DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is sent to you as a Shareholder(s) of M/s. Kansal Fibres Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager or 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 the Stock Exchange through whom the said sale was effected.

OPEN OFFER

Pursuant to Regulations 3 and 4 and applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.

BY

M/S. LAXMI EDIFICE PRIVATE LIMITED (Acquirer)

having the registered office at 203, Abhishek Complex, B/H Navgujarat College, Income Tax, Ahmedabad - 380014 India, Phone: No: 079-27541156; Email: laxmiedifice@gmail.com

(Hereinafter referred as "Acquirer" or LEPL)

TO THE SHAREHOLDERS OF M/S. KANSAL FIBRES LIMITD

(Hereinafter referred as "KFL" or "the Target Company" or "TC" or "the Company")

having the Registered Office at 281, Industrial Area-A, Ludhiana, Punjab - 141003 Phone No. +91-0161-5095958 ; Email id: kansalfibersltd@gmail.com Website:www.kansalfibres.com

TO ACQUIRE

Up to 15,34,182 (including 2,27,800 shares on which the call money is pending) Equity Shares of Rs. 10/- each, representing in aggregate 26% of the issued and subscribed capital and 27.04% of the Voting Equity Share Capital of KFL, for cash, at a price of **Re. 1/-** (**Rupee One Only)** per Fully Paid-up Equity Share **("Offer** Price")

Note : The shareholders holding 2,27,800 equity shares of Rs. 10/- each which are partly paid up on which calls in arrear of Rs. 5/- per share due to the company shall also be eligible to participate in the offer. However the Shareholders who are holding partly paid up equity shares will be eligible to participate in the Offer provided they pay the allotment money Rs. 5.00 per equity share along with the interest @12% per annum from the date of allotment to till the date of Public Announcement to the Target Company towards balance call money to make them fully paid-up.

This Offer is being made pursuant to the Regulations 3 & 4 of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 2011 and subsequent amendments thereof.

1. This Offer is not conditional upon any minimum level of acceptance by the shareholders of the Target Company.
2. **This offer is not a competing offer**
3. As on the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory or other approvals which are required to make this Offer. However, in case of any regulatory or statutory or other approval being required at a later date before the closure of the Tendering Period, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary application for such approvals.
4. **There has been no competing offer or revision of Offer Price as on date of this Letter of Offer.**
5. Shareholders who have tendered shares in acceptance of the Open Offer by tendering the requisite documents, in terms of the Public Announcement / Detailed Public Statement/Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.
6. If there is any upward revision in the Offer Price by the Acquirer at any time prior to commencement of the last three working days before the commencement of the tendering period viz., Thursday, 16th January 2014 you will be informed by way of another Announcement in the same newspapers in which the detailed Public Statement pursuant to Public Announcement was published. The Acquirer shall pay such revised price for all shares validly tendered any time during the Offer and accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 23, the same would be communicated within two working days by an Announcement in the same newspapers in which the Detailed Public Statement was appeared.
7. A copy of the Public Announcement, Detailed Public Statement and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement) are also available on SEBI's Website: www.sebi.gov.in
8. All correspondence relating to this offer, if any, should be addressed to the Registrar to the Offer, viz **M/s. Purva Sharegistry (India) Pvt. Ltd.**

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
COMFORT SECURITIES LTD SEBI Registration No.INM000011328 A-301, Hetal Arch, Opp Natraj Market, S. V. Road, Malad (West),Mumbai – 400 064. **Tel nos.**: 022- 28449765/28449766 **Fax no.**: 022- 28892527 **Contact Person** : Ms. Mayuri Thakkar / Mr. Ankur Agrawal **Email:** mayurithakkar@comfortsecurities.co.in /ankur@comfortsecurities.co.in **Website:** www.comfortsecurities.co.in	**PURVA SHAREGISTRY (INDIA) PVT. LTD** SEBI Registration No. INR000001112 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai - 400011 Tel. No. 022 –23018261/23016761 Fax no.: 022 – 23012517 Contact Person : Mr. Rajesh Shah Email: busicomp@vsnl.com Website : www.purvashare.com
OFFER OPENS ON: FRIDAY, 24TH JANUARY 2014	**OFFER CLOSES ON: FRIDAY, 7TH FEBRUARY 2014**

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Sr. No.	Activity	Date	Day
1	Date of Public Announcement	05.12.2013	Thursday
2	Opening of Escrow Account	06.12.2013	Friday
3	Publication of Detailed Public Statement (DPS) in newspapers	11.12.2013	Wednesday
4	Submission of Detailed Public Statement to BSE, ASE, DSE, LSE, Target Company & SEBI	12.12.2013	Thursday
5	Filing of Draft Offer Document with SEBI along with soft copies of Public Announcement and Detailed Public Statement	17.12.2013	Tuesday
6	Last Date for a competing Offer	01.01.2014	Wednesday
7	Receipt of Comments from SEBI on Draft Letter of Offer	07.01.2014	Tuesday
8	Identified Date*	08.01.2014	Wednesday
9	Date by which Letter of Offer will be dispatched to the Shareholders	16.01.2014	Thursday
10	Last date for revising the Offer Price	16.01.2014	Thursday
11	Last date by which Board of Target Company shall give its recommendations	15.01.2014	Wednesday
12	Advertisement of Schedule of activities for open Offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company	20.01.2014	Monday
13	Date of Commencement of tendering period (Offer Opening Date)	24.01.2014	Friday
14	Date of Expiry of tendering period (Offer Closing Date)	07.02.2014	Friday
15	Date of communicating the rejection/ acceptance and payment of consideration for the acquired shares	24.02.2014	Monday
16	Final Report from Merchant Banker	04.03.2014	Tuesday

**** "Identified Date" is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirer, Sellers and other promoters who are not part of SPA) are eligible to participate in the Offer any time before the closure of the Offer.***

Note: Duly Signed application and Transfer Deed(s) together with share certificate(s) should be dispatched by Registered Post / Courier or hand delivered to the Registrar to the Offer at above address to arrive not later than 6.00 p.m. on Friday, 7th February 2014.

RISK FACTORS

A. RELATING TO THE OFFER

The risk factors set forth below pertain to the Offer and are 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 analyzing all the risks with respect to their participation in the Offer.

1) The Offer involves an offer to acquire up to 26% of the issued and subscribed Equity Share Capital and 27.04% of Voting Capital of KFL that will constitute the share capital of KFL from the Eligible Persons for the Offer. In the case of over subscription in the Offer, 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 (a) there is any litigation leading to a “stay” of the Offer, or (b) SEBI instructing the Acquirer not to proceed with the Offer, and then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of KFL whose Shares has been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that the non-receipt of approvals was not due to wilful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders for the delay, as may be specified by SEBI.

3) Shareholders should note that shareholders who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period even if the acceptance of 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.

4) No statutory and regulatory approvals are required by the Acquirer, and wherever applicable, by the Target Company, in connection with the Offer.

5) The Shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the equity shares of KFL. Accordingly, the Acquirer makes no assurance with respect to the market price of the shares both during the Offer Period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by any shareholder of KFL on whether to participate or not to participate in the Offer.

B. IN ASSOCIATION WITH THE ACQUIRER

The Acquirer makes no assurance with respect to the financial performance of the Target Company. They also make no assurance with respect to the market price of the Shares 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.

The Acquirer does not accept any responsibility for statements made otherwise than in the Letter of Offer / Public Announcement/ Detailed Public Statement, and anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his / her / its own risk.

C. RISK IN THE TRANSACTION

The Share Purchase Agreement (SPA) dated 5th December, 2013 contains a clause that it is subject to the provisions of SEBI (SAST) Regulations and in case of non-compliance with any of the provisions of the Regulations, the Sellers or the Acquirer shall not act upon the agreement for such sale.

The Acquirer makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer and disclaims any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

TABLE OF CONTENTS

1. DEFINITIONS

1.	Acquirer /LEPL	M/s. Laxmi Edifice Private Limited
2.	Acquisition Agreement or SPA	Share Purchase Agreement dated 5th December, 2013 for purchase of 15,30,200 paid up Equity Shares of Rs. 10/- each of Kansal Fibres Limited representing up to 25.93% of issued and subscribed capital and 26.97% of Voting Capital of KFL from the following Sellers by Acquirer at a price of Re. 0.85/- each per fully paid up Share. a. Mr. Rakesh Kansal b. Mrs. Aruna Kansal c. Mr. Ratan Goyal d. Mr. Rakesh Kansal (Legal heir of Shiv Paul Kansal)
3.	ASE	Ahmedabad Stock Exchange Limited
4.	B.Com	Bachelor of Commerce
5.	B.E	Bachelor of Engineering
6.	BSE	BSE Limited
7.	CA	Chartered Accountant
8.	Detailed Public Statement or DPS	Detailed Public Statement of the Open Offer made by The Acquirer, which appeared in the newspapers on Wednesday, 11th December 2013.
9.	DSE	Delhi Stock Exchange Limited
10.	Effective Date	The date of certificate by the Merchant banker after filing the final Report with SEBI under SEBI (SAST) Regulations
11.	FEMA	Foreign Exchange Management Act, 1999 including related rules and regulations
12.	Form of Acceptance or FOA	Form of Acceptance cum Acknowledgement.
13.	HDFC	HDFC Bank Limited
14.	Identified Date	Wednesday, 8th January 2014.
15.	KFL/Target Company / [TARGET CO.]	Kansal Fibres limited
16.	Listing Agreement	Listing agreement as entered by the Target Company with the Stock Exchanges
17.	LOO, or Letter of Offer	This Offer Document.
18.	LSE	Ludhiana Stock Exchange Limited
19.	Manager to the Offer or Merchant Banker	Comfort Securities Limited
20.	M.Com	Master of Commerce
21.	Negotiated Price	Re. 0.85/-(Eighty Five Paise Only) per fully paid-up Equity Share of face value of Rs.10/- each.
22.	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.
23.	Offer/Open Offer/ The Offer	Offer to acquire up to 15,34,182 Equity Shares of Rs. 10/- each representing 26% of the issued and subscribed equity share capital and

		27.04% of Voting Capital of the Target Company, to be acquired by the Acquirer, at a price of Re. 1.00 /- per Equity share payable in cash
24.	Offer Price for fully paid up shares	Re. 1.00/-(Rupee One Only) per fully paid up Share of Rs. 10/- each payable in cash.
25.	Offer Price for partly paid up shares	Re. 1.00/-(Rupee One Only). However the Shareholders who are holding partly paid up equity shares will be eligible to participate in the Offer provided they pay the allotment money Rs. 5.00 per equity share along with the interest @12% per annum from the date of allotment to till the date of Public Announcement to make them fully paid up to the Target Company.
26.	PA	Public Announcement
27.	PAC/PACs	Person(s) Acting in Concert
28.	Persons eligible to participate in the Offer/ Shareholders	Registered shareholders of Kansal Fibres Limited, unregistered shareholders who own the Shares and shareholders whose call money is pending which are partly paid up of the Target Company on or before the last date of tendering period is eligible to participate in the offer other than the parties to the SPA and the other promoter group who are not part of the SPA.
29.	Promoter/ Promoter Group	Mr. Rakesh Kansal Mrs. Aruna Kansal Mr. Ratan Goyal Mr. Rakesh Kansal (Legal heir of Shiv Paul Kansal) M/s. Punjab State Industrial Development Corporation
30.	Public Shareholding	***The Shares held by Shareholders other than those classified as the promoters of the Company in the latest shareholding pattern filed with the stock exchanges***
31.	RBI	Reserve Bank of India.
32.	Registrar or Registrar to the Offer	Purva Sharegistry (India) Pvt. Ltd
33.	Return on Net worth	(Profit after Tax)/ (Equity Capital + Free Reserve excluding of Revaluation reserve– Debit balance in Profit & Loss a/c – Misc. expenditure not written off) *100.
34.	SEBI	Securities and Exchange Board of India
35.	SEBI (SAST) Regulations / the Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
36.	SEBI Act	Securities and Exchange Board of India Act, 1992.
37.	Sellers	Mr. Rakesh Kansal Mrs. Aruna Kansal Mr. Ratan Goyal Mr. Rakesh Kansal (Legal heir of Shiv Paul Kansal)
38.	Shares	Equity shares of Rs. 10/- (Rupee Ten only) each of the Target Company

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to “Rs.” are to the reference of Indian National Rupees (“INR”). Throughout this Letter of Offer, all figures have been expressed in “Lacs” unless otherwise specifically stated. In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

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 KANSAL FIBRES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES/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 ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE

CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER TO THE OFFER, COMFORT SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 17TH DECEMBER 2013 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011. 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 This Open Offer ("Offer") is being made by M/s. Laxmi Edifice Private Limited ***("Acquirer")*** under the offer to the Equity Shareholders of **M/s. Kansal Fibres Limited** ***("KFL" or the "Target Company")*** a company incorporated and duly registered under the Companies Act, 1956, and having its Registered office at 281, Industrial Area-A, Ludhiana, Punjab - 141003 Phone No. +91-0161-5095958; Email id: kansalfibersltd@gmail.com Website:www.kansalfibres.com pursuant to the Regulation 3, 4 and other applicable provisions of SEBI (SAST) Regulations, 2011 as amended.

3.1.2 The Acquirer hereby makes this Offer to the Shareholders of the Target Company (other than the parties to the SPA and other Promoters who are not part of the SPA) to acquire up to 15,34,182 (including the shares on which the call money is pending) paid up Equity Shares ("Shares") of the Target Company of Rs. 10/- each, representing in aggregate 26% of the issued and subscribed Equity Share Capital and 27.04% of Voting Capital at a price of Re. 1.00/- (Rupee One Only) per share ("Offer Price") payable in cash subject to the terms and conditions mentioned in the DPS and in this Letter of Offer.

3.1.3 There is no person acting in concert **("PAC")** with the Acquirer within the meaning of Regulation 2 (1) (q) of the SEBI (SAST) Regulations.

3.1.4 The Acquirer has entered into a SPA with Sellers on 5th December, 2013 for the purchase of 15,30,200 Equity Shares ("**Sale Shares**") of the Target Company bearing a face value of Rs.10/- each which amounts to 25.93% of the total issued and subscribed equity share capital and 26.97% of Voting Capital of **M/s. Kansal Fibres Limited**, at a price of Re. 0.85 (Eighty five paise Only) per fully paid up Share (Negotiated Price) payable through cash wherein it is also proposed to take the Management Control of the Target Company under regulation 4 of SEBI (SAST) Regulations, 2011 as amended. The total consideration payable in cash for the proposed acquisition will be Rs. 13,00,670/- (Rupees Thirteen lacs Six hundred and Seventy Only). The Sellers belong to the Promoter group of the Target Company. Consequent changes in control of the Target Company contemplated under the SPA, this mandatory Open Offer is being made by the Acquirer in compliance with Regulation 3, 4 and other applicable provisions of SEBI (SAST) Regulations, 2011.

3.1.5 The details of the Sellers are as under:

Sr. No.	Name & Address of the Sellers	Telephone No.	No. of Shares sold through SPA	% of issued and Subscribed Capital of Target Company (as on the date of SPA)	% of Voting Capital of Target Company (as on the date of SPA)
1.	Mr. Rakesh Kansal **Address:** H.No.109, The Mall, Ludhiana, 141001 Punjab PAN: ACKPK9983A	0161-5095958	7,97,200	13.51	14.05
2.	Mrs. Aruna Kansal		3,71,100	6.29	6.54

	Address: H.No.109, The Mall, Ludhiana, 141001 Punjab PAN: ADCPK9911B	0161-5095958			
3.	Mr. Ratan Goyal **Addres:** C/o. Goyal Electric Co. Show room No. 16, Sector 26-C, Madhya Marg, Chandigarh PAN: ABGPL7851D	0161-5095958	1,00,000	1.69	1.76
4.	Rakesh Kansal (legal heir of Late Mr.Shiv Paul Kansal **Address:** H.No.109, The Mall, Ludhiana, 141001 Punjab PAN: ACKPK9983A	0161-5095958	2,61,900	4.44	4.62
	Total		**15,30,200**	**25.93**	**26.97**

3.1.6 The salient features of the SPA dated 5th December, 2013 are as under:

3.1.6.1 The SPA is subject to compliance of provisions of SEBI(SAST) Regulations and in case of non compliance with the provisions of SEBI(SAST) Regulations this SPA shall not be acted upon.

3.1.6.2 The obligations of the Sellers and the Acquirer under the SPA are subject to the satisfaction of or, if applicable, waiver of the following conditions precedent:

- The SPA is subject to the compliances of provisions of SEBI (SAST) Regulations and in case of non compliances with the provisions of SEBI (SAST) Regulations, this SPA shall not be acted upon.
- This agreement shall be binding on the parties, their heirs, legal representatives, executors and successors.
- That the Sale Shares under the SPA are under lock-in as per the SEBI Regulations and after the transfer of shares to acquirer for the remaining period the acquirer shares will be locked to till the completion of lock in period.
- The Sellers shall hand over to the Acquirer the original certificates relating to the Sale Shares together with transfer deeds/Delivery Instuction Slips duly executed by the Sellers after the completion of sale.
- The Acquirer/Sellers agrees to diligently provide all information within his power and possession to give true and proper disclosures to SEBI, Stock Exchanges and to the shareholders.
- All costs and expenses (including stamp duty on the agreement) shall be borne and paid by the Acquirer.
- In consideration of the purchase of the Shares, the Acquirer has delivered the Sellers Demand Drafts/ Cheques for Rs. 13,00,670/- (Rupees Thirteen Lakhs Six hundred and Seventy only) being the total consideration for sale of the said 15,30,200 equity shares on the date of Public Announcement.

3.1.7 Upon completion of this Open Offer in terms of the SEBI (SAST) Regulations, the change of control of Target Company shall be effected.

3.1.8 The Acquirer, Sellers have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.9 M/s. Laxmi Edifice Private Limited is the only Acquirer and there is no person acting in concert with the Acquirer in this Offer.

3.1.10 The Shares of the Target Company are listed at BSE, ASE, DSE and LSE.

3.1.11 As per the Stock Exchanges latest filings made with the BSE the Sellers and M/s. Punjab State Industrial Development Corporation are the Promoters of the Target Company.

3.1.12 The Acquirer has not acquired any Shares of the Target Company during the twelve (12) months period prior to the date of PA i.e. 5th December 2013.

3.1.13 The Acquirer does not hold any Shares/ Voting Rights of the Target Company other than the shares agreed and proposed to be acquired through the SPA.

3.1.14 The Manager to the Open Offer i.e. Comfort Securities Limited does not hold any Shares in the Target Company as on the date of appointment as Manager to the Open Offer. They declare and undertake that they shall not deal on their own account in the Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.

3.1.15 The Acquirer intends to take control over the Target Company & make changes in the Board of Directors of the Target Company subsequent to the completion of this Open Offer in accordance hereof. Mr. Surya Parkash Vinod Kumar Loharuka will be the proposed director on behalf of Acquirer after the Open offer.

3.1.16 There is no non-compete arrangement and/or agreement between the Acquirer and the Sellers.

3.1.17 The Board of the Target Company will come out with a recommendation for the Offer before the date of Commencement of the Offer.

3.2 Details of the Proposed Offer

3.2.1 The Acquirer has made a Detailed Public Statement pursuant to Public Announcement in the following newspapers in accordance with the Regulation 14 (3) and pursuant to Regulation 3 and 4 of SEBI (SAST) Regulations.

Name of the Newspaper	Language	Editions
The Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Rozana Spokesman	Punjabi	Punjab
Prahar	Marathi	Mumbai

The Detailed Public Statement 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, to acquire up to 15,34,182 Equity Shares of Rs. 10/- each including the shares on which the call money is pending representing up to 26% of the total issued and subscribed equity share capital and 27.04% of Voting Capital from the Shareholders of KFL on the terms and subject to the conditions set out in this Letter of Offer, at a price of Re. 1.00/- (Rupee One Only) payable in cash. These Shares are to be acquired by the Acquirer, free from all liens, charges and encumbrance and together with all voting rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

3.2.3 There are 2,27,800 partly paid up Shares in the Target Company. However the Shareholders who are holding partly paid up equity shares will be eligible to participate in the Offer provided they pay the allotment money Rs. 5.00 per equity share which is pending along with the interest @12% per annum from the date of allotment till the date of Public Announcement to the Target Company.

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

3.2.5 The Offer is not as a result of any exercise regarding global acquisition which culminates in the indirect acquisition of control over, or acquisition of equity shares or voting rights in, the Target Company.

3.2.6 The Acquirer has not acquired any Shares in the Target Company since the date of PA i.e. 5th December 2013 up to the date of Letter of Offer.

3.2.7 The Offer is subject to the terms and conditions set out herein and the PA and the DPS made by the Acquirer from time to time in this regard.

3.3 Object of the Offer:

3.3.1 The Offer is being made pursuant to signing of the SPA as provided in Para 3.1.4 above and also to take Management Control in the Target Company and is being made in accordance with Regulations 3 and 4 of the SEBI (SAST) Regulations, 2011.

3.3.2 The Offer to the Shareholders of KFL is for the purpose of acquiring up to 26% of issued and subscribed equity capital and 27.04% of Voting 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.

3.3.3 The Acquirer intends to continue the existing business of the Target Company and may diversify its business activities in future with prior approval of shareholders. The main purpose of takeover is to expand the Company's business activities in the same line through exercising the effective management and control over the Target Company.

3.3.4 The Acquirer intends seek a reconstitution of the Board of Directors of the Target Company after successful completion of the Takeover.

4. BACKGROUND OF M/S LAXMI EDIFICE PRIVATE LIMITED, (LEPL) THE ACQUIRER :

4.1 LEPL was incorporated under the provisions of the Companies Act, 1956 on 15th February 2010 as a Private Limited Company by Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The Corporate Identification Number (CIN) of the Acquirer is U45201GJ2010PTC059577. The Registered Office at 203, Abhishek Complex, B/H Navgujarat College, Income Tax, Ahmedabad - 380014 Tel No: 079-27541156; Email : laxmiedifice@gmail.com

4.2 The LEPL is Company with the main object to carry on the business of Construction.

4.3 The present promoters of the LEPL are Mr. Piyush M Doshi and Mr. Loharuka Suryaparkash Vinod Kumar.

4.4 Since LEPL does not hold any Shares as on date in the Target Company, the provisions of Chapter V of SEBI (SAST) Regulations 2011 and Chapter II of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 are not applicable to LEPL till date.

4.5 The Networth of LEPL as on 30th September 2013 is Rs. 1,88,69,528/- (Rupees One Crore Eighty Eight Lacs Sixty Nine Thousand Five Hundred and Twenty Eight Only) and the same is certified by Mr. Gopal C Shah, Membership No. 34967, a proprietor of Gopal C Shah & Co., Chartered Accountants (Firm Reg. No. 103296W) having his office at 102, Tejashri Residency, Vijay Cross Road, Navrangpura, Ahmedabad, Ph.No 079-26443848 and Email id : aap_com@yahoo.co.in, vide certificate dated 5th December 2013.

4.5 LEPL has not been prohibited by Securities and Exchange Board of India ("SEBI") from dealing in securities, in terms of directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992, as amended (the "SEBI Act") or under any other regulation made under the SEBI Act, 1992.

4.6 The Authorized Share Capital of LEPL as on March 31, 2013 is Rs. 2,00,00,000/- (Rupees Two Crore Only), comprising of 20,00,000 Equity Shares of Rs. 10/- (Rupees Ten only) each and the paid up capital of Acquirer is Rs. 1,91,00,000/- divided into 19,10,000 Equity Shares of Rs. 10/- each

4.7 Shareholding pattern of LEPL as on date of PA i.e 5th December 2013 are as under: -

Sr. No.	Shareholders' Category	No. of Shares	% of Shares held
1.	Promoters/ Associates	15,10,000	79.06
2.	FII/ Mutual Funds/ FIS/ Banks	Nil	Nil
3.	Bodies Corporate and Others	4,00,000	20.94
4.	Public	Nil	Nil
	Total	**19,10,000**	**100.00**

4.9 The board of directors of LEPL as on the date of P.A. i.e 5th December 2013 is as follows:-

Sr No	Name of the Director	Age	Designation	Residential Address	Date of Appointment	DIN No.	Qualification	Experience in years and field	No of Shares Held in the company
1.	Doshi Piyushbhai Mahendrabhai	48 Years	Additional Director	22/539, Satyagrah Chhavni Soc.,Sector-5, Nr. Bhav Nirzar, Satellite, Jodhpur, Ahmedabad-380015	10/10/2013	00185127	B.Com	15 years in construction Business	5000
2.	Loharuka Suryaprakash Viond Kumar	30 years	Additional Director	Govind Ram Vasu Dev, Near Juma Masjid, Modi Market, Jhunjhunu, Rajasthan-333001	23/04/2013	03564496	Post Graduation in Business Management	10 years in chemical indusry	5000

4.10 None of above directors is on the board of directors of Target Company.

4.11 The Company is a Private Company and is not listed on any Stock Exchanges.

4.12 The Company, its Promoters and its Directors have not acquired any Shares of the Target Company during the Twelve (12) months period prior to the date of PA.

4.13 LEPL has not undergone for any merger/de-merger, spin-off during the past three years

4.14 LEPL was incorporated in February 2010, the audited financials of 31.03.2011, 31.03.2012, 31.03.2013 and unaudited financials for the half year ended 30.09.2013 are as under: -

(In Rupees)

Profit & Loss Statement	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2013 (Audited)	Half year Ended 30.09.2013 (Un audited& Certified)
Income from Operations	--	--	--	--
Other Income	--	39270.00	100525.00	710000.00
Total Income	--	39270.00	100525.00	710000.00
Total Expenditure(excl Depreciation and Interest)*	29086.00	37114.00	98015.00	684492.00
Profit / (Loss) before Depreciation, Interest and Tax	(29086.00)	2156.00	2510.00	25508.00
Depreciation	--	--	--	--
Interest	--	--	--	--
Profit / (loss) before Tax	(29086.00)	2156.00	2510.00	25508.00
Provision for Tax	--	--	--	--
Earlier Year Provision written Back	--	--	--	--
Deferred Tax Liability/(Asset)	--	--	--	--
Profit/(loss) after Tax	(29086.00)	2156.00	2510.00	25508.00

Balance Sheet Statement	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2013 (Audited)	Half year Ended 30.09.2013 (Un audited & Certified)
Sources of Funds				
Paid up Share Capital	19100000.00	19100000.00	19100000.00	19100000.00
Reserves & Surplus (Excluding Revaluation Reserve)	(29086.00)	(26930.00)	(24420.00)	(472.00)
Misc Expenditure to the extent not written off	(258750.00)	(230000.00)	(230000.00)	(230000.00)
Secured Loan	--	--	--	--
Unsecured Loan	3750000.00	3787000.00	3787000.00	4287000.00
Current Liabilities	--	---	--	--
Deferred Tax Liability	--	---	--	--
Total	**22562164.00**	**22630070.00**	**22632580.00**	**23156528.00**
Uses of Funds				
Net Fixed Assets	--	--	--	--
Deferred Tax Asset	--	---	--	--
Investments	21500000.00	6500000.00	6500000.00	6500000.00
Current Assets, Loans and Advances	700000.00	16100000.00	16200000.00	19486434.00
Net Current Assets	362164.00	30070.00	(67420.00)	(2829906.00)
Total	**22562164.00**	**22630070.00**	**22632580.00**	**23156528.00**

Other Financial Data	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2013 (Audited)	Half Year Ended 30.09.2013 (Un audited & Certified)
Net Worth (Amount in Rs.)	18812164.00	18843070.00	18845580.00	18869528.00
Dividend (%)	--	--	--	--
Earning Per Share	--	--	--	--
Return on Networth (%)	--	--	--	--
Book Value Per Share	10.00	10.00	10.00	10.00

4.15 LEPL is not a sick company.

4.16 There is no contingent Liabilities as on 31.03.2013 as well as on the date of PA.

4.17 Significant Accounting Policies adopted by the Acquirer:

(i) **BASIS FOR PREPARATION OF FINANCIAL STATEMENTS.**

The financial statements have been prepared under the historical cost convention, in accordance with Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956, as adopted consistently by the company. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

(ii) REVENUE RECOGNITION.

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except in case of significant uncertainties.

(iii) FIXED ASSETS AND DEPRECIATION.

The Company has no Fixed Assets during the year.

4.18 There are no pending litigations against the LEPL company and its directors or promoters of the company as on the date of PA and this Letter of offer.

4.19 LEPL is not related to the Target Company, its Directors and Promoters in any manner whatsoever except the signed SPA dated 5th December, 2013 with the promoters of Target Company to acquire 25.93% of the issued and Subscribed Equity Shares and 26.97% Voting Capital of the company.

4.20 Other details about Acquirer

4.20.1 As per Regulation 17 of SEBI (SAST) Regulations, the Acquirer has opened an Escrow Account bearing no. 00600350120918 with the Escrow Agent, i.e. HDFC Bank Limited, having address at 2nd floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai 400 001 and have deposited a cash of Rs. 4,00,000/- (Rupees Four lakhs Only), being more than 25% of the total amount required for the Open Offer.

4.20.2 The Acquirer has adequate resources to meet the financial requirements of the Open Offer. No funds are being borrowed from any bank or financial institution for the purpose of this Open Offer by the Acquirer. As per certificate dated 5th December 2013 from Mr. Gopal C Shah, Membership No. 34967, a proprietor of Gopal C Shah & Co., Chartered Accountants (Firm Reg. No. 103296W) having his office at 102, Tejashri Residency, Vijay Cross Road, Navrangpura, Ahmedabad, Ph.No 079-26443848 and Email id : aap_com@yahoo.co.in, the Networth of LEPL as on 30th September 2013 is Rs. 1,88,69,528/- (Rupees One Crore Eighty Eight Lakhs Sixty Nine Thousand Five Hundred and Twenty Eight Only).

4.20.3 As per the Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer do not have any plans to alienate any material assets of the Target Company or otherwise sale, lease, encumber any assets of the Target Company in the next 2 (two) years, except in the ordinary course of business of the Company, Other than in the ordinary course of business, the Acquirer undertakes that it shall not alienate whether by sale, lease or encumber any material assets of the Target Company except with the prior approval of shareholders.

4.20.4 The Acquirer intends to continue the existing business of the Target Company and may diversify its business activities in future with prior approval of shareholders. The main purpose of takeover is to expand the Company's business activities in the same line through exercising the effective management and control over the Target Company. However, no firm decision in this regard has been taken or proposes so far.

4.20.5 Pursuant to this offer, the public shareholding in the Target Company may reduce to less than the minimum public shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and Listing Agreement. The Acquirer undertakes that if the public shareholding is reduced to below such minimum level they will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Listing Agreement and other provisions of applicable laws, within the time period mentioned therein.

5. BACKGROUND OF KANSAL FIBRES LIMITED (TARGET COMPANY)/ (KFL)

5.1 KFL was originally incorporated on 20th April 1994 with the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh as Kansal Fibres Limited vide Certificate of Incorporation No. 16-14457 and received the Certificate of Commencement on 27th April 1994. Presently the Registered Office of the company is situated at 281, Industrial Area-A, Ludhiana, Punjab - 141003 Phone No. +91-0161-5095958; Email id: kansalfibersltd@gmail.com Website:www.kansalfibres.com

5.2 The Sellers as mentioned in point no. 3.1.5 as above collectively hold 25.44% of issued and subscribed capital and 26.44% of Voting Capital of KFL. These Sellers are relating to Promoter group.

5.3 KFL presently in the business of trading of fibres in domestic market.

5.4 The authorized share capital of KFL as on date of PA is Rs. 7,00,00,000/- (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10/- (Rupee Ten Only) each. The current issued, subscribed capital of the Target Company is Rs.5,90,07,000/- consisting of 59,00,700 Equity Shares of Rs. 10/- each.

Paid up Equity Shares of KFL	No. of Equity Shares/ Voting rights	% of Shares / voting rights
Fully paid-up Equity Shares	56,72,900	96.14
Partly paid-up Equity Shares	2,27,800	3.86
Total Equity Shares	59,00,700	100.00
Total Voting Rights in the Target Company	56,72,900	96.14

5.5 The current capital structure of the Company has been build up since inceptions are 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
20.04.1994	700	0.01	7000	Subscription to Memorandum	Promoters	Complied
21.08.1995*	5900000	99.99	59000000	Initial Public Offer	Promoters & Public	Complied
Total	**5900700**	**100.00**	**59007000**			
Less : Calls in arrears	**(227800)**		**1139000**			
	5672900		**57868000**			

* Issue Open date

5.6 The Equity Shares of the KFL are listed on BSE, ASE, DSE and LSE. The Equity Shares of KFL are infrequently traded shares on BSE within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations, 2011. The Company has complied with all the requirements of the Listing Agreement with BSE as on date and further no penal action is initiated by the BSE, ASE, DSE and LSE where the Equity Shares of the Company are listed.

5.7 There are 2,27,800 partly paid-up Shares in the Company. The shareholders holding 2,27,800 equity shares of Rs. 10/- each which are partly paid up on which calls in arrear of Rs. 5/- per share due to the Target company shall also be eligible to participate in the offer provided they pay the allotment money Rs. 5.00 per equity share along with the interest @12% per annum from the date of allotment till the date of Public Announcement to the Target Company.

5.8 There are no outstanding convertible instruments / warrants.

5.9 The composition of the board of directors of KFL as the date of P.A i.e. 5th December 2013 is as follows:

Sr. No.	Name of Director	Designation	Residential Address	Date of Appointment	Qualification	DIN No.	Experience in years
1	Ashok Goyal	Director	House No.1295, Sector 19-B, Chandigarh-160019	09/01/1995	B.E - Electronics	01574661	More than 25 years in Textile Industries
2	Aruna Kansal	Director	H.No.109, The Mall, Ludhiana-141001	20/04/1994	B.Com	01735357	15 years in Textile Industries
3	Rakesh Kumar Kansal	Managing Director	H.No.109, The Mall, Ludhiana-141001	20/04/1994	B.Com	01735388	10 years in Textile

Sr. No.	Name of Director	Designation	Residential Address	Date of Appointment	Qualification	DIN No.	Experience in years
							Industries
4	Bipin Mangaldas Patel	Director	2, Harisiddhi Society, Naranpura, Ahmedabad-380063	28/09/2012	M.Com	03190744	20 years in finance
5	Mayur Manubhai Shah	Director	19, ADC Bank Staff Society, Naranpura, Ahmedabad-380013	28/09/2012	M.Com	03313341	20 years in finance

5.10 The Shareholding pattern of the KFL, as on the date of PA is as follows:

Shareholder Category	Number Of Equity Shares Of The Target Company	Percentage of Equity Share Capital (%)
Promoter	18,20,200	30.85
Public	40,80,500	69.15
Total	**59,00,700**	**100.00**

5.11 There has been no merger, de-merger and spin-off during the past three years in KFL. There are no pending litigations against KFL.

5.12 Audited financial information of KFL for the financial year ended on March 31, 2011, 2012, 2013 and the Un-audited financial information for the half year ended 30th September, 2013 are given below:

(Rs. In lacs)

Profit & Loss Statement	**Year Ended 31.03.2011 (Audited)**	**Year Ended 31.03.2012 (Audited)**	**Year Ended 31.03.2013 (Audited)**	**For the Half year Ended 30.09.13 (Un-Audited & Certified)**
Income from Operations	0	0	0	0
Increase/(Decrease) in Stocks	--	--	--	--
Other Income	0.36	0.36	0.36	0.18
Total Income	0.36	0.36	0.36	0.18
Total Expenditure (Excl Depreciation and Interest)	2.70	2.96	15.36	2.12
Profit (Loss) before Depreciation, Interest and Tax	(2.26)	(2.53)	(14.99)	(1.94)
Depreciation	0.07	0.06	0.01	00.00
Interest	0.00	0.00	0.00	0.00
Profit before Tax	(2.34)	(2.59)	(15.00)	(1.94)
Provision for FBT	0.00	0.00	0.00	0.00
Provision for Tax	0.00	0.00	0.00	0.00
Earlier Year Provision Written Back	0.00	0.00	0.00	0.00
Deferred Tax (Liability) / Asset	0.00	0.00	0.00	0.00
Profit after Tax	(2.34)	(2.59)	(15.00)	(1.94)

Balance Sheet Statement	**Year Ended 31.03.2011 (Audited)**	**Year Ended 31.03.2012 (Audited)**	**Year Ended 31.03.2013 (Audited)**	**For the half year Ended 30.09.13 (Un-Audited & Certified)**
Sources of Funds				
Paid up Share Capital	578.68	578.68	578.68	578.68
Reserves & Surplus (Excluding Revaluation Reserve)	(602.36)	(604.96)	(619.96)	(621.91)
Secured Loan	0.00	0.00	0.00	0.00
Unsecured Loan	9.77	12.26	27.69	28.20

Current Liabilities	0.00	0.00	0.00	0.00
Minority Interest	0.00	0.00	0.00	0.00
Deferred Tax Liability	0.00	0.00	0.00	0.00
TOTAL	(13.91)	(14.02)	(13.59)	(15.03)
Uses of Funds				
Net Fixed Assets	0.12	0.06	0.05	0.05
Deferred Tax Asset	0.00	0.00	0.00	0.00
Investments	0.00	0.00	0.00	0.00
Current Assets, Loans and Advances	4.29	4.29	4.29	4.29
Miscellaneous Expenses not written off/ Preliminary Expenses	0.00	0.00	0.00	0.00
Profit & Loss A/c (Dr. Bal)	0.00	0.00	0.00	0.00
Net Current Assets	(18.32)	(18.37)	(17.93)	(19.37)
TOTAL	(13.91)	(14.02)	(13.59)	(15.03)

Other Financial Data	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2013 (Audited)	For the half year Ended 30.09.13 (Un-Audited & Certified)
Net Worth (Rs.)	(23.68)	(26.28)	(41.28)	(43.23)
Dividend (%)	0.00	0.00	0.00	0.00
Earning Per Share (Rs.)	(0.04)	(0.04)	(0.25)	(0.03)
Return on Networth (%)	(9.88)	(9.85)	(36.33)	(4.49)
Book Value Per Share	(0.40)	(0.44)	(0.70)	(0.73)

There are no contingent liabilities as on 31st March 2013 and as on the date of the Public Announcement i.e 5th December 2013

5.13 Pre and Post-Offer shareholding pattern of the KFL is as per the following table:

Sr. No.	Shareholder category	Shareholding & voting rights prior to the agreement/acquisition and offer (A)		Shareholding & Voting Rights acquired through SPA		Shares/Voting rights to be acquired in the open offer (assuming full acceptance) (C)		Shareholding/Voting rights after the acquisition and Offer	
		No.	%	No.	%	No.	%	No.	%
1.	**Promoter Group**								
	a. Parties to agreement	15,30,200	25.93& 26.97	(15,30,200)	(25.93)& (26.97)	Nil	Nil	Nil	Nil
	b. Promoters other than (a) above	2,90,000	4.91& 5.11	Nil	Nil	Nil	Nil	2,90,000	4.91& 5.11
	Total 1 (a+b)	**18,20,200**	**30.84& 32.08**	**Nil**	**Nil**	**Nil**	**Nil**	**2,90,000**	**4.91& 5.11**
2.	**Acquirer**								
	M/s. Laxmi Edifice Pvt. Ltd	Nil	Nil	15,30,200	25.93& 26.97	15,34,182	26.00 &27.04	30,64,382	51.93 & 54.01
	Total 2	Nil	Nil	**15,30,200**	**25.93& 26.97**	**15,34,182**	**26.00 &27.04**	**30,64,382**	**51.93 & 54.01**

Sr. No.	Shareholder category	Shareholding & voting rights prior to the agreement/acquisition and offer (A)		Shareholding & Voting Rights acquired through SPA		Shares/Voting rights to be acquired in the open offer (assuming full acceptance) (C)		Shareholding/Voting rights after the acquisition and Offer	
3.	Public (other than Parties to agreement Acquirer & PAC's)								
a.	**FIs/MFs/FIIs/ Bank**	2,00,000	3.39& 3.53	Nil	Nil				
b.	Others	38,80,500	65.76& 68.40	Nil	Nil	(15,34,182)	(26.00& (27.04)	25,46,318	43.15& 44.88
	Total no. of shareholders i.e. 3794 in "Public Category" 3(a+b)	**40,80,500**	**69.15 &71.93**	Nil	Nil				
	Total -3	**40,80,500**	**69.15 &71.93**	**15,30,200**	**25.93& 26.97**	**Nil**	**Nil**	25,46,318	43.15& 44.88
	Grand Total	**59,00,700**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**28,36,318**	**48.06& 50.00**

Notes: *The data within bracket indicates sale of Equity Shares.*

5.14 The number of Shareholders in KFL in public category is 3794 as on the Quarter ended 30th September, 2013 in the Company.

5.16 The Company is not a sick company.

5.17 There is change in shareholding of Promoters group. The details of change in shareholding of Promoters as per reporting u/r. 8(3) of the SEBI (SAST) Regulations, 1997 and Regulation 30(1) and (2) of SEBI (SAST) Regulations 2011 filed with the Stock Exchanges since 1997 to 5th December 2013 (Date of Public Announcement) are as under.

Year ended	Opening Balance (No. of Shares)	Opening % holding promoter group	Net purchase/(sale)	Mode of Acquisition/ sale	Closing holding promoter group (No. of Shares)	Closing % holding promoter group	Increase/ decrease in percentage holding (+/- %)	Remarks
31.03.1997	1820200	30.85	--	--	1820200	30.85	--	--
31.03.1998	1820200	30.85	--	--	1820200	30.85	--	--
31.03.1999	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2000	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2001	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2002	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2003	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2004	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2005	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2006	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2007	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2008	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2009	1820200	30.85	--	--	1820200	30.85	--	--

31.03.2010	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2011	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2012	1820200	30.85	--	--	1820200	30.85	--	--
31.03.2013	1820200	30.85	--	--	1820200	30.85	--	--
05.12.2013	1820200	30.85	(1530200)	SPA	290000	4.91	(25.94)	Triggered the Open Offer

5.18 Status of Corporate Governance compliances by KFL: -

As per the Annual Report for the Period from 01.04.2012 to 31.03.2013, the Target Company has complied with the norms of the SEBI Guidelines on Corporate Governance as enumerated in Clause 49 of the Listing agreements with Stock Exchanges.

The Company has filed the latest Corporate Governance report with the Stock Exchange as on 30th September, 2013. The details are as follows:

Name of the Company : Kansal Fibres Limited
Quarter ending on : 30th September, 2013

Particulars	Clause of Listing Agreement	Compliance Status Yes/No	Remarks
I Board of Directors	49 I		---
(A) Composition of Board	49(IA)	Yes	---
(B) Non-executive Directors' compensation & disclosures	49 (IB)	Yes	---
(C) Other provisions as to Board and Committee	49 (IC)	Yes	---
(D) Code of Conduct	49 (ID)	Yes	---
II. Audit Committee	49(II)		---
(A)Qualified & Independent Audit Committee	49 (IIA)	Yes	---
(B)Meeting of Audit Committee		Yes	---
(C)Powers of Audit Committee 49(IIC)	49 (IIB)	Yes	---
(D)Role of Audit Committee	49 (IID)	Yes	---
(E)Review of Information by Audit Committee	49 (IIE)	Yes	---
III. Subsidiary Companies	49 (III)	Yes	---
IV. Disclosures	49 (IV)		---
(A)Basis of related party transactions	49 (IV A)	Yes	---
(B) Disclosure of Accounting treatment	49 (IV B)	Yes	
(C) Board Disclosure	49 (IV C)	Yes	---
(D) Proceeds from public issues, rights issues, Preferential issues etc	49 (IV D)	N.A.	---
(E) Remuneration of Directors	49 (IV E)	N.A.	---
(F) Management	49 (IV F)	Yes	---
(G) Shareholders	49 (IV G)	Yes	---
V. CEO/CFO Certification	49(V)	Yes	
VI. Report on Corporate Governance	49 (VI)	Yes	---
VII Compliance	49 (VII)	Yes	---

5.19 Mr. Rakesh Kumar Kansal is the Compliance Officer of the Company, his address is situated at 109, The Mall, Ludhiana-141001, Punjab, India. Tele No. 0161-5095958, Email id: kansalfibersltd@gmail.com

5.20 The Target Company has delayed in filing the reporting under Reg 6(2), 6(4) for the year 1997 and Reg 8(3) of SEBI (SAST) Regulation 1997 for the year 1997 to 2011. The Promoters of the Target Company has delayed in filing Regulation 30(1)&(2) of SEBI (SAST) Regulations 2011 for the year 31.03.2012. SEBI may initiate action against the Target company and the Promoters of the Target Company for the above delay compliances.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 The Equity Shares of the Target Company are listed on the BSE Limited ("BSE"), Ahmedabad Stock Exchange Limited (ASE), Delhi Stock Exchange Limited (DSE) and Ludhiana Stock Exchange Limited ("LSE"). The shares are placed under **Group 'Z'** having a Scrip Code of **"531205"** & Scrip Id: **KANSAFB** on the BSE

6.1.2 There is no active trading in the shares of Target Company as per the data maintained on the website of the BSE i.e. www.bseindia.com during twelve calendar months preceding the month in which this PA is made. The Equity Shares of KFL are not frequently traded shares within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations, 2011.

Name of Exchange	**Total No. of shares traded during the 12 calendar months prior to the month of PA**	**Total No. of listed Equity shares**	**Annualized trading turnover in terms of % total listed equity capital**
BSE	200	5900700	0.003
ASE	Nil	5900700	Nil
DSE	Nil	5900700	Nil
LSE	Nil	5900700	Nil

Source : www.bseindia.com

Traded turnover of the Equity Shares of the Target Company on the above mentioned Stock Exchanges during the period of 60 (Sixty) trading days immediately preceding the date of the Public Announcement **:**

Name of the Stock Exchange	Total volume of trading of Equity Shares during 60 (Sixty) trading days immediately preceding the date of the PA
BSE	Nil
ASE	Nil
DSE	Nil
LSE	Nil

Source : www.bseindia.com

6.1.3 Based on the information available on the website of the Stock Exchanges, the Equity Shares of the Target company are infrequently traded on BSE (in terms of regulation 2(1)(j) of SEBI Takeover Regulations).

6.1.4 The Offer Price of Re. 1.00 (Rupee One Only) is justified in terms of Regulation 8 (1) 8(2) and 8(13) of the SEBI (SAST) Regulations on the basis of the following:

SR. NO.	**PARTICULARS**	**PRICE (IN RS. PER SHARE)**
(a)	Negotiated price under the Shares Purchase Agreement	0.85
(b)	The volume- weighted average price paid or payable for acquisitions by the acquirer during 52 weeks immediately preceding the date of PA.	Not applicable
(c)	Highest price paid or payable for	Not applicable

	acquisitions by the acquirer during 26 weeks immediately preceding the date of PA.		
(d)	the volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period. (NSE)	Not applicable	
(e)	Other Financial Parameters as at:	**31.03.2013**	**30.09.2013**
	(i) Return on Net Worth	(36.33)	(4.49)
	(ii) Book Value Per Share	(0.70)	(0.73)
	(iii) Earning Per Share	(0.25)	(0.03)

In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Re. 1.00 (Rupee One Only) per share being the highest of the prices mentioned above is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.

However for **Partly Paid-up Equity Shares** the Shareholders who are holding partly paid up equity shares will be eligible to participate in the Offer provided they pay the allotment money Rs. 5.00 per equity share which is pending along with the interest @12% per annum from the date of allotment till the date of Public Announcement i.e 5th December 2013 to the Target Company.

The Fair Value of KFL is **negligible** as certified vide Valuation certificate dated 5th December 2013, by Mr. Ashish Sewak (Membership No. 401858) of M/s. Singhal & Sewak, Chartered Accountants having their office situated at B-8/9, Divya Smruti, Opp.Toyota Showroom, New Link Road, Chincholi Bunder, Malad (W), Mumbai - 400064 Tel: 022-42062501; E-mail: caabhishek.sewak@gmail.com.

6.2 Financial Arrangements

6.2.1 Assuming full acceptance under the offer, the maximum consideration payable by the Acquirer under the offer would be Rs. 15,34,182/- (Rupees Fifteen lacs Thirty Four Thousand One Hundred and Eighty Two Only) ("maximum consideration") i.e. consideration payable for acquisition of 15,34,182 equity shares of the target Company at offer price of Re. 1.00/- per Equity Share.

6.2.2 The Acquirer has adequate resources to meet the financial requirements of the Open Offer. No funds are being borrowed from any bank or financial institution for the purpose of this Open Offer by the Acquirer.

6.2.3 Assuming the full acceptance of 26% i.e acquisition of 15,34,182 equity shares of the target Company, the total requirement of funds for the Open Offer is Rs. 15,34,182/- (Rupees Fifteen lacs Thirty Four Thousand One Hundred and Eighty Two Only). In compliance of Regulation 17 of SEBI (SAST) Regulations, 2011, the Acquirer has opened an Escrow Account bearing no. 00600350120918 with the Escrow Agent, i.e. HDFC Bank Limited, having address at 2nd floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai 400 001, and have deposited cash of Rs. 4,00,000/- (Rupees Four Lakhs Only), being more than 25% of the total amount required for the Open Offer.

6.2.4 The Acquirer has duly empowered Comfort Securities Limited, the Manager to the Open Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.

6.2.5 The Manager to the Open Offer hereby confirms that the firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Open Offer obligations.

6.2.6 Mr. Gopal C Shah, Membership No. 34967, a proprietor of M/s. Gopal C Shah & Co., Chartered Accountants (Firm Reg. No. 103296W) having his office at Plot No. 102, Tejshri Residency, Vijay Cross Road, Navrangpura, Ahmedabad- 380058, Ph.No 079-26443848 and Email id : aap_com@yahoo.co.in, vide certificate dated 5th December 2013 has certified that the Networth of the Acquirer as on 30th September 2013 is Rs. 1,88,69,528/- (Rupees One Crore Eighty Eight Lacs Sixty Nine Thousand Five Hundred and Twenty Eight Only).

6.2.7 The Manager to the Offer, M/s. Comfort Securities Limited, hereby confirms that the Acquirer is capable to implement the Offer obligations in accordance with the SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Persons eligible to participate in the Offer

7.1.1 Registered Shareholders of KFL and unregistered Shareholders who own the Equity Shares of KFL on or before the last date of tendering period including the shareholders who hold partly paid up shares except the parties to the SPA and the other promoters who are not part of SPA.

7.1.2 18,20,200 Equity Shares of KFL are under lock-in requirements as per SEBI Regulations. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto. However all these Shares are relating to Promoter group.

7.2 Statutory Approvals

7.2.1 NRI/OCB Shareholders who wish to tender their Shares in the Offer will be required to submit all the previous RBI approvals (Specific and general) that they would have obtained for acquiring the Shares of Target Company. In case the previous RBI approvals are not being submitted, the Acquirer reserves the right to reject the Shares tendered in the Offer.

7.2.2 No approval from any bank or financial institutions is required for the purpose of this Offer.

7.2.3 As on the date of this DLOF, to the best of the knowledge of Acquirer, there are no statutory or other approvals which are required to make this Offer. However, in case of any regulatory or statutory or other approval being required at a later date before the closure of the Tendering Period, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary application for such approvals

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

7.2.5 In case of delay in receipt of any statutory approval, Regulation 18(11) of SEBI (SAST) Regulations, 2011, will be adhered to, i.e. SEBI have power to grant extension of time to Acquirer for payment of consideration to Shareholders subject to Acquirer agreeing to pay interest for delayed period as directed by SEBI.

7.2.6 The Acquirer shall complete all procedures relating to the Open Offer including payment of consideration to the shareholders who have accepted the open offer within 10 working days from the last date of the tendering period.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1.1 The Acquirer has appointed **M/s. Purva Sharegistry (India) Private Limited** as the Registrar to the Offer.

8.1.2 All eligible Equity Shareholders of fully paid Equity Shares of KFL, registered or unregistered who wish to avail and accept the Offer will be required to communicate their acceptance along with all relevant documents in the form and manner specified in the LOO/FoA at below mentioned collection centre on or before closure of the Offer i.e. **Friday, 7th February 2014**. The documents shall be tendered at below mentioned collection centre on all working days i.e. from Monday to Friday between 10.00 a.m. to 1.00 p.m. & 2.00 p.m. to 6.00 p.m. and on Saturday from 10.00 a.m. to 1.00 p.m. The centre will be closed on Sundays and Public holidays.

Address of Collection Centre	Name of the Contact Person, Tel. No., Fax No. and Email	Mode of Delivery
PURVA SHAREGISTRY (INDIA) PVT. LTD SEBI Registration No. INR000001112 9, Shiv Shakti Industrial Estate, J.R.Boricha Marg, Opp. Kasturba Hospital, Lower Parel (E), Mumbai - 400011	Mr. Rajesh Shah Tel. No. 022 –23018261/23016761 Fax no.: 022 – 23012517 Email : busicomp@vsnl.com Website : www.purvashare.com	Hand Delivery / Registered Post

Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respects; otherwise the same are liable to be rejected. In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demat shares, not credited in favour of the special depository account before the closure of the Offer, will be rejected.

8.1.3 Shareholders should send all the relevant documents mentioned herein.

I For equity shares held in physical form – Documents to be delivered:

A Registered Shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with KFL and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this LoO.
- Self attested copy of the PAN card.

B Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original Broker Contract Note.
- Valid Share Transfer form(s) as received from the market.
- Self attested copy of the PAN card of all the proposed transferees.

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

II For Equity shares held in demat form:

C. Beneficial owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).

- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.

- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

- The Beneficial Owners who hold shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the Special Depository Account. The credit in the Special Depository Account should be received on or before 6.00 pm as on the date of closure of the Offer, i.e., Friday, 7th February 2014.

- The Delivery Instructions to be given to the DP should be in “Off-Market” mode only. A special depository account has been opened, details thereof are as under:

Account Name	**“PSIPL ESCROW A/C KANSAL OPEN OFFER”**
Depository	Central Depository Services (India) Limited
DP Name	R R S SHARES & STOCK BROKERS PRIVATE LTD
DP ID Number	12029000
Client ID Number	00036105
Mode	Hand Delivery/ Registered Post

Shareholders having their beneficiary account in National Securities Depository Limited (“NSDL”) shall be required to use the inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account created with CDSL. In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by the shareholder.

Applicants may send their documents only by Registered Post, at their own risk, if not hand delivered at the designated collection centre, to the Registrar at the addresses as mentioned here-in-above during business hours indicated above other than on holidays. Please note that the Share Certificates/Delivery Instruction Slip and other documents in relation to the acceptance of the Offer should not be sent to the Acquirer or the Target Company. Such documents should not be sent to the Manager to the Offer.

8.1.4 In case of non-receipt of the Letter of Offer, Shareholders may obtain a copy of the same by writing to the Registrar to the Offer at either of the collection centres mentioned at 8.1.2 marking the envelope “PSIPL ESCROW A/C KANSAL OPEN OFFER”. Alternatively, eligible Shareholders may send their acceptance to the Registrar to the Offer, on a plain paper stating their name, address, folio nos., distinctive nos. no. of Shares held, No. of Shares tendered, along with documents as mentioned at para 8.1.3 so as to reach the Registrar to the Offer on or before 6.00 p.m on the Closure of the Offer i.e. Friday, 7th February 2014 or in case of beneficial owners they may send their application in writing to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Number of shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the Special Depository Account, or the eligible persons can write to the Manager to the Offer requesting for the LoO and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., not later than Friday, 7th February 2014. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the LoO and Form of Acceptance cum Acknowledgement will be available on SEBI’s website (www.sebi.gov.in), from the date of Opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI’s website and apply using the same.

8.1.5 No Indemnity is needed from Unregistered Shareholders.

8.2 If the aggregate of the valid responses to the Offer exceeds 15,34,182 fully paid up Equity Shares, then the Acquirer shall accept the valid applications received on a proportionate basis in such a way that acquisition from a shareholder shall not be less than the market lot or the entire holding, if it is less than the market lot. The marketable lot of KFL is **100 (Hundred).**

8.3 In case of delay in receipt of any statutory approval, Regulation 18(11) of SEBI (SAST) Regulations, 2011, will be adhered to, i.e. SEBI have power to grant extension of time to Acquirer for payment of consideration to Shareholders of KFL, subject to Acquirer agreeing to pay interest for delayed period as directed by SEBI. If the delay in payment consideration is not due to the above reasons, then the amount held in the Escrow Account shall be subject to forfeiture as per Regulation 17(9) and dealt in the manner provided in Regulation 17(10) of the SEBI (SAST) Regulations, 2011.

8.4 Unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the shareholders' sole risk to the sole/ first shareholder. Unaccepted shares held in dematerialised form will be credited back to the beneficial owners' DP account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective depository participants when transferred by the Registrar to the Offer.

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

8.6 Payment of consideration for the applications accepted in the Offer shall be made within 10 working days from the last date of the tendering period. Credit for the consideration will be given to the shareholders whose Equity Shares have been accepted in the Open Offer by ECS, or crossed account payee cheques/pay orders/demand drafts, RTGS and NEFT.

8.7 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Special Depository Account is received on or before the date of Closure of the Offer, i.e., not later than Friday, 7th February 2014 else the application would be rejected.

8.8 The consideration received by the shareholders for Equity Shares accepted in the Offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act, 1961. Further, the securities transaction tax will not be applicable on Equity Shares accepted in this Offer.

8.9 Dispatches involving payment of a value in excess of Rs. 1,500/- will be made by registered post/speed post at the shareholder's sole risk. In the case shareholders residing in any of the centres specified by the SEBI and have opted an option to get payment consideration through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India should provide all the necessary Bank details including MICR code or RTGS code or IFSC code in Form of Acceptance-cum-Acknowledgement and the payment intimation will be sent to the sole / first named shareholder of KFL whose equity shares are accepted by the Acquirer at his address registered with KFL. Rejected documents will be sent by registered post/speed post. All other despatches will be made by ordinary post at the shareholder's sole risk. All cheques / demand drafts will be crossed Account Payee and will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque / demand draft.

8.10 **Non Resident Shareholders**

8.10.1 Non-Resident Shareholders may tender their Shares in accordance with the Procedure mentioned at 8.1.3 (as applicable) above. In case the RBI approvals are not submitted, the Acquirer reserves the right to reject such equity shares.

8.10.2 While tendering the shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such shares tendered.

8.10.3 While tendering shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by Acquirer under the Income Tax Act, 1961 (the "Income Tax Act"), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

8.10.4 The above documents should not be sent to the Acquirer or to KFL or to the Manager to the Offer. The same should be sent to the Registrar to the Offer only at the collection centres given above in 8.1.2.

8.11 **General**

a. The Form of Acceptance and instructions contained therein are integral part of this LoO.

b. 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 KFL.

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

d. 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.

e. If there is any upward revision in the Offer Price by the Acquirer at any prior to commencement of the last three working days before the commencement of the tendering period viz., Thursday, 16th January 2014 the same would be informed by way of another Public Announcement in the same newspapers in which the detailed Public Statement pursuant to Public Announcement was published as per Regulation 18(7) of SEBI (SAST) Regulations, 2011.

f. If there is Competing Offer:

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

- The Offer Price can be revised at any time prior to the commencement of the last three working days before the commencement of the tendering period to know the final Offer Price of each bid and tender their acceptance accordingly.

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 Comfort Securities Limited A-301, Hetal Arch, Opp Natraj Market, S. V. Road, Malad (West), Mumbai – 400 064 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 Certificate of Incorporation, Memorandum and Articles of Association of Kansal Fibres Limited.

9.2 Mr. Gopal C Shah, Chartered Accountant, certifying the Net worth of Acquirer as on 30/09/2013.

9.3 Annual Reports of KFL for years ended on March 31, 2011, 2012 and 31st March 2013 and Unaudited results for the quarter ended 30.09.2013 duly certified by auditors of the company.

9.4 Certificate from HDFC Bank Limited having office at 2nd floor, Maneckji Wadia Building, Nanik Motwani Marg, Fort, Mumbai- 400001 confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation.

9.5 A copy of the Share Purchase Agreement between the Acquirer and the Sellers dated 5th December, 2013 for Acquisition of 15,30,200 shares.

9.6 Copy of Public Announcement dated 5th December 2013.

9.7 Published copy of the Detailed Public Statement, which appeared in the newspapers on Wednesday, 11th December 2013 for acquisition of 15,34,182 Equity Shares.

9.8 Copy of Recommendation made by KFL Board of Independent Directors dated (.)

9.9 Observation letter no (.) dated (.) on the draft Letter of Offer filed with the Securities and Exchange Board of India.

9.10 Memorandum of Understanding between Lead managers i.e. Comfort Securities Limited & Acquirer.

9.11 Undertaking from the Acquirer, stating full responsibility for all information contained in the PA, Detailed Public Statement and the Letter of Offer.

9.12 Certificate from Statutory Auditors for financial data audited for the purpose of Open Offer of KFL, the Target Company.

9.13 Certificate from Statutory Auditors for financial data audited for the purpose of Open Offer of KFL, the Acquirer Company

9.14 Undertaking from the Acquirer that if they acquire any shares of the target company during the Offer Period, they shall inform Stock Exchanges, the Target Company and the Manager to the Offer within 24 hours as per Regulation 18(6) of SEBI (SAST) Regulations, 2011.

9.15 Undertaking from the Acquirer for unconditional payment of the consideration within 10 working days from the last date of the tendering period to all Shareholders of the Target Company whose applications are accepted in the Open Offer.

9.16 Undertaking from the Acquirer with regard to Directors Responsibility under Regulation 2(o) and Regulation 7(4) of SEBI (SAST) Regulations.

10. DECLARATION BY THE ACQUIRER

10.1 The Acquirer M/s. Laxmi Edifice Pvt. Ltd along with directors accept full responsibility for the information contained in this Letter of Offer and also accept responsibility for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations. All the information contained in this document is as on date of the Public Announcement, unless stated otherwise.

10.2 We have made all reasonable inquiries, accept responsibility for and confirm that this Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

10.3 We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (SAST) Regulations, 2011 have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956 and SEBI (SAST) Regulations.

Place: Mumbai
Date: 16.12.2013 For **Laxmi Edifice Pvt. Ltd**

Director

ENCLOSURES:

1. Form of Acceptance cum Acknowledgement
2. Blank Share Transfer Deed(s) in the case of shares held in physical mode.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to **M/s. Purva Sharegistry (India) Private Limited**, Registrar to the Offer at their address given overleaf)

FORM OF ACCEPTANCE – CUM – ACKNOWLEDGEMENT

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

OFFER OPENS ON	**: Friday, 24th January 2014**
OFFER CLOSES ON	**: Friday, 7th February 2014**

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/ECS:	

PLEASE READ THE INSTRUCTIONS OVERLEAF BEFORE FILLING-IN THIS FORM OF ACCEPTANCE

From: -

Name:

Address:

Status: Resident/ Non Resident

Folio No.:	Sr. No:	No of Shares Held:
Tel. No:	Fax No:	E-Mail:

To,
Laxmi Edifice Pvt. Ltd
C/o. Purva Sharetistry (India) Pvt. Ltd
SEBI Registration No. INR000001112
9, Shiv Shakti Industrial Estate,
J.R.Boricha Marg,
Opp. Kasturba Hospital,
Lower Parel (E), Mumbai - 400011

Dear Sir,

Sub.: Cash Offer for purchase of 15,34,182 (Fifteen Lacs Thirty Four Thousand One Hundred and Eighty Two Only) Equity Shares of Kansal Fibres Limited at a price of Re. 1.00 (Rupee One Only) per Share under SEBI (SAST) Regulations, 2011.

I/We refer to the Letter of Offer dated 16th December 2013 for acquiring the Equity Shares held by me/us in KFL.

I/We, the undersigned, have read the Letter of Offer, Detailed Public Statement and understood their contents including the terms and conditions and procedure as mentioned therein.

FOR SHARES HELD IN PHYSICAL FORM

I/We, hold the following shares in physical form and accept the Offer and enclose the original Share certificate (s) and duly signed share transfer deed (s) in respect of my/our Shares as detailed below:

Sr. No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
		From	To	

Total Number of Equity Shares				

(Please attach authenticates additional sheets, if required)

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

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

I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures.

SHARES HELD IN DEMATERIALIZED FORM

I/We hold the following shares in Demat Form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) in ***"Off-market"*** mode duly acknowledged by my/our Depository Participant ("DP") in respect of my/our equity shares as detailed below:

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

I/We have done an off market transaction for crediting the equity Shares to the special depository account in CDSL styled "PSIPL ESCROW A/C KANSAL OPEN OFFER"("**Depository Escrow Account**")**"** details are as under:

Account Name	"PSIPL ESCROW A/C KANSAL OPEN OFFER"
Depository	Central Depository Services (India) Limited
DP Name	R R S SHARES & STOCK BROKERS PRIVATE LTD
DP ID Number	12029000
Client ID Number	00036105
Mode	Hand Delivery/ Registered Post

Shareholders having their beneficiary account with National Depository Services Limited (NSDL), have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the above mentioned Special Depository Account with CDSL. In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by the shareholder

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.

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.

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 dispatched to the shareholders, as the case may be.

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.

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 KFL/DP:

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

Name

Address

Place: ———————— Date: ————————— Tel. No(s). : ———————— Fax No.: ——————

So as to avoid fraudulent encashment in transit, the shareholder(s) are requested to kindly provide the following bank details of the first/sole shareholder and the consideration will be payable by way of ECS Mode/ 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. In order to receive payment consideration through ECS mode, the shareholders are requested to compulsorily provide their following bank details:-

Bank Account No.: --
Type of Account: ------------------------------- (Savings / Current / Other (please specify))
Name of the Bank: --
Name of the Branch and Address: --

MICR Code of Bank———---
IFSC Code of Bank--

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

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

Enclosure (Please tick**)**

- Power of Attorney, if any person apart from the shareholder, has signed the acceptance from or transfer deed(s).
- Duly attested Death certificate/succession certificate (in case of single shareholders) in case the original shareholders has expired.
- RBI approval (for NRI/OCB/Foreign shareholders).
- Corporate Authorisation in case of companies along with Board resolutions and specimen signature of authorized signatory.
- No objection certificate & Tax clearance certificate under Income Tax Act, 1961 (for NRI/OCB/Foreign shareholders).
- Other (please specify).

Yours faithfully,
Signed and Delivered:

PARTICULARS	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 the Hindi, punjabi, and thumb impressions must be attested by a Notary Public under his Official Seal.

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 KFL.

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

Business Hours: Monday to Friday: 10.00 hours to 18.00 hours
Saturday: 10.00 to 13.00 hours
Holidays: Sundays, Public Holidays and Bank Holidays

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

For Future Correspondence, if any, should be addressed to Registrar to the Offer at the following address

M/s. Laxmi Edifice Pvt. Ltd
C/o. Purva Sharetistry (India) Pvt. Ltd
SEBI Registration No. INR000001112
9, Shiv Shakti Industrial Estate,
J.R.Boricha Marg,
Opp. Kasturba Hospital,
Lower Parel (E), Mumbai - 400011
Tel. No. 022 –23018261/23016761
Fax no.: 022 – 23012517
Contact Person : Mr. V B Shah
Email: busicomp@vsnl.com
Website : www.purvashare.com

ACKNOWLEDGEMENT **SLIP**

KANSAL FIBRES LIMITED - CASH OFFER

Folio No.: Serial No.

Received from Mr. / Ms. ____Address:____________________

____Form of Acceptance for ________________________________ Shares along with a copy of ____________________

_____________________ Share Certificate(s) ________________ Transfer Deed folio number (s)____________

For accepting the Offer made by the Acquirer

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

INSTRUCTIONS

1. Shareholders should enclose the following:-.

For Equity shares held in physical form: -

Registered Shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with KFL duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this LoO.
- Self attested copy of the PAN card.

Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original Broker Contract Note.
- Valid Share Transfer form(s) as received from the market.
- Self attested copy of the PAN card of all the proposed transferees.

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

3. Non resident shareholders/FII/OCB should enclose a copy of the permission received from RBI for the equity shares held by them in KFL. If, the shares are held under General Permission of RBI, the non resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.

4. Non resident shareholders/FII should enclose No Objection certificate/ Tax Clearance certificate from the Income Tax Authorities under Income-Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will be deducted at marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer.

5. Shareholders who wish to accept the Offer and tender their Equity Shares pursuant to this Offer will be required to communicate their acceptance along with all relevant documents in the form and manner specified in the LoO to the Registrar to the Offer on or before closure of the Offer i.e. **Friday, 7th February 2014,** The documents shall be tendered at the above centre between **10.00 am to 6.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturday.** The centre will be closed on Sundays and Public holidays.

6. Applicants may send their documents only by Registered Post/Courier, at their own risk, if not hand delivered at the designated collection centre, to the Registrar during business hours indicated above other than Sunday and public holidays.

THE SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE FORM OF ACCEPTANCE/SHARES ARE RECEIVED BY THE REGISTRAR TO OFFER AFTER THE CLOSURE OF THE OFFER I.E. 6.00 P.M ON FRIDAY, 7TH FEBRUARY 2014 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE LIABLE TO BE REJECTED.