LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **K. B. Steel Limited**. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER

By

Mr. Vipul J. Modi, Ms. Leena V. Modi and Vipul J. Modi (HUF)

all are residing at 4th Floor, Ramakunj,155A, Sir Bhalchandra Road, Hindu Colony, Dadar(E), Mumbai 400 014. Tel.: 022-2411 0008;

to acquire upto 49,000 equity shares of Rs. 10/- each representing 20% of the voting capital at a price of Rs. 28.55 (Rs. 28/- arrived at as per Regulations and interest of Re. 0.55) ('Offer Price') per share, of

K. B. STEEL LIMITED (KBSL)

Regd. Off.: 5, Mahavir Chambers, 2nd Floor, 1/5, Banaji Lane, Fort, Mumbai-400 001;
Telefax: 022-2204 3023.
Correspondence Add.: Plot No. 55/2/B, GIDC Estate, Opp. Bank of India, Vatva, Ahmedabad-382 445.
Tel.: 079-2583 3333; Fax: 079-2583 5222.

These shares will be acquired in cash, in accordance with regulation 20 (2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof (hereinafter referred to as 'Regulations').

This Offer is being made in compliance with regulation 10 & 12 and other provisions of Chapter III and in compliance with the Regulations.

The Offer is subject to the receipt of necessary approval(s), if any, from Reserve Bank of India under Foreign Exchange Management Act, 1999 and subsequent amendments there to for acquiring equity shares tendered by Non Resident Shareholders, if any. There are no other statutory approvals or approvals from the lenders required, for the acquisition of equity shares tendered pursuant to this Offer. Please also refer to point no. 8.15 of this Letter of Offer.

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the date of Closure of the Offer i.e. on or before November 8, 2007.

If there is any upward revision in the Offer Price/Size at any time up to seven working days prior to the date of Closure of the Offer i.e. November 2, 2007 or withdrawal of the Offer in terms of the regulation, the same would also be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.

The Offer is not conditional and not subject to any minimum level of acceptance from Shareholders.

If there is a Competitive Bid:

- **The Public Offers under all the subsisting bids shall close on the same date.**
- **As the Offer Price cannot be revised during 7 working days prior to the Closing date of the Offers/ Bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.**

The Public Announcement, Corrigendum to Public Announcement and this Letter of Offer including the Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be available on SEBI's website at www.sebi.gov.in.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ASHIKA CAPITAL LIMITED 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400 021. Tel: 022-6611 1700; Fax: 022-6611 1710 E-Mail: mbd@ashikagroup.com **Contact Person: Mr. Niraj Atul Kothari**	**PURVA SHAREGISTRY INDIA PRIVATE LIMITED** 33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai-400 001; Tel: 022-2301 6761; Fax: 022-2301 8261;E-mail: busicomp@vsnl.com **Contact Person: Mr. V. B. Shah**

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

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)
Corrigendum to Public Announcement	October 17, 2007 (Wednesday)	October 17, 2007 (Wednesday)
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 17, 2007 (Friday)	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)

RISK FACTORS:

Relating to the Transaction:

1. The Agreements contain a clause that it is subject to the provisions of the Regulations. In case of non-compliance with any of the provisions of the Regulations, the Agreements for such sale shall not be acted upon by the Sellers or the Acquirers.

Relating to the Offer:

2. The Offer involves an offer to acquire upto 49,000 equity shares of Rs. 10/- each representing 20% of voting capital of KBSL from its shareholders. In case of oversubscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

3. The Shares tendered in the Offer in demat form will lie to the credit of a designated escrow account and the shares tendered in physical form will lie with the Registrar to the Offer, till the completion of the Offer formalities. The Acquirers 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 the shareholders on whether or not to participate in the Offer.

Relating to the Acquirers:

4. The Acquirers makes no assurance with respect to the future financial performance of the Target Company or with respect to their investment/divestment relating to their proposed shareholding in the Target Company.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of KBSL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of KBSL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

TABLE OF CONTENTS

1. ABBREVIATIONS / DEFINITIONS

Acquirers	Mr. Vipul J. Modi, Ms. Leena V. Modi and Vipul J. Modi (HUF)
Agreements	Memorandum of Understanding and Supplementary Memorandum of Understanding entered with the Promoter Group
BSE	Bombay Stock Exchange Limited, Mumbai
Eligible Persons for the Offer	Shareholders of KBSL, registered or unregistered, who own shares at any time prior to the Closure of the Offer, except the parties to the Agreements
FEMA	Foreign Exchange Management Act, 1999
LOO or Letter of Offer	Offer Document
Manager to the Offer	Ashika Capital Limited
Negotiated Price	Rs. 28/- per share
Offer	Cash Offer being made by the Acquirers to acquire upto 49,000 equity shares of Rs. 10/- each representing 20% of voting capital of KBSL
Offer Price	Rs. 28.55 (Rs. 28/- arrived at as per Regulations and interest of Re. 0.55) per share
PA / Public Announcement	Announcement of the Offer made by Acquirers on June 21, 2007 and October 17, 2007
Promoter Sellers	Kaushik Kansara, Mrs. Manglaben Kansara, Mrs. Hansa K Kansara, Ms. Sharda B Kansara, Ms Jaybalaben J. Dudhela and Ms. Jyotsna B Mavani
Purchase Consideration	Total consideration payable by the Acquirers to all the sellers
KBSL/Target Company	K. B. Steel Limited
RBI	Reserve Bank of India
Registrar to the Offer / Registrar	Purva Sharegistry India Private Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof
Specified Date	Date for the purpose of determining the names of the shareholders of KBSL as on such date to whom the Letter of Offer should be sent, i.e. June 30, 2007

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF K. B. STEEL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS 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 ACQUIRERS DULY DISCHARGES HER RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. Background of the Offer

(a) This Offer is being made by **Mr. Vipul J. Modi, Ms. Leena V. Modi** and **Vipul J. Modi (HUF)**, pursuant to substantial acquisition of shares/voting rights accompanied with the change of control and management of the Target Company and in compliance with regulation 10 & 12 and other provisions of Chapter III and in compliance with the Regulations.

(b) The Acquirers have entered into a Memorandum of Understanding ('Agreement') on June 16, 2007 with Mr. Kaushik B. Kansara & Mrs. Manglaben B. Kansara-(Promoter Group) [collectively known as 'Sellers'] to acquire in aggregate 1,34,450 fully paid up equity shares of Rs.10/- each, representing 54.88% of voting capital of Target company, at a price of Rs. 28/- per equity share ('Negotiated Price'), payable in cash. The Acquirers have also entered into a Supplementary Memorandum of Understanding ('Supplementary Agreement') on August 30, 2007 with Mrs. Hansa K Kansara, Ms. Sharda B Kansara, Ms Jaybalaben J. Dudhela and Ms. Jyotsna B Mavani (Promoter Group-other than the parties to the Agreement) 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.

(c) The details of the Agreement and Supplementary Agreement is as under:

S. No.	Name & Address of the Seller (s)	No. of Shares	% of Voting Capital	Negotiated Price (Rs.)
1.	**Kaushik B. Kansara** 36, Tapovan Society, Ambawadi, Ahmedabad-380 015.	1,05,450	43.04	Rs. 28/- per share (Rupees Twenty Eight only)
2.	**Manglaben B. Kansara** 36, Tapovan Society, Ambawadi, Ahmedabad-380 015.	29,000	11.84	
	Mrs. Hansa K Kansara 36, Tapovan Society, Ambawadi, Ahmedabad-380 015.	37,600	15.35	
	Ms. Sharda B Kansara 36, Tapovan Society, Ambawadi, Ahmedabad-380 015.	3,000	1.22	
	Ms. Jaybalaben J. Dudhela Devendra Apt, Rokadia Lane, Near Gokul Hotel, Borivali (W), Mumbai.	2,600	1.06	
	Ms. Jyotsna B Mavani Sahkar Society, Near Railway Station, Botad.	1,400	0.57	
	TOTAL	**1,79,050**	**73.08**	

(d) Some of the main features of the Agreement are mentioned below:

i. The Sellers have agreed to sell to the Acquirers 1,34,450 equity shares aggregating to 54.88% of voting capital of the Company, at a price of Rs. 28/- per share, and the Acquirers has agreed to purchase the said transaction shares.

ii. The shares under Agreement are free from all charges, encumbrances or liens and are not subject to any lock in period.

iii. The Acquirers had paid the purchase consideration for acquisition of 1,34,450 equity shares at a price of Rs. 28/- per share aggregating to Rs. 37,64,600 (Rupees Thirty Seven Lakhs Sixty Four Thousand and Six Hundred) to the Sellers on the execution of the Agreement.

iv. The Acquirers and the Sellers unequivocally admit, abide and commit themselves to comply with all the requirements under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof.

v. In case of non-compliance of any provisions of the Regulations, the Agreement for such sale will not be acted upon by the Sellers or the Acquirers.

(e) The salient features of the Supplementary Agreement are as stated below:

i. The Sellers have agreed to sell to the Acquirers 44, 600 equity shares aggregating to 18.20% of voting capital of the Company, at a price of Rs. 28/- per share, and the Acquirers has agreed to purchase the said transaction shares.

ii. The shares under this Agreement are free from all charges, encumbrances or liens and are not subject to any lock in period.

iii. The Acquirers had paid the purchase consideration for acquisition of 44,600 equity shares at a price of Rs. 28/- per share aggregating to Rs. 12,48,800 (Rupees Twelve Lakhs Forty Eight Thousand and Eight Hundred) to the Sellers on the execution of this Agreement.

iv. The Acquirers and the Sellers unequivocally admit, abide and commit themselves to comply with all the requirements under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof.

v. In case of non-compliance of any provisions of the Regulations, the supplementary Agreement for such sale will not be acted upon by the Sellers or the Acquirers.

(f) The proposed change in control is consequent to the Agreements whose salient features are described in 3.1 (d) & 3.1 (e) above.

(g) The Acquirer, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under SEBI Act.

(h) After completion of all formalities relating to the acquisition and after complying with formalities required by the Regulations, the Board of Directors might be reconstituted to include nominee(s) of Acquirers.

(i) The Acquirers does not hold any equity shares of KBSL as on date of PA. The Acquirers has not acquired either directly or through any other person any Shares of KBSL during 12 months preceding the date of PA and the date of this Letter of Offer.

(j) Irrespective of the outcome of the Agreements, the Acquirers would complete the Offer formalities under the Regulations.

(k) The shares acquired by the Acquirers from the Promoter Group, through Agreement dated June 16, 2007 and Supplementary Agreement dated August 30, 2007 have not been given the effect of transfer and the transfer shall take place upon the completion of the Offer formalities under the Regulations.

3.2. Details of the Proposed Offer

(a) The Acquirers made a Public Announcement of the Offer, which was published in all editions of **The Financial Express** (English), **Jansatta** (Hindi) and **Navshakthi** (Marathi) on June 21, 2007 in compliance with regulation 15 (1) of the Regulations. A Corrigendum to PA was also published in the same Newspapers on October 17, 2007. The Public Announcement as well as Corrigendum to PA is also available on SEBI's website at www.sebi.gov.in.

(b) The Acquirers proposes to acquire upto 49,000 equity shares of Rs. 10/- each, from the existing shareholders of KBSL (other than parties to the Agreement, at a price of Rs. 28.55 (Rs. 28/- arrived at as per Regulations and interest of Re. 0.55) per share ("Offer Price") representing 20% of its voting capital, payable in cash.

(c) The Offer is not subject to any minimum level of acceptances. The Acquirers will acquire all equity shares of KBSL that are tendered in terms of this Offer up to a maximum of 49,000 equity shares.

(d) For the purpose of this Offer, there is no Person Acting in Concert as per the provisions of the regulation 2(1)(e) of the Regulations.

(e) The Manager to the Offer i.e. Ashika Capital Limited does not hold any shares in the Target Company as on date. It declares and undertakes that it shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the offer till the expiry of 15 days from the date of closure of Offer.

(f) The Acquirers has not acquired any shares of KBSL after the date of Public Announcement and up to the date of this Letter of Offer.

3.3. Object of the Offer

(a) The Offer to the shareholders of KBSL, as explained above, is made pursuant to regulations 10 & 12 of the Regulations for substantial acquisition of equity shares accompanied by change in the control / management.

(b) The Acquirers propose to expand the existing business operations of Target Company. The Acquirers will suitably strengthen the Company with human resource as well as financial capital. The Acquirers reserve the right to modify the present structure of the business in a manner which is useful to the larger interests of the shareholders. Any change in the structure that may be effected will be in accordance with the laws applicable.

(c) The Acquirers do not currently intend to dispose of or otherwise encumber any significant assets of the Target Company in the next two years, except such disposals or encumbrances in the ordinary course of business of the Target Company and / or for the purposes of restructuring, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Further, the Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company, and in accordance with and subject to the applicable laws, permissions and consents, if any.

4. BACKGROUND OF THE ACQUIRERS

4.1. Information about Acquirers:

a. **Mr. Vipul J. Modi**, aged about 42 years, son of Late Sri Jayantilal Modi, is residing at Ramakunj,155A, Sir Bhalchandra Road, Hindu Colony, Dadar, Mumbai 400 014 and having office at 66, Hansa Villa, Bhaudaji 'X' Road, Matunga (CR), Mumbai-400 019; Tel.: 022-2411 0008. He became the Member of The Institute of Chartered Accountants of India in the year 1986. Mr. Vipul J. Modi is the Proprietor of M/s. Vipul Modi & Associates, Chartered Accountants and specialized in providing services in the areas of Corporate Law, Taxation, Audit and Finance. He is the Chairman of Samruddhi Group of Companies dealing in Stock Broking, Commodities Broking and Corporate Advisory Services. He is the Honorary Vice President (Advisor) of Investors Grievances Forum, which is registered with SEBI. The networth of Mr. Vipul J. Modi as on 31.03.2007, as certified by Shri Ishwar P. Mehta (Membership No. 34609) Proprietor of M/s. I. P. Mehta & Co., Chartered Accountants, having office at 12, Swati Apartment, Cama Lane, Hansoti Lane, Ghatkopar (W), Mumbai-400 086; Tel No.: 022-25131345, vide his certificate dated 16.06.2007, is Rs. 897.21 Lakhs.

b. **Mrs. Leena V. Modi**, aged about 41 years, wife of Sri Vipul J. Modi, is residing at Ramakunj,155A, Sir Bhalchandra Road, Hindu Colony, Dadar, Mumbai 400 014 and having office at 66, Hansa Villa, Bhaudaji 'X' Road, Matunga (CR), Mumbai-400 019; Tel.: 022-2411 0008. She completed her Bachelor of Commerce in the year 1985 from Mumbai University. Mrs. Leena V. Modi is having around 10 years of experience in the areas of finance. Her networth as on 31.03.2007, as certified by Shri Ishwar P. Mehta (Membership No. 34609) Proprietor of M/s. I. P. Mehta & Co., Chartered Accountants, having office at 12, Swati Apartment, Cama Lane, Hansoti Lane, Ghatkopar (W), Mumbai-400 086; Tel No.: 022-25131345, vide his certificate dated 16.06.2007, is Rs. 510.16 Lakhs.

c. **Vipul J. Modi (HUF)**, was formed on April 1, 1993 by Mr. Vipul J. Modi as Karta of the HUF. The address of the HUF is Ramakunj, 155A, Sir Bhalchandra Road, Hindu Colony, Dadar, Mumbai 400 014. The networth of Vipul J. Modi (HUF) as on 31.03.2007, as certified by Shri Ishwar P. Mehta (Membership No. 34609) Proprietor of M/s. I. P. Mehta & Co., Chartered Accountants, having office at 12, Swati Apartment, Cama Lane, Hansoti Lane, Ghatkopar (W), Mumbai-400 086; Tel No.: 022-25131345, vide his certificate dated 16.06.2007, is Rs. 24.23 Lakhs.

d. Mr. Vipul J. Modi and Mrs. Leena Modi are husband and wife and Mr. Vipul J. Modi is the Karta of Vipul J. Modi (HUF).
e. The Acquirers have not entered into any formal agreement with respect to the acquisition of shares through this Offer and acting together under an informal understanding.
f. Mr. Vipul J. Modi and Mrs. Leena V. Modi are not on the Board of any listed company.

4.2. The Acquirers has promoted few entities which are engaged in various businesses as mentioned below. However, none of these entities are participating/interested in this Offer.

4.3. The compliances under Chapter II of SEBI (SAST) Regulations, 1997 is not applicable to the Acquirers since they do not hold any shares of KBSL except those agreed to be acquired in terms of Agreements.

4.4. The details of the ventures promoted by the Acquirers are as under:

Samruddhi Finstock Limited was originally incorporated in the name and style of 'Samruddhi Finstock Private Limited on 29th March 1995 under the Companies Act 1956 in the state of Gujarat Dadra & Nagar Haveli. The name of the company has been changed to the present name and fresh certificate of incorporation consequent to change of name was obtained from Registrar of Companies (ROC), Gujarat on 15.04.2002. The company is presently engaged in the business of share trading. The Registered office of the company is situated at Mehta Market, Main Road, Surendra Nagar, Gujarat-363 001. The Authorised Capital of the company is Rs. 450 Lakhs divided into 20,00,000 equity shares of Rs.10/- each and 25,00,000 preference shares of Rs.10/- each. The Company is not a Sick Industrial Company. The shares of the company are not listed on any stock exchange. The company is a member of National Stock Exchange of India Limited, Mumbai (NSE) and registered with SEBI, as a Stock Broker with Registration Number INB 231031239.

Brief financials based on Audited Accounts for the last three years are given below:

(Amount – Rs. In Lakhs)

Particulars	31.03.2006	31.03.2005	31.03.2004
Equity Share Capital	30.00	30.00	30.00
Preference Share Capital	250.00	250.00	250.00
Reserves & Surplus (excluding Revaluation reserves)	133.32	115.85	106.99
Miscellaneous Expenditure (to the extent not written off)	(0.70)	(0.93)	(1.16)
Net Worth	**412.62**	**394.92**	**385.83**
Total Income	86.00	93.16	77.97
Profit After Tax (PAT)	17.84	8.86	8.81
Earnings Per Share (EPS) in Rs.	5.95	2.95	2.94
Net Asset Value (NAV) per share in Rs. (equity share of Rs.10/- each)	137.54	131.64	128.61

Source: Audited financial statements

Samruddhi Stock Brokers Limited, incorporated on 10th May 2004 under the Companies Act 1956, is engaged in the business of share trading. The Registered office of the company is situated at 66/1, Hansa Villa, Bhaudaji Cross Road, Matunga (CR), Mumbai-400 019. The company is promoted by Mr. Vipul J. Modi and Mrs. Leena V. Modi. The Authorised Capital of the company is Rs.30.00 Lakhs divided into 50,000 equity shares of Rs.10/- each and 2,50,000 preference shares of Rs.10/- each. The Company is not a Sick Industrial Company. The shares of the company are not listed on any stock exchange. The company is a member of The Bombay Stock Exchange (BSE) and registered with SEBI, as a Stock Broker with Registration Number INB 011213536.

Brief financials based on Audited Accounts since inception are given below:

(Amount - Rs. in Lakhs)

Particulars	31.03.2006	31.03.2005
Equity Share Capital	5.00	5.00
Preference Share Capital	25.00	25.00
Reserves & Surplus (excluding Revaluation reserves)	117.66	100.39
Miscellaneous Expenditure (to the extent not written off)	(0.59)	(0.67)
Net Worth	**147.07**	**129.72**
Total Income	103.26	19.89
Profit After Tax (PAT)	17.28	0.39
Earnings Per Share (EPS) in Rs.	34.56	0.77
Net Asset Value (NAV) per share in Rs. (equity share of Rs.10/- each)	294.15	259.44

Source: Audited financial statements

Samruddhi Equities and Securities Services Limited having registered office at No. 7 Om-Krishnakunj, M.G. Cross Road No.3, Kandivali (W), Mumbai-400 067 was originally incorporated in the name & style of 'Broad-Vision Investments Services Private Limited' on 17.03.2001 under the Companies Act, 1956 in the State of Maharashtra. The name of the company was subsequently changed to 'Broad-Vision Investments Services Limited' and a fresh Certificate of Incorporation consequent on Change of Name was obtained from Registrar of Companies, Maharashtra on 18.02.2002. The name of the company was further changed to 'Samruddhi Equities and Securities Services Limited' on 06.07.2005. The company is engaged in the business of corporate advisory services. The Authorised Capital of the company is Rs.5.00 Lakhs divided into 50,000 equity shares of Rs.10/- each. The Company is not a Sick Industrial Company. The shares of the company are not listed on any stock exchange.

Brief financials based on Audited Accounts for the last three years are given below:

(Amount - Rs. in Lakhs)

Particulars	31.03.2006	31.03.2005	31.03.2004
Equity Share Capital	5.00	5.00	5.00
Reserves (excluding revaluation reserves)	3.00	0.68	0.07
Miscellaneous Expenditure (to the extent not written off)	(0.14)	(0.15)	(0.17)
Net Worth	**7.86**	**5.53**	**4.89**
Total Income	14.25	0.79	1.69
Profit After Tax (PAT)	2.31	0.62	1.02
Earnings Per Share (EPS) in Rs.	4.63	1.24	2.04
Net Asset Value (NAV) per share in Rs. (equity share of Rs.10/- each)	15.72	11.06	9.79

Source: Audited financial statements

Samruddhi Commodities Trading Limited, incorporated on 17h October, 2003 under the companies Act 1956, is engaged in the business of Commodities Broking. The Registered office of the company is situated at 66/1, Hansa Villa, Bhaudaji Cross Road, Matunga (CR), Mumbai-400 019. The Authorised Capital of the company is Rs. 11.00 Lakhs divided into 50,000 equity shares of Rs.10/- each and 60,000 preference shares of Rs.10/- each. The Company is not a Sick Industrial Company. The shares of the company are not listed on any stock exchange. The company is registered with Multi Commodity Exchange of India Limited (MCX) as Trading cum Clearing Member with the Membership Code 12270. the company is also registered with National Commodity & Derivatives Exchange Limited, Mumbai (NCDEX) with the Membership No. NCDEX-CO-04-00183.

Brief financials for the last three years are given below:

(Amount - Rs. in Lakhs)

Particulars	31.03.2006	31.03.2005	31.03.2004
Equity Share Capital	5.00	5.00	5.00
Preference Share Capital	6.00	6.00	5.00
Reserves (excluding revaluation reserves)	55.82	54.70	45.33
Miscellaneous Expenditure (to the extent not written off)	(2.55)	(3.16)	(0.28)
Net Worth	**64.27**	**62.54**	**55.05**
Total Income	21.34	8.83	0.77
Profit After Tax (PAT)	1.11	0.37	0.33
Earnings Per Share (EPS) in Rs.	2.24	0.74	0.67
Net Asset Value (NAV) per share in Rs. (equity share of Rs.10/- each)	128.53	125.08	110.11

Source: Audited financial statements

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

a. The Acquirers propose to expand the existing business operations of Target Company. The Acquirers will suitably strengthen the Company with human resource as well as financial capital. The Acquires reserve the right to modify the present structure of the business in a manner which is useful to the larger interests of the shareholders. Any change in the structure that may be effected will be in accordance with the laws applicable.

b. The Acquirers do not currently intend to dispose of or otherwise encumber any significant assets of the Target Company in the next two years, except such disposals or encumbrances in the ordinary course of business of the Target Company and / or for the purposes of restructuring, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Further, the Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company, and in accordance with and subject to the applicable laws, permissions and consents, if any.

The future plans /strategies of Acquirers with regard to the Target Company are as under:
The Acquirers through investment in the Target Company intend to review the business activities of the company including diversification by exploring various business opportunities including manufacturing and financial services. However, depending on the requirements and expediency of the business situations and subject to the provisions of the Companies Act, 1956, Memorandum & Articles of Association of Target Company and all applicable laws, rules and regulations, the Board of Directors of Target Company will take appropriate business decisions from time to time. These measures would enhance long term shareholder value.

5. DISCLOSURE IN TERMS OF REGULATION 21(2)

In the event, pursuant to this Offer, the public shareholding in the Target Company falls below 25% of its outstanding equity share capital, the Acquirers will, in accordance with Regulation 21(2) of the SEBI (SAST) Regulations, 1997, facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the stock exchanges within the specified time and in accordance with the prescribed procedure under amended clause 40A(viii) of the Listing Agreement and in compliance with the Regulations.

6. BACKGROUND OF THE TARGET COMPANY- KBSL

6.1. Brief History and Main Areas of Operations:

a. KBSL was incorporated on 18.11.1982 as a Public Limited Company in the name & style of ‘K. B. Steel Limited’ and received the Certificate of Commencement of Business from Registrar of Companies, Maharashtra on 22.03.1983. The Registered Office of the company is situated at 5, Mahavir Chambers, 2nd Floor, 1/5, Banaji Lane, Fort, Mumbai-400 001; Telefax: 022-2204 3023;

b. The Authorised Share Capital of the company is Rs. 25.00 Lakhs comprising of 2,50,000 equity shares of Rs. 10/- each and the issued & subscribed capital is Rs. 24.50 Lakhs comprising of 2,45,000 fully paid-up equity shares of Rs. 10/- each. There are no partly paid-up equity shares. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity shares at any later date. There are no shares under lock-in period.

c. The main Object Clause of KBSL includes interalia to carry on the business of manufacturing and trading of steel and pipes and presently KBSL is not carrying on any business except earning the income from Commission and Interest.

d. The equity shares of KBSL are listed on Bombay Stock Exchange Limited, Mumbai.

e. The company came out with the Public Issue of 14,70,000 equity shares of Rs.10 each for cash at par aggregating to Rs. 147.00 Lakhs in the year 1983 to meet the cost of project to set up manufacturing facilities of SS Coil. However, due to technical difficulties, the original plan was shelved and the company established the plant of SS Rolling Sheet which was operated till 1986-87. During the year 1986-87 the company diversified into plastic extrusion and installed the extrusion plant to manufacture plastic pipes and started the production in the year 1987-88. Thereafter, the company discontinued this business in the year 2000-01 due to intense competition and decrease in profit margins.

f. The Promoter Group of the company consists of Mr. Kaushik B Kansara, Mrs. Hansa K Kansara, Manglaben B. Kansara, Ms. Sharda B Kansara, Ms Jaybalaben J. Dudhela, Ms. Jyotsna B Mavani and their aggregate shareholding in the company is 1,79,050 equity shares of Rs.10/- each representing 73.08% of the paid up equity share capital of the company.

6.2. Share Capital Structure of KBSL:

Paid-up Equity Shares	No. of Shares/Voting Rights	% Shares/Voting Rights
Fully Paid-up Equity Shares	2,45,000/2,45000	100%/ 100%
Partly Paid-up Equity Shares	Nil/Nil	Nil/Nil
Total paid-up Equity Shares	2,45,000/2,45000	100%/ 100%

6.3. Current Capital Structure of the Company:

Date of Allotment	No and % of Shares issued		Cumulative Paid-Up Capital (Rs.)	Mode of Allotment	Identity of Allottees	Status of Compliance
	No.	%				
25.11.1982	70	0.03	700	Cash	Subscribers to Memorandum	Complied
09.05.1983	2,44,930	99.97	24,50,000	Cash	Public Issue	Complied
TOTAL	**2,45,000**	**100.00**	**24,50,000**			

6.4. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity shares at any later date.

6.5. The Target Company has been complying with the applicable clauses of the Listing Agreement entered into with the Stock Exchange and no punitive action was taken against the company by the stock exchange. The target company has paid up to date Listing Fees to the stock exchange and the Company has addressed all investor's complaints as and when received and there is no pending complaint as on date.

6.6. Present Composition of the Board of Directors of KBSL:

As on date of PA [June 21, 2007], the Directors on the Board of KBSL were:

S. No.	Name & Address	Qualification	Experience	Date of Appointment
1.	Kaushik B. Kansara 36, Tapovan Society, Ambawadi, Ahmedabad-380 015.	B.Com	25 Years in the areas of Manufacturing of Steel and Pipes	Since Incorporation (18.11.1982)
2.	Gautam V. Modi 6/B, Milap Apt., Opp. Ronakpur Society, Shahibaug, Ahmedabad-380 004.	B.Com	24 Years in the areas of Manufacturing and Trading in Textile Parts	31.01.2002
3.	Anil H. Patel 11 B, Vallabh Bhuvan, Bapubhai Vashi Road, Vile Parle (West), Mumbai-400 056.	B.Com	24 Years in the areas of General Merchant for plastic parts and pipes	31.01.2002

4.	Mohanlal C .Shah G/1, Kamdhenu Apart., Ramnagar, Sabarmati, Ahmedabad-380 005.	B.Com.; FCA	18 Years in CA Practice	31.10.2003

None of the above Directors are representing the Acquirers.

6.7. There has been no merger / de-merger or spin off involving KBSL since the Company's listing.

6.8. The Promoters/Sellers have complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997. However, there was a delay in compliance with regulation 6(2) and 6(4) of the Regulations for the year 1997 and 8(3) of the Regulations for the period 1997-2002 by the Target Company for which SEBI issued a Letter no. CFD/DCR/RC/TO/13060/04 dated July 21, 2004 giving an option to the company to give its consent in writing for the payment of a penalty of Rs. 1,75,000/- (Rupees One Lakh Seventy Five Thousand only). Accordingly, the Target Company has filed the Consent for payment of Rs. 1,75,000/- for the above said non-compliance of regulation 6(2) and 6(4) for the year 1997 and 8(3) for the year 1998-2002 of the Regulations. Thereafter, the Target Company is regular in compliance with the provisions of the Regulations.

6.9. Financial Information:

Brief audited financials of KBSL for the last 3 Years are as follows:

Profit & Loss Statement (Rs. in Lakhs)

For the Year/period ended	31.03.2007	31.03.2006	31.03.2005
Income:			
Sales	--	--	--
Other Income	2.76	4.25	2.67
Total Income	**2.76**	**4.25**	**2.67**
Total Expenditure	1.94	2.87	1.82
Profit/(Loss) before Interest, Dep.& Tax	0.82	1.38	0.85
Depreciation	0.05	0.07	0.11
Interest & Fin. Expenses	--	--	--
Profit/(Loss) before Tax	**0.77**	**1.31**	**0.74**
Provision for Tax/FBT	0.11	0.11	0.06
Prior Period Item	(0.01)	--	0.01
Profit/(Loss) after Tax	**0.67**	**1.20**	**0.67**

Balance Sheet (Rs. in Lakhs)

As at	31.03.2007	31.03.2006	31.03.2005
Sources of Funds:			
Share Capital	24.50	24.50	24.50
Reserves & Surplus	49.00	49.00	49.00
Profit & Loss A/c (Debit Balance)	(12.20)	(12.85)	(14.04)
Networth	**61.30**	**60.65**	**59.46**
Application of Funds:			
Net Fixed Assets	0.26	0.31	0.38
Net Current Assets	61.04	60.34	59.08
Total	**61.30**	**60.65**	**59.46**

Other Financial Data

For year ended	31.03.2007	31.03.2006	31.03.2005
Dividend (%)	Nil	Nil	Nil
EPS (Rs.)	0.27	0.49	0.27
Return on Networth (%)	1.08	1.98	1.13
Book Value per share (Rs.)	25.02	24.76	24.27

Source: Annual Reports and certified financials

Networth = Equity Share Capital + Reserves and Surplus -Misc. Expenses – Profit & Loss Account (debit balance)
EPS = Profit after Tax / No. of shares outstanding
Return on Net Worth = Profit after Tax / Net Worth
Book Value per Share = Net Worth / No. of shares outstanding

Reason for rise/ fall in Total Income / PAT:
The total Income of the company is mainly consisting of commission earned on the various steel products trade. As the commission income is directly linked to the trade value, the income varied from year to year. Accordingly, there is a rise in the income during the year 2005-06 on account of higher value of trade compared to the previous year and there is a fall in the income during the year 2006-07 on account of lower value of trade compared to the previous year. Consequently, there is a rise and fall in the PAT for the corresponding years.

6.10.Pre and Post-Offer Shareholding Pattern of KBSL (Based on Voting Capital):

Shareholders' Category	**Shareholding & Voting Rights prior to the Agreements/ Acquisition and Offer**		**Shares / Voting Rights agreed to be Acquired which triggered off the Regulations**		**Shares/ Voting Rights to be Acquired in Open Offer (Assuming full acceptances)**		**Shareholding / Voting Rights after the Acquisition and Offer**	
	(A)		**(B)**		**(C)**		**(A)+(B)+(C)=(D)**	
	No.	%	No.	%	No.	%	No.	%
1. Promoter Group								
a) Parties to Agreements	1,79,050	73.08	(1,79,050)	(73.08)	Nil	Nil	Nil	Nil
b) Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (a+b)	**1,79,050**	**73.08**	**(1,79,050)**	**(73.08)**	**Nil**	**Nil**	**Nil**	**Nil**
2. Acquirers								
Mr. Vipul J. Modi			1,73,600	70.86				
Ms. Leena V. Modi	Nil	Nil	2450	1.00	49,000	20.00	2,28,050	93.08
Vipul J. Modi (HUF)			3000	1.22				
Total (a+b)	**Nil**	**Nil**	**1,79,050**	**73.08**	**49,000**	**20.00**	**2,28,050**	**93.08**
3. Parties to Agreements other than (1) (a) & (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. Public (Other than parties to Agreements, Acquirer)								
a. FIs/MFs/FIIs/Banks, SFIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. Others	65,950	26.92	Nil	Nil	(49,000)	(20.00)	16,950	6.92
Total (a+b)	**65,950**	**26.92**	**Nil**	**Nil**	**(49,000)**	**(20.00)**	**16,950**	**6.92**
GRAND TOTAL (1+2+3+4)	**2,45,000**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**2,45,000**	**100.00**

6.11. There are 112 Equity Shareholders under Public category as on 31.03.2007.

6.12. The Corporate Governance norms are not applicable to the company since the paid-up capital of the company is below Rs. 3.00 Crores.

6.13. Name and Contact details of the Compliance Officer:
Mr. Kumar Mavani
55/2/B, GIDC Estate, Opp. Bank of India, Vatva, Ahmedabad-382 445.
Tel. No.: 079-25833333; Fax: 079-25835222.

6.14. The changes in the holdings of the present Promoters Group is as under:

Year	**No. of Shares Acquired (% of outstanding voting capital)**	**No. of Shares Sold (% of outstanding voting capital)**	**Cumulative No. of Shares (% of outstanding voting capital)**
Prior to 1997	--	--	1,79,050(73.08)
2007-2008	*49,000 (20.00)	*49,000(20.00)	*1,79,050(73.08)

*Exempted under 3 (g) of the Regulations, since the acquisition of shares by way of transmission on succession or inheritance.

The details of the transferor, transferee for the above changes of shareholding are as under:

Name of the Shareholder	Pre Shareholding (%)	Post Shareholding (%)	Relationship
Mr. Kaushik B. Kansara (Transferee)	56,450 (23.04)	1,05,450 (43.04)	Son
Mr. Babulal K. Kansara (Transferor)	49,000 (20.00)	--	Father

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1. Justification of Offer Price:

1. The shares of KBSL are listed only at Bombay Stock Exchange Limited, Mumbai (BSE) and are not traded on any Stock Exchange(s) under Permitted Category.

2. The annualized trading turnover during the preceding 6 calendar months prior to the month in which PA is made i.e. December 2006 to May 2007 (both Inclusive) at the Stock Exchange(s) is as under: -

Name of Stock Exchange	Total No. of Shares traded during 6 calendar months prior to the month in which PA was made.	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	50	2,45,000	0.04

(Source: www.bseindia.com)

3. Based on the information available, the shares of KBSL are deemed to be infrequently traded in terms of Explanation (i) to regulation 20(5) of the Regulations and hence, the Offer Price has been determined taking into account the following parameters:

a.	Negotiated price under the Agreements	Rs. 28/-
b.	Highest price paid by Acquirer(s) for acquisition including by way of allotment in a public or rights Issue, if any, during the twenty six weeks period prior to the date of PA	Not Applicable
c.	Other Parameters	**For the year ended 31.03.2007**
	Book Value per Share (Rs.)	25.02
	Return on Networth (%)	1.08
	Earning Per Share (annualized) (Rs.)	0.27

4. In view of the above, the Offer Price of Rs. 28.55 (Rs. 28/- arrived at as per Regulations and interest of Re. 0.55) per share under the proposed open offer is justified in terms of regulation 20(5) of the Regulations.

5. If the Acquirers acquires shares after the PA and upto seven working days prior to closure of the Offer at a price higher than the Offer Price, the highest price paid for such acquisitions shall be payable for all the acceptances received under this Offer as per the Regulations. Any revision in the Offer Price shall be notified by advertisement in the same newspapers in which the original PA appeared.

6. The Acquirers has not entered into any non-compete agreement.

7.2. Financial Arrangements:

1. Consequent to 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). In accordance with regulation 28 of the Regulations, the Acquirers have opened an Escrow Account with HDFC Bank Ltd., Fort Branch, Mumbai and made a Cash deposit of Rs. 13,75,000/- (Rupees Thirteen Lakhs Seventy Five Thousand only) in the account, being more than 25% of the total consideration payable to the shareholders under the Offer. A lien has been marked on the said Escrow Account in favour of the Manager to the Offer by the bank. The Manager to the Offer has been duly authorised by the Acquirers to operate and realise the value of Escrow Account in terms of the Regulations.

2. The Acquirers has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of their own sources/Networth and no borrowings from any Bank and/or Financial Institutions are envisaged. Shri Ishwar P. Mehta (Membership No. 34609) Proprietor of M/s. I. P. Mehta & Co., Chartered Accountants, having office at 12, Swati Apartment, Cama Lane, Hansoti Lane, Ghatkopar (W), Mumbai-400086; Tel No.: 022-25131345, vide certificate dated June 18, 2007 have confirmed that the Acquirers has adequate resources to implement the Offer in full.

3. Based on the above, the Manager to the Offer has satisfied that the Acquirers has the ability to implement the Offer in accordance with the Regulations and firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

1. The Letter of Offer along with Form of Acceptance cum Acknowledgement shall be mailed to all those shareholders of KBSL (except parties to the Agreements and Acquirers) whose name appear on the Register of Members of KBSL and to those beneficial owners of the equity shares of KBSL, whose names appear as beneficiaries on the records of the respective Depository Participants, at the close of business hours on June 30, 2007 (the "Specified Date").

2. None of the shares of KBSL are under lock-in.

3. Shareholders holding equity shares in physical form and wish to tender their shares will be required to send their duly signed Form of Acceptance cum Acknowledgement, Original Share Certificate (s) and duly signed and executed Transfer Deed (s) to the Registrar or Manager to the Offer, either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post so as to reach on or before the Closing of the Offer, i.e. November 14, 2007 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

4. The Registrar to the Offer has opened a Special Depository Account with BCB Brokerage Private Limited (Registered with CDSL), styled 'PSIPL ESCROW ACCOUNT K.B.STEEL OPEN OFFER'. The DP ID is 12010400 and Client ID is 00003996. Shareholders having their beneficiary account in NSDL have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account.

5. Beneficial owners and Shareholders holding shares in the Dematerialised Form who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with a photocopy of the delivery instructions in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the Special Depository Account, to the Registrar either by hand delivery on weekdays between (10.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m.) or by Registered Post, on or before the Closing of the Offer, i.e. November 14, 2007 in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

6. Shareholders who have sent their shares for dematerialisation need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Special Depository Account should be received on or before the closure of the Offer, else the application would be rejected.

7. All owners of the shares, Registered or Unregistered (except parties to the Agreement) who own the shares any time prior to the closing of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar or Manager to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original Share Certificate(s), valid Transfer Deeds and the original Contract Note issued by the Broker through whom they acquired their shares. No indemnity is required from unregistered owners.

8. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar or Manager to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Distinctive Number, Folio Number and Number of Shares offered, along with documents as

mentioned in point ‘7” above, so as to reach the Registrar or Manager to the Offer on or before the Closing of the Offer, i.e. November 14, 2007 or in case of beneficial owners, they may send the application in writing to the Registrar or Manager to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, 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, so as to reach the Registrar or Manager to the Offer, on or before the Closing of the Offer, i.e. November 14, 2007.

9. The Registrar to the Offer will hold in trust the Share Certificates, shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form/s on behalf of the shareholders of KBSL who have accepted the Offer, till the Cheques/Drafts for the consideration and/or the unaccepted shares/share certificates are despatched/returned.

10. In case the number of shares validly tendered in the Offer by the shareholders of KBSL are more than the shares to be acquired under the Offer (i.e. 49,000 equity shares) then the Acquirers will accept shares on a proportionate basis subject to a minimum of 50 Shares or the entire holding if less than 50 shares, in case of physical mode, from each shareholder accepting this Offer, as per the provisions of the Regulations. Incase, the equity shares of KBSL are surrendered in dematerialized mode, minimum marketable lot is one (1) equity share only. The rejected applications/ documents will be sent by Registered Post.

11. Share Certificates, Transfer Forms and other documents in respect of shares not accepted under the Offer, if any, will be returned by Registered Post at the shareholders ‘unregistered owners’ sole risk to the sole/first shareholder. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

12. The payment of acquisition of shares will be made by the Acquirers in Cash through a crossed Demand Draft/Pay Order and the same will be sent by Registered Post, to those shareholders/unregistered owners, whose shares/ share certificates and other documents are found in order and accepted by Acquirers in part or in full whose equity share certificates and other documents are found in order accepted, with in 15 Days from the date of closing of the Offer. The Acquirers undertake to pay interest pursuant to regulation 22(12) to the shareholders for the delay, if any, in payment of consideration.

13. The Offer is subject to receiving necessary approval(s), if any, from Reserve Bank of India under Foreign Exchange Management Act, 1999 and subsequent amendments there to for acquiring equity shares tendered by Non Resident Shareholders, if any.

14. To the best of the knowledge of the Acquirers, there are no other statutory Approvals/or consents required to acquire the shares that are tendered pursuant to the Offer. However, if any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals.

15. In case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to Acquirers for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirers agreeing to pay interest for the delayed period as directed by SEBI under regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirers in obtaining the approvals, regulation 22(13) of Regulations will become applicable.

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

17. Attention of the shareholders is invited to the fact that the Letter of Offer along with the form of Acceptance would also be available on the SEBI web site at www.sebi.gov.in and eligible persons may download the Form of Acceptance cum Acknowledgement from the website for participating in the Offer.

18. The form of Acceptance along with Share Certificate (s) and other documents delivered as per the requirements mentioned above, shall become acceptance on your part, but will become a fully valid and binding contract between you and the Acquirers only upon the fulfillment of all the conditions mentioned herein.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

1. Shareholders who hold the shares of KBSL and wish to tender their equity shares pursuant to the Offer will be required to submit the Form of Acceptance, original Share Certificate(s) and Transfer Deed(s) duly signed, Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by DP in favour of the special depository account to the Registrars to the Offer, **Purva Sharegistry India Private Limited** at their office, so as to reach on or before the closure of the Offer, i.e. November 14, 2007, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

Name & Address	Contact Person	Mode of Delivery
Purva Sharegistry India Private Limited, 33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, MUMBAI-400 001.	Mr. V. B. Shah	Hand Delivery Registered Post / Speed Post

The documents can be tendered at any of the above centre between Monday to Friday from 10.30 am to 1.00 pm and 2.00 pm to 4.00 pm and on Saturdays from 10.00 am to 2.00 pm. The Registrars to the Offer will be closed on Sundays and other Public Holidays.

The equity shareholders who cannot hand deliver their documents at the address referred to above may send the same by registered post/ speed post, at their own risk, to the Registrar to the Offer at their office at Mumbai, so as to reach their office on or before the closure of the Offer i.e. November 14, 2007.

2. Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other relevant documents are complete in all respects; otherwise the same is liable to be rejected. In the case of demated 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 demated shares not credited in favour of the special depository account before the closure of the Offer will be rejected.

3. Shareholders who wish to tender their shares under this offer should enclose the following documents duly completed:

a) 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 Certificate(s).
- **Original Share Certificate(s).**
- Valid share Transfer Deed / 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 KBSL and duly witnessed at the appropriate place.

Unregistered Shareholders should enclose:

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, or application on plain paper.
- **Original share certificate(s).**
- **Original broker contract note.**
- **Valid share Transfer Deed / Form(s)** as received from market.

The details of buyer should be left blank failing which, the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested, if the signature(s) of the transferor(s) differs from the Specimen signature(s) recorded with KBSL or are not in the same order, such shares are liable to be rejected under the open offer even if the Offer has been accepted by bonafide owner of such shares.

b) For Equity shares held in Demat form: -

The Registrar to the Offer has opened a Special Depository Account with BCB Brokerage Private Limited (Registered with CDSL), styled "PSIPL ESCROW ACCOUNT K.B.STEEL OPEN OFFER.", whose details are as under: -

DP Name:	BCB Brokerage Private Limited
DP ID Number:	12010400
Client ID Number:	00003996

Shareholders having their beneficiary account in NSDL have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account.

Beneficial Owners should enclose:

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository
- **Photocopy of the delivery instruction** in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by DP in favour of the special depository account.

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. All beneficial owners maintaining accounts with CDSL are required to fill in an additional inter depository slip, maintained with the DP while giving instructions to their respective DPs.

In case of non receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted. The Form of Acceptance-cum-Acknowledgement for which corresponding shares have not been credited to the special depository account as on the date of closure of the Offer will be rejected.

4. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent, failing which, the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):
   i. Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired. In case succession certificate has not been obtained, the legal heir may approach the registrar.
   ii. Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
   iii. No objection certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
   iv. In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).
5. The share certificate(s), share transfer form, Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, at the address mentioned above. **They should not be sent to the Manager to the Offer or the Acquirers or the Target Company.** The above-mentioned documents can be sent to the Registrar to the Offer on all days except Sundays and public holidays.

6. In case of unregistered owners or shareholders who have not received the Letter of Offer, they may send their consent to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, or in the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the 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 the "off-market" mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer. No indemnity is required from the unregistered owners.

Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.

Shareholders of KBSL who have sent their equity shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to KBSL (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialisation should submit their form of acceptance as applicable along with the copy of the demat request form (DRF) duly acknowledged by their DP. However they have to ensure that the corresponding credit of the dematerialized shares is received in the escrow depository account on or before closure of the Offer.

The eligible persons can write to the Manager to the Offer requesting for the Letter of Offer 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 Closure of the Offer.

Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI's website at 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 in the same.

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

8. The equity shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of the Closure of the Offer i.e. on or before November 8, 2007. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, so as to reach them on or before November 8, 2007. In case of non-receipt of 'Form of Withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the following details:
    a) **In case of Physical Shares:** Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn, and
    b) **In case of Dematerialised Shares:** Name, Address, number of shares tendered/withdrawn, 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.

Shares [Physical/Dematerialised form] withdrawn by the shareholders would be returned by the Registered post.

The form of Withdrawal can also be downloaded from SEBI's website www.sebi.gov.in or obtained from the Manager/ Registrar to the Offer.

9. Unaccepted Share Certificate(s), transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

10. The Registrar to the Offer will hold in trust the Shares / Share Certificates, Transfer Deed(s), Shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of 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.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Offer, **Ashika Capital Limited**, 1008, 10th Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021, on any working day between 10.00a.m to 2.00p.m during the period the Offer is open i.e. from October 26, 2007 (Friday) to November 14, 2007 (Wednesday):

i) Copy of Memorandum of Understanding and Supplementary Memorandum of Understanding between the Acquirers & Sellers dated June 16, 2007 and August 30, 2007 respectively, which triggered off the Offer.
ii) Memorandum & Articles of Association of KBSL along with Certificate of Incorporation.
iii) Audited results of KBSL for the financial years ended 31.03.2005, 31.03.2006, 31.03.2007.
iv) Memorandum & Articles of Association alongwith Certificate of Incorporation and Audited Annual Reports for the relevant years of the companies promoted by the Acquirers.
v) Chartered Accountant's Certificate(s) dated 16.06.2007 certifying the Net worth of Mr. Vipul J. Modi, Ms. Leena V. Modi and Vipul J. Modi (HUF) [Acquirers].
vi) Chartered Accountant's Certificate dated 18.06.2007 certifying the adequacy of financial resources with Acquirers to fulfill the Open Offer obligations.
vii) Letter from HDFC Bank Ltd. dated 20.06.2007 confirming the amount kept in an escrow account and empowering the Manager to the Offer in accordance with the Regulations.
viii) Copy of confirmation regarding opening of Special Depository Account in the name and Style of "PSIPL ESCROW ACCOUNT K.B.STEEL OPEN OFFER".
ix) Published copies of the Public Announcement made on June 21, 2007 and Corrigendum to PA made on October 17, 2007.
x) Copy of the Letter No. CFD/DCR/HB/TO/105960/07 dated October 11, 2007 from SEBI in terms of Provisions of regulation 18(2).
xi) Other relevant documents such as:
   a. Copy of the Memorandum of Understanding between the Acquirers & the Manager to the Offer dated June 18, 2007.
   b. Copy of the Memorandum of Understanding between the Acquirers & the Registrar to the Offer dated June 19, 2007.
   c. Copies of undertakings from Target Company and the Acquirers.

11. DECLARATION BY THE ACQUIRER

The Acquirers accept full responsibility severally and jointly for the information contained in the PA made in this regard, this Letter of Offer and also responsible for the obligations of the Acquirer as laid down in the Regulations.

The Manager to the Offer hereby states that the person(s) signing this Letter of Offer is the Acquirers.

Place: Mumbai
Date: October 19, 2007.

Vipul J. Modi

Leena V. Modi

Vipul J. Modi (HUF)

Attached: Form of Acceptance cum Acknowledgement and Withdrawal

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to Registrar to the Offer, Purva Sharegistry India Private Limited)

From:

OFFER OPENS ON	:	October 26, 2007 (Friday
LAST DATE OF WITHDRAWAL	:	November 8, 2007 (Thursday)
OFFER CLOSES ON	:	November 14, 2007 (Wednesday)

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

To

Purva Sharegistry India Private Limited,

33, Printing House, 28-D, Police Court Lane,

Behind Old Handloom House, Fort, Mumbai-400001.

Dear Sir,

Sub: Open Offer to acquire upto 49,000 equity shares of Rs. 10/- each at a price of Rs. 28.55 (Rs. 28/- arrived at as per Regulations and interest of Re. 0.55) **per share, representing 20% of voting capital of KBSL by Mr. Vipul J. Modi, Ms. Leena V. Modi and Vipul J. Modi (HUF) ['Acquirers']**

I/We refer to the Letter of Offer dated October 19, 2007 for acquiring the equity shares held by me/us in **K. B. Steel Limited**. I/We, the undersigned have read the Letter of Offer and understood their contents and unconditionally accept the terms and conditions as mentioned therein.

For Shares held in Physical Form:

I/We hereby irrevocably & unconditionally accept the Offer and enclose the original Share Certificate(s) and duly signed Transfer Deed(s) in respect of my / our shares as detailed below:

Sl. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

(In case the space provided is inadequate, please attach a separate sheet with the details)

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirers dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

For Shares held in Demat Form:

I/We, holding shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my/ our shares as detailed below:

DP Name	DP ID	Client ID	No. of Shares	Name of Beneficiary

I/We have done an Off-Market transaction for crediting the shares to the Special Depository Account named "PSIPL ESCROW ACCOUNT- MULTIPLUS OPEN OFFER" with the following particulars:

DP Name	BCB Brokerage Private Limited
DP ID	12010400
Beneficiary ID	00003996

Shareholders having their beneficiary account with NSDL have to use inter-depository slip for purpose of crediting their shares in favour of the Special Depository Account.

I/We note and understand that the shares would lie in the special depository account until the time the Acquirers dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

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

Non - resident shareholders should enclose No objection Certificate / Tax Clearance Certificate from the income tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirers before remitting the consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of shareholder on the consideration payable by the Acquirers.

I/We authorize the Acquirers to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, share certificate(s)/ shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UPC as may be applicable at my/our risk, the draft/cheque, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and delivered:

	FULL NAME (S)	**SIGNATURE (S)**
First/sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder: ____

____

Place: __________________ Date: ____________________

Note: In case of joint holding, all must sign. A Company must affix the common seal and furnish its corporate authorizations.

So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of bank account of the first/sole shareholder and the cheque or demand draft for the consideration will be drawn accordingly.

Name of the Bank: ________________________________ Branch: _______________________

Account Number: ____________________ Savings/Current/Others(please specify)____________

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S. No. **(Acknowledgement Slip)**

PURVA SHAREGISTRY INDIA PRIVATE LIMITED

(Unit- K. B. Steel Limited-Open Offer)

33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai-400001;
Tel: 022-23016761; Fax: 022-23018261;E-mail: busicomp@vsnl.com

Received from Mr./Ms/Smt.:_______________________________

Address:____

Folio Number__________ DP ID ___________Client ID_________

Number of Share Certificates Enclosed _____________

Certificate Numbers _________

Total Number of Shares Enclosed: ________

Signature of the Official Date of receipt	Stamp of Registrar to the Offer

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

PLEASE USE THIS FORM ONLY IF YOU HAVE TENDERED THE SHARES AND WISH TO WITHDRAW YOUR APPLICATION

FORM OF WITHDRAWAL

From:

OFFER OPENS ON	:	October 26, 2007 (Friday)
LAST DATE OF WITHDRAWAL	:	November 8, 2007 (Thursday)
OFFER CLOSES ON	:	November 14, 2007 (Wednesday)

Tel.: Fax: E-mail:

To
Purva Sharegistry India Private Limited,
33, Printing House, 28-D, Police Court Lane,
Behind Old Handloom House, Fort, Mumbai-400001.

Dear Sir,

Sub: Open Offer to acquire upto 49,000 equity shares of Rs. 10/- each at a price of Rs. 28.55 (Rs. 28/- arrived at as per Regulations and interest of Re. 0.55) **per share, representing 20% of voting capital of KBSL by Mr. Vipul J. Modi, Ms. Leena V. Modi and Vipul J. Modi (HUF) ['Acquirers']**

I/We refer to the Letter of Offer dated October 19, 2007 for acquiring the equity shares held by me/us in **K. B. Steel Limited.**

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I/We wish to withdraw our acceptance tendered in response to the said Offer. We had deposited/sent our 'Form of Acceptance' to you on _________ 2007 along with original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below: (Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance').

For Shares held in Physical Form:

S. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		Number of Equity Shares
			From	To	
Total No. of Shares					

(In case the space provided is inadequate, please attach a separate sheet with the details)

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

I/We authorise the Acquirers to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer.

For Shares held in Demat Form:

DP Name	DP ID	Client ID	No. of Shares	Name of Beneficiary

I/We note that the Shares will be credited back only to that Depository Account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard. In case of dematerialised Shares, I/We confirm that the DP as per the records maintained at their end has verified the signatures of the beneficiary holders and they have also duly attested the same under their seal.

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

Yours faithfully,
Signed and Delivered:

	FULL NAME (S)	SIGNATURE (S)
First/sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder:____

____

Note: In case of joint holding, all must sign. A Company must affix the common seal and furnish its corporate authorizations.

Place:__________________ Date:____________________

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 17.00 hours upto the last date of withdrawal i.e. November 8, 2007).

2. Shareholders should enclose the following:-
   Registered Shareholders should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
   - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

   Unregistered owners should enclose:
   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip.
   - The withdrawal of Shares will be available only for the Share certificates that have been received by the Registrar to the Offer/ Manager to the Offer.
   - The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
   - The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
   - In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from KBSL. The facility of partial withdrawal is available only on to Registered shareholders.

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S. No. **(Acknowledgement Slip)**

PURVA SHAREGISTRY INDIA PRIVATE LIMITED

(Unit- K. B. Steel Limited-Open Offer)

33, Printing House, 28-D, Police Court Lane, Behind Old Handloom House, Fort, Mumbai-400 001;
Tel: 022-2301 6761; Fax: 022-2301 8261; E-mail: busicomp@vsnl.com

Received Form of Withdrawal from Mr. / Ms. / Smt..: ______________________________

Address: ______________________________

____

Folio Number__________ DP ID ___________Client ID__________

Number of Shares tendered ___________

Number of Shares withdrawn ________________

Signature of the Official Date of receipt	Stamp of Registrar to the Offer

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PRINTED MATTER

BOOK POST

To

If undelivered, please return to:

PURVA SHAREGISTRY INDIA PRIVATE LIMITED
33, Printing House, 28-D, Police Court Lane,
Behind Old Handloom House,
Fort, Mumbai-400001; Tel: 022-23016761;
E-mail: busicomp@vsnl.com