LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer (LOO) is sent to you as equity shareholder(s) of Porwal Auto Components Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Keynote Corporate Services Ltd. (Manager to the Offer) or Intime Spectrum Registry Ltd. (Registrar to the Offer). In case you have sold your shares in the Company, please hand over this LOO and the accompanying Form of Acceptance cum Acknowledgment, Form of Withdrawal and Transfer Deed to the Member of the Stock Exchange through whom the said sale was effected.

CASH OFFER AT A PRICE OF RS 12.66 (RUPEES TWELVE AND PAISE SIXTY SIX ONLY) PER EQUITY SHARE

[Pursuant to Regulation 10 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto]

TO ACQUIRE

from existing equity shareholders upto 20,20,000 equity shares of Rs.10/- each forming 20% of the paid-up equity share capital

PORWAL AUTO COMPONENTS LIMITED

having its registered office at Kanti Mansion, 6-Murai Mohalla, Indore – 452 001, Madhya Pradesh

Tel: (0731) 4051701/02/03/04, Fax: (0731) 4051708/09/10, E-mail: pauto@sancharnet.in, Website: www.porwalauto.com

By

PORWAL FINSEC PRIVATE LIMITED

having its registered office at DS-16, Shopping Complex, A. B. Road, Indore, Madhya Pradesh

Tel: (0731) 2551733

Along With

Mr. Pravin Jain and Mr. Atul Jain (Persons Acting in Concert)

having their residence at

Kamala Nehru School Road, Opposite Anand Petrol Pump, Kibe Compound,Indore – 452 001, Madhya Pradesh.

Permission of RBI would be required for transfer of shares received from NRI shareholders, if any. There are no other approvals, statutory or otherwise, required under the Companies Act 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act, 1999 and /or any other applicable laws.

The shareholder(s) shall have the option to withdraw acceptance tendered by him/them upto three working days prior to the date of closure of the offer i.e. upto 07/03/2007.

In case of any upward revision/withdrawal of the offer, the Public Announcement for the same would be made in the same newspapers where the original Public Announcement has appeared. The last date for such upward revision, if any, is 01/03/2007. Acquirer will pay the same price for all fully paid-up equity shares tendered during the offer period.

Equity Shareholders may note that if there is a competitive bid,

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

A copy of the Public Announcement and Letter of Offer (including form of acceptance cum acknowledgement and form of withdrawal) is also available at the website of SEBI **www.sebi.gov.in**

MANAGER TO THE OFFER

KEYNOTE

CORPORATE SERVICES LTD

KEYNOTE CORPORATE SERVICES LTD.
4th Floor, Balmer Lawrie Building, 5, J. N. Heredia Marg
Ballard Estate, Mumbai-400 001.
Tel: (022) 22694322-25Fax: (022) 22694323
E-mail: mbd@keynoteindia.net
Website : www.keynoteindia.net
SEBI Regn: INM000003606
AMBI Regn No.: AMBI/040
Contact Person: Vikram Subramaniam

REGISTRAR TO THE OFFER

INTIME SPECTRUM REGISTRY LIMITED
C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai – 400 078
Tel.: (022) 2596 0320 (9 lines)
Fax: (022) 2596 0329
E-mail: isrl@intimespectrum.com
Website: www.intimespectrum.com
SEBI Regn. No.: INR 00003761
Contact Person: Mr. Sachin Achar

Activity	Original		Revised	
	Date	Day	Date	Day
Public Announcement	12/05/2006	Friday	12/05/2006	Friday
Last date for a competitive bid	01/06/2006	Thursday	01/06/2006	Thursday
Specified Date	10/06/2006	Saturday	10/06/2006	Saturday
Date by which the Letter of Offer will be dispatched to shareholders	24/06/2006	Saturday	17/02/2007	Saturday
Date of opening of the Offer	05/07/2006	Wednesday	22/02/2007	Thursday
Last date for revising the offer price/ number of shares	13/07/2006	Thursday	01/03/2007	Thursday
Last date for withdrawal of acceptance	19/07/2006	Wednesday	07/03/2007	Wednesday
Date of closing of the Offer	24/07/2006	Monday	13/03/2007	Tuesday
Date by which acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate(s)/demat delivery instruction for the rejected Shares will be dispatched/issued.	07/08/2006	Monday	28/03/2007	Wednesday

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DEFINITIONS

Acquirer or PFPL	:	Porwal Finsec Private Limited
Date of Public Announcement	:	12/05/2006
OTCEI	:	Over The Counter Exchange of India
Letter of Offer/LOO	:	This Letter of Offer dated 14/02/2007
Manager to the Offer/ Merchant Banker	:	Keynote Corporate Services Ltd.
Persons Acting in Concert (PACs)	:	Mr. Pravin Jain and Mr. Atul Jain
Persons Eligible to participate in the Offer	:	Equity shareholders of Porwal Auto Components Limited Ltd. (other than Promoters, persons forming part of the Promoter Group and the Acquirer) whose names appear on the Register of the Members of Porwal Auto Components Ltd. at the close of business hours on 10/06/2006 (the "Specified Date") and also to those persons who own the shares at any time prior to the closure of the offer, but are not the registered equity shareholders.
SEBI	:	Securities and Exchange Board of India
Specified Date	:	10/06/2006
Target Company or PACL	:	Porwal Auto Components Limited
The Regulations / SEBI (SAST) Regulations 1997	:	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof.

RISK FACTORS

- **Delay in compliance with SEBI Regulations:**

  PACL has made disclosures under the provisions of Chapter II of the SEBI (SAST) Regulations under the SEBI Regularisation Scheme, 2002 up to financial year 2002-03. Thereafter, PACL has been complying with the provisions of Chapter II of the SEBI (SAST) Regulations upto the financial year 2004-2005. There has been a delay of 96 days in ensuring compliance with regulation 7(3) of Chapter II and a delay of 10 days in ensuring compliance with regulation 8(3) of the Regulations for the financial year 2005-2006. In view of such delayed compliance SEBI may initiate appropriate action against PACL.

  SEBI may initiate adjudication proceedings against the Acquirer for delayed compliance with the provisions of Chapter II of the SEBI (SAST) Regulations. There is a likelihood of penalty being imposed on the Acquirer.

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURE CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE EQUITY SHAREHOLDERS OF PORWAL AUTO COMPONENTS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL

SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURES OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER KEYNOTE CORPORATE SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 25/05/2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) 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.

2. DETAILS OF THE OFFER

2.1 Background of the offer

a) The Board of Directors of Porwal Auto Components Limited (**"PACL"** or **"Target Company"**) in their meeting held on 12/12/2005 had proposed issue of 80,00,000 equity shares of Rs.10/- each at par to the existing promoters, a promoter group company, and to Porwal Finsec Private Limited subject to obtaining the approval of members/ shareholders of PACL. Accordingly an Extra Ordinary General Meeting of the members/shareholders of PACL was held on 12/01/2006, which has approved the said issue of equity shares to the parties mentioned above.

b) In terms of the special resolution passed at the Extraordinary General Meeting of PACL held on 12/01/2006, the Board of Directors of PACL, in its meeting held on 25/01/2006, had allotted 80,00,000 equity shares on preferential allotment basis of Rs. 10/- each at par, which includes the allotment of 37,00,000 equity shares of Rs.10/- each at par to Porwal Finsec Private Limited (hereinafter referred to as **"Acquirer"** or **"PFPL"**). The pre-preferential allotment equity share capital of PACL consisted of 21,00,000 equity shares of Rs. 10/- each of PACL. Pursuant to the aforesaid preferential allotment of 37,00,000 equity shares to PFPL, constituting 36.63% of post preferential allotment equity capital of PACL, the provisions of regulation 10 of the Regulations are attracted. In terms of the Regulations, the Acquirer was required to make an open offer to the remaining shareholders of PACL in terms of the Regulations within four working days of the preferential allotment.

c) PFPL does not hold any equity shares of PACL other than those allotted through preferential allotment.

d) The Acquirer desirous of complying with various provisions of regulations has made a public announcement under Regulation 10. The Offer Price of Rs. 12.66 per fully paid up share has been calculated taking into account the offer price of Rs. 11.60 per share ("Base Price") and Rs. 1.06 per share being interest thereon @ 10% p.a. from 28/04/2006 i.e. the last date for payment of consideration to the shareholders to the date of actual payment of consideration to the shareholders who will accept the offer.

e) In view of this the Acquirer announced an offer under the Regulations, to acquire by tender up to 20,20,000 fully paid-up equity shares of Rs. 10/- each of PACL representing 20% of the post preferential allotment equity share capital of PACL (from shareholders other than "persons in the promoter group"), on the terms and subject to the conditions set out below, at a price of Rs. 12.66 (Rupees Twelve and Paise Sixty Six Only) per share ("Offer Price") for cash from the remaining shareholders.

f) The offer is not subject to any minimum level of acceptance.

g) The Acquirer/PACL/Persons in control of the company are not debarred from accessing the capital market under Section 11 B of the SEBI Act, 1992 or under any other Regulation.

2.2 Details of the Proposed Offer

a) The Acquirer has made a Public Announcement for the Offer to the existing equity shareholders of PACL which was published on 12/05/2006 in compliance with Regulation 15 of the Regulations in all editions of "Financial Express" being English National Daily and "Jansatta" being Hindi Daily and regional language daily of the place where the registered office of PACL is located. A copy of the Public Announcement is also available on the SEBI website at www.sebi.gov.in.

b) The Acquirer has announced an open offer under Regulation 10 of the Regulations, to acquire by tender offer upto 20,20,000 fully paid-up equity shares of Rs.10/- each of PACL representing 20% of the post preferential allotment equity share capital of PACL, from the remaining shareholders of PACL (from shareholders other than "persons in the promoter group") on the terms and subject to the conditions set out in this Letter of Offer, at a price of Rs. 12.66 (Rupees Twelve and Paise Sixty Six Only) per fully paid-up equity share payable in cash.

c) The equity shares of PACL are listed on the Over The Counter Exchange of India (OTCEI). The equity shares of PACL are infrequently traded on OTCEI in terms of explanation (i) to Regulation 20(5) of the Regulations. The offer price of Rs. 12.66 (Rupees Twelve and Paise Sixty Six Only) per equity share, has been determined considering provisions of Regulation 20(5) of the Regulations

d) There is no relation between the Acquirer or its promoters / directors and the promoters / directors of the Target Company as per the definitions given under Section 6 of the Companies Act. 1956 and under Section 2(1)(h) of the SEBI (SAST) Regulations, 1997.

e) The equity shares of PACL to be acquired, pursuant to the Offer, shall be free from all lien, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid.

f) As on date Acquirer holds 37,00,000 equity shares of PACL which have been allotted on 25/01/2006 on preferential basis vide the shareholders' resolution passed in the EGM held on 12/01/2006. Apart from this, the Acquirer does not hold any additional shares of PACL and there have been no further acquisitions by the Acquirer or PACs after the date of the Public Announcement.

3. RATIONALE FOR THE OFFER

a) PACL had been incurring losses for several years after its inception, but has started making profits from F.Y. 2000-2001 onwards. As on 31/03/2005, PACL has wiped out its accumulated losses and has started building reserves. PACL proposes to set up a new facility for manufacturing 3825 MT per annum of castings to enhance the product mix and the cost of the project is Rs. 35.68 crores. The Appraisal cum Information Memorandum has been prepared by BOB Capital Markets Ltd. As per the appraisal one of the means of finance included equity share capital including preferential equity capital. Accordingly as part of the process, PACL brought in funds by way of preferential allotment to the promoter, promoter group and to the acquirer i.e. PFPL. PFPL feels that PACL has a growth potential and needs funds to achieve the same by building up its production capacity.

b) PACL has issued and allotted 37,00,000 equity shares of Rs. 10/- each at a price of Rs. 10/- to the Acquirer, consequent to the approval of the share holders/members by way of a special resolution at its extraordinary general meeting. The EGM was held on 12/01/2006 and the preferential allotment of shares was approved by the members. As a result, provisions of Regulation 10 of the SEBI (SAST) Regulations, 1997 are attracted. Hence the present offer to the shareholders is being made in terms of the Regulations.

c) The Acquirer does not have any plan to dispose off or otherwise encumber any of the assets of PACL in the succeeding two years from the date of closure of the offer except in the ordinary course of business of PACL. The Acquirer will not dispose off, sell or otherwise encumber any substantial assets of PACL except with the prior approval of the shareholders.

4. BACKGROUND OF THE ACQUIRER

Porwal Finsec Private Limited (PFPL)

a) Porwal Finsec Private Limited was incorporated on 08/01/1996. The registered office of PFPL is situated at DS-16, Shopping Complex, A. B. Road, Indore, Madhya Pradesh. Tel : (0731) 2557133.

b) Porwal Finsec Pvt. Ltd. is engaged in the business of investment and finance. The Company did not conduct any significant business activity till the financial year 2004-2005. Since the financial year 2005-2006, PFPL has invested in PACL, and has been providing short term loans to various parties.

c) The details of the Board of Directors of PFPL are as follows:-

Name, Designation And Address	Experience (Years)	Area of Experience	Qualification	Date of Appointment	Other Directorships
Mr. Pravin Jain **Director** Kamala Nehru School Road, Opposite Anand Petrol Pump, Kibe Compound, Indore – 452 001, Madhya Pradesh.	20	C&F agency for ICI paints and selling and distribution of interior and exterior paints	B. Com. (DAVV, Indore)	21/12/2005	NIL
Mr. Atul Jain **Director** Kamala Nehru School Road, Opposite Anand Petrol Pump, Kibe Compound, Indore – 452 001, Madhya Pradesh.	19	C&F agency for ICI paints and selling and distribution of interior and exterior paints	B. Com. (DAVV, Indore)	21/12/2005	NIL

None of the directors of the Acquirer are on the Board of Directors of the Target Company

d) Shareholding Pattern of Porwal Finsec Private Limited as on 31/01/2007 is as follows:

Category of Shareholder	Number of Shares	% of shareholding
Promoters		
a. Mr. Pravin Jain	5,000	0.37
b. Mr. Atul Jain	5,000	0.37
FII/MF/Banks	-	-
Corporate Bodies	13,20,000	97.70
Others	21,000	1.56
TOTAL	**13,51,000**	**100.00**

e) The present paid up equity share capital of PFPL is Rs. 135.10 lacs comprising of 13,51,000 equity shares of Rs. 10/- each. The equity shares of PFPL are not listed on any stock exchange.

f) There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date. There are no shares under lock-in period. There has been no merger / de-merger or spin off in PFPL during the past three years.

g) There has been a delay of 104 days in complying with regulation 7(1) and 7(2) of Chapter II of the SEBI (SAST) Regulations by PFPL. SEBI will take appropriate action for the non-compliance.

h) The brief audited financial details of PFPL for the past three years and certified financials for the period ended 31/01/2007 are given below:-

(Rs. In lacs)

	Year Ended			Ten Months Ended
PROFIT & LOSS STATEMENT	**31/03/2004**	**31/03/2005**	**31/03/2006**	**31/01/2007**
Income from operations	-	-	3.96	0.00
Other Income	-	-	-	-
Total Income	-	-	3.96	0.00
Total Expenditure	0.09	0.07	2.60	0.09
Profit/(Loss) Before Extraord. item, Depreciation, Interest and Tax	(0.09)	(0.07)	1.36	(0.09)
Less: Depreciation	-	-	-	-
Interest	-	-	-	0.01
Extraordinary item	-	-	-	-
Profit/ (Loss) Before Tax	(0.09)	(0.07)	1.36	(0.10)
Provision for Tax – Current Tax	-	-	-	-
– Deferred Tax	-	-	-	-
Profit/(Loss) After Tax	(0.09)	(0.07)	1.36	(0.10)

(Rs. in lacs)

	As at			
BALANCE SHEET STATEMENT	**31/03/2004**	**31/03/2005**	**31/03/2006**	**31/01/2007**
Sources of funds				
Paid up share capital	1.00	1.00	1.00	135.10
Reserves and Surplus (excluding revaluation reserves)	-	-	1.22	202.27
Miscellaneous Expenditure (to the extent not written off)	(0.04)	(0.02)	-	(2.13)
Profit & loss account (Debit)	(0.07)	(0.14)	-	-
Networth	**0.89**	**0.84**	**2.22**	**335.24**
Share Application Money & Premium	-	-	335.25	60.00
Unsecured Loans	0.09	0.14	51.11	57.64
Total	**0.98**	**0.98**	**388.58**	**452.88**
Uses of funds				
Investments	-	-	370.00	370.00
Net Current Assets	0.98	0.98	18.58	82.88
Total	**0.98**	**0.98**	**388.58**	**452.88**

	Year Ended			Ten Months Ended
OTHER FINANCIAL DATA	**31/03/2004**	**31/03/2005**	**31/03/2006**	**31/01/2007**
Dividend (%)	-	-	-	-
Earning Per Share (EPS) (Rs.)	(0.90)	(0.73)	13.94	(0.01)
Return on Networth (RONW) (%)	(10.12)	(8.33)	0.41	(0.03)
Book Value Per Share (Rs.) (Face Value of Rs. 10/-)	8.91	8.40	3,375.02	24.81

h) Reasons for fall/rise in PAT of the Company:

- PFPL does not have any significant business activity in 2003-04 and 2004-05. However the management decided to renew the business activities of the Company. As a result there has been an revenue of Rs. 3.96 lacs in FY 2005-2006 on account of interest earned. The Company has made an investment of Rs. 370.00 lacs in the Target Company in January 2006. Subsequently, since April 2006, the Company has provided short terms loans to different parties as part of its business activity.

i) The Acquirer has raised an amount of Rs. 335.25 lacs as share application money from 11 entities during the financial year 2005-2006. The equity shares in lieu of this share application money were allotted to these 11 entities on 20/05/2006.

j) There have been no earlier acquisitions of the equity shares of the Target Company by the Acquirer apart from the preferential allotment.

ACCOUNTING POLICIES

- The financial statement are prepared under historical cost conventions on accrual basis and in accordance with the requirements of the Companies Act, 1956 and generally complying with the mandatory accounting standards in force. Various accounting policies are applied and followed consistently expect as otherwise stated.

- Preliminary expenses are amortized over a period of ten years.

CONTINGENT LIABILITIES

There are no contingent liabilities against PFPL.

PENDING LITIGATIONS

There are no pending litigations against PFPL or any of its promoters / directors.

i) Disclosure in terms of Regulation 16 (ix):

- PACL had been incurring losses for several years after its inception, but has started making profits from F.Y. 2000-2001 onwards. As on 31/03/2005, PACL has wiped out its accumulated losses and has started building reserves. PFPL feels that PACL has a growth potential and needs funds to achieve the same by building up its production capacity.

- PFPL does not have any plan to dispose off or otherwise encumber any of the assets of PACL in the succeeding two years from the date of closure of the offer except in the ordinary course of business of PACL. The Acquirer will not dispose off, sell or otherwise encumber any substantial assets of PACL except with the prior approval of the shareholders.

j) Future plans/strategies of PFPL with regard to PACL

- PFPL feels that PACL has a growth potential and needs funds to achieve the same by building up its production capacity. PFPL propose to acquire the equity shares of PACL and revive its operations.

MR. PRAVIN JAIN AND MR. ATUL JAIN (PERSONS ACTING IN CONCERT)

Mr. Pravin Jain and Mr. Atul Jain reside at Kamala Nehru School Road, Opposite Anand Petrol Pump, Kibe Compound, Indore – 452 001, Madhya Pradesh. Mr. Pravin Jain and Mr. Atul Jain are brothers. Their principal area of business is the management of the activities of Porwal Finsec Pvt, Ltd. They have had experience of approximately 20 years in the field of selling and distribution of interior and exterior paints and have also operated a C&F agency for ICI Paints. As per the certificates dated 18/09/2006 submitted by Rajkumar Barjatya, Chartered Accountant, the net worth of Mr. Pravin Jain as on 31/03/2006 is Rs. 274.33 lacs and the net worth of Mr. Atul Jain as on 31/03/2006 is Rs. 303.37 lacs.

5. DELISTING OPTION TO PACL

Pursuant to this Offer the Provisions of Regulation 21 (3) of the SEBI (SAST) Regulations 1997 are not attracted.

6. BACKGROUND OF TARGET COMPANY

Porwal Auto Components Limited /PACL

a) Porwal Auto Components Limited was incorporated as Porwal Auto Components Pvt. Limited on 03/02/1992 under The Companies Act, 1956 and obtained Certificate of Incorporation from Registrar of Companies, Madhya Pradesh. It was converted into a Public Limited Company on 09/09/1992 and listed on the OTCEI on 27/06/1994. The Registered Office of the company is situated at Kanti Mansion, 6 - Murai Mohalla, Indore, Madhya Pradesh Tel: (0731) 4051701/02/03/04. The Company is promoted by Mr. Surendra Jain, Mr. Devendra Jain and Mr. Mukesh Jain. The Company is engaged in the manufacture of iron castings for the automobile sector. The Board of Directors of PACL comprises of Mr. Surendra Jain, Mr. Devendra Jain, Mr. Mukesh Jain, who are the promoters of the Company and Mr. Ashok Mehta, Mr. Ashok Sodhani and Mr. Nitin Dafria who are independent directors on the Board.

b) The company came out with a public issue of Rs. 85.71 lacs comprising of 8,57,100 equity shares of Rs. 10/- each at par through prospectus dated 22/02/1994. As on date the issued & paid up equity share capital of PACL is Rs 1010.00 Lakhs comprising of 1,01,00,000 equity shares of Rs. 10/- each. There are no partly paid up equity shares in the Company. The equity shares of PACL are listed on the Over the Counter Exchange of India (OTCEI). The equity shares of PACL were last traded on 07/07/1998 and the last traded price was Rs. 1.20 per equity shares. The equity shares are infrequently traded on OTCEI in terms of Explanation (i) to Regulation 20(5). The Company is complying with the listing requirements. No punitive action has been taken by OTCEI against the Company.

c) The details of the share capital structure of the company is as follows:

Paid-up Equity Shares	No. of shares/voting rights	% of paid up capital
Fully paid up equity shares	1,01,00,000	100.00
Partly paid up equity shares	-	-
Total paid up equity shares	1,01,00,000	100.00
Total voting rights in the company	**1,01,00,000**	**100.00**

d) Details of the share capital history of the company are as follows:

Date of Allotment /forfeiture	No. of shares issued	% of shares issued	Cumulative Paid up Equity Share Capital (No. of Shares)	Mode of Allotment	Identification of The Allottees	Status of Compliance
03/02/1992	70			On Incorporation	Promoters	Complied
On 25/03/1993 Equity shares of Rs 100/- each is subdivided into 10 shares of Rs 10/- each						
	700	0.01	700			
28/04/1994	8,42,200	8.34	17,00,000	Public Issue	Promoters	Complied
	8,57,100	8.49			Public	
30/09/1995	4,00,000	3.96	21,00,000	Preferential Allotment	Promoters/ Friends	Complied
25/01/2006	43,00,000	42.57	101,00,000	Preferential allotment	Promoters	Delayed Compliance*
	37,00,000	36.63			PFPL	
Total		**100.00**	**101,00,000**			

* PACL has made disclosures under the provisions of Chapter II of the SEBI (SAST) Regulations under the SEBI Regularisation Scheme, 2002 up to financial year 2002-03. Thereafter, PACL has been complying with the provisions of Chapter II of the SEBI (SAST) Regulations upto the financial year 2004-2005. There has been a delay of 96 days in ensuring compliance with regulation 7(3) of Chapter II and a delay of 10 days in ensuring compliance with regulation 8(3) of the Regulations for the financial year 2005-2006. In view of such delayed compliance SEBI may initiate appropriate action against PACL. The equity shares allotted on 25/01/2006 aggregating to 80,00,000 equity shares of Rs.10/- each are not yet listed on OTCEI where equity shares of the company are listed.

e) As on date there are no partly paid-up equity shares in the Company and/or outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date. There are no directors representing the Acquirer on the Board of PACL and there has been no merger / de-merger or spin off in the Company during the past three years.

f) The equity shares allotted under the preferential allotment are under lock- in period as disclosed below:

Sr. no	Allottees	Number of Shares	Lock in period
1.	Promoters	43,00,000	3 Years from the date of allotment
2.	PFPL	37,00,000	1 Year from the date of allotment

g) The details of the Board of Directors of PACL are as follows:

Name, Designation and Address	Experience (Years)	Area of Experience	Qualification	Date of Appointment
Mr. Surendra Jain **Chairman** 4-5, Ahilyapuri, Residency area, Indore – 452001	27	Manufacturing of copper wire and other industrial products	Bachelors in Engineering (Mechanical)	07/06/2005
Mr. Devendra Jain **Managing Director** 6, Murai Mohall, Kanti Mansion, Indore – 452001	25	Manufacturing of Automobile components/ castings and other industrial products	Bachelors in Engineering (Mechanical)	03/02/1992
Mr. Mukesh Jain **Whole time director** 4-5 , Ahilayapuri, Residency area, Indore – 452001	20	Manufacturing of Diesel Engines, Generator sets, Machining of automobile components	Bachelors of Commerce	31/03/1998
Mr. Ashok Sodhani **Independent director** Flat # 3 C , Padamprabhau Apartment Geeta Bhawan Rd., Indore	17	Audit and Finance	Chartered Accountant	07/06/2005

– 452001				
Mr. Ashok Mehta **Independent director** Flat # 3 D , Padamprabhau Apartment Geeta Bhawan Rd., Indore – 452001	22	Company Law Consultant	Company Secretary	30/09/2002
Mr. Nitin Dafria **Independent Director** 218 B Bansi Trade Centre, 581/5, M.G. Road, Indore - 452003	15	Taxation and Management Consultant	Chartered Accountant	30/09/2002

h) Brief audited financial details of PACL for the last 3 financial years and certified financials for period ended 31/12/2006 are as follows :

(Rs. in lacs)

	Year Ended			**Period Ended**
PROFIT & LOSS STATEMENT	**31/03/2004**	**31/03/2005**	**31/03/2006**	**31/12/2006**
Income from Sales (Net)	2745.41	2081.34	2579.45	2388.76
Other Income	-	-	-	0.02
Increase/ (Decrease) in stock	(22.34)	126.87	150.09	(19.41)
Total Income	2723.07	2208.21	2729.54	2369.37
Total Expenditure	2460.81	2020.04	2496.67	2196.82
Profit/(Loss) Before Depreciation, Interest and Tax	262.26	188.17	232.87	172.55
Depreciation	76.48	54.63	84.16	66.00
Interest & Finance Charges	26.31	10.05	15.70	11.56
Profit/(Loss) Before Tax	159.47	123.49	133.01	94.99
Provision for Tax – Current Tax	12.55	7.09	14.11	-
– Deferred Tax	1.90	-	-	-
Fringe Benefit Tax	-	0.84	-	-
Profit After Tax	**145.02**	**115.56**	**118.90**	**94.99**

(Rs. in lacs)

	As at			
BALANCE SHEET STATEMENT	**31/03/2004**	**31/03/2005**	**31/03/2006**	**31/12/2006**
Sources of funds				
Paid up share capital	210.00	210.00	1010.00	1010.00
Reserves and Surplus	42.00	44.69	163.59	258.58
Share Application Money	-	40.00	-	-
Miscellaneous Expenditure	(142.33)	-	(19.44)	(19.44)
Networth	**109.67**	**294.69**	**1,154.15**	**1,249.14**
Deferred Tax Liability	-	-	-	
Secured Loans	306.22	161.04	742.70	970.46
Unsecured Loans	330.73	389.39	398.43	538.35
Total	**746.63**	**845.12**	**2,295.28**	**2,757.95**
Uses of funds				
Net fixed assets	536.41	539.78	1,699.38	1,964.72
Capital work in progress	-	144.09	-	284.44
Investments	-	-	1.25	1.25
Net Current Assets	208.32	161.25	594.65	507.54
Deferred Tax Asset	1.89	-	-	-
Total	**746.62**	**845.12**	**2,295.28**	**2,757.95**

	Year Ended			**Period Ended**
Other Financial Data	**31/03/2004**	**31/03/2005**	**31/03/2006**	**31/12/2006**
Dividend (%)	-	-	-	-
Earning Per Share	2.03	6.91	1.18	* 0.94
Return on Networth %	38.93	49.21	10.13	* 7.49
Book Value Per Share (Face Value of Rs. 10/-)	5.22	14.03	11.62	12.56

* not annualized

i) Reasons for fall/rise in PAT of the Company:

The PAT for the financial year 2004-05 has increased due an increase in the total income as compared to the previous years. Also the interest charges saw decrease in the FY 2004-05 as compared to the previous years, due to the reduction in the loans.

j) Pre and Post- Offer equity shareholding pattern of the Target Company assuming full acceptance will be as follows:

Shareholder's category	**Shareholding & voting rights prior to the offer. (A)**		**Shares / voting rights agreed to be acquired which triggered off the Regulations. (B)**		**Shares/voting rights to be acquired in open offer (Assuming full acceptances) (C)**		**Share holding / voting rights after the acquisition and offer (D)**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
1. Promoter Group								
(a) Parties to agreement: (Sellers)	-	-	-	-	-	-	-	-
(b) Promoters other than (a) above	11,99,900	57.14	43,00,000	42.57	-	-	54,99,900	54.45
Sub Total 1 (a+b)	**11,99,900**	**57.14**	**43,00,000**	**42.57**	**-**	**-**	**54,99,900**	**54.45**
2. a) Acquirer <u>Porwal Finsec Pvt. Ltd</u>	-	-	37,00,000	36.63	9,00,100*	8.91*	46,00,100*	45.55
Sub Total 2	**-**	**-**	**37,00,000**	**36.63**	**9,00,100***	**8.91***	**46,00,100***	**45.55***
Parties to agreement other than (1) (a) & (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3. Public (other than Acquirer, Parties to the Agreement and persons in promoter group)								
a) FIs/MFs/FIIs/ Banks, SFIs	-	-	-	**-**	**-**	**-**	-	-
b) Others	9,00,100	42.86	-	-	-	-		
Sub-total 4 (a + b)	**9,00,100**	**42.86**						
Total (1+2+3+4)	**21,00,000**	**100.00**	**80,00,000**	**79.20**	**9,00,100***	**8.91***	**1,01,00,000**	**100.00**

* The total number of public shareholders in the company apart from the Acquirer is 1,292. The Promoters and persons forming part of the promoter group of the Target Company will not tender the equity shares held by them in this open offer. Hence the Acquirer has made an Offer to public shareholders of the Target Company. The extent of the public holding is 9,00,100 equity shares amounting to 8.91% of the equity capital, post preferential allotment. However, the Acquirer has made a public announcement to acquire 20% of the post preferential allotment equity capital of the Target Company, in terms of the Regulation 21 (1). The number has been mentioned assuming full acceptance.

k) The Company has designated Mr. Shailesh Jain as the Compliance Officer, the details of which are given below:

Mr. Shailesh Jain
CEO
Porwal Auto Components Limited.
Kanti Mansion, 6-Murai Mohalla,
Indore – 452 001, Madhya Pradesh
Tel : (0731) 5051704
Email: pauto@sancharnet.in

7. OFFER PRICE

Justification of Offer Price:

a) The equity shares of PACL are listed on The Over the Counter Exchange of India (OTCEI). There has been no trading in the equity shares of PACL during the past six months. The equity shares of PACL were last traded on 07/07/1998 on the OTCEI at a price of Rs. 1.20 per share.

Name of stock exchange	**Total Shares traded during the 6 calendar months prior to the month in which the public announcement was made**	**Total no. of listed Shares**	**Annualized Trading turnover (in terms of % to total listed shares)**
OTCEI	Not Traded	1,01,00,000	-

b) The equity shares of PACL are therefore infrequently traded on OTCEI in terms of Explanation (i) to Regulation 20(5) of the Regulations. The offer price of Rs. 12.66 per share, has been determined as per Regulation 20(5) of the Regulations taking into account the following factors:

a.	Negotiated price under the agreement	:	Not Applicable	
b.	Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or proposed preferential issue, if any, during the twenty-six weeks period prior to the date of Public Announcement.	:	Rs. 10.00*	
c.	Other Parameters	:	Based on audited accounts ended 31/03/2006	Based on certified accounts for nine months ended 31/12/2006
	Return on Networth (%)	:	10.13	7.49
	Book Value(Rs.)	:	11.62	12.56
	Earning Per Share (EPS)(Rs.)	:	1.18	0.94

* The preferential allotment has been made at Rs. 10/- per share as approved by the EGM dated 12/01/2006

c) The Offer Price of Rs. 12.66 per fully paid up share has been calculated taking into account the offer price of Rs. 11.60 per share ("Base Price") and Rs. 1.06 per share being interest thereon @ 10% p.a. from 28/04/2006 i.e. the last date for payment of consideration to the shareholders to the date of actual payment of consideration to the shareholders who will accept the offer. The offer price of Rs. 12.66 per share is more than the book value of the equity shares as per the audited financials for the year ended 31/03/2006 and is also more than the price at which the Acquirer was allotted shares under preferential allotment.

Taking into account all the above factors an offer price of Rs. 12.66 per equity share is justified.

8. FINANCIAL ARRANGEMENT

a) The promoter group is not tendering their shares in this open offer and the Acquire will acquire shares from the public. At present, the public holding is 9,00,100 equity shares of Rs. 10/- each. Based on this, the total monetary value of the offer would be Rs. 113.97 lacs. The Acquirer has opened an Escrow Account with UTI Bank Ltd, Nariman Point Branch, Mumbai, in favour of the Manager to the Offer for an amount of Rs. 59.90 lacs by way of fixed deposit and of Rs. 35,000/- by way of current account, totaling more than 52.86% of the total monetary value of the offer. Acquirer has empowered the Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(5).

b) The Acquirer has adequate and firm financial resources to fulfill the obligations under the open offer. The source of funds is through the internal domestic resources of the Acquirer and not through any borrowings from Banks/Financial Institutions or from any foreign/NRI funds. ASSG & Associates, Chartered Accountants and Statutory Auditors of PFPL, having their office at Kanti Mansion 6, Murai Mohalla, Indore (Membership No. 72073) have certified vide their certificate dated 10/05/2006 that the Acquirer will be in a position to raise sufficient resources to fulfill their entire obligation under the proposed open offer.

c) The offer price shall not be less than the highest price paid by the Acquirers for any acquisition of shares of the Target Company from the date of the Public Announcement upto 7 working days prior to the closure of the offer.

d) In view of this, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the offer as firm financial arrangement through verifiable means are in place to fulfill the offer obligation.

9. TERMS AND CONDITIONS OF THE OFFER

a) The equity shares allotted under the preferential allotment to promoters are locked in for a period of three years from the date of allotment also, the equity shares allotted to the non- promoters (PFPL) are locked in for a period of one year from the date of allotment.

b) The equity shares of PACL are available only in physical form, the market lot of the shares is 100 (Hundred) and the equity shares are not in dematerialized form.

c) **Eligibility for accepting the Offer:** The Letter of Offer specifying the detailed terms and conditions of this offer together with Form of Acceptance cum Acknowledgement and Form of Withdrawal will be mailed to the equity shareholders of PACL (other than other than "Promoters & persons in the promoter group and the Acquirer") whose names appear on the Register of Members of PACL, at the close of business hours on 10/06/2006 (referred to as "the Specified Date").

d) **Statutory Approvals:** Permission of RBI would be required for transfer of shares received from NRI shareholders, if any. There are no other approvals, statutory or otherwise, required under the Companies Act 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act, 1999 and /or any other applicable laws

e) Subject to the conditions governing this Offer as mentioned herein, the acceptance of this offer by the equity shareholders of PACL must be absolute and unqualified. Any acceptance to this offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT.

10.1 Procedure for accepting the offer by eligible persons

The equity shareholders of PACL who qualify and who wish to avail of this Offer (hereinafter referred to as "Acceptor") will have to deliver the relevant documents as mentioned at point (a) or (b) below as applicable to the Registrar to the Offer, Intime Spectrum Registry Ltd at the address mentioned below:

Details of the Registrar	Timings	Mode of Delivery
INTIME SPECTRUM REGISTRY LTD. C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai – 400 078 Tel.: (022) 2596 0320 (9 lines) Fax: (022) 2596 0329 E-mail: isrl@intimespectrum.com	All working days i.e; other than Sundays and public holidays. between 10.30 am to 4.30 pm	Hand delivery or through Registered Post

a) Registered equity shareholders should enclose:

i. Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, by all equity shareholders whose name appears on the share certificates.
ii. Original share certificate(s).
iii. Valid share transfer form(s) duly signed as transferors by all registered equity shareholders (in case of joint holdings), in the same order and as per the specimen signatures registered with PACL and duly witnessed at the appropriate place.

b) Unregistered owners of equity shares should enclose:

i. Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein.
ii. Original share certificate(s).
iii. Original broker contract note of a registered broker of a recognized stock exchange.
iv. Valid share transfer form(s) as received from the market. The details of the buyer should be left blank. If the details of the buyer are filled in, the tender will not be valid under the offer. Acquirer's name will be subsequently filled in upon verifying the validity of the share transfer form.
v. No indemnity is needed from unregistered equity shareholders.

NO DOCUMENT SHOULD BE SENT TO THE MANAGER TO THE OFFER, ACQUIRER OR TO THE TARGET COMPANY

10.2 OFFER PERIOD

a) Offer period is the period between the date of Public announcement and the date of completion of offer formalities relating to the offer.

b) This Offer will remain open on all working days (i.e. excluding Sunday and Public Holidays) between 22/02/2007 to 13/03/2007 (both days inclusive). The equity shareholders of PACL who wish to avail of this offer shall be required to send their acceptance in the manner stated above so as to reach the Registrar to the Offer on or before 13/03/2007.

c) The form of acceptance along with the Share Certificate(s) and other documents delivered shall become acceptance on the part of the shareholder, but will become a fully valid and binding contract between shareholder and Acquirer only upon the fulfillment of all conditions mentioned herein.

d) On fulfillment of the conditions herein mentioned, the Acquirer will pay the Offer price by crossed Account Payee Pay Orders/ Demand Drafts which will be sent by Registered Post to the equity shareholders of PACL, whose acceptance to the offer are accepted by the Acquirer, at the address registered with the Company. The Pay Orders/ Demand Drafts will be drawn in the name of first named shareholder in case of joint shareholding. In case of unregistered owners of the shares, payment will be made as per mandate given by such owner. The unregistered owner may give a mandate for drawing the pay order / demand draft in the name of the person whose bank details may be furnished by him in the Form of Acceptance for incorporating in the Pay Order / Demand Draft.

e) Assuming full acceptance the aggregate of the valid responses to the offer will not exceed offer size. Under such circumstances the Acquirer will accept all the valid applications received, and hence the provisions of Regulation 21 (6) of the Regulations are not applicable.

10.3 WITHDRAWAL OPTION

a) The equity shareholders, who are desirous of withdrawing their acceptances tendered in the offer, can do so upto three working days prior to the date of the closure of the offer i.e. on or before 07/03/2007. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, Intime Spectrum Registry Ltd. so as to reach them on or before 07/03/2007.

b) In case of non-receipt of 'Form of withdrawal', the withdrawal option can be exercised by making an application on plain paper mentioning Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn.

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

10.4 Procedure for acceptance of the offer by the equity shareholders who do not receive the Letter of Offer and procedure for settlement

In case of non-receipt of the Letter of Offer, the equity shareholders or unregistered equity shareholders who wish to accept the offer should communicate their acceptance in writing on a plain paper stating the name, address, no. of shares held, distinctive numbers, folio number, no. of shares offered to the Registrar to the Offer together with relevant share certificate(s), the transfer deed(s) and the original contract note issued by share broker of a recognized stock exchange through whom they acquired the equity shares before the closure of the Offer, i.e. 13/03/2007. Such equity shareholders may also download a copy of the form of acceptance cum acknowledgement from SEBI's website at www.sebi.gov.in and use the same.

10.5 GENERAL

a) Acquirer can revise the price upwards upto seven working days prior to closure of the offer i.e; upto 01/03/2007 and revision if any in the offer price would appear in the same newspapers where the Public Announcement has appeared. The same price would be paid to all shareholders who tender their shares in the offer.

b) Shareholders may note that if there is a competitive bid, the public offers under all the subsisting bids shall close on the same date. 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.

c) For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer at the address mentioned on the cover page of this Letter of Offer.

d) The share certificates will be held in trust by the Registrar to the Offer till the Acquirer completes the offer obligations in terms of the Regulations.

e) Acquirer shall acquire the equity shares from the shareholders of the Company who have validly tendered the equity shares under the Offer (i.e. equity shares and other documents are in order in accordance with the terms of the Offer) and remit the consideration in respect thereof on or before 28/03/2007 in cash by Account Payee Pay Order / Demand Draft. Any delay will attract interest in terms of Regulation 22(12) of SEBI (SAST) Regulations 1997. The information as to whether the equity shares tendered by them have been accepted (in full or in part) or rejected and consideration payable would be sent by Registered Post.

f) The unaccepted shares/documents will be returned to the shareholders by Registered Post.

g) Pursuant to the Regulation 13, the Acquirer has appointed Keynote Corporate Services Ltd. as the Manager to the Offer.

h) Keynote Corporate Services Limited, the Manager to the Offer, does not hold any equity shares of PACL. Manager to the offer has undertaken not to deal in the equity shares of PACL upto a period of fifteen days after closure of the offer.

i) Acquirer accepts full responsibility for the information contained in this Letter of Offer and also for the obligations of Acquirer as laid down in the Regulations.

11. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the Registered office of the Acquirer i.e. being Porwal Finsec Private Limited to the Offer from 11.00 a.m. to 3.00 p.m. on any working day until the Offer closes.

1. Copy of Memorandum of Understanding dated 18/04/2006 between Keynote Corporate Services Ltd., Manager to the Offer and Acquirer.
2. Copy of Consent letter dated 28/04/2006 from Intime Spectrum Registry Ltd., Registrar to the Offer.
3. Memorandum and Articles of Association of PACL.
4. Copies of Annual Report of PACL for the financial years 2003-04, 2004-05 and 2005-2006 and certified financials for period ended 31/12/2006
5. Memorandum and Articles of Association of PFPL
6. Copies of Auditors Report of PFPL for the financial years 2003-04, 2004-05 and 2005-2006 and certified financial accounts for the period ended 31/01/2007.
7. Copy of certificate dated 10/05/2006 issued by ASSG & Associates, Chartered Accountant and Statutory auditor of PFPL.
8. Copy of Fixed Deposit Receipt for Rs.59.90 lacs and confirmation of balance Rs. 0.35 lacs issued by the UTI bank, Nariman Point Branch, Mumbai in terms of the Escrow requirements.
9. Copy of Undertakings from the Acquirer and the Target Company.
10. In-principle approval received from the OTCEI vide their letter no. 152/LSTG/06/36 dated 23/01/2006
11. Copy of Public Announcement as published in the newspaper on 12/05/2006.
12. Copy of letter No. CFD/DCR/MM/TO/85736/07 dated 06/02/2007 received from Securities and Exchange Board of India in terms of provisions of Regulation 18(2) of the Regulations.

12. DECLARATION BY THE ACQUIRER

The Board of Directors of the Acquirer accept full responsibility for the information contained in the Public Announcement and Letter of Offer and will be responsible for ensuring compliance with the obligations of Acquirer as laid down in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

For and on behalf of Porwal Finsec Private Limited
Sd/-
Director

Place: Indore
Date: 14/02/2007

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

OFFER
OPENS ON: THURSDAY, FEBRUARY 22, 2007
CLOSES ON : TUESDAY, MARCH 13, 2007

(Please send this form with enclosures to the Registrars to the Offer at their address given overleaf)

FORM OF ACCEPTANCE - CUM – ACKNOWLEDGEMENT

From:

Tel No. Fax No.: E-mail:

To,
Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup West,
Mumbai – 400 078

Sub : Open offer to acquire upto 20,20,000 equity shares of Rs. 10/- each representing 20% of the paid up capital of Porwal Auto Components Limited (PACL) by Porwal Finsec Pvt. Ltd. ('Acquirer') in terms of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Dear Sir,
I/We refer to the Letter of Offer dated 14/02/2007 for acquiring the equity shares held by me/us in Porwal Auto Components Limited (PACL).
I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
I/We accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Sr. No.	**Certificate No.**	**Distinctive No(s)**		**No. of Shares**
		From	**To**	
(In case the space provided is inadequate, please attach a separate sheet with the details)			**Total number of equity shares**	

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the offer until the time the Acquirer pays the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.
I/We authorise the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and
I/We authorise the Acquirer or the Manager to the Offer to send by registered post the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned below.

Address of First/Sole Shareholder

____

____

Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.
So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank____Branch____

Account Number _____________________________ Savings/Current/Others (please specify) ____

Yours faithfully,

	FULL NAME(S)	**SIGNATURE(S)**
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Signed and Delivered:
Place: Date:

---**TEAR HERE**---

Folio No.: Sr. No.: **Intime Spectrum Registry Limited** **(Acknowledgement Slip)**
Unit : Porwal Auto Components Limited
C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai – 400 078

Received from Mr./Ms. ____

Address ____

Signature of Official and Date of Receipt	Stamp of collection centre

Form of acceptance cum acknowledgement, # __________________ Number of Share Certificates for ________________ shares/# Copy of Delivery Instruction Slip to (DP) for __________shares.

Delete whichever is not applicable.

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

FORM OF WITHDRAWAL

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to the offer any time upto three working days prior to the date of closure of offer i.e. on or before Wednesday, 07/03/2007. In case you wish to withdraw your acceptance please use this form.

OFFER
OPENS ON: THURSDAY, FEBRUARY 22, 2007
CLOSES ON : TUESDAY, MARCH 13, 2007
LAST DATE OF WITHDRAWAL : WEDNESDAY, MARCH 07, 2007

From:

Tel No. Fax No.: E-mail:

To,
Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup West,
Mumbai – 400 078

Sub : Open offer to acquire upto 20,20,000 equity shares of Rs. 10/- each representing 20% of the paid up capital of Porwal Auto Components Limited (PACL) by Porwal Finsec Pvt. Ltd. ('Acquirer') in terms of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Dear Sir,

I/We refer to the Letter of Offer dated 14/02/2007 for acquiring the equity shares held by me/us in Porwal Auto Components Limited (PACL).
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**	
(In case the space provided is inadequate, please attach a separate sheet with the details)			**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 and **authorize you not to remit** the consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirer to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer and,
I/We authorise the Acquirer or the Registrar to the Offer to send by registered post the original share certificate(s), transfer deed(s) and other documents tendered by me/us to the sole/first holder at the address mentioned below:

Address of First/Sole Shareholder

____

____

Yours faithfully,

	FULL NAME(S)	**SIGNATURE(S)**
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Signed:
Place: Date:
Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.

--**TEAR HERE**--

Folio No.: Sr. No.: **Intime Spectrum Registry Limited** **(Acknowledgement Slip)**
Unit : Porwal Auto Components Limited
C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup West, Mumbai – 400 078

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