PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF ***MAHADEO FERTILIZERS LIMITED****.*

This Public Announcement ("P.A.") is being issued by the Manager to the Offer i.e., ***RR Financial Consultants Ltd.,*** *on behalf of* ***Khaitan Chemicals & Fertilizers Limited*** *(the Acquirer) and* **Shradha Projects Limited** as (Person Acting in Concert) *pursuant to Regulations 10 and 12 as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "SEBI (SAST) Regulations, 1997") and subsequent amendments thereto.*

1. THE OFFER:

1.1 **Khaitan Chemicals & Fertilizers Limited** is the Acquirer in the present offer (hereinafter referred to as **"The Acquirer"**) along with **Shradha Projects Limited** as Person Acting in Concert (herein referred to as "**PAC**") with the Acquirer Company for the purpose of this offer.

1.2 The Acquirer & PAC have entered into a Share Purchase Agreement **[SPA]** on 19.05.2005 to acquire an aggregate of **1200002** (twelve lacs and two only) fully paid up equity shares of Rs.10/- each representing 34.14% of equity share capital and 34.43% of the total voting rights of **M/s MAHADEO FERTILIZERS LIMITED**, having its registered office at 201 A & B, Govinda Apartments, Shahnajaf Road, Lucknow (hereinafter referred to as **"MFL/the Target Company"**)" from the promoter group of MFL, namely **M/S. Rajdhani Exports (P) Ltd. and Tedco Exports (P) Ltd.** having registered offices at M-72 & M-113, Connaught Circus, New Delhi respectively and incorporated under The Companies Act, 1956 and Individual sellers **in SPA include Mrs. P.L. Bajpai and Mr. Rahul Mishra [**Mr. **Rahul Mishra** also hold shares on behalf of **A.K. Mishra** HUF**]** (hereinafter collectively referred to as **"Sellers"**) at a price of Re. 1.00/- (One rupee only) per fully paid up equity share payable in cash ("Negotiated Price"). The total consideration payable in cash for the shares acquired as mentioned above is Rs. **12,00,002/-** (Rupees Twelve Lacs and Two Only). The Acquirer & PAC have also agreed to acquire separately under the terms of SPA (by way of One Time Settlement) 13,45,000 shares from Financial Institutions namely **IFCI, IDBI and ICICI** at a consideration of Rs.1.50/- per fully paid up equity share payable in cash amounting to Rs.20,17,500/- (Rupees Twenty Lacs Seventeen Thousand Five Hundred Only). By both the above acquisitions, the acquirer will hold in aggregate 25,45,002 fully paid equity shares in MFL, constituting 72.40 % of share capital and 73.03% of voting rights, that resulted in triggering of SEBI (SAST) Regulations, 1997.

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

1.4 The Acquirer intend to make an Open Offer in terms of the SEBI (SAST) Regulations, 1997 to the shareholders of MFL to acquire 7,03,017 equity shares of Rs.10/- each representing 20% of share/voting capital and resultant voting rights of "MFL" at a price of Rs. 1.50/- (Rupee One & Fifty Paise Only) per fully paid equity share and Rs. 1/- (Rupees One Only) per partly paid up equity shares ("Offer Price"), payable in cash subject to the terms and conditions mentioned hereinafter, to those shareholders whose names appear on the register of members on Specified Date i.e. **June 20, 2005**. There are *30100* partly paid equity shares. These partly paid up shares do not have any voting rights as per Articles of Association of the Target Company and therefore there is difference between paid up capital and voting rights.

1.5 The shares of "MFL" are at present listed on U.P. Stock Exchange Association Limited, Kanpur and The Delhi Stock Exchange Association Limited.

The shares of the Target Company are not traded during the period of last 26 weeks preceding the PA date at the U.P. Stock Exchange Association Limited, Kanpur as per the letter dated 11.05.2005 from U.P. Stock Exchange Association Limited, Kanpur and no official data is available from The Delhi Stock Exchange Association Limited, Delhi. As the shares of the Target Company are infrequently traded, regulation 20(4) is not applicable. The Offer Price of Rs. 1.50/- per fully paid up equity share and Rs. 1/- (Rupees One Only) per partly paid up shares has been arrived at as per the Regulation 20(5) of SEBI (SAST) Regulations, 1997, after taking into account the highest of **(a)** Negotiated Price of Rs 1.50/- (Rupee One & Fifty Paise only) per share. **(b)** the highest price paid by the Acquirer or PAC for acquisitions including by way of allotment in the public or right or preferential issue during the 26 weeks period prior to the date of PA. is Rs. 1.50/- **(c)** other parameters i.e. return on net worth (negative), book value of the shares of the target company (negative), EPS (negative), P/E ratio is Nil; and price earning multiple for the industry category i.e. chemicals & fertilizers is 9.29 (source: capital market magazine vol. XX/04). The Offer price for 30,100 partly paid shares has been arrived at after taking into account the net amount receivable against these shares and accordingly a proportionate part of the offer price of Rs. 1.50/- payable for each fully paid share is being offered. Hence the offer price of Rs. 1.50/- for each fully paid equity shares and Re. 1/- for each partly paid share is justified in terms of regulation 20(5).

*Return on Net Worth %=(profit after tax/net worth) * 100*
; EPS = profit after tax / no.of equity shares issued
; Book Value of Shares=net worth/no. of equity shares issued; P/E ratio=mar
ket price per share/EPS.

1.6 The Acquirer & PAC have not acquired any equity share of **MFL** during the past 12 months prior to the date of this Public Announcement except the shares acquired from Financial Institutions- **IFCI, IDBI and ICICI** and shares covered in the **SPA** as per the details given in para **1.2** above. The Acquirer and PAC have not acquired any share in the paid up equity share capital of MFL during the last 26 weeks period prior to the date of this PA by way of (a) allotment in public issues or (b) allotment in rights issues or (c) preferential allotment of MFL except the shares acquired from Financial Institutions- **IFCI, IDBI and ICICI** and shares covered in the **SPA** as per the details given above. Other than above i.e 25,45,002 equity shares of Rs.10/- each, the Acquirer Company does not hold any equity shares in the paid up equity shares capital of the Target Company as on the date of this PA.

1.7 The Manager to the Offer i.e. RR Financial Consultants Ltd. does not hold any shares in the Target Company as on the date of this PA.

1.8 The Offer is not subject to any minimum level of acceptance from the shareholders i.e. it is not a Conditional Offer. The acquirer will accept the equity shares of MFL those are tendered in valid form in terms of this offer upto maximum of 7,03,017 equity shares.

2 INFORMATION ABOUT THE ACQUIRER AND THE PERSON ACTING IN CONCERT

ACQUIRER

2.1 Khaitan Chemicals & Fertilizers Limited **("KCFL")**, was originally incorporated as Ratlam Fertilizers Limited under The Companies Act, 1956 on 2.06.1982 as a Public Limited Company, vide registration No. 55-13789 with the Registrar of Companies, Delhi & Haryana. Name of the Company was changed to Khaitan Chemicals & Fertilizers Limited vide fresh certificate of incorporation on 17.07.1986. Subsequently the registered office of the Acquirer was shifted to state of Madhya Pradesh, new registration no. obtained is 10-04937 dt. 09-12-1988. Presently the Registered Office is situated at A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone (M.P.)-451569. Tel No (07285) 265448.

2.2 The Company is under the promotership of Mr. Shailesh Khaitan his friends, family and associate companies, who all may be deemed to be acting in concert with him. The Acquirer belongs to "**Khaitan Chemicals and Fertilizers Group**". The Board of Directors of Acquirer Consists of promoters and professional Directors. As on the date of this PA, the Board of Directors of KCFL consists of Mr. Shailesh Khaitan, Mr. Anil Agarwal, Mr. O.P. Bagla, Mr. J.L. Jajoo and Dr. P.Goyal.

2.3 As per the latest audited financials for the year ended on 31st March, 2005 Acquirer had Turnover of Rs. 18,701.83 Lacs and Net Profit after tax was Rs. 455.88 lacs. Its EPS was Rs. 4.75/-, and Return on Net Worth was 9.07%. Book Value per share stood at Rs. 52.38/- and its P/E ratio was 7.16. The Shares of the Company are listed only at The Stock Exchange, Mumbai (BSE).

2.4 **KCFL** is mainly engaged in the business of manufacturing of Single Super Phosphate (Fertilizer) and Edible Oil. The existing manufacturing facilities for Single Super Phosphate are at three plants situated at Nimrani (Madhya Pradesh), Jhansi (Uttar Pradesh) and Nimbahera, (Rajasthan). The Company also has plant/refinery of soya solvent extraction at Ratlam, (Madhya Pradesh). The Company has almost 2 decades of experience in manufacturing and marketing of Fertilizers and more than 10 years in business of Soya. The company has a well established distribution network in the domestic market with sale of the fertilizers under the brand name 'Khaitan' and 'Utsav'.

2.5 The Acquirer-MFL and PAC-SPL are group companies and Acquirer is under promotership of PAC.

2.6 Mr. Saurabh Bansal, Partner of M/s. Savmit Grover & Associates, Chartered Accountants, having Office at C2/32, Safdarjung Development Area, New Delhi – 110016. (Membership No. 501150) has certified vide certificate dated 19.05.2005 that the Net Worth of M/s. Khaitan Chemicals & Fertilizers Limited, as on 31st March, 2005 is Rs.5024.81 lacs and that it has sufficient investible liquid financial resources to fulfill its obligations under this Offer. The Acquirer has deposited Rs.10.75 lacs in Escrow Account, which is more than 100% of the amount required for open offer.

The provisions of Chapter II of SEBI (SAST) Regulations, 1997 are applicable to the Acquirer and the Acquirer has made timely disclosure under the said regulations.

PERSON ACTING IN CONCERT

2.7 Shradha Projects Limited **("SPL")**, was originally incorporated as Bazaz Commercial & Fiscals Private Limited under The Companies Act, 1956 on 13.01.1992 as a Private Limited Company, vide registration No. 21-54108 with the Registrar of Companies, West Bengal and converted into Public Limited on 29th march, 1996. The Name of the Company was changed to Shradha Projects Limited vide fresh certificate of incorporation dated 06.07.2001. Presently the registered office of the SPL is situated at 46C, Rafi Ahmed Kidwai Road, 3rd Floor, Kolkata – 700 016 Tel. No. (033) 22174781.

2.8 The Company is under the promotership of Mr. Shailesh Khaitan his friends, family and associate companies, who all may be deemed to be acting in concert with him. M/s. SPL "PAC" belongs to "**Khaitan Chemicals and Fertilizers Group**". The Board of

Directors of SPL consists of promoters and professional Directors. As on the date of this PA, the Board of Directors of SPL consists of Mr. Shailesh Khaitan, Mr. Sankarlal Gupta, Mr. R.S. Vijay Vargiya, Mr. B.K. Khandelwal.

2.9

2.4.1 As per the latest audited financials for the year ended on 31st March, 2005 SPL had Turnover & other income of Rs.284.05 Lacs and Net Profit after tax was Rs. 207.29 lacs. Its EPS was Rs. 3.19/-, and Return on Net Worth was 9.28%. Book Value per share stood at Rs.34.38/- and its P/E ratio was 5.8. The Shares of the Company are listed at The Calcutta Stock Exchange Association Limited and The Jaipur Stock Exchange Limited.

2.10SPL is a RBI registered NBFC, it is mainly engaged in fund based activity viz. loan financing and capital market operations. It has experience of 12 years. The company is exposed to specific risk that are particular to its business and the environment within which it operates includes interest rate volatility, market risk and credit risk.

2.11 Mr. Saurabh Bansal, Partner of M/s. Savmit Grover & Associates, Chartered Accountants, having Office at C2/32, Safdarjung Development Area, New Delhi – 110016. (Membership No. 501150) has certified vide certificate dated 19.05.2005 that the Net Worth of M/s. Shradha Projects Limited as on 31st March, 2005 is Rs.2234.85 lacs and that it has sufficient investible liquid financial resources to fulfill its obligations under this Offer.

The provisions of Chapter II of SEBI (SAST) Regulations, 1997 are applicable SPL and it has made timely disclosure under the said regulations.

3. INFORMATION ABOUT THE TARGET COMPANY

3.1 The Target Company i.e. **M/s. MAHADEO FERTILIZERS LIMITED, "MFL"** was incorporated on 12th November, 1986 with the Registrar of Companies, U.P., as a Public Limited Company and got Commencement of Business Certificate on 2nd February, 1987 from the Registrar of Companies, U.P. The Company has its Registered Office at 201 A & B, Govinda Apartments, Shahnajaf Road, Lucknow. The Target Company's net worth was fully eroded in the year 1994 and was declared a **Sick Industrial Undertaking** by the Board of Industrial & Financial Reconstruction (BIFR) on *28.03.1994* pursuant to reference made to BIFR, however no rehabilitation Scheme is finalised as per information available from target company.

3.2 As on the date of this PA, MFL has an authorized share capital of Rs. 1000 lacs, comprising of 1,00,00,000 equity shares of Rs. 10/- (Rupees Ten Only) each. It has an issued subscribed and paid up equity share of Rs.350.00 lacs, consisting of 35,15,083 equity shares of Rs.10/- each. Out of its total issued 35,15,083 shares of Rs.10/- each, 34,84,983 Equity shares are fully paid up, where as 30100 Equity shares are partly paid up. The call money of Rs. 5/- per share (other than from Directors) remains unpaid on these 30100 partly paid shares. These partly paid up shares do not have any voting rights as per Articles of Association of the Target Company.

3.3 MFL has been engaged in the business of manufacturing and marketing of Single Super Phosphate (fertilizers) , sulphuric acid and Oleum . MFL is having manufacturing facilities at Plot No. A-1, U.P.S.I.D.C. Industrial Area Malwan, Distt. Fatehpur (U.P.). The present installed capacity of MFL plant is 1,15,000 MT of SSP, 49,500 MT of Sulphuric Acid & 10,000 MT of Oleum..

3.4 The shares of "MFL" are at presently listed on U.P. Stock Exchange Association Limited, Kanpur and The Delhi Stock Exchange Association Limited (as per the Annual Report of MFL for the financial year 2003-2004). Details of listing status of MFL shares have been provided in Para No. **1.5** above.

3.5 Based on the latest available audited accounts for the year ending 31st March, 2004, the Company has made Net Sales of Rs. 837.46 lacs and Net Loss of Rs. 32.24 lacs after providing depreciation of Rs.54.88 lacs. As at 31.03.2004, the paid up share capital was Rs. 350.00 lacs (excluding calls unpaid) and the earning per share (EPS) for the year ending 31st March, 2004 was Rs.(-0.92)/- and P/E ratio is Nil.

4 REASON FOR THE ACQUISITION/OFFER

4.1 The Acquirer has been modernizing and expanding capacities and keen on the look out for acquisitions for adding to capacities, considering the domestic demand for fertilizers and export potential. The Target Company is in the similar line of business having same product mix. The present acquisition of shares of the Target Company would create synergies and help the acquirer to consolidate its operations. The acquirer has plans to carry out modernization of the plant of MFL as may be required, and ultimately to integrate the operations of the Target Company and the Acquirer. Thus substantial acquisition of shares and voting rights accompanied with change in control and management is the reason and rationale for the acquisition.

4.2 Mr. Shailesh Khaitan, Director of Acquirer and PAC and Mr. R.S. Vijayvargiya, Director of Acquirer are also Directors on the Board of the Target Company.

4.3 The Offer to the Public shareholders of MFL is for the purpose of acquiring 20% of share/voting capital and resultant percent of the voting rights of MFL. After the proposed Offer and transfer of the shares so acquired under para **1.2** above, the Acquirer will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

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

5 STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

5.1 Approval for transfer of shares of a Company registered in India by a Non Resident to a person resident in India is required. The Acquirer will apply for approval from RBI for transfer of shares in their name

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5.2 As on the date of Public Announcement, no approval from any Bank/Financial Institutions is required for the purpose of this Offer, to the best of the knowledge of the Acquirer.

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

5.4 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 wilfull default by the Acquirer in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

6 DELISTING OPTION TO THE ACQUIRER

6.1 If, pursuant to the offer and any acquisition of shares by the Acquirer or the PAC from the open market or through negotiations or otherwise made in compliance with the SEBI (SAST) Regulations 1997, the public shareholding is reduced to 10% or less of the voting capital of MFL, then in accordance with Regulation 21(3) of the SEBI (SAST) Regulations 1997, the Acquirer will make an offer to acquire the outstanding shares remaining with the public shareholders in accordance with the guidelines specified by SEBI in respect of delisting of securities as may be applicable from time to time.

6.2 If the public shareholding is reduced to 10% or less of the voting capital of Company, the Company will be requested to make applications to the stock exchanges where the shares are listed for delisting of the shares.

7 FINANCIAL ARRANGEMENTS

7.1 The Acquirer have adequate resources to meet the financial requirements of the Offer. The Acquirer have made firm arrangement for the resources required to complete the Offer in accordance with the SEBI (SAST) Regulations, 1997. The acquisition will be financed through internal resources.

7.2

Assuming full acceptance, the total requirement of funds for the Offer would be Rs.10,54,526/-. The Acquirer have already made firm arrangements for the financial resources required to implement the Offer in full. As per Regulation 28, Acquirer has initiated to open an Escrow Account with UTI Bank Ltd., Statesman House, New Delhi-110001 and have deposited Rs.10,75,000/- (Rs Ten Lacs Seventy Five Thousand Only), being more than 100% of the amount required for the Open Offer. Acquirer Company would nominate its own Directors on the Board of Directors of the Target Company after a period of 21 days from the date of this PA in terms of Regulation 22(7) of SEBI (SAST) Regulations, 1997.

7.3 The Acquirer have duly empowered M/s RR Financial Consultants Ltd., Manager to the Offer, to realise the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997.

7.4 The Manager to the Offer, M/s RR Financial Consultants Ltd., hereby confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

8 OTHER TERMS OF THE OFFER

8.1 The Offer is not subject to any minimum level of acceptances from shareholders.

8.2 Letters of Offer (hereinafter referred to as **"LOO"**) will be dispatched to all the equity shareholders of MFL, whose names appear in its Register of Members on **June 20, 2005**, being the Specified Date, except the Parties to the **SPA** i.e Acquirer, PAC and Sellers.

8.3 All shareholders of the Target Company, except for the Parties to the **SPA** i.e Acquirer, PAC and Sellers, who own the shares any time before the Closure of the Open Offer, are eligible to participate in the Offer.

8.5 **Shareholders**, will be required to send their share certificates, Form of Acceptance cum Acknowledgement and other documents as may be specified in the LOO, 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. **August 1, 2005**

8.6 **The entire Shareholding of the Target company are available for trading in physical mode only.**

8.7 In case of (a) shareholders who have not received the LOO, (b) unregistered shareholders and (c) owner of the shares who have sent the 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 shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid 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 MFL), 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. **August 1, 2005.**

Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

8.8 The following collection centre would be accepting the documents as specified above, for shares tendered.

Name & Address:

Beetal Financial & Computer Services (P) Ltd.
321-S, Chirag Delhi, New Delhi- 110 017
Contact Person: **Puneet Mittal**
Phone Nos. (011) 29251990, 29250390
Fax No. (011) 29252146
E-mail: beetal@rediffmail.com

8.9 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. **July 27, 2005**. 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.

8.10 The Letter of Offer alongwith the Form of Acceptance cum acknowledgement/ withdrawal would also be available at SEBI's website, *www.sebi.gov.in,* and shareholders can also apply by downloading such forms from the website.

8.11 No indemnity is needed from unregistered shareholders.

8.12 Applications in respect of shares that are the subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/orders regarding these shares are not received together with the shares tendered under the Offer.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Shareholders who have offered their shares would be informed about acceptance or rejecting of the Offer within 15 days from the date of Closure of the Offer. The payment to the shareholders whose shares have

been accepted, and will be paid by cheque / demand draft / pay order crossed 'Account Payee' only in favour of the first holder of equity shares (and sent by registered post/courier) within 15 days from the date of Closure of the Offer. In case of acceptance on a proportionate basis, the unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post/courier at the shareholders' / unregistered owners' sole risk to the sole / first shareholder and the intimation of the same will be sent to the shareholders.

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

10. TIME SCHEDULE OF THE OFFER

9

Schedule of the major activities of the open offer are as under:

ACTIVITY	DAY AND DATE
Specified Date (For the purpose of determining the names of shareholders to whom Letter of Offer would be sent)	**MONDAY, JUNE 20, 2005**
Last date for a competitive bid	**WEDNESDAY, JUNE 15, 2005**
Date by which Letter of Offer will be dispatched to the shareholders	**SATURDAY, JULY 9, 2005**
Offer Opening Date	**WEDNESDAY, JULY 13, 2005**
Last date for revising the offer price/number of shares	**THURSDAY, JULY 21, 2005**
Last date for withdrawal by shareholders	**WEDNESDAY, JULY 27, 2005**
Offer Closing Date	**MONDAY, AUGUST 1, 2005**
Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be dispatched	**TUESDAY, AUGUST 16, 2005**

11. GENERAL CONDITIONS

11.1 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the date of Closure of the Offer i.e. **Wednesday, July 27, 2005** The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed in the Letter of Offer. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. **Wednesday, July 27, 2005.**

11.2 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:

11.3

Name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares.

11.5 The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer.

11.6 The intimation of returned shares to the Shareholders will be sent at the address as per the records of MFL.

11.7 If there is any upward revision in the Offer Price (in terms of 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 Offer

, the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the successful shares tendered anytime during the Offer.

11.8 " If there is competitive bid:

11.8.1 The public offers under all the subsisting bids shall close on the same date.

11.8.2 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"

11.9 The Acquirer and PAC hold the shares of the Target Company as on the date of this Public Announcement as mentioned in para **1.2** above.

11.10 Based on the information available from the Acquirer and PAC; the Acquirer, PAC, Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued U/s 11B of SEBI Act, 1992 or under any other Regulation under the SEBI Act, 1992.

11.10 The Pubic Announcement would also be available at SEBI's website, *www.sebi.gov.in*.

11.11 Pursuant to the Regulation 13 of SEBI (SAST) Regulations, 1997, the Acquirer have appointed M/s R. R. Financial Consultants Ltd. as Manager to the Offer and M/s Beetal Financial & Computer Services (P) Ltd. as Registrar to the Offer.

11.12 This Public Announcement is being issued on behalf of the Acquirer and PAC by the Manager to the Offer, M/s RR Financial Consultants Ltd.

11.13 The Acquirer, M/s. Khaitan Chemical & Fertilizers Limited and PAC, M/s. Shradha Projects Limited and their Directors accept full responsibility for the information contained in this Public Announcement (except for the information regarding the Target Company which has been compiled from the publicly available information) and also for the obligations of the Acquirer & PAC as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

Manager to the Offer:	**Registrar to the Offer:**
RR Financial Consultants Ltd. Contact Person: **Mr. Ravinder Sharma** 412-422, Indraprakash Building, 21, Barakhamba Road, New Delhi – 110001. Tel nos.: 011-23352496/ 97/98/99; Fax no.: 011 - 23353703; Email: ravinder@rrfcl.com	**Beetal Financial & Computer Services (P) Ltd.** Contact Person: **Puneet Mittal** 321-S, Chirag Delhi, New Delhi- 110 017 Telephone Nos.(011) 29251990, 29250390 Fax: (011) 29252146. Email : beetal@rediffmail.com

DATE: 24/05/2005 PLACE: NEW DELHI