LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

OPEN OFFER BY

KRITI CORPORATE SERVICES PRIVATE LIMITED

Registered Office: Mehta Chambers, 34, Siyaganj, Indore-452007.
Tel No. 0731-2704716; Fax No. 0731-2704506

Along with Persons Acting in Concert with him

Mr Shiv Singh Mehta, Ms Kamla Mehta, Mr Praveen Kasliwal, Ms Jyoti Kasliwal, Ms Nandita Kasliwal, Ms Juhi Kasliwal, Mr Sajjan Singh Mehta, Ms Purnima Mehta, Ms Raj Kumari Kothari, Ms Devki Mehta, Mr Saurabh Mehta, Ms Indrani Devi Kasliwal, Mr Raja Bahadur Singh, M/s Sakam Investment (P) Ltd, M/s Chetak Builders (P) Ltd, M/s Kriti Auto Accessories (P) Ltd and M/s Kasta Pipes (P) Ltd

To

Acquire upto 12,40,088 equity shares of Rs. 10/- each representing 20% of the total equity/voting share capital of Target Company at a price of Rs. 27.50 (Rupees Twenty Seven & Paise Fifty Only) per fully paid equity share payable in Cash.

of

KRITI INDUSTRIES (INDIA) LIMITED

Registered Office: Mehta Chambers, 34, Siyaganj, Indore-452007
Tel No. 0731-2704716; Fax No. 0731-2704506.

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

ATTENTION:

1. **The offer is not a conditional offer.**
2. Approval for transfer of shares of a Company registered in India by a Non Resident to a person resident in India is required. The Acquirer shall apply for approval (if any) from RBI for transfer of shares in their name in due course after successful completion of this Offer.
3. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer i.e. upto **Friday, 15th December, 2006**.
4. If there is any upward revision in the Offer Price by the Acquirer upto seven working days prior to the date of closure i.e. upto **Monday,11th December, 2006** the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.
5. **If there is a Competitive Bid:**
   5.1 The Public Offers under all the subsisting bids shall close on the same date.
   5.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.
6. **A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's web-site: www.sebi.gov.in**

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 10 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 23 TO 25)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL ARE ENCLOSED WITH THIS LETTER OF OFFER.

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Chartered Capital And Investment Limited 13, Community Centre, East of Kailash, New Delhi-110065. Tel nos.: 011-26472557/26218274 Fax no.: 011-26219491 Email: charteredcapital@gmail.com delhi@charteredcapital.net Contact Person: **Mr. Amit Mehta**	**BEETAL** **FINANCIAL & COMPUTER SERVICES (P) LTD.** **Financial & Computer Services (P) Ltd.** **Regd & Admn. Office :** Beetal House, 3rd Floor, 99, Madangir Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110 062, Phone : 011-29961281, 29961282 Fax: 011-29961284 E-mail: beetal_99@sify.com Contact Person: **Mr. Punit Mittal**
OFFER OPENS ON: 1st December, 2006 (Friday)	**OFFER CLOSES ON: 20th December, 2006 (Wednesday)**

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Activity	Original Schedule (Day & Date)	Revised Schedule (Day & Date)
Date of Public Announcement (PA)	(Thursday) 14th September, 2006	(Thursday) 14th September, 2006
Specified Date	(Saturday) 30th September, 2006	(Saturday) 30th September, 2006
Last Date for a Competitive Bid(s)	(Thursday) 5th October, 2006	(Thursday) 5th October, 2006
Date by which Letter of Offer will be dispatched to the Shareholders	(Monday) 27th October, 2006	(Tuesday) 28th November, 2006
Offer Opening Date	(Friday) 3rd November, 2006	(Friday) 1st December, 2006
Last Date for the Revision of the Offer Price / Number of Equity Shares.	(Monday) 13th November, 2006	(Monday) 11th December, 2006
Last date to withdraw acceptance tendered by shareholders	(Friday) 17th November, 2006	(Friday) 15th December, 2006
Offer Closing Date	(Wednesday) 22nd November, 2006	(Wednesday) 20th December, 2006
Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and / or the unaccepted equity shares / share certificates will be dispatched.	(Thursday) 7th December, 2006	(Thursday) 4th January, 2007

RISK FACTORS

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

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

iii. Association of the Company with the Acquirer does not warrant any assurance with respect to the future financial performance of the Company.

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

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of KIIL 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 KIIL are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in the offer.

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1. DEFINITIONS

1.	Acquirer or The Acquirer or KCSPL	Kriti Corporate Services Private Limited
2.	ASE	Ahmedabad Stock Exchange Limited
3.	Book Value per share	Net worth / Number of equity shares issued
4.	BSE	The Bombay Stock Exchange Limited, Mumbai
5.	EPS	Profit after tax / Number of equity shares issued
6.	Form of Acceptance	Form of Acceptance cum Acknowledgement
7.	Form of Withdrawal	Form of Withdrawal cum Acknowledgement
8.	LOO or Letter of Offer	Offer Document

9.	Manager to the Offer or, Merchant Banker	Chartered Capital And Investment Limited
10.	MPSE	Madhya Pradesh Stock Exchange
11.	N.A.	Not Available
12.	Offer or The Offer	Open Offer for acquisition of 1240088 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 27.50 (Rupees Twenty Seven & Paise Fifty Only) per fully paid equity share, payable in Cash.
13.	Offer Price	Rs.27.50 (Rupees Twenty Seven & Paise Fifty Only) per share for fully paid equity shares of Rs. 10/- each, payable in Cash.
14.	Persons eligible to participate in the Offer	Registered shareholders of Kriti Industries (India) Limited, and unregistered shareholders who own the equity shares of Kriti Industries (India) Limited any time prior to the Offer closure other than the Acquirer and persons belonging to the Promoter Group.
15.	Persons Acting in Concert or PACs	Mr Shiv Singh Mehta, Ms Kamla Mehta, Mr Praveen Kasliwal, Ms Jyoti Kasliwal, Ms Nandita Kasliwal, Ms Juhi Kasliwal, Mr Sajjan Singh Mehta, Ms Purnima Mehta, Ms Raj Kumari Kothari, Ms Devki Mehta, Mr Saurabh Mehta, Ms Indrani Devi Kasliwal, Mr Raja Bahadur Singh, M/s Sakam Investment (P) Ltd, M/s Chetak Builders (P) Ltd, M/s Kriti Auto Accessories (P) Ltd and M/s Kasta Pipes (P) Ltd
15.	Post Preferential share/paid up share capital/ paid up equity share capital/ voting capital or Expanded Capital Base	62,00,440 fully paid equity shares of Rs. 10/- each of the Target Company
16.	Preferential Issue	Allotment of 13,25,000 fully paid up equity shares of face value of Rs. 10/- each representing 21.37% of post preferential share/ voting capital of Target Company for cash at a price of Rs. 25/- per equity share to the Acquirer in accordance with the applicable provisions of SEBI DIP Guidelines.
17.	Public Announcement or **"PA"**	Announcement of the Open Offer by The Acquirer, which appeared in the newspapers on September 14, 2006.
18.	Corrigendum to the Public Announcement	Corrigendum to the Public Announcement of the Open Offer by The Acquirer, which appeared in the newspapers on Monday, November 27, 2006.
19.	RBI	Reserve Bank of India
20.	Registrar or Registrar to the Offer	M/s Beetal Financial & Computer Services Private Limited
21.	Return on Net Worth	(Profit After Tax/Net Worth) *100
22.	SEBI	Securities and Exchange Board of India
23.	SEBI (SAST) Regulations, 1997 or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
24.	SEBI DIP Guidelines	SEBI (Disclosure & Investor Protection) Guidelines, 2000 and subsequent amendments thereto
25.	SEBI Act	Securities and Exchange Board of India Act, 1992
26.	Target Company or KIIL	Kriti Industries (India) Limited

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 KRITI INDUSTRIES (INDIA) 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 ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 26.09.2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The offer to the shareholder of KIIL is being made in accordance with and as required under Regulations 11(2) of the SEBI (SAST) Regulations, 1997 i.e. for consolidation of holding by the Promoters in KIIL.

3.1.2 The Offer is being made by the Acquirer M/s Kriti Corporate Services Private Limited along with PACs.

3.1.3 The Board of Directors of Kriti Industries (India) Limited **("Target Company" or "KIIL")** has passed Board resolution dated July 26, 2006 authorising the preferential allotment of 13,25,000 fully paid up equity shares of Rs 10/- each. The said preferential allotment have been approved by the shareholders of the company in their Annual General meeting held on August 25, 2006. On receipt of in-principle approval given by the Bombay Stock Exchange Limited ("BSE") vide its letter no.List/sdm/pdk/dmm/2006 dated September 06, 2006 the Committee of the Board of Directors of Kriti Industries (India) Limited **("Target Company" or "KIIL")** on September 09, 2006, having its Registered office at, Mehta Chambers, 34, Siyaganj, Indore-452007, issued and allotted, on preferential basis 13,25,000 fully paid up equity shares of face value of Rs 10/- each representing 21.37% of post-preferential share/voting capital of "KIIL" for cash at a price of Rs. 25/- per equity share which includes a premium of Rs. 15/- per equity share aggregating to Rs. 331.25 lacs **("Preferential Issue")** to the acquirer in accordance with the guidelines for preferential issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto **("SEBI DIP Guidelines").**

By this acquisition, the Acquirer holding increased from 1167100 equity shares representing 23.94% of pre preferential equity capital of KIIL to 24,92,100 number of equity shares representing 40.19% of the post preferential paid up share capital of KIIL, and also the holding of promoters group increased from 30,78,584 equity shares representing 63.14% of pre preferential total equity share capital to 44,03,584 equity shares representing 71.02% of post preferential equity share capital which resulted in triggering of SEBI (SAST) Regulations, 1997.

3.1.4 Apart from 24,92,100 shares as per the details given in para 3.1.3 above, the Acquirer does not hold any equity shares in the paid-up share capital of the Target Company

3.1.4 Neither the Acquirer nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of directions under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act 1992.

3.1.5 The Acquirer does not intend to make any changes in the Board of Directors of the Target Company.

3.1.6 The identity of allottee along with number of shares allotted is given below.

Sr No.	Name/Identity of the allottee	Pre Preferential holding of allottees and % to the total paid up capital i.e (4875440)	Number of shares allotted	Post preferential holding of allottees and % to the total paid up capital i.e (6200440)
1.	KRITI CORPORATE SERVICES PRIVATE LIMITED	11,67,100 (23.94%)	13,25,000	24,92,100 (40.19%)

3.1.7 The Acquirer belongs to the Promoter Group of the Target Company. The holding of Promoters Group as on date of PA is 71.02% of the total share capital/voting rights of the Target Company as given below:

Sr. No.	Name of Shareholder	No. of Shares	%
1	Kriti Corporate Services Private Limited	2492100	40.19
2	Sakam Investments (P) Ltd.	678694	10.95
3	Chetak Builders Private Limited	562270	9.07
4	Shiv Singh Mehta	145922	2.35
5	Praveen Kasliwal	132303	2.13
6	Jyoti Kasliwal	89819	1.45
7	Kamla Mehta	56577	0.91
8	Nandita Kasliwal	53344	0.86
9	Juhi Kasliwal	53344	0.86
10	Sajjan Singh Mehta	42750	0.69
11	Kriti Auto Accessories Pvt. Ltd.	32650	0.53
12	Sajjan Singh Mehta & Shiv Singh Mehta	16425	0.26
13	Purnima Mehta	14079	0.23
14	Kasta Pipes Pvt. Ltd.	13200	0.21
15	Raj Kumari Kothari	11410	0.18
16	Devki Mehta	4592	0.07
17	Saurabh Mehta	3805	0.06
18	Indrani Devi Kasliwal	200	0.00
19	Raja Bahadur Singh	100	0.00
	TOTAL	**4403584**	**71.02**

3.2 The Offer

3.2.1 The Acquirer has made a Public Announcement which was published on September 14, 2006 (except in Jansatta (Hindi) Delhi Edition where it was published on 15.09.2006 due to network failure of the press) and Corrigendum to Public Announcement, which was published on November 27, 2006 in the following newspapers in accordance with the Regulation 15 and pursuant to Regulation 11(2) of SEBI (SAST) Regulations, 1997.

Publication	Editions
Financial Express (English)	All Editions
Jansatta (Hindi)	All Editions
Nav Shakti (Marathi)	Mumbai
Raj Express (Hindi-Regional)	Indore

This Public Announcement is also available on the SEBI website at www.sebi.gov.in

3.2.2. The Acquirer is making this Open Offer under the SEBI (SAST) Regulations, 1997 to acquire 12,40,088 equity shares of Rs. 10/- each representing 20% of the total share capital/voting rights of KIIL at a price of Rs. 27.50 (Rupees Twenty Seven & Paise Fifty Only) per fully paid-up equity share ("Offer Price"} payable in cash subject to terms and conditions mentioned hereinafter.

3.2.3 There are no partly paid-up shares in the Target Company.

3.2.4 **The Offer is not a competitive bid.**

3.2.5 **The Offer is not subject to any minimum level of acceptances from the shareholders i.e. it is not a conditional offer.** The Acquirer will accept the equity shares of KIIL those are tendered in valid form in terms of this offer up to maximum of 12,40,088 equity shares.

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

3.3 Objects of the Offer

3.3.1 This offer is being made pursuant to Regulation 11(2) of the SEBI (SAST) Regulations 1997, consequent to the preferential allotment of equity shares by KIIL to the Acquirer as explained in para 3.1.3 above resulting in consolidation of holding of the Acquirer in KIIL. The board of KIIL invited the Acquirer to invest by way of subscription to the fresh equity share capital by way of preferential allotment under section 81(1A) of the Companies Act, 1956 according to and subject to the SEBI (DIP) Guidelines and bring funds so as to partially meet the working capital requirements and fund requirements for the expansion of the engineering plastic operations of the Company. As a result of the Preferential Issue of equity shares to the Acquirer the aggregate holding of the promoter group also stand increased from 63.14% of pre preferential equity share capital of the target company to 71.02% of the total post preferential equity share capital. Thus consolidation of holding in the Target Company is the reason and rationale for the acquisition/offer.

3.3.2 This offer is being made to the shareholders of KIIL in accordance with Regulation 11(2) of the SEBI (SAST) Regulations 1997.

4. BACKGROUND OF THE ACQUIRER

4.1.1 Kriti Corporate Services Private Limited is a private limited Company incorporated with the Registrar of Companies Madhya Pradesh, Gwalior vide its certificate of incorporation dated March 23, 1995 under the Companies Act, 1956 to carry on the business of leasing, hire purchase and investment. At present the Registered Office of the Company is situated at Mehta Chambers, 34, Siyaganj, Indore -452007. Phone No. 0731-2704716, Fax No. 0731-2704506. Currently KCSPL is engaged in the business of making investments in real estate and securities as well as renting out of properties. The major source of income of Acquirer is income from investments.

4.1.2 The present promoters of KCSPL are Kasta Pipes Private Limited and Mr. Gokul Prasad Bhargava. The Board of Directors of Acquirer comprises of Mr. Gokul Prasad Bhargava and Mr. Saurabh Mehta. KCSPL belongs to Kriti Group. Kriti Group has an association of over 10 years with solvent & plastic pipes industry and has diverse business interests in soya oil & meal, plastic engineering products, telecom networking equipments and pipes.

4.1.3 M/s. Kriti Corporate Services Private Limited is the sole Acquirer in the present offer and there is no person(s) acting in concert with the Acquirer in respect of this offer.

4.1.4 The Aquirer is registered with the Reserve Bank of India (RBI) as Non Banking Financial Institution (NBFC) without accepting public deposit under section 45-IA of the Reserve Bank of India Act, 1934 vide RBI certificate no. 03.00004 dated 14.02.1998 and Kriti Corporate Services (P) Ltd is not fully complying with the provisions applicable to it under RBI Guidelines and further no punitive action has been taken against the company by Reserve Bank of India.

4.1.5 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are applicable to the Acquirer and PACs and they have not made timely disclosures to the Target Company as well as to the Stock Exchanges and SEBI may take an appropriate action in this regard for all Non Compliances of Chapter II of SEBI (SAST) Regulations, 1997.

4.1.6 The Authorised share capital of the KCSPL as on the date of PA consists of Rs 50 lacs divided in to 5,00,000 equity shares of Rs 10/- each. The Issued, Subscribed and Paid up share capital of the KCSPL constitutes of 5,00,000 fully paid up equity shares of Rs. 10/- each aggregating Rs. 50 lacs.

4.1.7 The shareholding pattern of Kriti Corporate Services Private Limited as on the date of public announcement are as under:

Sl. No.	Shareholder's Category	No. & %age of shares held
1.	Promoters	4,74,800 (94.96%)
2.	Mutual Funds/FIIs/FIs/ banks	NIL
3.	Bodies Corporate & Others	25,200 (5.04%)
	TOTAL	**5,00,000 (100%)**

4.1.8 The Board of Directors of KCSPL as on P.A. date consists of following members:-

Name of the Director	Designation	Qualification and Experience in Field/ No. of years	Residential Address	Date of Appointment
Mr. Gokul Prasad Bhargava	Director	M.A. 40 yrs in Administration & Personnel	201, Princess Landmark, Ratlam Kothi, Indore	25.03.1995
Mr. Saurabh Mehta	Director	B.E. 3 yrs. In Plastic & Solvent	20/4, Y.N.Road, Indore	30.06.2004

None of the above Directors are on the Board of the Target Company

4.1.9 The Shares of the KCSPL are not listed on any stock exchange.

4.1.10 The brief audited financials of KCSPL are as under:-

(Rs. In Lacs)

Profit & Loss Statement	**Year Ended 31.3. 2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**
Income from Operations	Nil	13.07	16.88
Other Income	Nil	Nil	
Total Income	Nil	13.07	16.88
Total Expenditure	1.12	1.28	4.26
Profit before Depreciation, Interest and Tax	(1.12)	11.79	12.62
Depreciation	Nil	0.001	0.44
Interest	Nil	Nil	Nil
Profit before Tax	(1.12)	11.78	12.18
Provision for Tax	Nil	0.02	0.18
Profit after Tax	(1.12)	11.76	12.00

(Rs. In Lacs)

Balance Sheet as Statement	**Year Ended 31.3. 2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**
Sources of Funds			
Paid up Share Capital	50.00	50.00	50.00
Reserves & Surplus (Exculding Revaluation Reserve)	278.55	290.31	302.32
Secured Loan	Nil	Nil	Nil
Unsecured Loan	33.80	51.47	70.48
Current Liabilities	0.23	0.60	1.61
Deferred Tax Liability	Nil	0.007	0.12
Total	**362.58**	**392.39**	**424.53**
Uses of Funds			
Net Fixed Assets	Nil	0.50	3.82
Investments	284.45	284.45	284.45
Current Assets, Loans and Advances	78.12	107.44	136.26
Miscellaneous Expenses not written off	0.01	Nil	Nil
Total	**362.58**	**392.39**	**424.53**

Other Financial Data	**Year Ended 31.3. 2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**
Net Worth (Rs.in Lacs)	328.55	340.31	352.31
Dividend (%)	-	-	-
Earning Per Share (Rs.)	Negative	2.35	2.40
Return on Networth (%)	Negative	3.45%	3.40%
Book Value Per Share	65.71	68.06	70.46

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued ; EPS= profit after tax /number of equity shares issued.

The KCSPL is not a Sick industrial undertaking

4.1.11 There are no contingent liabilities in the company as per Annual Report 2005-2006.

4.1.12 **Reasons for rise/fall in profit during the relevant years.**

The major source of income for the Acquirer was dividend receipts from the Target Company. Since the Target Company did not declared dividend for the year ended 2002-03, the Acquirer's income for 2003-04 was adversely affected.

4.1.13 As per the declaration received, there is no litigation pending against the KCPSL.

4.1.14 **Significant Accounting Policies for the year ended March 31, 2006**

1. **System of Accounting:** The company maintains its accounts on accrual basis following the historical cost convention in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956. income recognition and provisioning for non-performing assets is done as per Non-Banking Financial Companies Prudential Norms(Reserve Bank) Direction, 1998
2. **Fixed Assets:** The fixed assets are stated at cost less accumulated depreciation. The cost of assets comprises of purchase price and any directly attributable cost of bringing the assets to working condition for its intended use. The purchase cost of fixed assets are inclusive of excise duty. Expenditure for addition, modification, improvement and renewals are capitalized and repairs are charged to the profit and loss account. When assets are sold or discarded, their cost and accumulated depreciation are removed from accounts and any gain or loss resulting from their disposal is included in the profit and loss account.
3. **Depreciation:** The depreciation on the fixed assets has been provided on straight line method on pro rata basis in accordance with the rates prescribed as per Schedule XIV to the Companies Act, 1956.
4. **Revenue Recognition:** The Company recognises revenue on accrual basis. As per the directives of the RBI, revenue is recognised upon realisation, on non-performing assets. Income from investments is stated in revenue account in the year in which it is accrued and at gross value.
5. **Investments:** All investment are valued at cost i.e cost of acquisition, inclusive of expenses incidental to acquisition where applicable.
6. **Income Tax:** Provision for income tax is made on the basis of estimated taxable income as per the provisions of Income Tax Act.
7. **Deferred Tax:** The company has recognised the deferred Tax assets & deferred tax liability according to the AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Therefore the additional deferred tax liability for 2005-06 has been calculated and provided at RS. 11418/-

4.1.15 There is no change in Accounting Policies during last three financial periods.

4.1.16 KCSPL has not promoted any Company except KIIL since inception.

4.1.17 The Acquirer at present have no intention to sell, dispose of or otherwise encumber any significant assets of KIIL in the succeeding two years, except in the ordinary course of business of KIIL. KIIL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the prior approval of the shareholders at a General Body Meeting of KIIL.

4.1.18 The Acquirer does not intend to make any changes in the Board of Directors of the Target Company.

4.1.19 KCSPL had not acquired any shares during the past 12 months preceeding the date of PA in Kriti Industries (India) Limited including any acquisition through Open Offer except the shares acquired in the Preferential Issue.

4.2 BACKGROUND OF PACs

4.2.1 MR. SHIV SINGH MEHTA

4.2.1.1 Mr. Shiv Singh Mehta is s/o Shri Sajjan Singh Mehta, aged 52 years, an Indian Citizen residing at 20/4, Yeshwant Niwas Road, Indore. Tel No: (0731) 2704716-19.He is an engineer and Post Graduate in Business Administration and having an overall experience of 31 years in Manufacturing/ Trading in Plastics & Solvent Extraction.

4.2.1.2 He is having a networth of Rs. 54.66 Lacs as on 31.03.2006 as certified by Mr. Vijay Bansal, Chartered Accountant (Membership No.075344) partner of R S Bansal & Co. having office at "URVASHI" First Floor, 3, Jaora Compound, Indore, Tel No.: 0731-2702834, 2702835 vide their certificate dated 22.11.2006.

4.2.1.3 As per the declaration received from Mr. Shiv Singh Mehta, he hold the position of Directorship in following company.

Sr No.	Name of the Company	Designation	Listed At
1.	Kriti Industries (India) Ltd	Managing Director	Listed at BSE, ASE,MPSE
2.	Rajratan Global Wires Ltd	Director	Listed at BSE, MPSE

4.2.1.4 Mr. Shiv Singh Mehta holds 1,45,922 Equity shares of Target Company as on the date of Public Announcement. Mr. Shiv Singh Mehta has not made any acquisition earlier in the target Company through Open Offer(s).

4.2.2 MS. KAMLA MEHTA

4.2.2.1 Ms. Kamla Mehta w/o Shri Sajjan Singh Mehta, aged 73 years, an Indian Citizen residing at 20/4, Yeshwant Niwas Road, Indore. Tel No: (0731) 2704716-19.She is Undergraduate and a housewife.

4.2.2.2 She is having a networth of Rs. 63.85 Lacs as on 31.03.2006 as certified by Mr. Vijay Bansal, Chartered Accountant (Membership No.075344) partner of R S Bansal & Co.having office at "URVASHI" First Floor, 3, Jaora Compound, Indore, Tel No.: 0731-2702834, 2702835 vide their certificate dated 22.11.2006.

4.2.2.3 As per the declaration received from Ms. Kamla Mehta , she holds the position of Directorship in the following companies:

Sr No.	Name of the Company	Designation	Listed At
1.	Sakam Investment (P) Ltd	Director	Not Listed

4.2.2.4 Ms. Kamla Mehta holds 56,577 Equity shares of Target Company as on the date of Public Announcement. Ms. Kamla Mehta has not made any acquisition earlier in the target Company through Open Offer(s).

4.2.3 MR. PRAVEEN KASLIWAL

4.2.3.1 Mr. Praveen Kasliwal S/o Raja Bahadur Singh is residing at Indira Bhawan, 3, M G Road, Indore. Tel No.: 0731-2518761. He is an engineer and Post Graduate in Business Administration and having 23 years of vast experience in Manufacturing/Trading in Plastics & Textiles.

4.2.3.2 He is having a networth of Rs. 45.80 Lacs as on 31.03.2006 as certified by Mr. M L Jain, Chartered Accountant (Membership No.072404) propreitor of Motilal Jain & Associates having office at "AMOL VIDHYA" 35-A, Bakhtawar Ram Nagar , Indore, Tel No.: 0731-2493738, 2495515 vide their certificate dated 22.11.2006.

4.2.3.3 As per the declaration received from Mr. Praveen Kasliwal, He does not hold the position of Directorship in any Company.

4.2.3.4 Mr. Praveen Kasliwal holds 1,32,303 Equity shares of Target Company as on the date of Public Announcement. Mr. Praveen Kasliwal has not made any acquisition earlier in the target Company through Open Offer(s).

4.2.4 MS. JYOTI KASLIWAL

4.3.4.1 Ms. Jyoti Kasliwal w/o Shri Praveen Kasliwal aged 51 years is residing at Indira Bhawan, 3, M G Road, Indore. Tel No.: 0731-2518761. She is Graduate and a housewife.

4.3.4.2 She is having a networth of Rs. 30.37 Lacs as on 31.03.2006 as certified by Mr. M L Jain, Chartered Accountant (Membership No.072404) propreitor of Motilal Jain & Associates having office at "AMOL VIDHYA" 35-A, Bakhtawar Ram Nagar , Indore, Tel No.: 0731-2493738, 2495515 vide their certificate dated 22.11.2006

4.3.4.3 As per the declaration received from Ms. Jyoti Kasliwal, she does not hold the position of Directorship in any company.

4.3.4.4 Ms. Jyoti Kasliwal holds 89,819 Equity shares of Target Company as on the date of Public Announcement. Ms. Jyoti Kasliwal has not made any acquisition earlier in the target Company through Open Offer(s).

4.3.5 MS. NANDITA KASLIWAL

4.3.5.1 Mrs. Nandita Kasliwal w/o Shri Harshvardhan Jain aged 25 years is residing at Indira Bhawan, 3, M G Road, Indore. Tel No.: 0731-2518761. She is having a Bachelor Degree of Business Administration and a housewife.

4.3.5.2 She is having a networth of Rs. 43.92 Lacs as on 31.03.2006 as certified by Mr. M L Jain, Chartered Accountant (Membership No.072404) propreitor of Motilal Jain & Associates having office at "AMOL VIDHYA" 35-A, Bakhtawar Ram Nagar , Indore, Tel No.: 0731-2493738, 2495515 vide their certificate dated 22.11.2006.

4.3.5.3 As per the declaration received from Ms. Nandita Kasliwal, she does not holds the position of Directorship in any company.

4.3.5.4 Ms. Nandita Kasliwal holds 53,344 Equity shares of Target Company as on the date of Public Announcement. Ms. Nandita Kasliwal has not made any acquisition earlier in the target Company through Open Offer(s).

4.3.6 MS. JUHI KASLIWAL

4.3.6.1 Ms. Juhi Kasliwal w/o Shri Divyansh Singhvi aged 28 years is residing at Indira Bhawan, 3, M G Road, Indore. Tel No.: 0731-2518761. She is Post Graduate in Business Administration and a housewife.

4.3.6.2 She is having a networth of Rs. 45.08 Lacs as on 31.03.2006 as certified by Mr. M L Jain, Chartered Accountant (Membership No.072404) propreitor of Motilal Jain & Associates having office at "AMOL VIDHYA" 35-A, Bakhtawar Ram Nagar , Indore, Tel No.: 0731-2493738, 2495515 vide their certificate dated 22.11.2006.

4.3.6.3 As per the declaration received from Ms. Juhi Kasliwal, she does not holds the position of Directorship in any company.

4.3.6.4 Ms. Juhi Kasliwal holds 53344 Equity shares of Target Company as on the date of Public Announcement. Ms. Nandita Kasliwal has not made any acquisition earlier in the target Company through Open Offer(s

4.3.7 MR. SAJJAN SINGH MEHTA

4.3.7.1 Mr. Sajjan Singh Mehta is s/o Late Shri Shardool Singh Mehta,aged 80 years, an Indian Citizen residing at 20/4, Yeshwant Niwas Road, Indore. Tel No: (0731) 2704716-19.He is graduate and having an overall experience of 54 years in Manufacturing/ Trading in Plastics & Solvent Extraction.

4.3.7.2 He is having a networth of Rs. 64.50 Lacs as on 31.03.2006 as certified by Mr. Vijay Bansal, Chartered Accountant (Membership No.075344) partner of R S Bansal & Co.having office at "URVASHI" First Floor, 3, Jaora Compound, Indore, Tel No.: 0731-2702834, vide their certificate dated 22.11.2006.

4.3.7.3 As per the declaration received from Mr. Sajjan Singh Mehta, He holds the position of Directorship in following companies.

Sr No.	Name of the Company	Designation	Listed At
1.	Kriti Industries (India) Ltd	Director	Listed at BSE, ASE,MPSE
2.	Sakam Investment (P) Ltd	Director	Not Listed
3.	Chetak Builders (P) Ltd	Director	Not Listed

4.3.7.4 Mr. Sajjan Singh Mehta holds 42,750 Equity shares of Target Company as on the date of Public Announcement. Mr. Sajjan Singh Mehta has not made any acquisition earlier in the target Company through Open Offer(s).

4.3.8 MS. PURNIMA MEHTA

4.3.8.1 Ms. Purnima Mehta w/o Shri Shiv Singh Mehta, aged 45 years, an Indian Citizen residing at 20/4, Yeshwant Niwas Road, Indore. Tel No: (0731) 2704716-19. She is Graduate and Post Graduate in Business Administration having an overall experience of 13 years in Manufacturing/ Trading in Plastics & Solvent Extraction.

4.3.8.2 She is having a networth of Rs. 62.23 Lacs as on 31.03.2006 as certified by Mr. Vijay Bansal, Chartered Accountant (Membership No.075344) partner of R S Bansal & Co.having office at "URVASHI" First Floor, 3, Jaora Compound, Indore, Tel No.: 0731-2702834, vide their certificate dated 22.11.2006.

4.3.8.3 As per the declaration received from Ms. Purnima Mehta , she holds the position of Directorship in the following companies:

Sr No.	Name of the Company	Designation	Listed At
1.	Kriti Industries (India) Ltd	Executive Director	Listed at BSE,ASE,MPSE
2.	Chetak Builders (P) Ltd	Director	Not Listed

4.3.8.4 Ms. Purnima Mehta holds 14079 Equity shares of Target Company as on the date of Public Announcement. Ms. Kamla Mehta has not made any acquisition earlier in the target Company through Open Offer(s).

4.3.9 MS. DEVKI MEHTA

4.3.9.1 Ms. Devki Mehta d/o Shri Shiv Singh Mehta aged 21 years, an Indian Citizen residing at 20/4, Yeshwant Niwas Road, Indore. Tel No: (0731) 2704716-19. She is an engineer.

4.3.9.2 She is having a networth of Rs. 22.04 Lacs as on 31.03.2006 as certified by Mr. Vijay Bansal, Chartered Accountant (Membership No.075344) partner of R S Bansal & Co.having office at "URVASHI" First Floor, 3, Jaora Compound, Indore, Tel No.: 0731-2702834, vide their certificate dated 22.11.2006.

4.3.9.3 As per the declaration received from Ms. Devki Mehta, she does not hold the position of Directorship in any Company.

4.3.9.4 Ms. Devki Mehta holds 4592 Equity shares of Target Company as on the date of Public Announcement. Ms. Devki Mehta has not made any acquisition earlier in the target Company through Open Offer(s).

4.3.10 MR. SAURABH MEHTA

4.3.10.1 Mr. Saurabh Mehta is s/o Shri Shiv Singh Mehta, aged 25 years, an Indian Citizen residing at 20/4, Yeshwant Niwas Road, Indore. Tel No: (0731) 2704716-19.He is an engineer and having an overall experience of 3 years in Manufacturing/ Trading in Plastics & Solvent Extraction.

4.3.10.2 He is having a networth of Rs. 38.49 Lacs as on 31.03.2006 as certified by Mr. Vijay Bansal, Chartered Accountant (Membership No.075344) partner of R S Bansal & Co.having office at "URVASHI" First Floor, 3, Jaora Compound, Indore, Tel No.: 0731-2702834, vide their certificate dated 22.11.2006.

4.3.10.3 As per the declaration received from Mr. Saurabh Mehta, He holds the position of Directorship in following company.

Sr No.	Name of the Company	Designation	Listed At
1.	Kriti Corporates Services (P) Ltd	Director	Not Listed
2.	Kasta Pipes (P) Ltd	Director	Not Listed

4.3.10.4 Mr. Saurabh Mehta holds 3805 Equity shares of Target Company as on the date of Public Announcement. Mr. Saurabh Mehta has not made any acquisition earlier in the target Company through Open Offer(s).

4.3.11 MS. RAJ KUMARI KOTHARI

4.3.11.1 Mrs. Raj Kumari Kothari w/o Shri Swatrant Singh Kothari aged 71 years, an Indian Citizen residing at 2-C, Dwarka,7, Sarta Bose Road, Kolkata. Tel No: (033) 22891398. She is Undergraduate and a housewife.

4.3.11.2 She is having a networth of Rs. 94.70 Lacs as on 30.06.2006 as certified by Mr. M L Jain, Chartered Accountant (Membership No.072404) propreitor of Motilal Jain & Associates having office at "AMOL VIDHYA" 35-A, Bakhtawar Ram Nagar , Indore, Tel No.: 0731-2493738, 2495515 vide their certificate dated 22.11.2006

4.3.11.3 As per the declaration received from Mrs. Raj Kumari Kothari, she does not hold the position of Directorship in any Company.

4.3.11.4 Mrs. Raj Kumari Kothari holds 11410 Equity shares of Target Company as on the date of Public Announcement. Mrs. Raj Kumari Kothari has not made any acquisition earlier in the target Company through Open Offer(s).

4.3.12 MS. INDRANI DEVI KASLIWAL

4.3.12.1 Mrs. Indrani Devi Kasliwal w/o Late Shri Rajabahadur Singh aged 72 years is residing at Indira Bhawan, 3, M G Road, Indore. Tel No.: 0731-2518761. She is Undergraduate and a housewife.

4.3.12.2 She is having a networth of Rs. 0.25 Lacs as on 31.03.2006 as certified by Mr. M L Jain, Chartered Accountant (Membership No.072404) propreitor of Motilal Jain & Associates having office at "AMOL VIDHYA" 35-A, Bakhtawar Ram Nagar , Indore, Tel No.: 0731-2493738, 2495515 vide their certificate dated 22.11.2006

4.3.12.3 As per the declaration received from Mrs. Indrani Devi Kasliwal, she does not holds the position of Directorship in any company.

4.3.12.4 Mrs. Indrani Devi Kasliwal holds 200 Equity shares of Target Company as on the date of Public Announcement. Mrs. Indrani Devi Kasliwal has not made any acquisition earlier in the target Company through Open Offer(s).

4.3.13 MR. RAJA BAHADUR SINGH

Mr Raja Bahadur Singh is deceased, at present holds 100 equity shares in the target company as on the date of Public Announcement.

4.3.14 M/S SAKAM INVESTMENTS (P) LIMITED.

4.3.14.1 Sakam Investment (P) Limited is a private limited company having its registered office situated at Mehta Chambers, 34, Siyaganj, Indore Ph.: 0731-2704716.

4.3.14.2 Sakam Investments (P) Lmited was incorporated as a Private Limited Company with name of Sakam Investments (P) Limited with the Registrar of Companies Madhya Pradesh, Gwalior vide its certificate of incorporation dated 12th August, 1986. Sakam Investment (P) Ltd has been engaged in the business of investment in shares or mutual funds.

4.3.14.3 The current Promoters of the company are Mr Sajjan Singh Mehta and Mrs Kamla Mehta. The company belongs to Kriti group.

4.3.14.4 The Board of Directors of Sakam Investment (P) Ltd as on date of PA consists of following members:-

Sr No.	Name of the Director	Qualification and Year of Experience	Residential address	Date of appointment
1.	Sajjan Singh Mehta	Graduate and having 54 years of experience in Manufacturing/Trading in Plastics & Solvent Extraction	20/4, Yeshwant Niwas Road, Indore	08.12.1986
2.	Kamla Mehta	Undergraduate	20/4, Yeshwant Niwas Road, Indore	08.12.1986

4.3.14.5 The shares of Sakam Investment (P) Ltd are not listed on any of the Stock Exchange.

4.3.14.6 The brief financials of Sakam Investment (P) Ltd are as under: -

(Rs. in Lacs)

Profit and loss statement	**Year Ended 31.3. 2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**
Income from Operations	28.90	8.50	24.34
Other Income	1.59	1.69	1.57
Increase/Decrease in Stock	(1.46)	5.13	4.00
Total Income	**29.03**	**15.32**	**29.91**
Total Expenditure	22.35	5.88	14.92
Profit Before Depreciation, Interest & Tax Depreciation Interest	6.68 0.06 2.15	9.44 0.001 3.47	14.99 0.001 4.69
Profit before Tax	**4.47**	**5.97**	**10.30**
Provision for Tax	0.68	Nil	1.02
Profit after Tax	**3.79**	**5.97**	**9.28**
Add: Previous Year adjustment	-	0.20	-
Add: Provision of Income Tax Revert back	-	0.25	-
Profit after Tax after adjustment	3.79	6.42	9.28

(Rs. in Lacs)

Balance Sheet Statement	Year Ended 31.3. 2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)
Sources of Funds			
Paid up Share Capital	9.37	9.37	9.37
Reserves and Surplus (excluding Revaluation Reserve)			
Revaluation reserverevaluation reserves)	30.85	37.27	46.55
Secured Loans	Nil	Nil	Nil
Unsecured Loan	35.24	53.15	62.26
Current Liabilities	16.29	9.36	10.48
Deferred Tax Liability	0.24	0.04	0.03
Total	**91.99**	**109.19**	**128.69**
Uses of Funds			
Net Fixed Assets	3.11	3.10	3.09
Investments	Nil	Nil	Nil
Current Assets	88.88	106.09	125.60
Miscellaneous Expenses not written off	Nil	Nil	Nil
Total	**91.99**	**109.19**	**128.69**

Other Financial Data	Year Ended 31.3. 2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)
Net Worth	40.22	46.64	55.92
Dividend (%)	Nil	Nil	Nil
Earning Per Share (In Rs.)	0.40	0.68	0.99
Return on Net worth (%)	9.42	13.76	16.59
Book Value Per Share (in Rs.)	42.92	49.77	59.68

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)*100 ; Earning Per Share=Profit After Tax / No. of Equity Shares issued ; Return on Net worth (%)=(Profit After Tax/Networth)*100 ;
Book Value Per Share=Networth/ No. of Equity shares issued
The Company is a not a Sick Industrial Company.

4.3.14.7 The reason for fall/rise in income and PAT in the relevant years are as under:
The Company is operating at very low level, hence minor changes in incomes affect the earning capacity of the company and also income from Operations is higher for the period ended 31.03.2004 and 31.03.2006 as compared to 31.03.2005 due to sale of shares held by the company.

4.3.14.8 Significant Accounting Policies for the year ended March 31, 2006

1. **System of Accounting:** The company maintains its accounts as per the generally accepted accounting principle and on the same basis as in previous year. Books of accounts are kept on accrual basis.
2. **Depreciation:** The depreciation on office equipments have been charged as per Straight line method on rates prescribed under schedule XIV of the Companies Act, 1956. However no depreciation has been charged on immovable assets.
3. **Stock:** Stock of Shares are valued at cost including stamp duty and other incidental charges.
4. **Accounting for tax on Income :** The current taxes has been accounted for on the taxable income as per Income Tax Act, at the rates applicable thereon. The taxes arising due to timing differences in the book profits & taxable profits are accounted for at the rates applicable on balance sheet date.

4.3.14.9 Sakam Investment (P) Limited holds 678694 Equity shares of Target Company as on the date of Public Announcement. Sakam Investment (P) Limited has not made any acquisition in the target Company through Open Offer(s).

4.3.15 M/S CHETAK BUILDERS (P) LIMITED.

4.3.15.1 Chetak Builders (P) Limited is a private limited company having its registered office situated at 14, R N T Marg, Indore. Ph.: 0731-2704716.

4.3.15.2 Chetak Builders (P) Lmited was incorporated as a Private Limited Company with name of Chetak Builders (P) Limited with the Registrar of Companies Maharashtra, Bombay vide its certificate of incorporation dated 9th May, 1985. Chetak Builders (P) Ltd has been engaged in the in the business of builders, contractors, Purchase, Sale & Hire of House Property.

4.3.15.3 The Current Promoters of the company are M/s Sakam Investments (P) Ltd and Mrs Purnima Mehta. The company belong to Kriti group.

4.3.15.4 The Board of Directors of Chetak Builders (P) Ltd as on date of PA consists of following members:-

Sr No.	Name of the Director	Qualification and Year Experience	Residential address	Date of appointment
1.	Sajjan Singh Mehta	Graduate and having 54 years of experience in Manufacturing/Trading in Plastics & Solvent Extraction	20/4, Yeshwant Niwas Road, Indore	02.01.1989
2.	Purnima Mehta	B.E, M.B.A and having 13 years of experience in Marketing and Administration	20/4, Yeshwant Niwas Road, Indore	02.01.1989

4.3.15.5 The shares of Chetak Builders (P) Ltd are not listed on any of the Stock Exchange.

4.3.15.6 The brief financials of Chetak Builders (P) Ltd are as under: -

(Rs. in Lacs)

Profit and loss statement	Year Ended 31.3. 2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)
Income from Operations	1.70	1.70	1.70
Other Income	1.42	6.62	8.78
Total Income	**3.12**	**8.32**	**10.48**
Total Expenditure	0.45	1.28	0.19
Profit Before Depreciation, Interest & Tax	2.67	7.04	10.29
Depreciation	0.09	0.002	0.002
Interest	Nil	Nil	Nil
Profit before Tax	**2.58**	**7.04**	**10.29**
Provision for Tax	0.75	0.10	0.41
Profit after Tax	**1.83**	**6.94**	**9.88**

(Rs. in Lacs)

Balance Sheet Statement	Year Ended 31.3. 2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)
Sources of Funds			
Paid up Share Capital	8.26	8.26	8.26
Reserves and Surplus (excluding Revaluation Reserve)			
Revaluation reserverevaluation reserves)	25.83	32.77	42.65
Secured Loans	Nil	Nil	Nil
Unsecured Loan	6.14	Nil	Nil
Current Liabilities	3.95	1.42	1.79
Deferred Tax Liability	0.005	0.005	0.004
Total	**44.18**	**42.45**	**52.70**
Uses of Funds			
Net Fixed Assets	0.02	0.01	0.01
Investments	42.63	41.55	43.40
Current Assets	1.53	0.89	9.29
Miscellaneous Expenses not written off	Nil	Nil	Nil
Total	**44.18**	**42.45**	**52.70**

Other Financial Data	Year Ended 31.3. 2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)
Net Worth	34.09	41.03	50.91
Dividend (%)	Nil	Nil	Nil
Earning Per Share (In Rs.)	0.22	0.84	1.20
Return on Net worth (%)	5.37	16.91	19.41
Book Value Per Share (in Rs.)	41.27	49.67	61.63

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)*100 ; Earning Per Share=Profit After Tax / No. of Equity Shares issued ; Return on Net worth (%)=(Profit After Tax/Networth)*100 ;
Book Value Per Share=Networth/ No. of Equity shares issued
The Company is a not a Sick Industrial Company.

4.3.15.7 The reason for fall/rise in income and PAT in the relevant years are as under:

The major source of income for the Chetak Builders (P) Ltd was dividend receipts from the Target Company. Since the Target Company did not declared dividend for the year ended 2002-03, Therefore Chetak Builders (P) Ltd's income for 2003-04 was adversely affected.

4.3.15.8 Significant Accounting Policies for the year ended March 31, 2006

1. **System of Accounting:** The financial statements are prepared on the basis of on going concern. The company maintains its accounts on historical cost basis. Mercantile system of accounting has been followed by the Company.
2. **Investments:** All investments are long term investments and are stated at cost.
3. **Depreciation:** The depreciation has been provided on written down value method on the rates prescribed in Schedule XIV of the Companies Act, 1956.
4. **Fixed Cost:** Fixed cost are stated at the cost of acquisition less depriciation.

4.3.15.9 Chetak Builders (P) Limited holds 562270 Equity shares of Target Company as on the date of Public Announcement. Chetak Builders (P) Ltd has not made any acquisition in the target Company through Open Offer(s).

4.3.16 M/S KASTA PIPES (P) LIMITED.

4.3.16.1 Kasta Pipes (P) Limited is a private limited company having its registered office situated at Mehta Chambers, 34, Siyaganj, Indore. Ph.: 0731-2704716.

4.3.16.2 Kasta Pipes (P) Limited was incorporated as a Private Limited Company with name of Kasta Pipes (P) Limited with the Registrar of Companies Madhya Pradesh, Gwalior vide its certificate of incorporation dated 6th April, 1989. Kasta Pipes (P) Ltd has been engaged in the in the business of manufacture and sale of PVC extrusions, Polythene, LDPE, HDPE, Excell etc.

4.3.16.3 The current Promoters of the company are Mr G P Bhargav and Mr Saurabh Mehta. The company belongs to Kriti group.

4.3.16.4 The Board of Directors of Kasta Pipes (P) Ltd as on date of PA consists of following members:-

Sr No.	Name of the Director	Qualification and Year Experience	Residential address	Date of appointment
1.	G P Bhargav	Post Graduate and having 20 years of experience in Marketing and Trading	Flat No.201,21-1, Ratlam Kothi, Indore	04.08.1994
2.	Saurabh Mehta	Gra B.E and having 3 years of experience in Manufacturing/ Trading in Plastics & Solvent Extraction.	20/4, Yeshwant Niwas Road, Indore	30.06.2004

4.3.16.5 The shares of Kasta Pipes (P) Ltd are not listed on any of the Stock Exchange.

4.3.16.6 The brief financials of Kasta Pipes (P) Ltd are as under: -

(Rs. in Lacs)

Profit and loss statement	**Year Ended 31.3. 2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**
Income from Operations	0.18	Nil	Nil
Other Income	2.94	0.21	0.13
Total Income	**3.12**	**0.21**	**0.13**
Total Expenditure	9.31	0.93	0.37
Profit Before Depreciation, Interest & Tax	(6.19)	(0.72)	(0.24)
Depreciation	Nil	Nil	Nil
Interest	Nil	Nil	Nil
Profit before Tax	**(6.19)**	**(0.72)**	**(0.24)**
Provision for Tax/Deferred Tax	1.88	0.51	-
Profit after Tax	**(4.31)**	**(0.21)**	**(0.24)**

(Rs. in Lacs)

Balance Sheet Statement Sources of Funds	Year Ended 31.3. 2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)
Paid up Share Capital	65.92	65.92	65.92
Reserves and Surplus (excluding Revaluation Reserve)			
Revaluation reserverevaluation reserves)	208.30	208.09	207.84
Secured Loans	Nil	Nil	Nil
Unsecured Loan	Nil	Nil	0.25
Current Liabilities	6.60	0.12	0.03
Deferred Tax Liability	Nil	Nil	Nil
Total	**280.82**	**274.13**	**274.04**
Uses of Funds			
Net Fixed Assets	Nil	Nil	Nil
Investments	267.21	267.21	267.21
Current Assets	13.61	6.92	6.83
Miscellaneous Expenses not written off	Nil	Nil	Nil
Total	**280.82**	**274.13**	**274.04**

Other Financial	Year Ended 31.3. 2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)
Net Worth	274.22	274.01	273.76
Dividend (%)	Nil	Nil	Nil
Earning Per Share (In Rs.)	Negative	Negative	Negative
Return on Net worth (%)	-	-	-
Book Value Per Share (in Rs.)	41.60	41.57	41.52

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)*100 ; Earning Per Share=Profit After Tax / No. of Equity Shares issued ; Return on Net worth (%)=(Profit After Tax/Networth)*100 ;
Book Value Per Share=Networth/ No. of Equity shares issued
The Company is a not a Sick Industrial Company.

4.3.16.7 The reason for fall/rise in income and PAT in the relevant years are as under:
The Company incurred losses during the years 31.3.2004, 31.3.2005 and 31.03.2006. Loss for the year ended 31.3.2004 was higher due to increase in expenditure on account of loss on sale of shares amounting Rs. 8.42 lacs.

4.3.16.8 **Significant Accounting Policies for the year ended March 31, 2006**

1. **System of Accounting:** The financial statements are prepared on the bais of on going concern. Mercantile system of accounting has been followed by the Company. The accounts have been prepared on historiocal cost basis.
2. **Investments:** All investment are long term investments and valued at cost

4.3.16.9 Kasta Pipes (P) Limited holds 13200 Equity shares of Target Company as on the date of Public Announcement. Kasta Pipes (P) Ltd has not made any acquisition in the target Company through Open Offer(s).

4.3.17 M/S KRITI AUTO ACCESSORIES (P) LIMITED.

4.3.17.1 Kriti Auto Accessories (P) Limited is a private limited company having its registered office situated at 14, R N T Marg, Indore. Ph.: 0731-2704716.

4.3.17.2 Kriti Auto Accessories (P) Limited was incorporated as a Private Limited Company with name of Kriti Auto Accessories (P) Limited with the Registrar of Companies Madhya Pradesh, Gwalior vide its certificate of incorporation dated 20th December, 1994. Kriti Auto Accessories (P) Limited has been engaged in the business of manufacture and sale of Thermoplastic and Thermosets based products for manufacturing of Injunction Moulded, Blow Moulded sheets.

4.3.17.3 The current Promoters of the company are Mr G P Bhargav and Mr Saurabh Mehta. The company belongs to Kriti group.

4.3.17.4 The Board of Directors of Kriti Auto Accessories (P) Ltd as on date of PA consists of following members:-

Sr No.	Name of the Director	Qualification and Year Experience	Residential address	Date of appointment
1.	G P Bhargav	Post Graduate and having 20 years of experience in Marketing and Trading activities.	Flat No.201,21-1, Ratlam Kothi, Indore	02.08.1995
2.	Hemant Nagar	B. Com, L L B and having 15 years of experience in Legal and Accounts.	180, Anjani Nagar, Indore	20.11.2003

4.3.17.5 The shares of Kriti Auto Accessories (P) Ltd are not listed on any of the Stock Exchange.

4.3.17.6 The brief financials of Kriti Auto Accessories (P) Ltd are as under: -

(Rs. in Lacs)

Profit and loss statement	**Year Ended 31.3. 2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**
Income from Operations	Nil	Nil	Nil
Other Income	Nil	0.33	0.33
Total Income	**Nil**	**0.33**	**0.32**
Total Expenditure	0.08	0.05	0.05
Profit Before Depreciation, Interest & Tax	(0.08)	0.28	0.27
Depreciation	Nil	Nil	Nil
Interest	Nil	Nil	Nil
Profit before Tax	**(0.08)**	**0.28**	**0.27**
Provision for Tax	(0.06)	-	-
Profit after Tax	**(0.14)**	**0.28**	**0.27**

(Rs. in Lacs)

Balance Sheet Statement	**Year Ended 31.3. 2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**
Sources of Funds			
Paid up Share Capital	1.00	1.00	1.00
Reserves and Surplus (excluding Revaluation Reserve)			
Revaluation reserverevaluation reserves)	32.37	32.65	32.92
Secured Loans	Nil	Nil	Nil
Unsecured Loan	Nil	Nil	Nil
Current Liabilities	0.07	0.10	0.05
Deferred Tax Liability	Nil	Nil	Nil
Total	**33.44**	**33.75**	**33.97**
Uses of Funds			
Net Fixed Assets	Nil	Nil	Nil
Investments	32.85	32.85	32.85
Current Assets	0.57	0.90	1.12
Miscellaneous Expenses not written off	0.02	Nil	Nil
Total	**33.44**	**33.75**	**33.97**

Other Financial Data	**Year Ended 31.3. 2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**
Net Worth	33.35	33.65	33.92
Dividend (%)	Nil	Nil	Nil
Earning Per Share (In Rs.)	Negative	0.28	0.27
Return on Net worth (%)	-	0.83	0.79
Book Value Per Share (in Rs.)	33.35	33.65	33.92

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)*100 ; Earning Per Share=Profit After Tax / No. of Equity Shares issued ; Return on Net worth (%)=(Profit After Tax/Networth)*100 ;
Book Value Per Share=Networth/ No. of Equity shares issued
The Company is a not a Sick Industrial Company.

4.3.17.7 The reason for fall/rise in income and PAT in the relevant years are as under:

The Company is operating at very low level, therefore minor changes in income due to receipt of dividend affect the earnings capacity of company.

4.3.17.8 **Significant Accounting Policies for the year ended March 31, 2006**

1. **System of Accounting:** The company maintains its accounts on accrual basis following the historical cost convention in accordance with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.
2. **Revenue Recognition:** Income received from the receipt of dividend on investments, are accounted with refernce from date on which the above is unconditionally made available to the company.
3. **Investments:** Long Term as well as current investments are value at the cost.
4. **Income Tax:** Provision for income tax is made on the basis of estimated taxable income as per the provisions of Income Tax Act.
5. **Deferred Tax:** The company has to recognise the deferred Tax assets & deferred tax liability according to the AS-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

4.3.17.9 Kriti Auto Accessories (P) Ltd holds 32650 Equity shares of Target Company as on the date of Public Announcement. Kasta Pipes (P) Ltd has not made any acquisition in the target Company through Open Offer(s).

5. FUTURE PLANS AND STRATEGY OF THE ACQUIRER:

At present KCSPL, the acquirer have no future plans with regard to KIIL.

6. COMPLIANCE WITH LISTING AGREEMENT:

The Offer (assuming full acceptance) would result in public shareholding in the Target Company being reduced below the minimum level required as per the listing agreement entered with the Stock Exchange for the purpose of listing on continuous basis. The Acquirer in terms of the provisions of Clause 40A of the Listing Agreement will facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing within the time period specified thereon. Accordingly the Acquirer undertake to comply with the provisions of clause 40A viii (c) or (d) of the listing agreement in consultation with the stock exchange so as to maintain the minimum percentage of public shareholding in the Target Company required for continuous listing.

7. BACKGROUND OF THE TARGET COMPANY KRITI INDUSTRIES (INDIA) LIMITED (KIIL)

7.1 The Target Company i.e. **M/s. KRITI INDUSTRIES (INDIA) LIMITED; "KIIL"** was originally incorporated with the Registrar of Companies Madhya Pradesh, Gwalior vide its certificate of incorporation dated March 12, 1990 as Private Limited company under the name Kriti Plastics Private Limited. Later on the name of the company was changed to Kriti Plastics Limited vide certificate of incorporation dated June 10, 1992 , the name was again changed to Kriti Agro and Plastic Industries Limited vide certificate of incorporation dated November 25, 1992 and again changed to its present name i.e Kriti Industries (India) Limited vide certificate of incorporation dated November 9, 1995. At present the Company has its Registered Office at Mehta Chambers, 34, Siyaganj, Indore -452007, India. Phone No. 0731-2704716; Fax No.0731-2704506..

7.2 KIIL has been engaged in the diversified businesses of manufacturing and marketing of telecom networking equipments & components, solvent extraction, HDPE & PVC pipes and engineering plastics products. The Target Company has three plants (a) Telecom Networking Equipments Components Division at Plot No. 75-86 & 13/1, Tarpura, Sector II, Industrial Area, Pithampur, Dist. Dhar (M.P.); (b) Solvent Division at Industrial Area No. 3 Dewas (M.P.); and (c) Engineering Moulding Division at Plot No. C-9 & C-10, MIDC, Ranjangaon Near Sirpur, Pune-10 (Maharashtra).

7.3 As on the date of PA, KIIL has an authorized share capital of Rs. 1000 lacs, comprising of 1,00,00,000 equity shares of Rs 10/- each. It has an issued, subscribed and paid-up equity share capital of Rs. 620.04 lacs, consisting of 62,00,440 fully paid equity shares of Rs. 10/- each (the **"Expanded Capital Base"/ "post preferential share/voting capital")**.

7.4 There are no partly paid-up shares in the Target Company.

7.5 As on the date of PA, the Share Capital Structure of the target company is as given under:

Paid up Equity Shares of KIIL	No. of Equity shares/ voting rights	% of Shares / voting rights
Fully paid-up equity shares	62,00,440	100.00
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	62,00,440	100.00
Total voting rights in the Target Company	62,00,440	100.00

7.6 The current capital structure of the Target Company has been build up since inception as under:

Date of allotment	No of share issued	% of shares issued	Cumulative paid up capital in Rs.	Mode of allotment	Identity of allottees (promoters/ ex-promoters/ others)	Status of compliance
12.03.1990	300	0	3000/-	Cash	Promoters	Complied
30.03.1990	1500	0.03	18000/-	Cash	Promoters	Complied
01.04.1990	1094630	17.65	10964300/-	For consideration other than cash, as per scheme of amalgamation approved by High Court of Madhya Pradesh on 31.03.1992	Shareholders of M/s Purti Pipes and Processors Pvt.Ltd and M/s Kasta Extrusion Pvt.Ltd.	Complied
06.09.1993	1105010	17.82	22014400/-	Cash	Promoters	Complied
31.03.1994	2674000*	43.13	48754400/-	Cash	Public Issue	Complied
09.09.2006	1325000	21.37	13250000/-	Cash	Preferential Allotment	In principal Listing Approval received
TOTAL	**6200440**	**100.00**	**62004400/-**			

***After deduction of 26000 equity shares forfeited for non payment.**

7.7 There are no preference shares or outstanding convertible instruments/warrants.

7.8 There are no partly paid up shares in the target company.

7.9 The equity shares of "KIIL" are listed as on the date of Public Announcement at the Bombay Stock Exchange Limited (BSE),Mumbai Ahmedabad Stock Exchange Limited (ASE) and the Madhya Pradesh Stock Exchange (MPSE), Indore. However KIIL had applied for delisting of its equity shares from ASE and MPSE pursuant to special resolution passed in its Annual General Meeting held on 14th September, 2004 and also ASE have confirmed delisting of securities of KIIL from the Exchange w.e.f 06.11.2006 vide its letter no. ASEL/2006/1346 dated November 02, 2006. Further KIIL has complied with the procedural formalities relating to delisting with the stock exchanges, but KIIL is yet to receive any official letter confirming delisting from MPSE. The shares of the Target Company have not been suspended by any stock exchange.

7.10 KIIL is not fully complying with the provisions of the listing agreement entered with the Stock Exchanges. Further no punitive action has been taken against the KIIL by the Stock Exchanges.

7.11 Promoters, major shareholders of KIIL and the target company have not timely complied with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

7.12 The composition of the Board of Directors of KIIL as on date of Public Announcement is as follows:-

Name of the Director	Designation	Qualification & Field of Experience in No. of Years	Residential Address	Date of Appointment
Mr. Shiv Singh Mehta	Managing Director	B.E., MBA 31 yrs.in Plastic &Solvent industry	20/4, Y.N.Road, Indore	12.03.1990
Mrs. Purnima Mehta	Executive Director	B.A., MBA 13 yrs.in Plastic & Solvent industry	20/4, Y.N.Road, Indore	01.10.1999
Dr. Swatantra Singh Kothari	Director	Ph.D (Econ), F.C.A 50 yrs in Accounts& Finance	India Stamship House, 21, Old Court House Street, Kolkata – 700001	24.04.1992
Mr.Sajjan Singh Mehta	Director	B.Sc. 54 yrs.in Plastic & Solvent industry	20/4, Y.N.Road, Indore	16.03.1990
Mr.Pravin Kasliwal	Director	B.E., MBA 23 yrs.in Plastic & solvent industry	Indra Bhavan, 3, M.G.Road, Indore 452001	12.03.1990
Mr.Manoj Fadnis	Director	F.C.A. 18 yrs.in Accounts & Finance	15, HIG,Vijay Nagar, Indore 452010	24.06.2006
Mr.Rakesh Kalra	Director	M.E. 35 yrs. in Manufactuing & Auto Engineering	2/23, East Punjabi Bagh, New Delhi 110026	24.06.2006
Mr.R.Venkatachalam	Director (Nominee)	B.Sc., MBA, CAIIB 15 yrs. in Banking	C/o IDBI Ltd.,6, Malviya Nagar, Opp.Raj Bhavan, Bhopal – 1	26.03.2004

As on date of the PA, none of the Directors on the Board of the Target Company represent the Acquirer.

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

7.14 The brief audited financials of KIIL are as under:-

(Rs. in Lacs)

Profit and loss statement	**Year Ended 31.3. 2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**
Income from Operations	26324.07	25230.47	25053.52
Other Income	65.03	25.48	64.75
Increase/ (Decrease) in stock	659.64	467.88	(862.37)
Total Income	27048.74	25723.83	24255.90
Total Expenditure	26036.78	24640.26	23053.43
Profit before Depreciation, Interest and Tax	1011.96	1083.57	1202.47
Depreciation	234.14	275.06	290.34
Interest	475.80	624.62	744.50
Profit before Tax	302.02	183.89	167.63
Provision for Tax	90.00	16.00	53.25
Profit after Tax	212.02	167.89	114.39

(Rs. in Lacs)

Balance Sheet Statement	**Year Ended 31.3. 2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**
Sources of Funds			
Paid up Share Capital	487.54	487.54	487.54
Reserves & Surplus (Exculding Revaluation Reserve)	1557.73	1601.99	1700.62
Secured Loan	4193.40	3514.60	4916.64
Unsecured Loan	0.00	0.00	0.00
Current Liabilities	1643.84	3180.79	3071.96
Deferred Tax Liability	621.34	689.38	648.18
Total	**8503.85**	**9474.30**	**10824.94**
Uses of Funds			
Net Fixed Assets	3015.78	3814.01	3872.84
Capital Work in Progress	342.79	-	-
Investments	13.40	13.40	13.43
Current Assets	5131.88	5646.89	6938.67
Miscellaneous Expenses not written off	0.00	0.00	0.00
Total	**8503.85**	**9474.30**	**10824.94**

Other Financial Data	**Year Ended 31.3. 2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**
Net Worth (Rs.in Lacs)	2045.27	2089.53	2188.16
Dividend (%)	10.00%	10.00%	10.00%
Earning Per Share (Rs.)	4.35	3.44	2.35
Return on Networth (%)	10.37%	8.03%	5.23%
Book Value Per Share(Rs.)	41.95	42.86	44.88

Source: Certificate by Statutory Auditors and Annual Report.

Formula: - Return on Net Worth= (profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

The Target Company is a not a Sick Industrial Company.

7.15 Reasons for Fall & Rise in Income & PAT in relevant Years:

Year ended 31.3.2004

There was increase in profit as compared to the last year due to increased income from operations due to market demand.

Year ended 31.3.2005

There was decline in net profit for the year as compared to the previous year due to increase in raw material prices of soya which had major impact in profitability for the year also competition from other market players contributed to lower margins. There was significant increase in payment of tax as compared to previous year.

Year ended 31.3.2006

The profitability of main businesses of the target company is dependant on prices of commodities, which have an immediate impact on the prices of final products. Another major factor affecting income and profitability is the impact of monsoon. The product of Plastic division is sold mainly in the agriculture sector. The availability and prices of raw materials also depends heavily on the monsoon. The industry had faced fluctuations on these fronts in the past few years, leading to high rates of raw material and decline in margins. Provision for fringe benefit tax also impacted PAT.

7.16 Pre- and Post-Offer shareholding pattern of the Target Company is as per the following table:

Sr. No	Shareholder category	Shareholding & voting rights prior to the Preferential allotment and Offer (A)		Shares/voting rights acquired which triggered off the Regulations (B)		Shares/Voting rights to be acquired in the open Offer (assuming full acceptance) (C)		Shareholding/voting rights after the preferential allotment and Offer i.e. (A+B+C)	
		No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
1.	**Promoter Group**								
	(a.) Other than Acquirer	1911484	39.21	Nil	Nil	Nil	Nil	1911484	30.83
2.	**Acquirer**								
	Kriti Corporate Services Pvt. Ltd	1167100	23.93	1325000	21.37	1240088	20.00	3732188	60.19
	Total (1(a) & 2)	**3078584**	**63.14**	**1325000**	**21.37**	**1240088**	**20.00**	**5643672**	**91.02**
3.	**Parties to agreement other than 1(a) & 2**	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4.	**Public (other than 1 to 3)**								
	a. FIs/MFs/FIIs/ Banks, SFIs	200	0.00	Nil	Nil				
	b. Private Corporate Bodies	166688	3.42	Nil	Nil				
	c. Indian Public	1628968	33.42	Nil	Nil	(1240088)	(20.00)	556768	8.98
	d. NRI/OCB	1000	0.02	Nil	Nil				
	d. Any other	Nil	Nil	Nil	Nil				
	Total 4	**1796856**	**100.00**	**Nil**	**Nil**				
	Grand Total (1 to 4)	**4875440^**	**100.00^**	**1325000**	**21.37**	**Nil**	**Nil**	**6200440$**	**100$**

^ Percentage shareholding and total capital on the basis of pre-preferential paid up capital of the Company.
$ Percentage shareholding and total capital on the basis of post-preferential paid up capital of the Company.

7.17 The approximate number of shareholders in KIIL in public category is 5923 (approx) as on PA date which includes 3 NRI shareholders.

7.18 The Company has complied with the conditions of Corporate Governance as envisaged under clause 49 of the listing agreement, statutory auditors of the Company have certified compliance of conditions of corporate governance, this certificate is attached with annual report of the Target Company for the year ended March 31, 2006.

7.19 The changes in the shareholding of the promoters of the company are as per the details mentioned below.

Year ended	No. of shares heldby Promoters & PACs	Paid up equity capital of the company (no of shares)	% of total capital	% change in shareholding of Promoters & PACs	Status of Compliance
31.03.1997	2638040	4875440	54.11	-	-
31.03.1998	2662440	4875440	54.61	0.50	-
31.03.1999	2676740	4875440	54.90	0.29	-
31.03.2000	2836040	4875440	58.17	3.27	Disclosure under Regulations 7(1A) filed but not within due date and SEBI may take an appropriate action for said non compliance
31.03.2001	2697740	4875440	55.33	2.84	Disclosure under Regulations 7(1A) filed but not within due date and SEBI may take an appropriate action for said non compliance

31.03.2002	2852730	4875440	58.51	3.18	Disclosure under Regulations 7(1A) filed but not within due date and SEBI may take an appropriate action for said non compliance
31.03.2003	2933030	4875440	60.16	1.65	-
31.03.2004	3036700	4875440	62.28	2.12	Disclosure under Regulations 7(1A) filed but not within due date and SEBI may take an appropriate action for said non compliance
31.03.2005	3079684	4875440	63.17	0.89	-
31.03.2006	3078584	4875440	63.12	0.05	-

7.20 As per the information received from the target company, the following litigation matters are pending by and against the Company:

Sr.no.	*Particulars*	*Forum/Court where pending*	*Amount (Rs.)*
1	M.P.Commercial Tax 2001-02	Appellate Dy.Comm.of Comm. Taxes	29299/-
2	M.P.Commercial Tax 2002-03	Appellate Dy.Comm.of Comm. Taxes	1181700/-
3	Central Sales Tax 2002-03	Appellate Dy.Comm.of Comm. Taxes	105058/-
4	Entry Tax 2000-01	Appellate Dy.Comm.of Comm. Taxes	1183892/-
5	Entry Tax 2001-02	Appellate Dy.Comm.of Comm. Taxes	691459/-
6	Entry Tax 2002-03	Asst.Comm.of Comm. Taxes	165924/-
7	Entry Tax 2002-03	Appellate Dy.Comm.of Comm. Taxes	258960/-
8	Income Tax 1995-96	CIT (Appeals)	231932/-
9	Central Excise classification	CESTAT, New Delhi	1333267/-
10	Central Excise classification	CESTAT, New Delhi	775000/-
11	Mandi fees	M.P.High Court	1300000/-

7.21 Mr. S. Sreekrishnan, Secretarial Officer of KIIL is the Compliance Officer of the Target Company. His correspondence address is Mehta Chambers, 34, Siyaganj, Indore-452007, Phone No. 0731-2704716; Fax No. 0731-2704506.

8. OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 Justification of Offer Price

8.1.1 The equity shares of "KIIL" are listed as on the date of Public Announcement at the Bombay Stock Exchange Limited (BSE),Mumbai Ahmedabad Stock Exchange Limited (ASE) and the Madhya Pradesh Stock Exchange (MPSE), Indore. However KIIL had applied for delisting of its equity shares from ASE and MPSE pursuant to special resolution passed in its Annual General Meeting held on 14th September, 2004 and also ASE have confirmed delisting of securities of KIIL from the Exchange w.e.f 06.11.2006 vide its letter no. ASEL/2006/1346 dated November 02, 2006. Further KIIL has complied with the procedural formalities relating to delisting with the stock exchanges, but KIIL is yet to receive any official letter confirming delisting from MPSE. The shares of the Target Company have not been suspended by any stock exchange.

8.1.2 The annualized trading turnover during the preceding six calendar months ended August 2006 in each of the Stock Exchange where the shares are listed is as follows:

Name of the Stock Exchange	**Total number of shares traded during March 2006 to August 2006**	**Total number of listed shares**	**Annualised trading turnover(% of the total listed shares)**
BSE	379106*	4875440	15.55%
ASE	Nil	4875440	NIL
MPSE	Nil	4875440	NIL

*(Source: www.bseindia.com)

8.1.3 Based on the above information, as the annualized trading turnover is more than 5% of the total number of the listed shares, the equity shares are deemed to be frequently traded on BSE as per the date available with BSE (Source: www.bseindia.com) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997.

8.1.4 Following are the average of the weekly high and low of the closing prices and volume data for 26 weeks ended on July 25, 2006 i.e the weeks preceding the date of Board meeting authorising preferential allotment, at BSE, where the shares of the company are most frequently traded.(Source: www.bseindia.com)

No of Week	Week Ended	Weekly High (Rs.)	Weekly Low (Rs.)	Average (Rs.)	Volume (No of Shares)
1	31.01.2006	26.50	23.75	25.125	4651
2	07.02.2006	25.80	24.00	24.90	4601
3	14.02.2006	25.05	23.60	24.325	6768
4	21.02.2006	25.50	23.15	24.325	34311
5	28.02.2006	22.95	21.80	22.375	40653
6	07.03.2006	24.35	22.70	23.525	10824
7	14.03.2006	23.20	22.65	22.925	12779
8	21.03.2006	22.05	20.00	21.025	42134
9	28.03.2006	20.60	19.25	19.925	119962
10	04.04.2006	23.30	19.80	21.55	12063
11	11.04.2006	27.95	27.45	27.70	24360
12	18.04.2006	25.60	24.40	25.00	9864
13	25.04.2006	26.25	25.00	25.625	12779
14	02.05.2006	26.00	25.10	25.55	6862
15	09.05.2006	27.95	26.05	27.00	14982
16	16.05.2006	28.45	27.15	27.80	10154
17	23.05.2006	29.30	25.65	27.475	11669
18	30.05.2006	27.75	25.90	26.825	12569
19	06.06.2006	28.70	26.05	27.375	12169
20	13.06.2006	25.00	23.95	24.475	6266
21	20.06.2006	24.45	22.95	23.70	4625
22	27.06.2006	23.50	22.10	22.80	2402
23	04.07.2006	23.15	22.20	22.675	2426
24	11.07.2006	22.65	20.65	21.65	2995
25	18.07.2006	24.10	22.60	23.35	5281
26	25.07.2006	23.75	22.50	23.125	5192
		26 Weeks Average		**24.31**	**433341**

8.1.5 Following are the prices and volume data for 2 weeks ended on July 25, 2006 i.e the weeks preceding the date of Board meeting authorising preferential allotment, at BSE, where the shares of the company are most frequently traded.(Source: www.bseindia.com)

Day	Date	Daily High (Rs.)	Daily Low (Rs.)	Average (Rs.)	Volume (No. of Shares)
1	12.07.2006	24.70	21.70	23.88	3300
2	13.07.2006	24.00	23.65	23.86	250
3	14.07.2006	25.05	22.80	24.12	725
4	15.07.2006	Nil	Nil	Nil	Nil
5	16.07.2006	Nil	Nil	Nil	Nil
6	17.07.2006	22.60	22.30	22.45	200
7	18.07.2006	23.55	22.50	23.04	806
8	19.07.2006	23.00	22.15	22.51	200
9	20.07.2006	Nil	Nil	Nil	Nil
10	21.07.2006	23.50	23.05	23.21	692
11	22.07.2006	Nil	Nil	Nil	Nil
12	23.07.2006	Nil	Nil	Nil	Nil
13	24.07.2006	23.55	23.55	23.55	4050
14	25.07.2006	24.00	23.75	23.92	250
			2 Weeks Average	**23.39**	**10473**

8.1.6 In accordance with Regulation 20(4) and 20(5) 0f SEBI (SAST) Regulations, 1997, the Offer price of Rs 27.50 (rupees twenty seven & fifty paise only) per fully paid up equity shares is worked out on the following parameters.

The Negotiated Price		N.A.
Price paid by the Acquirers by way of allotment in a public or rights or preferential issue during the 26 week period prior to the date of PA.		Rs. 25/-
Higher of (i) to (ii) below :		
Share price data of KIIL on BSE, where it is most frequently traded, is as under:		
i.	The average of the weekly High and Low of the closing prices of the shares of KIIL during 26 weeks period preceding the date of board resolution which authorised the Preferential Issue, i.e. July 26, 2006.	24.31
ii.	The average of the daily High and Low of the prices of the shares of KIIL during 2 weeks period preceding the date of board resolution which authorised the Preferential Issue, i.e., July 26, 2006.	23.39

Other Financial Parameters	Based on the audited financial data for the year ended March 31, 2006*
Return on Net Worth (%)	5.23
Book Value per share (Rs.)	44.88
Earning per share (Rs.)	2.35
Price Earning Multiple (Market Price : Rs 26.05 on BSE on September 13, 2006)	11.09

*As per Annual Report for the year ended March 31, 2006.

The company is diversified and is operating in primarily in two segments, solvent extraction and plastic pipes, ducts & moulding. Industry P/E of solvent extraction is 10.6 and plastic is 13.6 respectively (Source : Capital Market dated July 31-Aug 13, 2006). The Industry P/E is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to KIIL and also varied widely in terms of financial parameters compared with KIIL.

Mr. S. K. Bansal, Chartered Accountant, membership No. 82242 partner of M/s. Suresh Bansal & Co., Chartered Accountants, Phone No.0129-2412843 and having office at B-345, 2nd floor, Nehru Ground, Faridabad - 121001 have certified vide their certificate dated 10.09.2006 that the fair value per equity share of KIIL based on the methodology as laid down by the Hon'ble Supreme Court of India in the case of Hindustan Lever Employee Union vs. HLL, 1995 (83 Com Cases, 30), would be Rs. **27.40/-**

In view of the above the offer price of Rs. 27.50 is justified in terms of regulations 20(4) and 20(5) of the SEBI (SAST) Regulations, 1997.

8.1.7 There is no non-compete agreement.

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

8.2 Financial Arrangements

8.2.1 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 3,41,02,420/-(Rs Three Crore Forty One Lacs Two Thousand Four Hundred Twenty Only) .As per Regulation 28, **Acquirer have created an escrow account in the form of fixed deposit and marked a lien in favour of Chartered Capital And Investment Limited against fixed deposit with State Bank of Travancore, Ratnadeep Complex, Navlakha, A.B. Raod, Indore for Rs. 85.50 lacs,** being more than 25% of the amount required for the Open Offer. The fixed deposit receipt is duly discharged in favour of **Chartered Capital And Investment Limited.**

8.2.2 The Acquirer has adequate resources to meet the financial requirements of the Offer. The Acquirer had already made full payment to KIIL for the shares acquired under the preferential allotment. The Acquirer had made firm arrangements for the financial resources required to complete the Offer in full including payment for shares acquired under Preferential allotment, in accordance with the SEBI (SAST) Regulations, 1997. The acquisition will be financed through internal resources as well as borrowed funds (firm arrangement) from domestic sources.

8.2.3 Mr. Sunil Saraf, Chartered Accountant, membership No. 74650 partner of M/s. M. Munshi & Co., Chartered Accountants, Phone No.(0731) 2561023, 2563452, Fax No. (0731) 2564019 and having office at 305, Navneet Plaza, 5/2, Old Palasia, Indore-452018 has certified vide their letter dated 22.11.2006 that the net worth of the Acquirer as on 30.09.2006 is Rs. 363.56 lacs. The letter also confirms that the Acquirer has made firm arrangements of funds to fulfill its part of the obligations under this Offer and have sufficient means to fulfil its part of obligation under the Offer.

8.2.4 The Acquirer has duly empowered M/s Chartered Capital And Investment Limited, Manager to the Offer, to realise the value of the Fixed Deposit with **State Bank of Travancore,** in terms of the SEBI (SAST) Regulations, 1997.

8.2. 5 The Manager to the Offer, M/s Chartered Capital And Investment Limited, based on the declaration received from Mr. Sunil Saraf, Chartered Accountant confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations under the SEBI (SAST) Regulations, 1997.

9. TERMS AND CONDITIONS OF THE OFFER

9.1 Persons eligible to participate in the Offer

9.1.1 Registered shareholders of Kriti Industries (India) Limited (Other than Acquirer and PACs) and unregistered shareholders who own the equity shares of Kriti Industries (India) Limited any time prior to the date of Closure of the Offer.

9.1.2 Except 13,25,000 equity shares allotted under preferential allotment dated 09.09.2006 and Pre preferential holding of Acquirer which are under lock in as per the SEBI DIP Guidelines, at present no shares of KIIL are under locked in.

9.2 STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

9.2.1 The Offer is subject to the approval of Reserve Bank of India (RBI) if any,under the Foreign Exchange Management Act, 1999 for transfer of shares of a Company registered in India by a Non Resident to a person resident in India.

9.2.2 To the best of knowledge of the Acquirer no approvals from Banks/Financial Institutions are required to make this Offer.

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

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

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

9.3 Others

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

9.3.2 This Letter of Offer has been mailed to all the shareholders of KIIL (Other than Acquirer and PACs), whose names appeared on the Register of Members of KIIL as on **Saturday, September 30, 2006 being the Specified Date.,**

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

9.3.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

10.1 The Offer is not subject to any minimum level of acceptances from shareholders and in case of the shares received under the Offer exceeding the Offer size, the acquirer will accept shares on proportionate basis.

10.2 A Letter of Offer specifying the detailed terms and conditions of the Offer together with a Form of Acceptance cum Acknowledgement and Transfer Deed (for shareholders holding shares in physical forms) will be mailed to the shareholders of KIIL (other than Acquirer and persons belonging to promoter group) whose names appear on the Register of Members of KIIL and to the beneficial owners of the equity shares of KIIL whose names appear as beneficiaries on the records of the respective Depositories, at the close of business hours on **September 30, 2006, (the "Specified Date")**. Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

10.3 All shareholders of the Target Company, (other than the Acquirer and PACs), who own equity shares any time before the Closure of the Open Offer, are eligible to participate in the Offer.

10.4 The shareholders of KIIL (other than Acquirer and PACs) are eligible to participate in the Offer anytime before the closure of the offer by sending their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and Transfer Deed(s) duly signed, to the Registrar to the Offer viz. BEETAL Financial & Computer Services Pvt. Ltd., having its office at BEETAL House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110062 either by Registered

Post, Courier or Hand Delivery (Between 10.00 a.m to 5.00 p.m on all working days), on or before the date of closure of the offer **i.e December 20, 2006** in accordance with the instructions specified in the Letter of Offer & Application Form.

10.5 Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement, which will be available on SEBI's websites at http:/www.sebi.gov.in and can apply for the Offer in such downloaded form.

10.6 Beneficial owners and shareholders holding shares in physical form, who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post or courier as the case may be, on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e. **(Wednesday) 20th December, 2006.**

- Form of Acceptance, duly completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with KIIL.
- Relevant Original Share Certificate(s).
- Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing in the Register of Members of KIIL or on the Share Certificate issued by KIIL) as per the specimen signature(s) lodged with KIIL and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognised stock exchange with membership number). Please do not fill in any other details in the Share Transfer Deed. In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer as mentioned hereafter.
- Where the Transfer Deed(s) are executed by Constituted Attorney, attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer.

10.7 The Registrar to the Offer, **BEETAL Financial & Computer Services Pvt. Ltd.** has opened a special depository account with National Securities Depository Limited ("NSDL") for receiving equity shares during the offer from eligible shareholders who hold equity shares in demat form.

10.8 Beneficial owners and **shareholders holding shares in the dematerialised form**, will be required to send their Form of Acceptance cum Acknowledgement and other documents to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e., **20th December**, **2006**, along with a photocopy of the delivery instructions in **"Off market"** mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant (**"DP"**), in favour of **"BEETAL -KIIL- Open Offer Escrow A/c" ("Depository Escrow Account")** filled in as per the instructions given below:

DP Name : Abhipra Capital Limited;

DP ID : IN300206;

Client ID : 10903308

Depository : National Securities Depository Limited- ("NSDL")

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use inter-depository delivery instructions slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.

10.9 In case of (a) shareholders who have not received the LOO, (b) unregistered shareholders and (c) owner of the equity shares who have sent the equity shares to the Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of equity shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such equity shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid equity share transfer deeds (one per folio), duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with KIIL), and witnessed (if possible) by the Notary Public or a Bank Manager or the Member of the stock exchange with membership number, as the case may be, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. **20th December**, **2006**. Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

10.10 In case the equity shares are held by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

10.11 In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court.

10.12 Shareholders who have sent their equity shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Depository Escrow Account should be received on or before

5.00 PM upto the date of Closure of the Offer, i.e. **20th December**, **2006,** else the application would be rejected..

10.13 In case of shareholders who have not received the LOO and holding equity shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of equity shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. **20th December**, **2006**. Such equity shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

10.14 The following collection centre would be accepting the documents by Hand Delivery /Regd Post/Courier as specified above, both in case of shares in physical and dematerialised form.

Address of the Collection Centre	Contact Person	Phone/ Fax / Email
BEETAL Financial & Computer Services Pvt. Ltd. BEETAL House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110062	Mr. Punit Mittal	Phone: 011 2996 1280 / 81 / 82 / 83, Fax: 011 2996 1284 Email: beetal_99@sify.com

Holidays: Sundays and Bank Holidays

10.15 The Registrar to the Offer will hold in trust the shares / share certificates, shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of KIIL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

10.16 In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer upto three working days prior to the date of Closure of the Offer, i.e. **15th December, 2006**. The withdrawal can also be exercised by submitting an application on a plain paper, alongwith the details such as name, address, distinctive nos., folio no., number of equity shares tendered, etc.

10.17 The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum-Acknowledgement / Plain paper application submitted and the Acknowledgement slip. In case of non receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:-

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

10.17.2 In case of dematerialized shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP, in favour of the "**"BEETAL -KIIL- Open Offer Escrow A/c"**" ("Depository Escrow Account").

10.18 The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account. Physical shares withdrawn by shareholders would be returned to the shareholders by Registered post.

10.19 Acquirer will acquire all the 12,40,088 fully paid-up equity shares tendered in the Offer with valid applications.

10.20 As per the provisions of section 196D(2) of the Income Tax Act, 1961, and as amended (the "Income Tax Act") , no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115D of the Income Tax Act. However, while tendering their equity shares under the Offer, Non Residents Individuals, Overseas Corporate Bodies and other non resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rate from Income Tax Authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rates is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders. Non Resident Shareholders should also submit copy of the permission received from the Reserve Bank of India for acquisition of the shares of Target company. In case of its non submission the Acquirer reserves its right to reject the shares tendered in the Offer.

11. METHOD OF SETTLEMENT

11.1 At present, the marketable lot of KIIL is 1 {One} equity shares.

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

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

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

11.5 The Acquirer shall endeavour to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer (i**.e. 4th January, 2007 (Thursday)**, including payment of consideration to the shareholders of KIIL whose equity shares are accepted for purchase by the Acquirer.

11.6 In case of non-receipt of any of statutory approvals required, as per regulation 22(12), SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirer will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

12. GENERAL

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

12.2 Neither the Acquirer nor the Manager nor the Registrar nor the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, Share certificate(s), Share transfer deed(s), copy of delivery instructions or other documents.

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

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

12.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirer till the last day of revision, viz., at any time upto seven working days prior to the date of closure of the Open Offer or withdrawal of the Offer i.e**.** (Monday)11th December, 2006 the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

12.6 "**If there is competitive bid:**

12.6.1 The Public offers under all the subsisting bids shall close on the same date.

12.6.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly***"***

12.7 The Acquirer has not acquired any equity share of KIIL during the past 12 months prior to the date of this Public Announcement except 13,25,000 equity shares in the Preferential Issue as per the details given in para 1.2 above. Pursuant to the above acquisition the total holding of the Acquirer in the Target Company has increased from 11,67,100 representing 23.94% (pre Preferential Issue) equity shares to 24,92,100 equity shares representing 40.19% of the post preferential paid-up share capital of KIIL.

12.8 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer on or before 5.00 PM upto three working days prior to the date of Closure of the Offer, i.e. (Friday) 15th December, 2006.

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

12.10 The manager to the Offer i.e. Chartered Capital And Investment Limited does not hold any shares in KIIL as on the date of PA.

12.11 Applications which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of offer i.e. (Wednesday)20th December, 2006 would be approved and the shares so offered would be accepted by the Acquirer free from all lien, charges, encumbrances along with all the rights attached to the shares like the right to all dividends, bonus and right shares and all other rights as are attached to such acquired shares.

13. 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 13, Community Centre, East of Kailash, New Delhi – 110065 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.

13.1 Certificate of Incorporation, Memorandum & Articles of Association of KCSPL,KIIL, Sakam Investments (P) Ltd, Chetak Builders (P) Ltd, Kasta Pipes (P) Ltd and Kriti Auto Accessories (P) Ltd .

13.2 Net Worth certificate issued by Mr. Sunil Saraf, Partner of M/s M. Munshi & Co., Chartered Accountants, certifying the net worth of Acquirer and confirming firm arrangement of funds for fulfilment of offer obligations and also Net Worth certificate of PACs given by Mr. Vijay Bansal, partner of R S Bansal & Co. Chartered Accountants, and Mr. M L Jain, propreitor of Motilal Jain & Associates, Chartered Accountant.

13.3 Audited Annual Reports of KIIL, KCSPL, Sakam Investments (P) Ltd, Chetak Builders (P) Ltd, Kasta Pipes (P) Ltd and Kriti Auto Accessories (P) Ltd for the years ended on March 31, 2004, 2005 and 2006.

13.4 The report of Mr. S. K. Bansal, Partner of M/s Suresh Bansal & Co., Chartered Accountants on valuation of equity shares of KIIL considering the Supreme Court's decision in the case of Hindustan Lever Employees Union v. Hindustan Lever Limited (1995).

13.5 Copy of FD's with State Bank of Travancore, Indore as well as copy of letter of State Bank of Travancore, Indore certifying that Fixed Deposit of Rs 85.50/- lacs is marked lien in favour of Chartered Capital And Investment Limited.

13.6 Notice of AGM dated 25.8.2006 and BSE in-principal approval letter dated 06.09.2006 for preferential allotment.

13.7 Published copy of the Public Announcement, which appeared in the newspapers on September 14, 2006 and published copy of Corrigendum to the Public Announcement, which appeared in the newspapers on November 27, 2006.

13.8 Copy of agreement entered with DP for opening special depository account for the purpose of the offer.

13.9 Copy of approval letter No.CFD/DCR/HB/TO/79970/06 dated November 16, 2006 from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

14. DECLARATION BY THE ACQUIRER AND PACs

The Directors of Acquirer, M/s. Kriti Corporate Services Private Limited having its registered office at Mehta Chambers, 34, Siyaganj, Indore-452007 and PACs for this Offer accept full responsibility for the information contained in this Letter of Offer and also for the obligations of the Acquirer and PACs as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

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

For and on behalf of **Board of Directors of**
Kriti Corporate Services Private Limited and PACs
Sd/-
(Director)

Place: Indore
Date: 27.11.2006

15. ENCLOSURES

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

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FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

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

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

OFFER OPENS ON	:	Friday, December 01, 2006
OFFER CLOSES ON	:	Wednesday, December 20, 2006
Please read the Instructions overleaf before filling-in this Form of Acceptance		

From:

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.

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

To,
M/s Kriti Corporate Services Private Limited,
C/o Beetal Financial & Computer Services (P) Limited.
99, Madangir, Beetal House
New Delhi-110062.

Dear Sirs,

Sub: ***Open*** *Offer to acquire 12,40,088 equity shares of Rs. 10/- each representing* 20.00 % of the total paid up *capital and resultant voting rights of Target Company at a price of Rs. 27.50/- (Rupees Twenty Seven and Paisa Fifty Only) per fully paid equity share payable in cash by M/s Kriti Corporate Services Private Limited (hereinafter referred to as the "Acquirer") and PACs.*

I / We, refer to the Letter of Offer dated 27.11.2006 for acquiring the equity shares held by me / us in **Kriti Industries (India) Limited**.

1. I / We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I / We, unconditionally offer to sell to **Kriti Corporate Services Private Limited,** the following equity shares in Kriti Industries (India) Limited. (hereinafter referred to as "KIIL"), held by me / us, at price of Rs. 27.50/- (Rupees Twenty Seven and Paisa Fifty Only) per fully paid equity share.

SHARES HELD IN PHYSICAL FORM

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

Ledger Folio No……………………………….………… Number of share certificates attached……………………………..

Representing ………………….................................…… equity shares

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

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

——————✂ ——————————✂ ——————————**TEAR HERE**——————✂ ——————————✂ ——————————

ACKNOWLEDGEMENT SLIP

Sub: Open *Offer to acquire 12,40,088 equity shares of Rs. 10/- each representing 20.00 % of the total paid up capital and resultant voting rights of Target Company at a price of Rs. 27.50/- (Rupees Twenty Seven and Paisa Fifty Only) per fully paid equity share payable in cash by M/s Kriti Corporate Services Private Limited (hereinafter referred to as the "Acquirer") and PACs.*

Received from Mr. / Ms. / Mrs. ………………………....……………………………………………….. Ledger Folio No/ Client ID. ……………… ……. ....

DP ID………………….................Number of certificates enclosed ………………...............…… under the Letter of Offer dated .... Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

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

Authorised Signatory Stamp
Date

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

Beetal Financial & Computer Services P. Ltd.
Contact Person: Mr. Punit Mittal
Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-110062
Telephone Nos. (011) 29961280 / 81 / 82 / 83 Fax: (011) 29961284 Email : beetal_99@sify.com

SHARES HELD IN DEMATERLISED FORM

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

3. I/We have done an off market transaction for crediting the equity Shares to the special depository account in NSDL styled **"BEETAL-KIIL-Open Offer Escrow A/c**" ("Depository Escrow Account") details are as under:

DP Name	:	Abhipra Capital Limited
Client ID Number	:	10903308
DP ID Number	:	IN 300206.
Depository	:	National Securities Depository Limited ("NSDL")

4. I / We confirm that the equity shares of KIIL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
5. 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.
6. 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.
7. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are despatched to the shareholders, as the case may be.
8. I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
9. 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.
10. 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 KIIL/D P :

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with Kriti Industries (India) Limited:.

———————————————————————————————————————

———————————————————————————————————————

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

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

Bank Account No.: ———————————————— Type of Account: ———————————————————

(Savings / Current / Other (please specify))

Name of the Bank: ——————————————————————————————————

Name of the Branch and Address: ————————————————————————————

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

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

Yours faithfully,

Signed and Delivered:

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

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

INSTRUCTIONS

1 Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.

2 The Form of Acceptance should be filled-up in English only.

3 Signature(s) other than in English, Hindi, Marathi, and thumb impressions must be attested by a Notary Public under his Official Seal.

4 **Mode of tendering the Equity Shares Pursuant to the Offer:**

I. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of KIIL.

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

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

FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

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

OFFER OPENS ON	:	Friday, December 01, 2006
LAST DATE OF WITHDRAWAL	:	Friday, December 15, 2006
OFFER CLOSES ON	:	Wednesday, December 20, 2006

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

From:

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

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

To,
M/s Kriti Corporate Services Private Limited,
C/o Beetal Financial & Computer Services (P) Limited.
99, Madangir, Beetal House
New Delhi-110062.

Dear Sirs,

Sub: *Open* *Offer to acquire 12,40,088 equity shares of Rs. 10/- each representing* 20.00 % of the total paid up *capital and resultant voting rights of Target Company at a price of Rs. 27.50/- (Rupees Twenty Seven and Paisa Fifty Only) per fully paid equity share payable in cash by M/s Kriti Corporate Services Private Limited (hereinafter referred to as the "Acquirer") and PACs.*

I/We refer to the Letter of Offer dated 27.11.2006 for acquiring the equity shares held by me/us in **Kriti Industries (India) Limited (KIIL).**

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

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

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

Sr. No.	**Certificate No.**	**Distinctive No(s)**		**No. Of Shares**
		From	To	
	Total number of equity shares			

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

——————✂——————————✂———————————**TEAR HERE**——————✂——————————✂——————————

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

(Acknowledgement Slip)

Received from

Mr./Ms. ____

Address ____

Form of withdrawal in respect of ______________________ Number of Share

Certificates representing ___________________________ number of shares.

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

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

Beetal Financial & Computer Services P. Ltd.
Contact Person: **Mr. Punit Mittal**
Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre,
Near Dada Harsukhdas Mandir, New Delhi-110062
Telephone Nos. (011) 29961281, 29961282, Fax: (011) 29961284
Email : beetal_99@sify.com

SHARES HELD IN DEMATERLISED FORM

DP NAME	DP I.D.	CLIENT I D	NO OF SHARES OFFERED	NAME OF BENIFICIARY

I/We have done an off market transaction for crediting the equity Shares to the special depository account in NSDL styled **"Beetal-KIIL-Open Offer Escrow A/c**" ("Depository Escrow Account") details are as under:

DP Name	:	Abhipra Capital Limited
Client ID Number	:	10903308
DP ID Number	:	IN-300206
Depository	:	National Securities Depository Limited- ("**NSDL**")

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

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

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

Yours faithfully,

Signed and Delivered:

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

Place:

Date:

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

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 1700 hours upto the last date of withdrawal i.e. Friday, December 15, 2006.
2. Shareholders should enclose the following:-
   - **a. For Equity Shares held in demat form:**

     Beneficial owners should enclose

     i. Duly signed and completed Form of Withdrawal.

     ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.

     iii. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
   - **b. For Equity Shares held in physical form:**

     Registered Shareholders should enclose:

     i. Duly signed and completed Form of Withdrawal.

     ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.

     iii. In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

     Unregistered owners should enclose:

     - Duly signed and completed Form of Withdrawal.
     - Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
3. The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from KIIL. The facility of partial withdrawal is available only on to Registered shareholders.
7. **Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.**