting share capital fully paid up equity shares of Rs. 10/- each of Target Company at a price of Rs. 25/- (Rupees Twenty Five only) per equity share payable in cash.
15. Offer Price	Rs. 25/- (Rupees Twenty Five Only) per equity share/ Voting Share Capital of Rs.10/- each payable in cash.
16. Persons eligible to participate in the Offer	Registered shareholders of IID Forgings Limited, and unregistered shareholders who own the equity shares of IID Forgings Limited any time prior to the Offer closure other than the Acquirer.
17. Public Announcement or "PA"	Announcement of the Open Offer made by The Acquirer, which appeared in the newspapers on September 21, 2005.
18. RBI	Reserve Bank of India
19. Registrar or Registrar to the Offer	Bigshare Services Private Limited
20. Return on Networth	(Profit after Tax)/(Equity Capital + Free Reserve excluding of Revaluation reserve)
21. SEBI	Securities and Exchange Board of India
22. SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
23. SEBI Act	Securities and Exchange Board of India Act, 1992
24. Seller	Girdharilal Agrawal
25. Specified Date	Friday, October 14, 2005
26. Target Company	IID Forgings Limited

1. RISK FACTORS

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

ii. **The acquirers intends to make an offer for 20% of the voting capital amounting to 3,96,000 equity shares of IIDFL 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 acquirers make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.**

iii. **In the event of over-subscription to the offer, the acceptance will be on a proportionate basis.**

iv. **The Acquirer makes no assurance of market price of shares of the Target Company during or after the offer.**

v. **The acquirer makes no assurance with respect to financial performance 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 IIDFL 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 IIDFL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF IID FORGINGS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PERSONS ACTING IN CONCERT OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 04, 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.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 Mrs. Archana A Mittal wife of Mr. Ajay Mittal, Aged 38 years, an Indian resident, residing at 62- A, Pedder Road, Mittal Bhawan, Mumbai - 400 026. (Hereinafter referred to as **"The Acquirer"** or "**Acquire**"), has has acquired on spot delivery contract basis on Thursday, September 15, 2005, 10,87,000 (ten lakhs eighty seven thousand only) fully paid up equity shares of Rs.10/- each representing 54.90 % of the total paid up and voting rights of the Target Company from the promoter of IIDFL, Mr. Girdharilal Agrawal ((the "**Sellers**"), at a price of Rs. 25/- (Rupees twenty five only) per fully paid up equity share payable in cash ("**Negotiated Price**"). The total consideration for the shares acquired as mentioned above is Rs. 271.75 Lacs (Rupees Two Hundred Seventy One Lakhs Seventy Five Thousand Only), which has been paid to seller.

3.1.2 Due to the acquisition as mentioned para 3.1.1, and upon completion of this open offer in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997,the change of control of Target Company shall be effected.

3.1.3 Pursuant to the acquisition of Shares by Acquirer and in compliance with Regulation 10 & Regulation 12 of the Takeover Regulations, Acquirer is hereby making an Offer to the public shareholders of IIDFL to acquire 3,96,000 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital/ voting share capital of "IIDFL", at a price of Rs. 25/- (Rupees Twenty Five only) per equity share (hereinafter referred to as **"the Offer Price")** fully paid equity shares payable in cash (hereinafter referred as **"the Offer"**).

3.1.4 As on the date of Public Announcement, the Acquirer hold 10,87,000 (Ten Lacs Eighty Seven Thousand only) fully paid up equity shares of Rs.10/- each representing 54.90% of the total paid up equity share capital / voting Share Capital of the Target Company

3.1.5 The acquirer as mentioned under para 3.1.1 above acquire 10,87,000 fully paid up equity shares/ voting share capital of the target company at the price of Rs. Rs. 25/- (Rupees Twenty Five Only).

3.1.6 The Seller shall not be eligible to participate in the offer. (based on letter received from seller dated 13.10.2005).

3.1.7 The Acquirer, the Seller and the Target Copany have not been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.8 Acquirer has not acquired any shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

3.1.9 Acquirer Mrs. Archana A. Mittal appointed as director on Board of Directors of the Target Company as on 25.10.2005 i.e. after a period of 21 days from the date of this PA in terms of Regulation 22(7) of SEBI (SAST) Regulations, 1997,

3.2 The Offer

3.2.1 The Acquirer have made a Public Announcement and Corrigendum to Public Announcement in all the editions of the following newspapers, namely, **i) Financial Express (English) and ii) Jansatta (Hindi) and (iii)Nav Shakti (Marathi)**, which appeared in the newspapers on Wednesday, September 21, 2005 and November 18,2005 respectively, in terms of Regulation 15 and pursuant to Regulation 10 and 12 of the SEBI (SAST) Regulations, 1997. **The Public Announcement and Corrigendum to PA is also available on the SEBI website at www.sebi.gov.in.**

3.2.2 The Acquirer is making this Open Offer under the SEBI (SAST) Regulations, 1997, to acquire, by tender, 3,96,000 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital/ voting share capital of Rs. 10/- each from the shareholders of IIDFL, other than the acquirer himself, on the terms and subject to the conditions set out in this Letter of Offer, at a price of Rs. 25/- (Rupees Twenty Five Only) per equity shares of Rs. 10/- each fully paid up equity share payable in cash. These equity shares are to be acquired by the Acquirer, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

3.2.3 **The Offer is not subject to any minimum level of acceptances from the shareholders i.e. it is not a conditional offer.**

3.2.4 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

3.2.5 **This is not a competitive bid**

3.2.6 The Acquirer has not acquired any equity shares in the Target Company since the date of Public Announcement i.e. **September 21, 2005,** up to the date of Letter of Offer.

3.3 Object of the Offer

3.3.1 The Offer to the shareholders of IIDFL is for the purpose of acquiring 20.00 % of the total paid up capital. After the proposed Offer, the Acquirer will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

3.3.2 The object and the purpose of the Acquirer is to expand the business operations of IIDFL. The acquirer proposes to commence new line of business in the target company initially in service sector of provide Logistics Services and Solutions. However, depending on the requirements and expediency of the business situation and subject to the provisions of the Companies Act, 1956, Articles of Association of IIDFL and all applicable laws, rules and regulations, the Board of Directors of IIDFL will take appropriate business decisions from time to time in order to improve the performance of the Target Company. The Acquirer may make changes in the management and Board of Directors of the Target Company.

4 BACKGROUND OF THE ACQUIRER

4.1 Background of the Acquirer

4.1.1 The Open Offer is being made by Mrs. Archana A Mittal wife of Mr. Ajay Mittal, Aged 38 years, an Indian resident, residing at 62- A, Pedder Road, Mittal Bhawan, Mumbai - 400 026 . Tel No (022) 2380 4008, Fax no: (022) 2851 6593/94

4.1.2 Mrs. Archana A Mittal is the sole Acquirer in the present offer.

4.1.3 Mrs. Archana A Mittal is a Art Graduate by qualification and having experience in the field of logistic services & solutions development and construction Business.

4.1.4 The Acquirer has acquired 10,87,000 (Ten Lac Eighty Seven Thousand Only) fully paid up equity shares of Rs.10/- each representing 54.90 % of the total paid up equity share capital / voting Share capital of the Target Company during the 12 month period prior to the date of Public Announcement at the price of Rs. Rs. 25/- (Rupees Twenty Five Only) which was acquired as mentioned under Para 3.1.1 above.

4.1.5 Mr. Manish I Mehta, Proprietor of M/s Manish Mehta Associates, Chartered Accountants, having their office at4A, Purnima Bldg., 2nd Floor, H.N. Compound, M.G. Road, Goregaon (W), Mumbai - 400 062. (Membership No.43456) has certified vide certificate dated September 16, 2005 that the net worth of the Acquirer, as on 31.03.2005 is Rs. 625.48 lacs and that she has sufficient means to fulfill the obligations under this Open Offer. However, the Acquirer has already deposited Rs. 100.00 Lakh in Escrow Account, which is more than 100 % of the amount required for open offer.

4.1.6 The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are applicable to the Acquirer and she has made timely disclosers to the target company and also informed the Stock Exchange.

4.1.7 The Acquirer has not held any position as Director in any listed company.

4.1.8 The Acquirer Mrs. Archana A Mittal is not hold any position as full time Director in any company.

4.1.9 The Acquirer has not promoted any Firm/ Concern/ Companies and/ or any Venture other than the followings

4.1.9.1 Bhushan Steel and Strips Limited
4.1.9.2 BDP (India) Private Limited

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

4.2 Details of Group Companies/Firms

4.2.1 Bhushan Steel and Strips Limited

4.2.1.1 The Company was incorporated as private Limited company in the name of Jawahar Metal Industries Private Limited on 7th January 1983 vide incorporation certificate issued by the Registrar of Companies, Delhi & Haryana and converted into public limited company on 14th July 1989 vide certificate issued by Registrar of Companies, Delhi & Haryana and the name was changed to Bhushan Steel & Strips Limited on 09th June 1992 vide issing the fresh incorporation certificate consequence on change of name by the Registrar of Companies, Delhi & Haryana

4.2.1.2 The Company is engaged in steel Business and produces Angles, Channels, wire roads, cold rolled Coils/Sheets etc.

4.2.1.3 The shares of the company are listed on BSE, The National Stock Exchange of India Limited and Calcutta Stock Exchange Association Limited.

4.2.1.4 The Brief Financial performance of the company is as under

(Rs in lac)

Particulars	**Year ended 31.03.2003 (Audited)**	**Year ended 31.03.2004 (Audited)**	**Year ended 31.03.2005 (Audited)**
Equity Capital	4047.17	4047.17	4047.17
Free Reserves (Excluding Revaluation Reserve)	46247.72	54820.68	69011.88
Total Income	113545.09	157828.02	268193.65
Profit After Tax	5504.66	9029.54	15335.22
Earnings Per Share (Each Share Rs. 10/- paid up) (Rs)	14.18	22.31	37.89
Net Asset Value (per share of Rs 10/- each) (Rs)	123.30	145.45	180.52

The Company is not a Sick industrial undertaking

4.2.2 BDP (India) Private Limited

4.2.2.1 The Company was incorporated as private Limited company on 23rd May 2001 vide incorporation certificate issued by the Registrar of Companies, Maharashtra, Mumbai

4.2.2.2 The Company is engaged in business of Air and ocean Freight-forwarding, Total Logistics and integrated Supply chain Management.

4.2.2.3 The Brief Financial performance of the company is as under

(Rs in lac)

Particulars	**Year ended 31.03.2003 (Audited)**	**Year ended 31.03.2004 (Audited)**	**Year ended 31.03.2005 (Audited)**
Equity Capital	146.00	156.00	156.00
Free Reserves (Excluding Revaluation Reserve)	8.54	181.66	261.98
Total Income	849.01	3248.68	3524.28
Profit After Tax	9.30	216.29	124.29
Earnings Per Share (Each Share Rs. 10/- paid up) (Rs)	0.63	14.17	7.97
Net Asset Value (per share of Rs 10/- each) (Rs)	8.18	20.07	25.90

The Company is not a Sick industrial undertaking

5 BACKGROUND OF THE TARGET COMPANY - IID FORGINGS LIMITED (IIDFL)

5.1 IIDFL was incorporated on July 03, 1981 with the Registrar of Companies Maharashtra, Bombay, as a Private Limited Company and subsequently converted into Public Limited Company on September 24, 1982 vide Certificate of change of name issued by the Registrar of Companies Maharashtra, Bombay.

5.2 The Company has its Registered Office at 302, Vikas, 11 Bank Street, Fort, Mumbai - 400 001 INDIA Tel no. : (022)-2267 0142 Fax No: (022)-2263 3224

5.3 IIDFL has been engaged in Forging and trading in Steel.

5.4 The manufacturing facility of the IIDFL is located at B-86, Addl. Nasik Industrial Area, Ambad, Nasik - 422010 and during the previous year major plant & Machinery has been sold out by the IIDFL.

5.5 The authorised share capital of IIDFL as on March 31, 2005 is Rs 200.00 lacs, comprising of 20,00,000 equity shares of Rs 10/- (Rupees Ten Only) each and the issued, subscribed and paid-up equity share capital as on March 31, 2005 stood at Rs 198.00 Lacs comprising of 19,80,000 equity shares of Rs 10/- (Rupees ten each) fully paid.

Paid up Equity Shares of IIDFL	No. of Equity Shares/ voting rights	% of Shares / voting rights
Fully paid-up equity shares	19,80,000	100.00
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	19,80,000	100.00
Total voting rights in the Target Company	19,80,000	100.00

5.6 There are no partly paid up shares in the company.

5.7 There are no outstanding convertible instruments / warrants.

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

Date of allotment	No of shares issued	% of shares issued	Cumulative paid up capital in Rs.	Mode of allotment	Identity of allottees (promoters/ ex-promoters/ others)	Status of compliance
Subscriber to M&A	200	0.01	2,000	Cash	Promoter	No Compliance is pending
15/05/82	50	0.00	2.500	Cash	Promoter	
01/08/83	1,79,750	9.08	18,00,000	Cash	Promoter	
30/09/83	3,00,000	15.15	48,00,000	Cash	Public Issue	
04/02/98	5,00,000	25.25	98,00,000	Cash	Promoters	
20/08/98	10,00,000	50.51	1,98,00,000	Cash	Promoters	
TOTAL	**19,80,000**	**100.00**				

5.9 The shares of Company have been suspended during September 28,1998 to July 02,2002 due to non-compliance with clause 15/16 of the listing agreement and now trading is allowed under "B2" group of BSE

5.10 The shares of "IIDFL" is listed only on the Bombay Stock Exchange Limited, Mumbai and are in the **"B 2"** group.

5.11 The Acquirer, sellers, promoters and other major shareholders of the Target Company have complied with the reporting requirements under applicable provisions of the Chapter II of SEBI (SAST) Regulation 1997. Based on the declaration given by the Target Company to us, there has been delay by IIDFL (Target Company) with the reporting requirements under Chapter II of the SEBI (SAST) Regulations, 1997 for the financial year ended 1997 to financial year ended 2004. However, the Target Company has given the consent for settlement by consent order on August 27, 2004 and other requirement on time.

5.12 SEBI may initiate action against the sellers and the target company for non-compliances with the provisions of the Regulations.

5.13 IIDFL has complied with requirements of the Listing Agreement and no penal action has been initiated by the BSE, where its equity shares are listed except as mentioned under para 5.9

5.14 The composition of the Board of Directors of IIDFL as on the date of Letter of offer is as follows:

S. No.	Name of the Director	Designation	Residential Address	Date of Appointment	Qualification	Experience
1	V.P. Parekh	Director	27, Jamnagar Society, Gulmohar X Road, J.V.P.D. Scheme, Mumbai - 49.	11/30/90	B.A.	40 years experience in Marketing in Alloy Steels
2	Vinod Naithani	Director	B 3/43, Khira Nagar, S.V. Road, Santacruz, Mumbai - 54.	3/16/94	B.Com	35 years experience in Finance Co. Law & Tax Matter
3	Uttam Patel	Director	36, Surat Bahar N.A. Sawant Marg, Colaba, Mumbai - 5	4/29/02	B.Com	35 years experience in Banking and Finance Business
4	Chandrakant Lakhani	Director	10, Laburanam Road, Gamdevi, Mumbai - 7	4/29/99	B.E.	45 years experience in ship metal & allied products
5.	Mrs. Archana A Mittal	Additional Director	62-A, Pedder Road, Mittal Bhawan, Mumbai - 400 026	10/25/05	B.A.	12 years experience in logistic services & solutions development & Construction Business

Mrs. Archana A. Mittal appointed as Director on the board of Target company and she will recuse herself and not participate in any matter(s) concerning or relating to the offer including any preparatory steps leading to the offer and to ensure the compliance u/r 22(9) of SEBI (SAST) Regulation 1997.

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

5.16 Audited financial information of IIDFL for the financial year ended on March 31, 2003, 2004 and 2005 is given below

Profit and Loss Statement (Rs. in lac)

S No.	For the Year ended on	For the year ended on 31-Mar-03	For the year ended on 31-Mar-04	For the year ended on 31-Mar-05
1	Income from operations	354.04	77.50	59.83
2	Other Income	35.91	25.39	42.34
	Total Income	**389.95**	**102.89**	**102.17**
3	Total Expenditure	326.31	90.31	64.47
4	Profit / (Loss) Before Depreciation Interest and Tax	63.64	12.58	37.70
5	Depreciation	3.06	2.78	2.37
6	Interest and Financial Charges	--	4.43	2.97
7	Profit Before Tax	60.58	5.37	32.36
8	Provision for Tax	23.67	1.89	13.52
9	**Profit/(Loss) After Tax**	**36.91**	**3.48**	**18.84**

Balance Sheet Statement (Rs. in lac)

S No.	As On	As On 31-Mar-03	As On 31-Mar-04	As On 31-Mar-05
	Sources of funds			
1	Paid-up voting share capital	198.00	198.00	198.00
2	Reserves and Surplus (excluding revaluation reserves)	117.01	120.50	139.34
3	Net-worth	315.01	318.50	337.34
4	Secured Loans	--	--	--
5	Unsecured Loans	1.05	114.35	1.34
6	Deferred Tax Liability	19.64	16.09	19.90
	Total	**335.70**	**448.94**	**358.58**
	Uses of funds			
5	Net Fixed assets	108.58	88.94	80.79
6	Investments	0.30	0.30	0.30
7	Net current assets	226.82	359.70	277.49
8	Misc. expenditure to the extent not written-off	--	--	--
9	**Total**	**335.70**	**448.94**	**358.58**

Other Financial Data

Sr. No.	For the Year ended on	For the year ended on 31-Mar-03	For the year ended on 31-Mar-04	For the year ended on 31-Mar-05
1	Dividend (%)	Nil	Nil	Nil
2	Earnings per share (Rs. per equity share of face value of Rs. 10/- each)	1.86	0.18	0.95
3	Return on Net worth (%)	11.72	1.09	5.58
4	Book Value per Share (Rs. per equity share of face value of Rs. 10/- each)	15.91	16.08	17.04

The company is dealing in Alloy Steel bars of various quality and sizes The income during the year 2003-04 has fallen on account of fall in turnover due to prevailing market condition and also there was a loss on sell of fixed assets and during 2004-05 though there is a fall in turnover the other income has been increased considerably on account of profit on sale of machinery and other assets.

5.17 The Company is not a Sick Company undertaking

5.18 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 (A)		Shares/voting rights acquired Which triggered off the Regulations (B)		Shares/Voting rights to be acquired in the open offerOffer i.e. (assuming full acceptance) (C)		Shareholding/voting rights after the acquisition and offer A + B + C	
		No.	%	No.	%	No.	%	No.	%
1.	Promoter Group								
	a. Seller	1209010	61.06	(1087000)	(54.90)	Nil	Nil	Nil**	Nil**
	b. Promoters other than (a) above	368220	18.60	Nil	Nil	*	*	Nil*	Nil*
	Total (a + b)	**1577230**	**79.66**	**(1087000)**	**(54.90)**	*****	*****	**Nil***	**Nil***
2.	Acquirer								
	Mrs. Archana A Mittal,	Nil	Nil	1087000	54.90	396000	20.00	1483000	74.90
	Total 3 (a + b)	Nil	Nil	1087000	54.90	396000	20.00	1483000	74.90
3.	Seller other than 1(a) and 2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4.	Public (other than 1 to 3)	402770	20.34	Nil	Nil	(396000)*	(20.00)	497000*	25.10*
5.	FIs/MFs/FIIs/Banks	Nil	Nil	Nil	Nil				
	Total	**1980000**	**100.00**					**1980000**	**100.00**

Note:

- The data within bracket indicates sale of equity shares.
- * the promoter mentioned under 1(b) can also participate in the offer, hence the reduction in there share holding is shown under public category and also, even if they hold any shares after the offer there holding will be part of Public holding and shown under public holding.
- ** the promoter mentioned under 1(a) can not participate in the offer, his holding after the offer will be part of Public holding and shown under public holding.

5.19 The number of shareholders in IIDFL in public category is 459 as on date of P.A. as informed by Target Company; vide their letter-dated November 16, 2005 and there were no NRI shareholders.

5.20 Since the paid up capital of the company is less than 300.00 Lacs, hence Corporate Governance clause (Clause 49 of listing Agreement) is not applicable to the company.

5.21 No litigation is pending against the Company except the following :-

a. Sales Tax appeal for Ass. Year 1998-99 is pending before the Sales Tax Tribunal Mumbai. As per Sales Tax Department the demand is of Rs.98,704/-

5.22 Mr. Vinod Naithani, Director is the compliance officer of the company, his address is 302, Vikas, 11 Bank Street, Fort, Mumbai - 400 001. Tel no : (022)- 2267 0142 and Fax No: (022)- 2263 3224.

6 OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 The equity shares of IIDFL are only listed on the Bombay Stock Exchange Limited, Mumbai.

6.1.2 The annualised trading turnover during the preceding six Calendar months ending August, 2005 in the Stock Exchanges is detailed below:

Sr.	Name of the Stock Exchange	Total no. of equity shares During the 6 calendar months prior to September, 2005	Total no. of equity share listed	Annualised Trading turnover (in terms of % to total listed shares
1.	BSE	Nil	19,80,000	Nil
	As per official website of Stock Exchanges, Mumbai (www.bseindia.com)			

6.1.3 The shares of **"IIDFL"** are at present listed on The Stock Exchange, Mumbai under **"B2"** group. The shares are infrequently traded as per the data available with BSE within the meaning of explanation (i) to Regulation 20(5) of the SEBI as mentioned in Para 6.1.2 above.

6.1.4 The offer price of Rs. 25/- is justified in terms of Regulation 20 (5) of the SEBI (SAST) Regulations 1997, since the annualised trading turnover is less than 5% (by number of equity shares) of the total number of listed equity shares. Accordingly, the equity shares of the Target Company are deemed to be infrequently traded at the BSE. The Offer Price of Rs. 25/- (Rupees twenty five only) per fully paid-up equity share of face value of Rs. 10/- each, is justified in terms of Regulation 20(5) of SEBI (SAST) Regulations, 1997 since the same has been determined after considering the following facts:

a.	Negotiated Price under the Acquisition		Rs. 25/- per fully paid-up equity share
b.	Highest Price paid by the Acquirer or PAC's for acquisition including Public or Rights Issue in 26 weeks		Not applicable
c.	Price paid under preferential allotment made to the Acquirer any time during 12 months period upto date of closure of the Offer		Not applicable
d.	Highest average Price calculated as per Regulation 20(4)(c) during the 26 weeks preceding the date of PA or the 2 weeks preceding the date of PA		Not applicable
e.	Other parameters		
	I	Based on audited results as on March 31, 2005	
	i.	Return on Networth (%)	5.58
	ii.	Book Value (Rs.)	17.04
	iii.	Earnings per share (Rs. per equity share of face value of Rs. 10/- each)	0.95
	iv.	Price to Earnings ratio	Undeterminable

6.1.5 Hence, based on the above facts, the Offer Price of Rs. 25/- is justifiable in terms of Regulation 20.

6.1.6 There is no non-compete agreement.

6.1.7 If the Acquirer acquire equity shares after the date of Public Announcement upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

6.2 Financial Arrangements

6.2.1 For the Offer, requirement of funds for the Offer would be Rs. 99,00,000/- (Rupees Ninety Nine Lacs Only). The Acquirer has sufficient means to fulfill the obligations under this Offer to complete the Offer in accordance with the SEBI (SAST) Regulations, 1997 to acquisition of 3,96,000 equity shares of Rs. 10/- each at an Offer Price of Rs. 25/- per equity share.

6.2.2 The Acquirer have adequate resources to meet the financial requirements of the Offer. Mr. Manish I Mehta, Proprietor of M/s Manish Mehta Associates, Chartered Accountants, having their office at 4/A, Purnima Bldg., 2nd Floor, H.N. Compound, M.G. Road, Goregaon (W), Mumbai - 400 062. (Membership No.43456) has certified vide certificate dated September 16, 2005 that the net worth of the Acquirer, as on 31.03.2005 is Rs. 625.48 lacs and that she has sufficient means to fulfill the obligations under this Open Offer, no borrowing from any Bank/ Financial Institution is being made for this purpose.

6.2.3 Assuming full acceptance, the total requirement of funds for the open Offer would be Rs. 99,00,000/- (Rupees Ninety Nine Lakhs Only). The Acquirer has already made firm arrangements for the financial resources required to implement the Open Offer in full. As per Regulation 28 of SEBI (SAST) Regulations, 1997, Acquirer has **opened an Escrow Account with Punjab National Bank, Linking Road , Bandra, Mumbai, and have deposited Rs 1,00,00,000/-(Rs. One Hundred Lakh only), being more than 100% of the amount required for the Open Offer.**

6.2.4 The Acquirer has duly empowered M/s Chartered Capital and Investment Limited, Manager to the Offer, to realise the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997.

6.2.5 The Manager to the Offer, M/s Chartered Capital and Investment Limited, hereby confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligation under the SEBI (SAST) Regulations, 1997.

7 TERMS AND CONDITIONS OF THE OFFER

7.1 Persons eligible to participate in the Offer

7.1.1 Registered shareholders of IIDFL and unregistered shareholders who own the equity shares of IIDFL any time prior to the date of Closure of the Offer, other than the Acquirer and the seller (based on letter received from seller dated 13.10.2005)

7.2 Regarding acceptance of Lock-in Shares, whether acquired pursuant to the agreement or the offer, the same can be acquired to the Acquirer subject to continuation of the residual lock-in period in the hands of the Acquirer and there shall be no discrimination in the acceptance of locked in and not locked in shares.

7.3 Statutory Approvals

7.3.1 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 upon closure of the offer once the basis of acceptance is determined.

7.3.2 No approval from any bank or financial institutions is required for the purpose of this Offer, to the best of the knowledge of the Acquirer.

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

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

7.4 Others

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

7.4.2 This Letter of Offer has been mailed to all the shareholders of IIDFL, whose names appeared on the Register of Members of IIDFL as on **October 14, 2005 being the Specified Date.**

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

7.4.4 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.

7.4.5 Equity shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

8.1 Shareholders who wish to tender their equity shares will be required to send their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and duly signed Share Transfer Form(s) to the Registrar to the Offer by hand delivery or registered post, as the case may be, at the address mentioned in Para 8.17 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

8.2 The Registrar to the Offer, **M/s Bigshare Services Pvt. Ltd.,** has opened a special depository account with **IDBI Bank Limited** (Depository-***National Securities Depository Limited***).

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

8.4 Beneficial owner and shareholders holding shares in physical form, who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post, as the case may be, so as to reach them on or before 1700 hours upto the date of closure of the offer i.e. **Monday, December 19,2005**

- 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 IIDFL.
- 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 IIDFL or on the Share Certificate issued by IIDFL) as per the specimen signature(s) lodged with IIDFL 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.

8.5 Beneficial owners and **<u>shareholders holding shares in the dematerialised form</u>**, will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on or before 1700 hours upto the date of closure of the offer i.e. **Monday, December 19,2005**
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 "Bigshare Services Pvt. Ltd.-Escrow Account for **IID Forgings Limited - Open Offer"** ("Depository Escrow Account") filled in as per the instructions given below:

DP Name	**:** IDBI Bank Limited
Client ID Number	**:** 13120119
DP ID Number	**:** IN-300450
Depository	**:** National Securities Depository Limited- ("NSDL")

- Delivery Instruction: Special attention should be paid to the following:
- Beneficial owners, who hold equity Shares of IIDFL in dematerialised form, are required to execute an **"off-market"** trade by tendering the Delivery Instruction for debiting their beneficiary account with their concerned depository participant and crediting the above-mentioned account. The credit in the Depository Escrow Account should be received on or before the Offer Closing Date; **i.e., Monday, December 19,2005,** 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 Central Depository Services India Limited **("CDSL")** have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.

8.6 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).

8.7 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.

8.8 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 IIDFL.

8.9 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.

8.10 **Special Note for shareholders who have sent their Shares for Dematerialisation:** Shareholders who have sent their physical Shares for dematerialisation need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the Escrow Depository Account can be received on or before 1700 hours upto the Offer Closing Date i.e. Monday December 19, 2005, else the application would be rejected.

8.11 **No document should be sent to the Acquire or to IIDFL or to the Manager to the Offer.**

8.12 In case of non-receipt of Letter of Offer, the eligible shareholders may send his / her / their applications to the Registrar to the Offer on the address mentioned hereinabove, **on a plain paper stating the name, address, number of equity shares held, folio number(s), certificate number(s), distinctive number(s), and number of shares** tendered along with the relevant documents as mentioned hereinabove, so as to reach them on or before **1700 hours** upto the date of closure of the offer i.e. **Monday, December 19,2005.**

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

An unregistered shareholder can send his / her / their application to the Registrar to the Offer on the address mentioned hereinabove, on a ***plain paper*** stating the name, address, number of shares held, folio number(s), certificate number(s), distinctive number(s) and number of equity shares tendered along with the relevant documents as mentioned hereinabove, so as to reach them **on or before 1700 hours on Monday, December 19,2005.**

8.14 No indemnity is required from the unregistered shareholders.

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

8.16 In case of shareholders who have not received the LOO and holding shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in para 8.5 above, so as to reach the Registrar to the Offer on or before 1700 hours upto the date of Closure of the Offer i.e. **Monday, December 19,2005.** Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

8.17 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.	**Bigshare Services Pvt. Ltd.** Contact Person: **Mr. Mahendra Gaur** E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E) Mumbai - 400 072. Tel Nos. : 022 - 2847 0652/ 53 Fax No : 022 - 2847 5207 email : bigshare@bom7.vsnl.net.in	**Monday to Friday** 1000 hours to 1700 hours **Saturday** 1000 hours to 1330 hours	Hand Delivery / Courier/ Registered Post

Holidays: Sundays and Bank Holidays

8.18 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 IIDFL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are despatched / returned.

8.19 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. Friday, **Wednesday, December 14,2005**. The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed in the

Letter of Offer. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 1700 hours upto the last date of withdrawal i.e. **Wednesday, December 14,2005.**

8.20 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:

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

8.20.2 In case of dematerialized shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in "off market" mode or counterfoil of the of the delivery instruction in "off market" mode, duly acknowledged by the DP, in favour of the **"Bigshare Services Pvt. Ltd.-Escrow Account for IID Forgings Limited - Open Offer"** ("Depository Escrow Account").

8.20.3 The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account.

8.21 The intimation of returned shares to the Shareholders will be sent at the address as per the records of IIDFL / Depository as the case may be.

8.22 **Acquirer will acquire all the 3,96,000 fully paid-up equity shares of Rs 10/- each tendered in the Offer with valid applications.**

8.23 **Method of Settlement**

8.23.1 The Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by Acquirer, Acquirer will accept the offers received from the share holders on a proportionate basis, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of IIDFL is 1 {one}.

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

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

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

8.23.5 The equity shares of IIDFL held in dematerialised form, which are not accepted in view of not being a valid tender of equity shares or which are withdrawn by the shareholders, will be released to the beneficial owner's depository account with the respective depositary participant, from where the credit was initially received in favour of the Depository Escrow Account, at the sole risk of the beneficial owner. An intimation to that effect will be sent to the beneficial owner by Ordinary Post.

8.23.6 The Acquirer shall endeavour to complete all procedures relating to the Offer within Fifteen Days from the date of Closure of the Offer (i.e. TuesdayJanuary 03, 2006), including payment of consideration to the shareholders of IIDFL whose equity shares are accepted for purchase by the Acquirer.

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

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

8.24 General

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

8.24.2 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.

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

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

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

8.24.6 **There is no competitive bid:**

8.24.7 The Acquirer hold 10,87,000 equity shares of Rs. 10/- each of the Target Company as on the date of this offer.

8.24.8 **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 1700 hours upto three working days prior to the date of Closure of the Offer, i.e. Wednesday December 24, 2005, as mentioned in para 8.20.**

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

9 DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at 301, Camy House, Cawasji Hormusji Steet, Marine Lines, Mumbai-400 002 from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

9.1 Undertaking from the Acquirer, stating full responsibility for all information contained in the PA and the Letter of Offer.

9.2 Certificate from Mr. Manish I Mehta, Proprietor of M/s Manish Mehta Associates, Chartered Accountants, having their office at 4/A, Purnima Bldg., 2nd Floor, H.N. Compound, M.G. Road, Goregaon (W), Mumbai - 400 062. (Membership No.43456) has certified vide certificate dated September 16, 2005 that the net worth of the Acquirer, as on 31.03.2005 is Rs. 625.48 lacs and that she has sufficient means to fulfill the obligations under this Open Offer.

9.3 Annual Reports of IIDFL for years ended on March 31, 2003, 2004 and 2005.

9.4 Annual Reports of the Group Companies of the Acquirer - Bhushan Steel and Strips Ltd and BDP (India) Pvt. Ltd for the year ended March 31, 2003, 2004, and 2005.

9.5 Certificate from Punjab National Bank confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation 1997 as on September 20,2005.

9.6 Published copy of the PA, which appeared in the newspapers on September 21, 2005 and corrigendum to Public Announcement, which appeared on news papers on November 18,2005

9.7 Copy of letter from acquirer for confirmation u/r 22(9) of SEBI (SAST) Regulation 1997.

9.8 Copy of the letter received from seller dated 13.10.2005.

9.9 A copy of the agreement with the Depository Participant IDBI Bank Limited for opening a special depository account for the purpose of the offer with the Registrar To Issue.

9.10 Observation letter no. CFD/DCR/AK/TO/53790/2005 dated Novermber 14, 2005 on the draft Letter of Offer filed with the Securities and Exchange Board of India.

10 DECLARATION BY THE ACQUIRER

10.1 The Acquirer, Mrs. Archana A Mittal accept full responsibility for the information contained in this Letter of Offer and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations, 1997.

10.2 The Acquirer, Mrs. Archana A Mittal is responsible for ensuring compliance with the SEBI (SAST) Regulations, 1997.

10.3 All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

Mrs. Archana A Mittal

(ACQUIRER)

Place: MUMBAI

Date: November 18,2005

11. ENCLOSURES

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

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this Form of Acceptance with enclosures to the Registrar to the Offer)

OFFER OPENS ON : Wednesday, November 30, 2005
OFFER CLOSES ON : Monday, December 19.2005

Please read the Instructions overleaf before filling-in this Form of Acceptance

FOR OFFICE USE ONLY
Acceptance Number
Number of equity shares offered
Number of equity shares accepted
Purchase consideration (Rs.)
Cheque/Demand Draft/Pay Order No.

From :

Tel. No.: Fax No.: E-mail:

To,
Mrs. Archana A Mittal,
C/o Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E) Mumbai - 400 072..

Dear Sirs,

Sub: Open Offer to acquire 3,96,000 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital / the voting share capital of Rs. 10/- each of Target Company at a price of Rs. 25/- (Rupees Twenty Five only) per fully paid equity shares by Mrs. Archana A Mittal

I / We, refer to the Letter of Offer dated 18.11.2005 for acquiring the equity shares held by me / us in IID Forgings Limited.

1. I / We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
2. I / We, unconditionally offer to sell to Mrs. Archana A Mittal, (hereinafter referred to as the "Acquirer") the following equity shares in IID Forgings Limited (hereinafter referred to as "IIDFL"), held by me / us, at price of Rs.25.00 per fully paid-up equity share..

SHARES HELD IN PHYSICAL FORM

3. I/We and enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our equity shares as detailed below (please enclose additional sheet(s), if required).

Ledger Folio No.................................. Number of share certificates attached...................
Representing .... equity shares

Number of equity shares held in PSIL		Number of equity shares offered	
In figures	**In words**	**In figures**	**In words**

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

SHARES HELD IN DEMATERLISED FORM

DP NAME	DP I.D.	CLIENT ID	NO OF SHARES OFFERED	NAME OF BENEFICIARY

4. I/We have done an off market transaction for crediting the equity Shares to the special depository account in NSDL styled **"Bigshare Services Pvt. Ltd.-Escrow Account for IID Forgings Limited - Open Offer"** ("Depository Escrow Account") details are as under

DP Name	: IDBI Bank Limited
Client ID Number	: 13120119
DP ID Number	: IN-300450
Depository	: National Securities Depository Limited- **("NSDL")**

ACKNOWLEDGEMENT SLIP

Open Offer to acquire 3,96,000 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital / the voting share capital of Rs. 10/- each of Target Company at a price of Rs. 25/- (Rupees Twenty Five only) per equity share fully paid equity shares by Mrs. Archana A Mittal

Received from Mr. / Ms. / Mrs. .... Ledger Folio No/ Client ID. ....DP ID...Number of certificates enclosed .... under the Letter of Offer dated ___________________, Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

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

Authorised Signatory
Date

Stamp

5. I / We confirm that the equity shares of IIDFL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
6. I / We authorize the Acquirer to accept the equity shares so offered or such lesser number of equity shares that the Acquirer may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirer to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
7. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I / We agree that the Acquirer may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
8. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are despatched to the shareholders, as the case may be.
9. I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
10. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
11. I / We irrevocably authorise the Acquirer to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with IIDFL/D P :

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with the target company

____

______________________________________**Place:** ____________ **Date:** ______________ **Tel. No(s). :** _______________ **Fax No.:** ___________________

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical mode may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. In case of shareholders holding Shares in electronic mode, bank particulars noted with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.

Bank Account No.:_________________________**Type of Account:** _____________________ **(Savings / Current / Other (please specify))**

Name of the Bank: ___________________________

Name of the Branch and Address: ____

The Permanent Account No. (PAN / GIR No.) allotted under the Income Tax Act, 1961 is as under:

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN / GIR No.			

Yours faithfully,
Signed and Delivered:

	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

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

INSTRUCTIONS

1 Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.
2 The Form of Acceptance should be filled-up in English only.
3 Signature(s) other than in English, Hindi, Marathi, and thumb impressions must be attested by a Notary Public under his Official Seal.
4 Mode of tendering the Equity Shares Pursuant to the Offer:
   I. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of IIDFL.
   II. Shareholders of IIDFL to whom this Offer is being made, are free to offer his / her / their shareholding in IIDFL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.

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

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

Contact Person: **Mr. Mahendra Gaur**

Bigshare Services Pvt. Ltd.

E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E) Mumbai - 400 072.
Tel No. : 022 - 2847 0652/ 53 Fax No. : 022 - 2847 5207
email : bigshare@bom7.vsnl.net.in

FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

OFFER OPENS ON	**:** Wednesday, November 30,2005
LAST DATE OF WITHDRAWAL	**:** Wednesday, December 14,2005
OFFER CLOSES ON	**:** Monday, December 19,2005

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

From:

FOR OFFICE USE ONLY
Withdrawal Number
Number of equity shares offered
Number of equity shares withdrawn

Tel. No.: **Fax No.:** **E-mail :**

To,

Mrs. Archana A Mittal,
C/o Bigshare Services Pvt. Ltd.
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E) Mumbai - 400 072..

Dear Sirs,

Sub: Open Offer to acquire 3,96,000 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital / the voting share capital of Rs. 10/- each of Target Company at a price of Rs. 25/- (Rupees Twenty Five only) per equity share fully paid equity shares by Mrs. Archana A Mittal

I/We refer to the Letter of Offer dated 18.11.2005 for acquiring the equity shares held by me/us in IID Forgings Limited I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I/We wish to withdraw our acceptance tendered in response to the said offer. We had deposited/sent our 'Form of Acceptance' to you on _________ alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

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

---TEAR HERE---

Folio No.\DP ID Client ID: Serial No.:

(ACKNOWLEDGEMENT SLIP)

Received from Mr./Ms.____

Address : ____

____

Form of withdrawal in respect of ______________________ Number of Share

Certificates representing ___________________________ number of shares.

Signature of Official and Date of Receipt	**Stamp of Registrar to the Offer**

Note: All future correspondence, if any, should be addressed to Registrar to the Offer
Bigshare Services Pvt. Ltd. Contact Person: Mr. Mahendra Gaur E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E) Mumbai - 400 072.
Tel Nos. : 022 - 2847 0652/ 53 Fax No : 022 - 2847 5207 email : bigshare@bom7.vsnl.net.in

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.

SHARES HELD IN DEMATERLISED FORM

DP NAME	DP I.D.	CLIENT ID	NO OF SHARES OFFERED	NAME OF BENEFICIARY

12. I/We have done an off market transaction for crediting the equity Shares to the special depository account in NSDL styled "Bigshare Services Pvt. Ltd.-Escrow Account for IID Forgings Limited - Open Offer" ("Depository Escrow Account") details are as under

DP Name : IDBI Bank Limited
Client ID Number : 13120119
DP ID Number : IN-300450
Depository : National Securities Depository Limited- ("NSDL")

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

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

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

Yours faithfully,
Signed and Delivered:

	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Place:

Date:

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

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 1700 hours upto the last date of withdrawal i.e. **Wednesday, December 14,2005.**
2. Shareholders should enclose the following:-
   a. For Equity Shares held in demat form:
   Beneficial owners should enclose
   i. Duly signed and completed Form of Withdrawal.
   ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
   iii. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
   b. For Equity Shares held in physical form:
   Registered Shareholders should enclose:
   i. Duly signed and completed Form of Withdrawal.
   ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
   iii. In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders
   (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.
   Unregistered owners should enclose:
   • Duly signed and completed Form of Withdrawal.
   • Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
3. The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from IIDFL. The facility of partial withdrawal is available only on to Registered shareholders.
7. **Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.**

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