CORRIGENDUM TO THE PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF

K. B. STEEL LIMITED (KBSL)

Regd. Off.: 5, Mahavir Chambers, 2nd Floor, 1/5, Banaji Lane, Fort, Mumbai-400 001.
Correspondence Add.: Plot No. 55/2/B, GIDC Estate, Opp. Bank of India, Vatva, Ahmedabad-382 445.

Further to the Public Announcement ('PA') dated June 21, 2007 to the shareholders of KBSL issued by Ashika Capital Limited ('Manager to the Offer') for and on behalf of Mr. Vipul J. Modi, Ms. Leena V. Modi & Vipul J. Modi (HUF) (hereinafter collectively referred to as 'Acquirers') pursuant to and in compliance with among others, regulation 10 & 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as 'Regulations'), the shareholders are requested to kindly note the following:

1. The Acquirers have entered into a 'Supplementary Memorandum of Understanding' on August 30, 2007 with the Promoters of the Target Company, other than the parties to the Memorandum of Understanding for acquisition of 1,34,450 fully paid-up equity shares entered on June 16, 2007, to acquire in aggregate 44,600 fully paid-up equity shares of Rs.10/- each, representing 18.20% of the voting capital of Target Company, at a price of Rs. 28/- per share, payable in cash.

2. **Offer Price & Financial Arrangements:**

   The Offer Price has been increased to Rs. 28.55 (Rs. 28/- arrived at as per Regulations and interest of Re. 0.55). Consequent to said increase in Offer Price, the total fund requirement for the Offer is Rs. 13,98,950/- (Rupees Thirteen Lakhs Ninety Eight Thousand Nine Hundred and Fifty only). The amount already lying in the escrow account is at Rs. 13,75,000/- (Rupees Thirteen Lakhs Seventy Five Thousand only), which is more than 25% of the total consideration payable to the shareholders under the Offer.

3. **The Schedule of activities pertaining to the Offer is as under:**

Activities	Original Date & Day	Revised Date & Day
Public Announcement	June 21, 2007 (Thursday)	June 21, 2007 (Thursday
Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)	June 30, 2007 (Saturday)	June 30, 2007 (Saturday)
Last Date for a Competitive Bid, if any	July 12, 2007 (Thursday)	July 12, 2007 (Thursday)
Date by which the Letter of Offer to be Despatched to shareholders	July 30, 2007 (Monday)	October 22, 2007 (Monday)
Date of Opening of the Offer	August 8, 2007 (Wednesday)	October 26, 2007 (Friday)
Last date for revising the Offer Price/ Number of Shares	August 16, 2007 (Thursday)	November 2, 2007 (Friday)
Last date for Withdrawal of Acceptance by Shareholders	August 22, 2007 (Wednesday)	November 8, 2007 (Thursday)
Date of Closing of the Offer	August 27, 2007 (Monday)	November 14, 2007 (Wednesday)
Date by which communicating rejection acceptance and despatch of Cheques/ Demand Drafts towards payment of consideration to be completed	September 11, 2007 (Tuesday)	November 29, 2007 (Thursday)

All other terms and conditions of the Offer remain unchanged. The Acquirers accept full responsibility severally and jointly for the information contained in this Announcement and also for the obligations of the Acquirer as laid down in the Regulations.

This announcement would also be available on the SEBI website at http://www.sebi.gov.in

Issued by Manager to the Offer on behalf of the Acquirers:

ASHIKA CAPITAL LIMITED
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E-Mail: mbd@ashikagroup.com
Contact Person: Mr. Niraj Atul Kothari

ASHIKA
Growing & Sharing with You

Place: Mumbai
Date: October 17, 2007