

# DRAFT LETTER OF OFFER

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder(s) of Croitre Industries Limited (formerly known as Sai Wires India Limited) ('CIL'). If you require any clarification(s) about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer / Registrar to the Offer. In case you have sold your shares in CIL, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the purchaser of the Equity Shares or the Member of Stock Exchange through whom the sale was effected.

### CASH OFFER

Pursuant to the Regulations 10 and 12 and applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997 and subsequent amendments thereof ('the Regulations')

#### BY

1. **Mr. Kalakuntla Sudheer Rao** residing at H. No. 1-2-24, Flat No. 104, Venkata Krupa Apartments, Domalguda, Hyderabad - 500 029, Andhra Pradesh, India. Tel No.: +91 4023736047; E-mail: sudheerrao269@gmail.com,
2. **Mr. Saraswatula Siva Rama Krishna Mohan Babu** residing at Flat No. 104, Ashoka Lakeview Apartments, 6-3-1192/A/2, Kundanbagh, Begumpet, Hyderabad - 500 016, Andhra Pradesh, India. Tel No.: +91 40 2341 8626; Email: mohan8858@rediffmail.com

#### And

3. **Mr. Pasupulati Pavan Kumar** residing at Flat No. B-202, Keshav Dale Apartments, Behind Zilla Parishad Office, Anand Nagar Colony, Khairatabad, Hyderabad - 500 004, Andhra Pradesh, India., Tel No.: +91 40 2330 3394, E-mail: pavanknaidu@rediffmail.com (hereinafter collectively referred as 'Acquirers')

### TO THE EXISTING SHAREHOLDERS OF CROITRE INDUSTRIES LIMITED

(formerly known as Sai Wires India Limited and hereinafter referred to 'CIL' or the 'Company' or 'The Target Company') Registered Office: 8-2-87/89, 401, Srinivasa Plaza, Opp. Smiline Dental Hospital, Srinagar Colony Main Road, Punjagutta, Hyderabad - 500 082. Andhra Pradesh. Ph: 91 40 2373 6047, Fax: 91 40 2373 6047, E-mail: investors@croitremines.com)

### TO ACQUIRE

Upto 12,61,278 (Twelve Lakhs Sixty One Thousand Two Hundred and Seventy Eight Only) fully Paid-up Equity Shares of INR 10.00 (Indian Rupees Ten Only) each, representing in aggregate up to 20.00% of the paid-up and voting Equity Share Capital, at an Offer Price of INR 0.25 (Indian Paise Twenty-Five only) per fully paid-up Equity Shares, payable in cash.

#### Notes:

1. The Offer is being made by the Acquirers pursuant to Regulations 10 and 12 of the Regulations for the purpose of substantial acquisition of Shares and voting rights of the Target Company along with change in control and management thereof consequent to the acquisition of 70% of the paid up voting share capital of the target Company from Mr. Gokaraju Venkata Kanaka Ranga Raju, Promoter of the Target Company by the Acquirers.
2. As on the date of this Letter of Offer, no statutory approvals are required, to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.
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., can withdraw on or before Monday, May 02, 2011.**
4. The Acquirers are permitted to revise the Offer Price of Equity Shares / number of Equity Shares upward and such upward revision, will be made in accordance with Regulation 26 of the Regulations not later than Tuesday, April 26, 2011 i.e., 7 (seven) working days prior to the offer closing date. If the Offer Price is revised upward, such revised price will be payable to all the shareholders who have accepted this Offer and submitted their shares at any time during the period between the offer opening date and the offer closing date to the extent their shares have been verified and accepted by the Acquirers. Any such upward revision will be announced in the same news papers in which the Public Announcement has appeared.
5. The Offer is not conditional to any minimum level of acceptance.
6. There has been no revision of Offer Price, till the date of this Letter of Offer.
7. **This is not a competitive bid. No competitive bid has been announced as of the date of this Letter of Offer.**
8. If there is a competitive bid: (i) The public offers under all the subsisting bids shall close on the same date.  
(ii) 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 price of each bid and tender their acceptance accordingly.
9. In the event of withdrawal of the Offer in terms of Regulation 27 of the Regulations, the same would be notified by way of Public Announcement in the same newspapers where the Public Announcement appeared.
10. A copy of the Public Announcement and the Letter of Offer (including Form of Acceptance - cum - Acknowledgement and Form of Withdrawal) are also available on SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in), from the date of opening of the Offer i.e., Friday, April 15, 2011. All correspondences may be addressed to the Manager to the Offer / Registrar to the Offer at the addresses given below.
11. The Registration of all the intermediaries associated with the Offer viz., Birla Capital and Financial Services Limited, Manager to the Offer and M/s. Bigshare Services Private Limited, Registrars to the Offer are valid and no action has been initiated by SEBI or any other regulatory authority against them.

### MANAGER TO THE OFFER



**BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED**  
Dalamal House, 1st Floor, J B Marg,  
Nariman Point, Mumbai- 400 021  
Tel: 91 22 6616 8400 / 8428, Fax: 91 22 2204 7835  
E-mail: vijay@birlacaps.com  
Contact Person: Mr. Vijay Sharma  
SEBI Registration No.: INM000011567

### REGISTRAR TO THE OFFER



**BIGSHARE SERVICES PRIVATE LIMITED**  
E-2, Ansa Industrial Estate, Saki-vihar Road,  
Saki Naka, Andheri (E), Mumbai- 400 072  
Tel: 91 22 2847 0652, Fax: 91 22 2847 5207  
E-mail: bsshyd@bigshareonline.com  
Contact Person: Mr. Vishant Nayak  
SEBI Registration No.: INR000001385

The Schedule of activities is as follows:

Activity	Day and Date
Public Announcement	Monday, February 21, 2011
Specific Date *	Monday, March 07, 2011
Last Date for a competitive Bid	Monday, March 14, 2011
Date by which the Letter of Offer to be dispatched to the shareholders	Thursday, April 07, 2011
Date of opening of the Offer	Friday, April 15, 2011
Last Date for revising the Offer Price / Number of Shares	Tuesday, April 26, 2011
Last Date for withdrawing acceptance from the Offer	Monday, May 02, 2011
Last Date of closing of the Offer	Thursday, May 05, 2011
Last Date by which acceptance / rejection would be intimated and corresponding payment for the acquired shares and / or the share certificate / demat delivery instruction for rejected shares will be dispatched / issued.	Friday, May 20, 2011

\* Specific date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent and all owners (registered or unregistered) of the shares of the Target Company (except Acquirers and the parties to the SPA) are eligible to participate in the Offer any time before the closing of the Offer.

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## DEFINITIONS / ABBREVIATIONS

The following definitions apply through this document, unless the context requires otherwise:

1	Acquirers	Mr. Kalakuntla Sudheer Rao, Mr. Saraswatula Siva Rama Krishna Mohan Babu and Mr. Pasupulati Pavan Kumar, who are offering to acquire shares through this Offer.
2	ASE	Ahmedabad Stock Exchange Limited, Ahmedabad
3	Book Value	Book Value of each Equity Share as on the date referred to calculated as follows: [(Share Capital + Reserves (Net of revaluation reserves) - (Miscellaneous Expenses to the extent not written off & Accumulated Losses)] / Number of shares
4	BSE	Bombay Stock Exchange Limited, Mumbai
5	CIL / Target Company / Company / Croitre	Company whose Equity Shares are proposed to be acquired viz., Croitre Industries Limited (formerly known as Sai Wires India Limited)
6	Eligible Person(s) for the Offer	All owners (registered or unregistered) of shares of Target Company (other than Acquirers and the Seller) anytime before closure of the Offer
7	EPS	Earnings Per Equity Share
8	FII's	Foreign Institutional Investors
9	FIs	Financial Institutions
10	FOA / Form of Acceptance	Form of Acceptance cum Acknowledgement accompanying this Letter of Offer
11	FOW / Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer

12	FY	Financial Year ended on March 31
13	HSE	Hyderabad Stock Exchange Limited , Hyderabad ( Recognition withdrawn by SEBI with effect from August 29, 2007)
14	INR	Indian Rupees
15	LOO / LOF / Letter of Offer	This Letter of Offer
16	Ltd.	Limited
17	Maximum Consideration	Total consideration payable by the Acquirers under this Letter of Offer assuming full acceptance of shares tendered by Eligible Person(s) for the Offer, amounting to not more than INR 3,20,000/-
18	Merchant Banker / Manager to the Offer	Birla Capital and Financial Services Limited
19	MoU	Memorandum of Understanding
20	MSE	Madras Stock Exchange Ltd.
21	NAV	Net Asset Value
22	NRIs	Non-Resident Indians
23	Offer	Open Offer being made by the Acquirers for acquisition of 12,61,278 (Twelve Lakhs Sixty One Thousands Two Hundred and Seventy Eight only) Equity Shares to the public shareholders representing 20.00% of the voting capital of the Target Company at the Offer Price payable in cash.
24	Offer Price	INR 0.25 (Indian Paise Twenty Five only) offered by the Acquirers for a fully paid-up equity share of Face Value INR 10.00 (Indian Rupees Ten only)
25	PA / Public Announcement	Announcement of this Offer made on behalf of the Acquirers to the shareholders of the Target Company published on Monday, February 21, 2011 which appeared in all editions of Financial Express (English), all editions of Jana Satta (Hindi) and Praja Shakti (Telugu) in Hyderabad edition.
26	PAT	Profit After Taxes
27	Persons eligible to participate in the Offer	All equity shareholders of the Target Company, other than the Acquirers and the Seller
28	Persons not eligible to participate in this Offer	Parties to the Share Purchase Agreement dated February 15, 2011
29	Pvt.	Private
30	RBI	Reserve Bank of India
31	Registrar to the Offer	Bigshare Services Private Limited, the Registrar appointed by the Acquirers, having its registered office at E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai I - 400 072.

32	Regulations/Takeover Regulations/SEBI(SAST) Regulations/SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended till date
33	RNW	Return on Net Worth
34	RoC	Registrar of Companies, 2nd Floor, CPWD Bldg., Kendriya Sadan, Sultan Bazar, Koti, Hyderabad – 500195, Andhra Pradesh
35	SEBI	Securities and Exchange Board of India
36	Seller	The current promoter of the Target Company, Mr. Gokaraju Venkata Kanaka Ranga Raju.
37	Shareholders	Shareholders of the Target Company
38	SPA / Share Purchase Agreement	The Share Purchase Agreement dated February 15, 2011, entered into by the Acquirers with the Seller, for purchase of 44,14,500 equity shares of the Target Company from the Seller.
39	Total Paid-up capital / Equity Capital of the Target Company	INR 6,30,63,900 (Indian Rupees Six Crores Thirty Lakhs Sixty Three Thousands Nine Hundred Only) consisting of 63,06,390 (Sixty Three Lakhs Six Thousand Three Hundred and Ninety Only) equity Shares of INR 10.00 (Indian Rupees Ten Only) each and also INR 34,05,550.00 (Indian Rupees Thirty Four Lakhs Five thousands Five Hundred and Fifty only) being the monies received on the Forfeited shares totally aggregating to INR 6,64,69,450.00 (Indian Rupees Six Crores Sixty Four Lakhs Sixty Nine Thousands Four Hundred and Fifty Only).

Note: All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI Takeover Regulations.

## **RISK FACTORS**

### **Risk Factors relating to the transaction:**

1. Upon acquiring substantial shares and taking over control of CIL, the Acquirers would cause the Company to amend the objects clause to commence any business relating to mining and other activities, subject to obtaining the necessary approvals.
2. The Acquirers propose to take control of the Target Company. The likely changes in the management / taking control by the Acquirers shall be subject to compliance of the provisions of the Regulations.
3. In the event that either (a) a statutory and regulatory approval, if any, is not received in a timely manner, (b) there is a litigation, if any, leading to a stay of the offer, or (c) SEBI instructing the Acquirers not to proceed with the Offer, the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of CIL whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirers may be delayed. In case of delay, due to non-receipt of statutory approvals, as per the Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of approvals was due to willful default or negligence or failure to diligently pursue on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by SEBI.
4. Further, shareholders should note that after the last date of withdrawal i.e., Monday, May 02, 2011, shareholders who have lodged their acceptance would not be able to withdraw them even if the acceptance of shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the

Registrar to the Offer, till such time as the process of acceptance of tenders, the payment of consideration and other Offer obligations are completed.

5. The Share Purchase Agreement ('SPA') dated February 15, 2011 contains a clause to the effect that the SPA is subject to the provisions of the Regulations and in case if non-compliance of any provisions of the Regulations by the Acquirers or the Seller, the SPA shall not be acted upon by the parties.

**Risk Factors relating to the proposed Offer:**

1. If the aggregate of the valid responses exceeds the Offer size, then the Acquirers will accept the valid applications on a proportionate basis in accordance with Regulation 21(6) of the Regulations, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot.
2. Assuming full acceptance of this Offer, the post offer holding of the Acquirers shall be 90.00% of the paid-up and voting capital. In the event that the public shareholding of the Target Company falls below 25%, the Acquirers will take the necessary steps to maintain the public shareholding to at least 25% in the manner as disclosed in para 'Option in terms of Regulation 21(2)'. The Acquirers, as on the date of this Letter of Offer, do not have any intention to delist the Target Company for the next three years after the Offer.
3. The shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities and the Shareholders will not be able to trade such shares. During such period, if the suspension on trading of the shares of the company is removed by the BSE, ASE and / or MSE and if trading in the shares has been started, there may be fluctuations in the market price of the shares. The Acquirers make no assurance with respect to the market price of the Shares both during the Offer period and after completion of the Offer and disclaim and responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.
4. The Target Company has delayed in complying with the reporting requirements under Chapter II of the SEBI (SAST) Regulations, 1997, from 1998 to 2009. However, the Target Company complied with the reporting requirements under Regulation 8(3) of the Regulations for the years 1998 to 2010 on October 01, 2010

**Probable risks involved in associating with the Acquirers:**

1. Association of the Acquirers with CIL / taking control of CIL by the Acquirers does not warrant any assurance with respect to the future financial performance of CIL.
2. Among the companies promoted by the Acquirers, M/s. Glaze Minerals, M/s. Sri Vinayaka Minerals, M/s. Uni Sai Minerals, M/s. Raise Gold Minerals, M/s. Samruth Minerals and M/s. S R Minerals & Ores are non-operating companies and firms. For details please refer to para 3.2 pertaining to 'Brief Details of Companies Promoted by the Acquirers'.
3. Post this Offer the Acquirers will have significant equity ownership, control and management of the Target Company. The Acquirers have no prior experience in business areas of CIL.
4. The Acquirers also make no assurances with respect to its investment / disinvestment decisions relating to its proposed shareholding in the Target Company.

*The indicative risk factors set forth above are in relation to the Offer and not in relation to the present or future business or operations of CIL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Offer or in associating with the Acquirers. The shareholders of CIL are advised to consult their stock broker or investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.*

## **1. DISCLAIMER CLAUSE**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA (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 CROITRE INDUSTRIES LIMITED (FORMERLY KNOWN AS SAI WIRES 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(S) 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 ACQUIRERS ARE 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 THE ACQUIRER(S) DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER M/S. BIRLA CAPITAL AND FINANCIAL SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 07, 2011 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 ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

## **2. DETAILS OF THE OFFER**

### **2.1 Background of the Offer**

- A. This Offer, to acquire 12,61,278 fully paid-up equity shares of INR 10.00 each representing 20.00% of the fully paid-up equity share capital of CIL at an Offer Price of INR 0.25 (Indian Paise Twenty-Five only) per fully paid-up Equity Shares, payable in cash, is being made in terms of Regulation 10 and 12 of the Regulations for the purpose of substantial acquisition of Equity Shares and voting rights of CIL accompanied with the change in control and management as the aggregate equity stake of the Acquirers in the paid-up equity share capital of CIL will be more than the stipulated threshold of 15.00% consequent to the acquisition by the Acquirers.
- B. Mr. Kalakuntla Sudheer Rao, Mr. Saraswatula Siva Rama Krishna Mohan Babu, Mr. Pasupulati Pavan Kumar (hereinafter collectively referred to as 'the Acquirers') are the Acquirers.
- C. The Acquirers have entered into an SPA on February 15, 2011 with Mr. Gokaraju Venkata Kanaka Ranga Raju aged about 40 years, S/o. Mr. Venkata Kanaka Ranga Raju and residing at Plot No. 552, Road No. 92, Jubilee Hills, Journalist Colony, Hyderabad - 500 033, Andhra Pradesh, Ph: +91 40 2373 6047 India the Promoter of M/s. CROITRE INDUSTRIES LIMITED (formerly known as SAI WIRES INDIA LIMITED) ('Seller') for the acquisition of 44,14,500 (Forty Four Lakhs Fourteen Thousands Five Hundred only) Equity Shares of face value INR 10.00 (Indian Rupees Ten only) each fully paid-up representing 70.00% of the current paid-up and voting equity share capital of Croitre Industries Limited having its Registered Office at 8-2-87/89, 401, Srinivasa Plaza, Opp. Smiline Dental Hospital, Srinagar Colony Main Road, Punjagutta, Hyderabad - 500 082, Andhra Pradesh at a price of INR 0.11 paise (Indian Paise Eleven only) per fully paid-up equity share paid in cash ('Negotiated Price'). The total consideration payable in cash for the shares being acquired under the SPA is INR 5, 00,000 (Indian Rupees Five Lakhs only).
- D. The salient features of the SPA are:
  - (I) The total consideration payable in cash for the shares being acquired under the SPA is INR 5,00,000 (Indian Rupees Five Lakhs only).

- (II) The negotiated Price per Sale Share shall be paid in the form of cash. The Acquirers have not paid any other monetary consideration, whether by way of any non-compete fee or otherwise, or pursuant to any non-compete agreement for acquisition of the shares of CIL.
- (III) The SPA governs the rights and obligations, inter-se, of each of the parties to the SPA and in accordance with the terms of SPA, upon the execution of the SPA, the parties have agreed that: a) the Acquirers shall make the payment of total consideration by way of Bank Drafts / RTGS with the Seller an aggregate amount of INR 5,00,000 (Indian Rupees Five Lakhs Only), (b) the Seller shall submit the said 44,14,500 equity shares of INR 10.00 each of Target Company in the physical form along with the duly executed transfer deeds and share certificates, subject to the Regulations, (c) the Seller shall also deliver to the Acquirers undated letters of resignation of all the Directors of the Company, containing a confirmation that they have no claim whatsoever against the Company.
- (IV) The purchase and sale of shares under this SPA shall be completed within 5 working days of the submission of the 45-day final report by the Merchant Banker to the Offer, in terms of Regulation 24(7) of the Regulations.
- (V) The SPA also provides that in case of non-compliance of any provisions of the Regulations pertaining to the Open Offer being triggered by the Share Purchase Agreement, the agreement shall not be acted upon by the Seller or the Acquirers.
- (VI) The Shares under the SPA is being acquired as follows:

Sl. No.	Name of the Seller	No. of equity shares	% of paid-up capital
1	Mr. Gokaraju Venkata Kanaka Ranga Raju	44,14,500	70.00%
Sl. No.	Name of the Acquirers	No. of equity shares	% of paid-up capital
1	Mr. Kalakuntla Sudheer Rao	22,51,400	35.70%
2	Mr. Saraswatula Siva Rama Krishna Mohan Babu	10,81,550	17.15%
3	Mr. Pasupulati Pavan Kumar	10,81,550	17.15%
	TOTAL	44,14,500	70.00%

- E. The Acquirers have not entered into any inter-se agreement for the purpose of allocation of shares received in this offer. However, the number of shares that would be acquired under this offer by the acquirers shall be distributed in that ratio of 10.20:4.90:4.90 to Mr. Kalakuntla Sudheer Rao, Mr. Saraswatula Siva Rama Krishna Mohan Babu, Mr. Pasupulati Pavan Kumar respectively.
- F. As on the date of the PA, the Acquirers do not hold any shares in CIL and they have not acquired any shares of CIL in the period of 12 months prior to the date of the PA save and except those acquired under the SPA
- G. The Target Company, the Seller and the Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued pursuant to Section 11B of the SEBI Act, 1992 or under any of the Regulations made under the SEBI Act.
- H. As on the date, there is no person in the Board of the Target Company, representing the Acquirers. However, the Acquirers, having provided escrow for 100% of the amount required for fulfilling the open offer, are entitled to be appointed on the Board of CIL after a period of 21 days from the date of the PA. As on the date of this Letter of Offer, the acquirers have not been appointed as Directors on the Board of the Company. Also there is no person on the Board of the Company representing or having interest in the acquirer.
- I. No approval is required from any lenders of CIL with respect to the Open Offer.

J. The offer is not as a result of global acquisition resulting in indirect acquisition of CIL.

## 2.2 Details of the proposed Offer

A. A Public Announcement, as per Regulation 15 (1) of the Regulations, was made in the following Newspapers. A copy of the Public Announcement is also available at SEBI's Website at [www.sebi.gov.in](http://www.sebi.gov.in)

Newspaper	Language	Editions	Date of PA
Financial Express	English	All Editions	February 21, 2011
Jana Satta	Hindi	All Editions	February 21, 2011
Praja Shakti	Telugu	Andhra Pradesh	February 21, 2011

B. The Offer is being made to all the persons eligible to participate in the offer to tender 12,61,278 Equity Shares representing 20% of paid up and voting share capital of CIL at an Offer Price of INR 0.25 (Indian Paise Twenty-Five only) per fully paid-up Equity Shares, payable in cash.

C. The Offer price is INR 0.25 Paise (Indian Paise Twenty Five only) per fully paid up equity share. There are no partly paid up shares.

D. The consideration for all shareholders offering the shares will be paid in cash at the same rate and hence there is no differential price.

E. As on the date of this Offer, the paid-up equity share capital of the company is INR 6,64,69,450.00 (Indian Rupees Six Crores Sixty Four Lakhs Sixty Nine Thousands Four Hundred and Fifty Only) containing of INR 6,30,63,900 (Indian Rupees Six Crores Thirty Lakhs Sixty Three Thousands Nine Hundred Only) consisting of 63,06,390 (Sixty Three Lakhs Six Thousand Three Hundred and Ninety Only) equity Shares of INR 10.00 (Indian Rupees Ten Only) each and also INR 34,05,550.00 (Indian Rupees Thirty Four Lakhs Five thousands Five Hundred and Fifty only) being the monies received on the Forfeited shares. Therefore, while determining 20.00% of the paid-up equity share capital for the purpose of minimum public offer, paid-up equity shares capital of INR 6,30,63,900 (Indian Rupees Six Crores Thirty Lakhs Sixty Three Thousands Nine Hundred Only) consisting of 63,06,390 (Sixty Three Lakhs Six Thousand Three Hundred and Ninety Only) equity Shares of INR 10.00 (Indian Rupees Ten Only) each is considered in terms of Regulation 21(5) of SEBI takeover Regulations which provides that for the purpose of determining minimum 20.00% of the voting capital of the company, voting rights as at the expiration of 15 days after the closure of the proposed public offer shall be reckoned.

F. There are no outstanding partly paid up equity shares or any other instrument convertible into equity shares at a future date, in the books of the Target Company.

G. The Acquirers may purchase additional shares of CIL from the Open Market or through negotiation or otherwise, after the date of the PA in accordance with Regulation 20(7) of SEBI (SAST) Regulations and the details of such acquisition, if any, will be disclosed by the Acquirers within 24 hours of such acquisition to the BSE, MSE and ASE where the equity shares of CIL are listed and to the Manager to the Offer in terms of Regulation 22(17) of the SEBI (SAST) Regulations.

H. The Equity Shares acquired by the Acquirers, pursuant to the Offer, will be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividend, bonus and rights declared after all the formalities relating to this Offer are completed.

I. This is not a competitive bid.

J. This Offer is not conditional as to any minimum level of acceptance.

- K. The Acquirers have not made any further acquisition of Shares in the open market or through negotiation or otherwise, from the date of Public Announcement to the date of Letter of Offer.
- L. Birla Capital and Financial Services Limited, Manager to the Offer, does not hold any shares of CIL as on the date of the Public Announcement and this Offer. They declare and undertake that they shall not deal in the Equity Shares of CIL during the period commencing from the date of appointment as Manager to the offer till the expiry of fifteen days from the date of closure of the Offer.
- M. This Offer is being made to all Shareholders of CIL except the parties to SPA namely the Acquirers and the Seller.
- N. There were no competitive bids to this offer.

### **2.3 Object and Purpose of Acquisition and Future Plans**

- A. The Acquirers are interested in taking over the management and control of CIL as a strategic investment and hence are making this open offer for substantial acquisition of Shares and voting rights of CIL, accompanied by change in control and management. Therefore, the Offer is being made in accordance with Regulation 10 and 12 of the Regulations.
- B. The Offer to the Shareholders of CIL is for acquiring 20% of the total paid up capital / voting rights. After the proposed Offer, the Acquirers will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.
- C. The Acquirers intend to expand the activity base of the Target Company in order to enter into the new area of business as may be decided on completion of the open offer and effecting the change in control and management of the Target Company. The Acquirers may cause the Company to amend the object clause as per the stipulations and approvals of the shareholders of the Target Company.
- D. Further, the Acquirers would cause the Company to increase its share capital, in one or more tranches, from time to time as necessary.
- E. Subject to satisfaction of the provisions under the Companies Act, 1956 and / or any other Regulation(s), the Acquirers intend to seek a reconstitution of the Board of Directors of CIL in accordance with the provisions of the Regulations. Since the Acquirers have deposited, in the escrow account, 100.00% (One Hundred Percent) of the total consideration payable in cash, in terms of second proviso to Regulation 22(7) of the Regulations, the Acquirers are entitled to be appointed on the Board of Directors of the Target Company after a period of 21 (Twenty One) days from the date of PA.
- F. The Acquirers do not have any plans to dispose off or otherwise encumber any assets of CIL in the succeeding two years from the date of closure of the Offer, except as required for the purpose of restructuring and / or rationalization of assets, operations, investments, liabilities, or otherwise of the Target Company for commercial reasons and operational efficiencies. The Acquirers undertake that they shall not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the Shareholders of the Target Company.

### **3. BACKGROUND OF THE ACQUIRERS**

#### **3.1 Background of the Acquirers**

##### **A. Mr. Kalakuntla Sudheer Rao**

- 1. Mr. Kalakuntla Sudheer Rao, aged about 38 years, is the son of Mr. K Srihari Rao and resides at H. No. 1-2-24, Flat No.104, Venkata Krupa Apartments, Domalguda, Hyderabad - 500 029, Andhra Pradesh. Tel No.: +91 4023736047; E-mail: [sudheerrao269@gmail.com](mailto:sudheerrao269@gmail.com).
- 2. He has completed his Engineering in 1996. After graduation he joined his family business, Cement Factory, as a production in charge and was involved in developing Limestone Mines in Adilabad District, Andhra Pradesh. He

started applying for mining licenses for minerals like Quartz, Feldspar, and Laterite etc from 1997 onwards. He has experience in trading of minerals like Quartz, Feldspar and Laterite.

3. He is partner of M/s. K Srihari Rao & Co., Adilabad, Andhra Pradesh, M/s. S R Minerals & Ores, Hyderabad, M/s. Samruth Minerals & Ores, Hyderabad, M/s. Sri Vinayak Minerals, Hyderabad, M/s. Glaze Minerals, Hyderabad, M/s. Uni Sai Minerals, Hyderabad and M/s Raise Gold Minerals, Hyderabad. These firms are in the business of owning mines, mining and mineral trading activity.
4. Mr. D Premnath, Partner, Membership No. 207133, M/s. Ramachandram & Co., Chartered Accountants having their office at 3-6-237, Unit # 606, Lingapur La Builde Complex, Himayatnagar, Hyderabad - 500 029; Telephone No.: 91 40 2326 4144, Fax No.: 91 40 2326 4145, vide certificate dated January 18, 2011 has certified that the net worth of Mr. Kalakuntla Sudheer Rao as on December 31, 2010 is INR 6,26,98,982.00 (Indian Rupees Six Crores Twenty Six Lakhs Ninety Eight Thousands Nine Hundred and Eight Two Only) and that he has sufficient resources to fulfill the obligation under this Open Offer and under the Share Purchase Agreement entered into with the promoters of Croitre Industries Limited.

#### **B. Mr. Saraswatula Siva Rama Krishna Mohan Babu**

1. Mr. Saraswatula Siva Rama Krishna Mohan Babu , aged about 53 years, is the son of Late Mr. S V Subrahmanyam and resides at Flat No. 104, Ashoka Lakeview Apartments, 6-3-1192/A/2, Kundanbagh, Begumpet, Hyderabad - 500 016, Andhra Pradesh. Telephone No.: 91 40 2341 8626; E-mail: [mohan8858@rediffmail.com](mailto:mohan8858@rediffmail.com).
2. He has done his Bachelors in Commerce from the Andhra University and later he completed his company secretaryship course from the Institute of Company Secretaries of India. In 1985 he started his professional career as Company Secretary in employment in Raasi Finance Limited and has an experience of 5 years in employment. Later in 1990 he started his own practice as a Company Secretary. During 1995 he incorporated M/s. Sameer Financial Services Private Limited as a consulting company in the financial and compliance services and the company is still carrying on its consulting business. In 2003, he incorporated M/s. Maithri Advisors & Planners Private Limited operating in the retail financial services by acting as Direct Selling Agents (DSA). In 2009-2010, he has acquired a shell infrastructure company M/s. Integre Engineers Private Limited and started the business of infrastructure raw material supplies. He has a professional experience of 10 years and business experience of 19 years.
3. He is a promoter and director of M/s. Sameer Financial Services Private Limited, M/s. Maithri Advisors & Planners Private Limited and M/s. Integre Engineers Private Limited.
4. Mr. D Premnath, Partner, Membership No. 207133, M/s. Ramachandram & Co., Chartered Accountants having their office at 3-6-237, Unit # 606, Lingapur La Builde Complex, Himayatnagar, Hyderabad - 500 029; Telephone No.: 91 40 2326 4144, Fax No.: 91 40 2326 4145, vide certificate dated January 18, 2011 has certified that the net worth of Mr. Saraswatula Siva Rama Krishna Mohan Babu as on December 31, 2010 is INR 1,50,65,000.00 (Indian Rupees One Crore Fifty Lakhs Sixty Five Thousands Only) and that he has sufficient resources to fulfill the obligation under this Open Offer and under the Share Purchase Agreement entered into with the promoters of Croitre Industries Limited.

#### **C. Mr. Pasupulati Pavan Kumar**

1. Mr. Pasupulati Pavan Kumar, aged about 36 years, is the son of Late Mr. P R Vinod Kumar and resides at Flat No. B-202, Keshav Dale Apartments, Behind Zilla Parishad Office, Anand Nagar Colony, Khairatabad, Hyderabad - 500 004, Andhra Pradesh. Telephone No.: 91 40 2330 3394; E-mail: [pavanknaidu@rediffmail.com](mailto:pavanknaidu@rediffmail.com).
2. He has done his Bachelors in Commerce from the Osmania University and later, in 1997, he completed his Masters of Business Administration from Newport University, California. He started his career as Investment Banker with Prudentials Capital Markets Limited and later joined M/s. Sameer Financial Services Private Limited and associated with the promoters in its financial and compliance services and still he is accompanied with the company. In 2003 he along with Mr. Saraswatula Siva Rama Krishna Mohan Babu incorporated M/s. Maithri Advisors & Planners Private Limited operating in the retail financial services by acting as Direct Selling Agents (DSA). In 2009-2010, he along with Mr. Saraswatula Siva Rama Krishna Mohan Babu has acquired a shell infrastructure company M/s.

Integre Engineers Private Limited and started the business of infrastructure raw material supplies. He has a professional experience and business experience of 10 years. He also started M/s. Advaiy Associates & Advisors, a partnership firm which is into advisory services.

3. He is a promoter and director of M/s. Maithri Advisors & Planners Private Limited and M/s. Integre Engineers Private Limited. He is a director in M/s. Sameer Financial Services Private Limited and doesn't hold any shares in the company. He is a Partner in M/s. Advaiy Associates & Advisors.

4. Mr. D Premnath, Partner, Membership No. 207133, M/s. Ramachandram & Co., Chartered Accountants having their office at 3-6-237, Unit # 606, Lingapur La Builde Complex, Himayatnagar, Hyderabad - 500 029; Telephone No.: 91 40 2326 4144, Fax No.: 91 40 2326 4145, vide certificate dated January 18, 2011 has certified that the net worth of Mr. Pasupulati Pavan Kumar as on December 31, 2010 is INR 1,57,85,000.00 (Indian Rupees One Crore Fifty Seven Lakhs Eighty Five Thousands Only) and that he has sufficient resources to fulfill the obligation under this Open Offer and under the Share Purchase Agreement entered into with the promoters of Croitre Industries Limited.

D. The acquirers are not related to each other and they or their firms do not belong to any Corporate Group.

E. The Acquirers has delayed compliance of the provisions of Chapter II of the Regulations by 15 days.

F. The Acquirers have not entered into any agreement with any other person / entity with regard to the Acquisition / Offer.

G. The Acquirers do not hold any shares in the Target Company.

H. The Acquirers are not on the Board of any Listed Company.

I. The Acquirers have declared that there are no litigations against / by them as on February 15, 2011.

### 3.2 Brief details of companies promoted by the Acquirers

Companies/Firms which are under operations

Name of the firm/company	Date of formation / incorporation	Nature of Business	Equity capital reserves (INR Lakhs)	Total income (INR Lakhs)	PAT (INR Lakhs)	EPS (INR)	NAV per share (INR) / Net worth	Whether any sick company
Sameer Financial Services (P) Ltd	04-10-95	Financial and Consultancy Services	93.68	33.29	2.26	9.63	245	NO
as at 31-03-2010			91.41	74.47	(2.28)	0.00	474	
as at 31-03-2009			79.40	237.91	95.81	491	595	
Maithri Advisors & Planners (P) Ltd	23-04-03	Management Consultants						NO
as at 31-03-2010			14.28	2.25	(3.43)	0.00	157	

Name of the firm/company	Date of formation / incorporation	Nature of Business	Equity capital reserves (INR Lakhs)	Total income (INR Lakhs)	PAT (INR Lakhs)	EPS (INR)	NAV per share (INR) / Net worth	Whether any sick company
as at 31-03-2009			19.22	14.68	(8.89)	0.00	220	
as at 31-03-2008			27.85	161.73	67.57	675	442	
Integre Engineers (P) Ltd								
as at 31-03-2010	28-04-08	Infrastructure Company	1.00	0.00	0.00	0.00	18	NO
as at 31-03-2009			1.00	0.00	0.00	0.00	18	
as at 31-03-2008			0.00	0.00	0.00	0.00	0.00	
Advaiy Associates & Advisors								
as at 31-03-2010	01-04-06	Financial Services	15.47	0.12	(90)	NA	2.78	NO
as at 31-03-2009			16.13	(15.26)	(15.38)	NA	2.17	
as at 31-03-2008			32.42	80.43	34.17	NA	0.00	

Companies/Firms which are not under operations

Sr. No.	Name of the Firm/Company	Date of Formation/Incorporation	Nature of Business	Status
1.	K. Srihari Rao & Co.	1-04-1982	Limestone Contractors	NO OPERATIONS
2.	Samruth Minerals & Ores	24-12-05	Mining	NO OPERATIONS
3.	S R Minerals & Ores	07-01-10	Mining	NO OPERATIONS
4.	Glaze Minerals	09-09-98	Mining	NO OPERATIONS

### 3.3 Disclosure in terms of Regulations 16 (ix) and Future Plans

A. The Acquirers have entered into an SPA to acquire 44,14,500 (Forty Four Lakhs Fourteen Thousands Five Hundred only) equity shares of INR 10.00 each of CIL, representing 70.00% of the paid up share capital of CIL. This acquisition is thus a substantial acquisition of shares along with the voting rights in CIL which will enable the Acquirers to gain control of the Company. As a result of this acquisition, provisions of Regulations 10 and 12 of the

Regulations have been attracted. The Acquirers are making an offer to acquire 12,61,278 fully paid equity shares of INR 10.00 each being 20% of the paid up and voting equity share capital of CIL at an Offer Price of INR 0.25 (Indian Paise Twenty-Five only) per fully paid-up Equity Shares, payable in cash in order to comply with the provisions of the Regulations.

- B. CIL is currently engaged in activities relating to wire manufacturing, trading and information technology. However, the Acquirers do not intend to continue carrying on the aforesaid activities in the Company after the acquisition. Upon acquiring substantial shares and taking over control of CIL, the Acquirers would cause the Company to amend the object clause to commence business and activities on mining and other related activities to mining as may be decided upon, subject to obtaining the necessary approvals.
- C. The Acquirers do not plan to dispose off or otherwise encumber any asset of CIL in the next 2 years except in the ordinary course of business of the Company. The Acquirers undertake not to sell / dispose off or otherwise encumber any substantial assets of CIL except with the prior approval of the shareholders of the Company.

#### **4. OPTION IN TERMS OF REGULATION 21(2)**

- A. Upon completion of the Offer, assuming full acceptances in the Offer and acquisition of shares under the SPA, the Acquirers will hold 56,75,778 shares constituting 90.00% of the equity share capital of the Target Company.
- B. As per Clause 40A of the Listing Agreement with the BSE, the Target Company is required to maintain at least 25% public shareholding on a continuous basis. In the event that the acquisition made in pursuance to the Offer results in the public shareholding of the Target Company falling below such minimum level, the Acquirers will forthwith and in any case not later than three months from the offer closure date, facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with BSE as per clause 40A(viii) (c) thereof, i.e., by way of sale of shares held by promoters through the secondary market after obtaining necessary approval(s) and in compliance with the conditions as may be stipulated by the Stock Exchange while giving such approval and in compliance with the Regulations.
- C. As on the date of this Letter of Offer, the Acquirers do not have any intention to delist the Target Company for the next three years after the closure of the Offer.

#### **5. BACKGROUND OF THE TARGET COMPANY**

- A. The Target Company was incorporated on October 12, 1989 as SAI WIRES PRIVATE LIMITED, under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh and obtained a Certificate of Incorporation bearing number 01-10550 of 1989-90. Later the Target Company was converted to Public Limited Company and a Fresh Certificate of incorporation was obtained consequent on the conversion under Section 31/44 of the Companies Act, 1956 on January 16, 1995. Later the Target Company has changed its name to SAI WIRES INDIA LIMITED and has obtained a Fresh Certificate of Incorporation on April 25, 1995. The Target Company has further changed the name to CROITRE INDUSTRIES LIMITED and has obtained a Fresh Certificate of Incorporation on January 27, 2011. The Corporate Identity Number ('CIN') of the Target Company is L31300AP1989PLC010550.
- B. The Registered Office of the Target Company is located at 8-2-87/89, 401, Srinivasa Plaza, Opp. Smiline Dental Hospital, Srinagar Colony Main Road, Punjagutta, Hyderabad - 500 082, Andhra Pradesh. Ph No.: 91 40 2373 6047; Fax No.: 91 40 2373 6047; E-mail id: [investors@croitremines.com](mailto:investors@croitremines.com). The Company has no other offices or place of business.
- C. The company is in the business of manufacturing of wire and wire products with rubber, plastic and other materials. The company has amended the main objects clause of the Memorandum of Association for which a special resolution was passed on 17.04.2000 and the company registered the special resolution on 19.04.2000 for carrying on activities relating to information technology development and e-commerce. On January 27, 2011 the company passed a special resolution to carry on the business mentioned in the Other Objects clause of the Memorandum of Association that deals with the business of carriers, merchants, stockiest, importers, exporters and general commission agents of goods and merchandise of all descriptions.

- D. The company is presently not carrying any business activity and is not operational.
- E. The Company was originally promoted Mr. Sirimalla Ram Mohan, Mr. R Krishna Prasad, Mr. S Chenna Mallu and Ms. Bompalli Padma. On February 15, 1996 the company came out with initial public issue (IPO) by issue of 33,50,000 number of equity shares of INR 10.00 (Indian Rupees Ten Only) each for cash at par aggregating to INR 3,35,00,000 (Indian Rupees Three Crores Thirty Five Lakhs Only) and listed at Bombay Stock Exchange Limited (BSE), Madras Stock Exchange Limited (MSE), Ahmedabad Stock Exchange (ASE) and The Hyderabad Stock Exchange Limited (HSE).
- F. Mr. Gokaraju Venkata Kanaka Ranga Raju, present promoter, entered into Share Purchase Agreement with the erstwhile promoters on March 14, 2001 and acquired 32,09,090 (Thirty Two Lakhs Nine Thousands Ninety only) Equity Shares of INR 10.00 each and later made a Public Announcement on March 16, 2001 to acquire 20.00% of the paid-up capital of the company under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. Through the open offer Mr. Gokaraju Venkata Kanaka Ranga Raju has acquired 13,96,000 (Thirteen Lakhs Ninety Six Thousands only) equity shares and thus became the promoter of the target company holding 73.02% of the paid-up equity share capital of the company.
- G. As on the date of PA, Mr. Gokaraju Venkata Kanaka Ranga Raju is the promoter of the company. Mr. Gokaraju Venkata Kanaka Ranga Raju belongs to the business group of M/s. Laila Group of Companies having business interests in Sugar, Paper, Herbals, Pharmaceuticals, Finance, Nutraceuticals etc. Mr. Gokaraju Venkata Kanaka Ranga Raju is having 20 years of experience in managing the business segments.
- H. The present directors of CIL are Mr. Chittamshetty Sudheer, Mr. Konduru Anand, Mr. Karnnati Murali Krishna, Mr. J Srinivasa Rao and Mr. Narala Madhu Sudhana Reddy.
- I. The Marketable lot for the shares of CIL is 100 (One Hundred only). The equity shares are presently listed and suspended from the BSE, MSE, ASE and HSE for penal reasons and presently are not trading. The Scrip Code of the company at BSE is 531648 and the Scrip ID is CROITRE. The Target Company vide their letter dated September 13, 2010 and October 1, 2010 has submitted a detailed reply to BSE for revocation of suspension of its Equity Shares. The Target Company has also solved the pending investor's complaints. The Target Company is yet to get a reply from BSE.
- J. The authorized share capital of the Target Company is INR 7,50,00,000 (Indian Rupees Seven Crores Fifty Lakhs only) consisting of 75,00,000 (Seventy Five Lakhs Only) Equity Shares of INR 10.00 (Indian Rupees Ten Only) each and the Issued Capital of the Target Company is INR 7,00,00,000 (Indian Rupees Seven Crores Only) consisting of 70,00,000 (Seventy Lakhs Six Thousand Three Hundred and Ninety only) equity Shares of INR 10.00 (Indian Rupees Ten Only) each and the Subscribed Capital, including the forfeited shares of the Target Company is INR 6,98,75,000 (Six Crores Ninety Eight Lakhs Seventy Five Thousands only) consisting of 69,87,500 (Sixty Nine Lakhs Eighty Seven Thousands Five Hundred only) equity shares of INR 10.00 (Indian Rupees Ten Only) each.
- K. The Target Company had forfeited 6,81,110 (Six Lakhs Eighty One Thousands One Hundred and Ten Only) equity shares of INR 10.00 (Indian Rupees Ten Only) each on which INR 5.00 (Indian Rupees Five Only) was paid-up and for non-receipt of call money of INR 5.00 (Indian Rupees Five Only) from the share holders during the financial year 2001-2002. As on the date hereof, the Paid-up Capital of the Target Company is INR 6,30,63,900 (Indian Rupees Six Crores Thirty Lakhs Sixty Three Thousands Nine Hundred Only) consisting of 63,06,390 (Sixty Three Lakhs Six Thousand Three Hundred and Ninety Only) equity Shares of INR 10.00 (Indian Rupees Ten Only) each and also INR 34,05,550.00 (Indian Rupees Thirty Four Lakhs Five thousands Five Hundred and Fifty only) being the monies received on the Forfeited shares totally aggregating to INR 6,64,69,450.00 (Indian Rupees Six Crores Sixty Four Lakhs Sixty Nine Thousands Four Hundred and Fifty Only). The forfeited shares of 6,81,110 have not been re-issued till date. There are no party paid-up equity shares of the Target Company as on the date of the PA.
- L. All the shares of CIL are listed and permitted for trading on BSE, MSE and ASE. The equity shares of the Target Company are suspended from trading at the BSE, MSE, HSE and ASE from March 24, 2001.

M. 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.

N. The shares of the Target Company are held in Physical form and the Target Company has not yet gone in for dematerialization of shares. The Company has appointed M/s. Bigshare Services Private Limited as the Registrar and Share Transfer Agents from September 25, 2010.

O. As on the date of this Letter of Offer, CIL has no subsidiaries.

P. CIL has not declared any dividend in the last 5 years.

Q. None of the directors of CIL represent the Acquirers.

R. The company has delayed compliances with the provisions of the Listing Agreement. The Equity Shares of the Target Company are suspended from trading at the BSE, MSE, HSE and ASE from March 24, 2001 for non-compliance of listing Agreement and also nonpayment of listing fees. However, the company has complied with all the Listing Agreement compliances till the quarter ended December 2010 and has initiated the process for revocation of the suspension of trading of the shares.

Except for this, the Company has not received any show cause notice from the BSE, MSE, HSE and ASE and no punitive action has been taken by the BSE, MSE, HSE and ASE.

S. CIL is not a Sick Company.

T. There has not been any merger, de-merger or spin-off of activity in the preceding 3 years.

U. CIL has certified that there are no pending litigations against the company.

V. The company has been in compliance with the provisions of Clause 49 of the Listing Agreement entered into with BSE, MSE, HSE and ASE.

W. The Compliance Officer of the Target Company is Mr. Chittamshetty Sudheer, Managing Director, who will be available at the registered office of the company. Ph. No.: 91 40 2373 6047; Fax No.: 91 40 2373 6047.

### 5.1 Share Capital Structure of the Target Company

Paid-up Equity Shares of Target Company	No. of Shares / Voting rights	% of shares / voting rights
Fully Paid-up Equity Shares	63,06,390	100.00%
Partly Paid-up Equity Shares	0	0
Total Paid-up Equity Shares	63,06,390	100.00%
Total Voting Rights in Target Company	63,06,390	100.00%

### 5.2 Build-up of Current Capital

#### A. Build up of Authorized Share Capital

As certified by CIL, the details regarding the build-up of the authorized share capital of CIL are as follows:

(Amount in INR)

Date / Year	Distinctive Numbers (From)	Distinctive Numbers (To)	Authorized Capital after Enhancement (INR)
On Incorporation*	1	80,000	8,00,000
18.11.1994	80,001	11,00,000	1,10,00,000
20.12.1994	11,00,001	50,00,000	5,00,00,000
27.01.1995	50,00,001	75,00,000	7,50,00,000

\*Details of Authorized Capital up to 80,000 Equity Shares of INR 10 each, not available.

#### B. Build up of Current Paid-Up Equity Share Capital

Date of Allotment	No. and % of shares issued		Cumulative paid-up capital (In Shares)	Mode of Allotment	Identity of allottees (Promoters / Others)	Status of Compliance
	No.	% of current capital				
On Incorporation	4	0.00%	4	Signatories to Memorandum	Promoters (Mr. S Ram Mohan @)	Complied
November 07, 1994	32,400	0.46%	32,404	Cash	Promoters (Mr. S Ram Mohan)	Complied
January 30, 1995	5,99,956	8.59%	6,32,360	Cash	Promoters (Mr. S Ram Mohan)	Complied
June 30, 1995	92,840	1.33%	7,25,200	Cash	Promoters (Mr. S Ram Mohan)	Complied
June 30, 1995	8,10,000	11.59%	15,35,200	Cash	Promoters (Mr. S Ram Mohan)	Complied
February 24, 1996 (IPO)	21,14,800	30.27%	36,50,000	Cash	Promoters (Mr. S Ram Mohan)	Complied
February 24, 1996 (IPO)	33,37,500	47.76%	69,87,500	Cash	Public in IPO	Complied
TOTAL	69,87,500	100.00%	69,87,500			
Forfeiture*	6,81,110	9.75%	34,05,550			
TOTAL PAID-UP	63,06,390		6,64,69,450			

@ Represents the promoter Mr. S Ram Mohan and Associates (Friends, relatives & associates of Mr. S Ram Mohan)

\*Equity Shares forfeited by the Board of Directors in their meeting held on March 01, 2002 on which INR 5 was paid up. The post forfeited capital is INR 6,64,69,450 including the share application money of INR 34,05,550 at the rate of INR 5 on 6,81,110 Equity Shares.

Note: The compliance mentioned above is filing of Form 2 with the Registrar of Companies, getting the Equity Shares listed with the respective stock exchange and compliance with applicable provisions of the SEBI (SAST) Regulations.

### C. Change in shareholding of promoters

The details of the changes in shareholding of the promoters as and when it took place in the target Company, is as follows:-

Date	Mode of Acquisition	Name of the Acquirer	No. of Shares (Face Value INR10)	% to the paid-up shares	Name of the Seller	No. of Shares (Face Value INR10)	% to the paid-up shares*	Cumulative	% to the paid-up shares
On Incorporation	Signatories to Memorandum	-	4	0.00	-	-	-	4	0.00
07/11/1994	Promoter`s Contribution	-	32,400	0.46	-	-	-	32,404	0.46
30/01/1995	Promoter`s Contribution	-	5,99,956	8.59	-	-	-	6,32,360	8.59
30/06/1995	Promoter`s Contribution	-	92,840	1.33	-	-	-	7,25,200	1.33
30/06/1995	Promoter`s Contribution	-	8,10,000	11.59	-	-	-	15,35,200	11.59
24/02/1996	IPO	Promoters (Mr. S Ram Mohan)	21,14,800	30.27	Public	21,14,800	30.27	36,50,000	52.24
14/03/2001	SPA	Mr. Gokaraju Venkata Kanaka Ranga Raju	32,09,090	45.93	Mr. S Ram Mohan	32,09,090	45.93	32,09,090	45.93
09/06/2001	Open Offer	Mr. Gokaraju Venkata Kanaka Ranga Raju	13,96,000	22.14	Public	13,96,000	22.14	4,605,090	68.07*
01/03/2002	Forfeiture of Shares	-	4,605,090	73.02	-	-	-	4,605,090	73.02*
15/02/2011	SPA	Mr. Kalakuntla Sudheer Rao, Mr. Saraswatula Siva Rama Krishna Mohan Babu, Mr. Pasupulati Pavan Kumar	44,14,500	70.00	Mr. Gokaraju Venkata Kanaka Ranga Raju	44,14,500			70.00

\* Post Open Offer, Mr. Gokaraju Venkata Kanaka Ranga Raju is holding 4,605,090 Equity Shares representing 68.07% of the Target Company. On 01/03/2002, the Board of Directors forfeited 6,81,110 Equity Shares for non-payment of call money and consequently the Share Capital of the Target Company was reduced to 63,06,390 Equity Shares leading to an increase in Mr. Gokaraju Venkata Kanaka Ranga Raju's total shareholding to 73.02% without acquiring any further shares.

### 5.3 Board of Directors of CIL

A. Board of Directors of CIL as on February 21, 2011, the date of PA

Name and DIN	Date of Appointment	Address	Designation
Mr. Chittamshetty Sudheer DIN: 03269857	April 01, 2001	8-3-231/C/30A, Sri Krsihna Nagar, Yousufguda, Hyderabad - 500 045	Managing Director
Mr. Konduru Anand DIN: 02069687	April 01, 2001	8-3-270/C/30, Sri Krsihna Nagar, Near Community Hall, Yousufguda, Hyderabad - 500 045	Independent Director
Mr. Karnati Murali Krishna DIN: 03269842	April 01, 2001	8-3-231/A/68, Sri Krsihna Nagar, Yousufguda, Hyderabad - 500 045	Independent Director
Mr. Jayanthi Srinivasa Rao DIN: 00987481	January 17, 2011	H. No.: 12-6-24/22/501, Malaya I, Jayabharati Gardens, Near Y Junction, Hyderabad - 500 072	Independent Director
Mr. Narala Madhu Sudhana Reddy DIN: 02128757	January 17, 2011	Flat No. 503/B Maheswari Chambers, Somajjude, Hyderabad 500082	Independent Director

There has been no change in the Board of Directors of CIL since the date of PA.

B. Changes in the Board of Directors in the last three years

Name and DIN	Address	Details of Change (Appointment / Resignation)	Date of Change	Reasons for change
Mr. Y Vijay Kumar* DIN: 00129171	16-2-751/C/4/A/106, Tirumala Hills, Asmangadh, Hyderabad – 036	Resignation	December 06, 2010	Resigned due to personal reasons
Mr. Jayanthi Srinivasa Rao DIN: 00987481	H. No.: 12-6-24/22/501, Malaya I, Jayabharati Gardens, Near Y Junction, Hyderabad - 500 072	Appointment u/s. 257	January 17, 2011	Appointed through Notice from the shareholders
Mr. Narala Madhu Sudhana Reddy DIN: 02128757	Flat No. 503/B Maheswari Chambers, Somajjude, Hyderabad 500082	Appointment u/s. 257	January 17, 2011	Appointed through Notice from the shareholders

\*The Company is yet to file the necessary forms with the Registrar of Companies for his resignation.

C. Experience and Qualification of the Board of Directors

Name of the Director	Age	Qualification	Experience in brief
Mr. Chittamshetty Sudheer	30	Graduate	Has 5 years of experience in information technology, multimedia development and e-commerce platforms
Mr. Konduru Anand	29	Graduate	experienced for 7 years in railway and road infrastructure projects and mobilizing manpower resources
Mr. Karnnati Murali Krishna	29	Graduate	Experienced for 5 years in the media and communications
Mr. Jayanthi Srinivasa Rao	50	B.Sc	Experience of 10 years in operating manufacturing lubricant company
Mr. Narala Madhu Sudhana Reddy	30	Associate Company Secretary	Professional experience of 7 years and infrastructure business experience of 2 years

**5.4 Brief audited financial data for the last three financial years**

A. Profit & Loss Account Statement

(Amount in INR)

Profit & Loss Statement	2009-2010	2008-2009	2007-2008
Total Income	0	0	0
Administrative Expenses	62,592	65,248	71,060
Earnings Before Interest, Depreciation and Taxes	(62,592)	(65,248)	(71,060)
Profit Before Tax	(62,592)	(65,248)	(71,060)
Profit After Tax	(62,592)	(65,248)	(71,060)

B. Balance Sheet Statement

(Amount in INR)

Profit & Loss Statement	2009-2010	2008-2009	2007-2008
<b>Sources of Funds</b>			
Equity Share Capital	6,64,69,450	6,64,69,450	6,64,69,450
Total	6,64,69,450	6,64,69,450	6,64,69,450
<b>Application of Funds</b>			
Cash & Bank Balance	3,211.55	3,211.55	3,211.55
Current Liabilities	4,00,840.00	3,38,248.00	2,73,000.00
Net Current Assets	(3,97,628.45)	(3,35,036.45)	(2,69,788.45)

Profit & Loss Statement	2009-2010	2008-2009	2007-2008
P&L Account Debit Balance	6,68,67,078.45	6,68,04,486.45	6,67,39,238.45
Total	6,64,69,450	6,64,69,450	6,64,69,450

#### C. Other Financial Data

Particulars	2009-2010	2008-2009	2007-2008
Dividend (%)	0.00%	0.00%	0.00%
Earnings Per Share (INR)	(0.01)	(0.01)	(0.01)
Return on Net Worth (%)	(15.74%)	(19.47%)	(26.34%)
Book Value Per Share (INR)	(0.06)	(0.05)	(0.04)

#### D. Notes

1. The company has not carried on any business activity from 2001 after the takeover of the Target Company by the existing Promoter Mr. Gokaraju Venkata Kanaka Ranga Raju.
2. The Administrative Expenses include the Printing & Stationary, Postage & Telegraphs, Filing & Listing Fees and Auditors Fees.
3. The P&L Debit Balances is the result of the accumulated losses of the Target Company from 2001 onwards.
4. The Target Company does not have any tangible or intangible fixed assets as on the date of PA.
5. The Company does not have any contingent liabilities and have no disclosures made in the audited annual accounts for the financial year ended March 31, 2010.

#### 5.5 Details of delayed compliances by the company under Chapter II of the Regulations.

##### A. By the Target Company

1. There had been delay by Target Company in complying with the reporting requirements under Chapter II of the SEBI (SAST) Regulations, 1997, for the years 1998 to 2009. However, the Target Company complied with the reporting requirements under Regulation 8(3) of the Regulations for the years 1998 to 2010 on October 01, 2010. There have been instances of delayed compliance with the reporting requirements under Chapter II of the Regulations for regulation 8(3) as follows:

Regulation of SAST	Filing Period	Due Date for Filing	Filing Status	Delay (no. of days)
6(2)	February 20,1997	April 20,1997	Filed on October 01, 2010	4912
6(4)	February 20,1997	April 20,1997		4912
8(3)	March 31, 1998	April 30, 1998		4537
8(3)	March 31, 1999	April 30, 1999		4172
8(3)	March 31, 2000	April 30, 2000		3806
8(3)	March 31, 2001	April 30, 2001		3441
8(3)	March 31, 2002	April 30, 2002		3076
8(3)	March 31, 2003	April 30, 2003		2711
8(3)	March 31, 2004	April 30, 2004		2345

8(3)	March 31, 2005	April 30, 2005		1980
8(3)	March 31, 2006	April 30, 2006		1615
8(3)	March 31, 2007	April 30, 2007		1250
8(3)	March 31, 2008	April 30, 2008		884
8(3)	March 31, 2009	April 30, 2009		519
8(3)	March 31, 2010	April 30, 2010		154
7(3)	March 16,2001	March 23,2001	February 21,2011	3622
7(3)	February 17,2011	February 24,2011	February 21,2011	NIL

**B. By the Promoter**

Current Promoter, Mr. Gokaraju Venkata Kanaka Ranga Raju has complied with Regulation 7(1) & 7 (1A) of the Regulations with respect to the shares acquired vide SPA dated March 14, 2001 and the subsequent open offer.

**C. By the Acquirers** namely Mr. Kalakuntla Sudheer Rao, Mr. Saraswatula Siva Rama Krishna Mohan Babu, Mr. Pasupulati Pavan Kumar.

Regulation of SAST	Filing Period	Due Date for Filing	Filing Status	Delay (no. of days)
7(1) & 7(2)		February 17,2011	March 04,2011	15
7(1A) & 7(2)		February 17,2011		15

**5.6 Pre & Post Offer shareholding pattern of CIL as on date is and shall be as follows:**

Share Holders Category	Shareholding & Voting rights prior to the agreement / acquisition and 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) I		Shareholding / voting rights after the acquisition and offer (A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
<b>1. Promoter Group</b>								
a. Parties to the agreement, if any	4605090	73.02%	(4414500)	(70.00%)	(190590)	(3.02%)	0	0.00%
b. Promoters other than above*	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total 1 (a+b)	4605090	73.02%	(4414500)	(70.00%)	(190590)	(3.02%)	0	0.00%
<b>2. Acquirers</b>								
a. Main Acquirers								
i. Mr. Kalakuntla Sudheer Rao	0	0.00%	2251500	35.70%	643254	10.20%	2894754	45.90%

Share Holders Category	Shareholding & Voting rights prior to the agreement / acquisition and 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) I		Shareholding / voting rights after the acquisition and offer (A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
ii. Mr. Saraswatula Siva Rama Krishna Mohan Babu	0	0.00%	1081500	17.15%	309012	4.90%	1390512	22.05%
iii.Mr. Pasupulati Pavan Kumar	0	0.00%	1081500	17.15%	309012	4.90%	1390512	22.05%
b. PACs	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total 2 (a+b)	0	0.00%	4414500	70.00%	1261278	20.00%	5675778	90.00%
3. Parties to agreement other than 1 (a) & (b)	0	0%	0	0.00%	0	0.00%	0	0.00%
4. Public other than parties to the agreement, acquirer & PACs								
a. Fis / MFs / FIIs / Banks	0	0.00%	0	0.00%	0	0.00%	0	0.00%
b. Bodies Corporate	0	0.00%	0	0.00%	0	0.00%	0	0.00%
c. Clearing Members	0	0.00%	0	0.00%	0	0.00%	0	0.00%
d. NRIs	0	0.00%	0	0.00%	0	0.00%	0	0.00%
e. Indian Public	1701300	26.98%	0	0.00%	(10,70,688)	(16.98%)	6,30,612	10.00%
Total 4 (a+b+c+d+e)	1701300	26.98%	0	0.00%	(1070688)	(16.98%)	6,30,612	10.00%
GRAND TOTAL (1+2+3+4)	6306390	100%	0	0%	0	0.00%	6306390	100.00%

**Notes:**

1. There are no shares, which are subject to lock-in, under the SEBI Guidelines / Regulations.
2. There are no partly paid up shares in the Target Company.

3. The actual post-offer shareholding of public would depend on the response and acceptance of the shareholders in this Open Offer.
4. The Acquirers have not acquired any shares from the date of the Public Announcement, till date of this Letter of Offer, save and except those acquired under the SPA.
5. The number of shareholders under the Public Category i.e., under 4 above is 532 as on the date of this Letter of Offer.
6. The remaining 1,90,590 Equity Shares of Mr. Gokaraju Venkata Kanaka Ranga Raju representing 3.02% of the paid up capital of the Target Company will become part of the Public Shareholding after the Open Offer.

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENT

### 6.1 Justification of Offer Price

- A. The Equity Shares of CIL are listed on BSE, MSE, HSE and ASE. In the BSE the Scrip Code is 531648 and the Scrip ID is CROITRE. The shares are suspended from trading due to penal reasons in all the exchanges.
- B. Based on the information given below and as the scrip is suspended, the equity shares of CIL are deemed to be infrequently traded in terms of explanation (i) to Regulation 20 (5) of the Regulations during the six calendar months prior to the month in which the PA is made (source: [www.bseindia.com](http://www.bseindia.com)), i.e., from August 2010 to January 2011 and hence the offer price is determined in accordance with the requirement of Regulation 20(5) of the Regulations. The details of trading are as follows:

Stock Exchange	Total no. of shares traded during 6 calendar months prior to the month in which the PA is made	Total no. of listed shares	Annualized Trading turnover (as % of total shares listed)
BSE	NIL	63,06,390	NIL
ASE	NIL	63,06,390	NIL
MSE	NIL	63,06,390	NIL
HSE	NIL	63,06,390	NIL

- C. The Offer price of INR 0.25 paisa (Indian Paise Twenty Five only) per fully paid-up equity share of CIL has been determined after considering the following:

A	The Negotiated Price by the Acquirers	Re. 0.11 paisa per share
B	Highest price paid by Acquirers for acquisition, if any, including by way of allotment in a public or rights issue or preferential issue during the 26 weeks prior to the date of PA	Not Applicable
C	The average of the weekly High and Low of the closing prices of the shares of CROITRE on Stock Exchange, where it is most frequently traded, during 26 weeks period preceding the date of PA	Not Applicable
D	The average of daily High and Low of the prices of the shares of CIL on Stock Exchange, where it is most frequently traded, during 2 weeks period preceding the date of PA	Not Applicable

E	Other Financial Parameters	31-03-2010	31-12-2010*
	Return on Net worth (%)	Negative	Negative
	Book Value per share (Rs.)	(0.06)	(0.07)
	Earnings per share (Rs.)	(0.009)	(0.003)
	Price Earning Multiple (with reference to offer price of INR 0.25 per share)	NA	NA
	Fair Value per share of CIL considering the decision of Honorable Supreme Court of India in case of Hindustan Lever Limited Employee Union Vs. Hindustan Lever Limited (1995) reported at (83 Company Cases 30) wherein the Apex Court has opined that the fair value of a listed company would be assessed based on weighted basis.(certificate for the fair value of the equity shares from Mr. D. Premnath, Chartered Accountants, dated 17/02/2011)	0.00	
	Industry (Mining, Minerals & Metals) Average Price Earning Multiple**	24.10	

\*Not annualized and certified by the Statutory Auditor of CIL.

\*\* (Source Capital Market Magazine dated January 24- February 6 2011)

CI. In view of the parameters considered and presented in paragraphs B and C above, in the opinion of the Acquirers and the Managers to the Offer, the Offer Price of INR 0.25 paisa (Indian Paisa Twenty Five only) per fully paid-up equity share is justified in terms of Regulation 20 (5) of the Regulations since it is the Highest of the prices mentioned above.

CII. Non-Compete Fee

The Acquirers have not entered into any agreement for payment of non-compete fee and hence, have not made any payment towards non-compete fees.

CIII. The Acquirers shall not acquire any shares of CIL during the Offer period except in compliance with the Regulations and the details of such acquisitions shall be disclosed to the BSE and to the Manager to the Offer within 24 hours thereof in terms of Regulation 22 (17) of the Regulations.

CIV. This is not an indirect acquisition / control.

CV. If the Acquires acquire shares after the date of the Public Announcement up to seven 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.

## 6.2 Financial Arrangements

A. Assuming full acceptance, the total fund requirements to met this Offer is INR 3,15,320 (Indian Rupees Three Lakhs Fifteen Thousands Three Hundred and Twenty only).

B. In accordance with Regulation 28 of the Regulations, Acquirers have created an Escrow Account with INDUSIND Bank Limited, 8-2-277/3 & 3A, Laxmi Plaza, Road No. 3, Banjara Hills, Hyderabad - 500 034 and made a cash deposit in the escrow account numbered 0504224728060 for INR 3,20,000 (Indian Rupees Three Lakhs Twenty Thousands Only), being 100% of the amount required for the Open Offer.

C. A Tripartite Escrow Agreement dated February 17, 2011 has been entered into between INDUSIND Bank, the Acquirers and Birla Capital and Financial Services Limited governing the operation of Escrow Account.

- D. By this Escrow Agreement, the Acquirers have authorized Birla Capital and Financial Services Limited, Manager to the Offer to realize the value of the Escrow Account, in terms of Regulation 28 (5) of the Regulations.
- E. The Acquirers have adequate resources to meet the financial requirements of the Offer. The funds requirement will be met from own sources / Net Worth and no borrowings from Banks / FIs or Foreign sources such as NRIs or otherwise is envisaged by the Acquirers. The Acquirers hereby declare and confirm that they have adequate and firm financial resources to fulfill the obligations under the Offer.
- F. Mr. D Premnath, Partner, Membership No. 207133, M/s. Ramachandram & Co., Chartered Accountants having their office at 3-6-237, Unit # 606, Lingapur La Builde Complex, Himayatnagar, Hyderabad - 500 029; Telephone No.: 91 40 2326 4144, Fax No.: 91 40 2326 4145, vide his certificates dated January 18, 2011 have certified that the Net Worth of Mr. Kalakuntla Sudheer Rao, Mr. Saraswatula Siva Rama Krishna Mohan Babu and Mr. Pasupulati Pavan Kumar as on December 31, 2010 is NR 6,26,98,982.00 (Indian Rupees Six Crores Twenty Six Lakhs Ninety Eight Thousands Nine Hundred and Eight Two Only), INR 1,50,65,000.00 (Indian Rupees One Crore Fifty Lakhs Sixty Five Thousands Only) and INR 1,57,85,000.00 (Indian Rupees One Crore Fifty Seven Lakhs Eighty Five Thousands Only) respectively and that the Acquirers have sufficient resources to fulfill the obligation under this Open Offer and under the Share Purchase Agreement entered into with the Promoters of CIL.
- G. Birla Capital and Financial Services Limited, Manager to the Offer certifies and confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

## **7. TERMS AND CONDITIONS OF THE OFFER**

### **7.1 Operational terms and conditions**

- A. The Offer is being made in compliance with the provisions of Regulations 10 and 12 and other applicable provisions of the Regulations for the purpose of substantial acquisition of equity shares accompanied with change in control and management of CIL.
- B. As on the date of this Letter of Offer, no statutory approvals are required by the Acquirers to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.
- C. The acceptance of the Offer is entirely at the discretion of the equity shareholders of CIL and each shareholder (except Acquirers and Seller) of CIL, holding equity shares to whom this Offer is being made, is free to offer his shareholding in CIL, in whole or in part while accepting the Offer.
- D. Accidental omission to dispatch the Letter of Offer to any member entitled to the Open Offer or non-receipt of the LOF by any member entitled to the Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein in the Letter of Offer.
- E. The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.
- F. The acceptance of the Offer must be unconditional and should be sent in the attached Form of Acceptance along with the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at the collection centre mentioned in para 8.A under "Procedure for Acceptance and Settlement" on or before Thursday, May 05, 2011. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.
- G. The Offer is not subject to any minimum level of acceptance. The Acquirers will acquire all the equity shares of CIL that are validly tendered and accepted in terms of this Offer up to 12,61,278 equity shares of INR 10.00 each representing 20% of the share capital of the Company at an Offer Price of INR 0.25 (Indian Paise Twenty-Five only) per fully paid-up Equity Shares, payable in cash. The Acquirers will proceed with the Offer even if they are unable to obtain acceptance to the extent of the equity shares of CIL for which this Offer is made.
- H. All shares tendered under this Offer should be free from any charge, lien or encumbrances of any kind whatsoever.

- I. The Acquirers will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The equity shareholders of CIL are advised to adequately safeguard their interest in this regard.
- J. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same up to three working days prior to the date of closure of the Offer i.e. up to Monday, May 02, 2011.
- K. If the aggregate of the valid responses to the Offer exceeds the number of shares for which the open offer is made, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations.
- L. The Acquirers reserve the right to withdraw the Offer pursuant to Regulation 27 of the Regulations. Any such withdrawal will be notified in the form of an Announcement in the same newspapers in which the Public Announcement had appeared.

## **7.2 Locked in Shares**

There are no shares, which are subject to lock-in as per SEBI guidelines / Regulations.

## **7.3 Eligibility for accepting the Offer**

- A. The Letter of Offer shall be mailed to all Equity Shareholders (except the parties to the agreement and the Acquirers) whose names appear in the Register of Members of Target Company as on Monday, March 07, 2011, the Specified Date.
- B. This Offer is also open to persons who own Equity Shares in CIL but are not registered Shareholders as on the 'Specified date'.
- C. All Equity Shareholders (except parties to the Agreement and the Acquirers) who own Equity Shares of Target Company anytime before the closure of the Offer are eligible to participate in the Offer.
- D. The Form of acceptance cum Acknowledgement and other documents required to be submitted herewith, will be accepted by the Registrar to the Offer, M/s. Bigshare Services Private Limited, at the centers as mentioned in para 8.A, either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 4.00 PM and on Saturday between 10.30 AM and 2 PM, on or before the date of Closure of the Offer i.e. Thursday, May 05, 2011.
- E. The Public Announcement, Letter of Offer, the Form of Acceptance and Form of Withdrawal will also be available at SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance cum Acknowledgement or Form of Withdrawal from the SEBI website for applying in the Offer or to withdraw from the Offer.
- F. Unregistered Equity Shareholders who have sent the Share Certificates for transfer to CIL / its Share Transfer Agent, and not received them back or hold Shares of CIL without being submitted for transfer or those who hold in the Street Name shall also be eligible to participate in this Offer.
- G. Unregistered Equity Shareholders and those who apply in plain paper will not be required to provide any Indemnity.
- H. Unregistered Shareholders may follow the same procedure mentioned above for registered Shareholders.
- I. The acceptance of this Offer by the Equity Shareholders of CIL must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

- J. The acceptance of this Offer is entirely at the discretion of the Equity Shareholders of CIL.
- K. The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms etc. during transit and the Equity Shareholders of CIL are advised to adequately safeguard their interest in this regard.
- L. The acceptance of Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.
- M. The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute part of the terms of the Offer.
- N. The Manager to the Offer shall submit a final report to SEBI within 45 days of closure of the Offer in accordance with Regulation 24 (7) of the Regulations.
- O. For any assistance please contact Birla Capital and Financial Services Limited, Manager to the Offer or the Registrar to the Offer.

#### **7.4 Statutory Approvals**

- A. As on the date of this Letter of Offer, no statutory approvals are required by the Acquirers to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.
- B. Barring unforeseen circumstances, the Acquirers would endeavor to obtain all approvals within 15 days from the date of closure of the Offer. In terms of Regulation 22(12) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days, as may be specified by the Board.
- C. In case the Acquirers fail to obtain requisite statutory approval in time, on account of any willful default or neglect or inaction or no-action, then action in terms of Regulation 22(13) will be initiated by SEBI.
- D. No approval is required to be obtained from Banks/Financial Institutions for the offer.

#### **8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT**

- A. Shareholders of the Target Company, who wish to avail of this Offer are free to offer their shareholding in whole or in part and should forward the under mentioned documents to the Registrar to the Offer at their office at Bigshare Services Private Limited E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072. Ph: +91 22 2847 0652; Fax: +91 22 2847 5207, or at G-10, Left Wing, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Hyderabad - 500 082. Ph: +91 40 2337 4967; Fax: +91 40 2337 0295 either by hand delivery on weekdays or by Registered Post or courier, on or before the Close of the Offer, i.e., no later than Thursday, May 05, 2011, so as to reach the Registrar on or before 4.00 PM Indian Standard Time on May 05, 2011 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance cum Acknowledgement.

**Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respects; otherwise the same is liable to be rejected.**

##### **8.1 In case of shares held in PHYSICAL MODE by the REGISTERED SHAREHOLDERS**

Shareholders to enclose:

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.

- Original equity share certificate(s); and
- Valid equity share transfer form(s) duly signed by transferor (by all the Shareholders in case the shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s).

If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid transfer deed from a registered Shareholder, then the Offer will be deemed to have been accepted by such Shareholders.

**PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED**

**8.2 In case of shares held in PHYSICAL MODE by PERSONS not REGISTERED AS SHAREHOLDERS**

- Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and
- Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the shares being tendered in this case.

In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company / its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/ its transfer agents, of the share certificate(s) and the transfer deed(s).

No indemnity is required from persons not registered as Shareholders.

**PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.**

- B. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer, the Acquirers or Target Company.
- C. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name; Address; Number of Shares held; Distinctive Number; Folio Number, Number of shares offered; along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, or the eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the close of the Offer. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer. Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)), from the date of Opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI's website and apply using the same.
- D. If the aggregate of the valid responses to the Offer exceeds the Offer size of 12,61,278 fully paid-up equity shares of CIL representing 20.00% of the Fully Diluted Equity Voting Capital of the Target Company, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations in such a way that the acquisition from any Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The minimum marketable lot for the Shares is 100 (One Hundred only).
- E. While tendering shares under the Offer, NRIs / OCBs / Foreign Shareholders will be required to submit the previous RBI Approvals (specific or general) that they may have obtained for acquiring shares of the Target Company. In case of previous RBI Approvals not being submitted, the Acquirers reserve the right to reject such shares tendered.

- F. While tendering shares under the Offer, NRIs / OCBs / Foreign Shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirers will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.
- G. Shareholders who are holding fully paid equity shares who wish to tender their equity shares will be required to send their FOA and other relevant documents to the Registrar to the Offer at the applicants sole risk so that the same are received on or before the Offer closing date, in accordance with the procedures as specified in this Letter of Offer and the Form of Acceptance cum Acknowledgement.
- H. Forms of Acceptance which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of the Offer i.e. Thursday, May 05, 2011 would be approved and accepted by the Acquirers. The payment of consideration for the shares accepted will be made by crossed account payee cheque / demand draft / pay order or through Electronic mode as detailed below. In case of joint holder(s), the cheque / demand draft will be drawn in the name of the first holder and in case of unregistered owners of shares the consideration will be paid to the person whose name is stated in the contract note.
- I. Payment of Consideration
- Dispatches involving payment of a value in excess of Rs. 1,500 will be made by registered post / speed post at the shareholder's sole risk. In the case of acceptors of this offer having bank accounts in any of the centers specified by SEBI who opt to receive the payment consideration through electronic transfer of funds by using ECS (Electronic Clearing Service), Direct Credit, RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer), as is for the time being permitted by the Reserve Bank of India, should provide all the necessary Bank details including MICR code or RTGS code or IFSC code in Form of Acceptance-cum-Acknowledgement. Applicants to whom payments are made through Electronic transfer of funds will be sent a letter (Payment advice) 'Under Certificate of Posting' intimating them about the mode of credit / payment within 15 days from the date of closure of the Offer and the payment intimation will be sent to the sole / first named shareholder of CIL whose equity shares are accepted by the Acquirers at his address registered with CIL. Rejected documents will be sent by registered post / speed post. All other dispatches will be made by ordinary post at the shareholder's sole risk.
- J. The Registrars 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 CIL who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched /returned.
- K. The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the Shareholders' sole risk.
- L. Subject to the Statutory Approvals as stated in Clause 7.4 above, the Acquirers intend to complete all formalities, including the payment of consideration within a period of 15 days from the closure of the Offer, and for the purpose open a special account as provided under Regulation 29, provided that where the Acquirers are unable to make the payment to the Shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days, as may be specified by SEBI from time to time.
- M. A copy of this Letter of Offer (including the Form of Acceptance and Form of Withdrawal) is expected to be available on SEBI's web-site ([www.sebi.gov.in](http://www.sebi.gov.in)) during the period the Offer is open. Eligible Shareholders can make an application in the Offer in the form downloaded from SEBI's website as one of the alternatives for applying in the Offer.

N. In terms 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 closure of the Offer. The withdrawal option can only be exercised by submitting the Form of Withdrawal so as to reach the Registrar to the Offer at its address Bigshare Services Private Limited E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072. Ph: +91 22 2847 0652; Fax: +91 22 2847 5207, or at G-10, Left Wing, Amrutha Ville, Opp. Yashoda Hospital, Somajiguda, Hyderabad - 500 082. Ph: +91 40 2337 4967; Fax: +91 40 2337 0295 either by hand delivery or by registered post by 4.00 PM on Monday, May 02, 2011.

O. In case of non-receipt of the Form of Withdrawal the withdrawal option can be exercised by making an application on plain paper mentioning the details of Name, address, distinctive numbers, folio numbers, number of Shares tendered/withdrawn.

## **9. DOCUMENTS FOR INSPECTION**

Copies of the following documents are regarded as material documents and are available for inspection at Dalamal House, 1st Floor, J. B. Marg, Nariman Point, Mumbai 400 021, the Corporate Office of Birla Capital and Financial Services Limited, the Manager to the Offer. The documents can be inspected during normal business hours (11.00 A.M. to 3.00 P.M.) on all working days (except Saturdays and Sundays and Public/Bank Holidays) from the date of opening of the Offer up till the date of closure of the Offer.

- a. Copy of Share Purchase Agreement dated February 15, 2011 between the Acquirers & Mr. Gokaraju Venkata Kanaka Ranga Raju, promoters of CIL (Seller) for acquisition of 70.00% of shares of CIL and subsequent change in control and management.
- b. Copy of certificate dated January 18, 2011 from Mr. D Premnath, Partner, Membership No. 207133, M/s. Ramachandram & Co., Chartered Accountants, certifying the net worth of each of the Acquirers as on December 31, 2010.
- c. Copy of certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- d. Audited Accounts of CIL for the financial years 2007-08, 2008-09 and 2009-10 and un-audited financial results for the period ended from April 01, 2010 to December 31, 2010.
- e. Published Copies of the Public Announcement made in newspapers.
- f. Due Diligence Certificate dated March 7, 2011 submitted to SEBI by Birla Capital and Financial Services Limited, Manager to the Offer.
- g. Copy of MOU dated February 16, 2011 between the Acquirers and the Manager to the Offer.
- h. Copy of MOU dated February 18, 2011 between the Acquirers and the Registrar to the Offer.
- i. Copy of Escrow Agreement dated February 17, 2011 between the Acquirers, M/s INDUSIND Bank Limited and M/s Birla Capital and Financial Services Limited.
- j. Undertakings and certificates dated March 05, 2011 received from the Acquirers regarding the open offer.
- k. A copy of letter from INDUSIND Bank dated February 18, 2011 confirming that the amount is kept in the escrow account and a lien has been marked in favour of the Manager to the Offer for the escrow account.
- l. SEBI Observation Letter no. CFD/DCR/TO/SA/OW/9488/11 DATED March 22, 2011.

## 10. DECLARATION

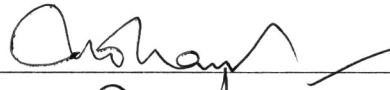
1. We have made all reasonable inquiries, accept responsibility for, and confirm that this Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
2. We are responsible for ensuring compliance with the Regulations. All information contained in this document is true and correct as on date of the Public Announcement, unless stated otherwise.
3. We hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956 and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
4. The Manager to the Offer hereby states that the persons signing this Letter of Offer are the Acquirers.

Signed by

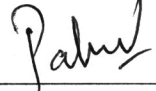
1. Mr. Kalakuntla Sudheer Rao



2. Mr. Saraswatula Siva Rama Krishna Mohan Babu



3. Mr. Pasupulati Pavan Kumar



Hyderabad, March 28, 2011

Encl:

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

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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**  
(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)  
**FORM OF ACCEPTANCE - CUM - ACKNOWLEDGMENT**

<b>FROM</b> Name: _____  Address: _____	Category: Individual / Body Corporate / NRI / OCB / FI / MF / Bank / Clearing Member / FII / Non-Resident Ledger Folio No.: _____ No. of Shares Held _____	<b>OPEN OFFER</b> Offer Opens on: April 15, 2011 Last date of withdrawal: May 2, 2011 Offer Closes on: May 05, 2011
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To  
 Bigshare Services Private Limited  
 E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka  
 Andheri (East), Mumbai - 400 072  
 Ph: +91 22 2847 0652; Fax: +91 22 2847 5207  
 E-mail: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)  
 Contact Persons: Mr. Vishant Nayak

Dear Sir,

**Sub: Open Offer to the shareholders of Croitre Industries Limited ('CIL') (formerly known as Sai Wires India Limited) for acquisition of 12,61,278 fully paid-up equity shares of INR 10.00 each representing 20.00% of the paid-up and voting share capital of CIL, for cash at a price of INR 0.25 paise per share by Mr. Kalakuntla Sudheer Rao, Mr. Saraswatula Siva Rama Krishna Mohan Babu, Mr. Pasupulati Pavan Kumar (hereinafter referred to as 'Acquirers').**

I / We refer to the Letter of Offer dated \_\_\_\_\_ for acquiring the Equity Shares held by me/us in CIL.

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

I / We hold the shares in the Physical Form, accept the Offer and enclose the original Share certificate (s) and duly signed transfer deed (s) in respect of my /our Shares as detailed below:

Sl. No.	No. of shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Nos	
				FROM	TO
<b>TOTAL</b>					

(In case of insufficient space, please use additional sheet and authenticate the same by putting signatures on each sheets)

----- Tear along this line -----

**ACKNOWLEDGMENT RECEIPT**  
**CROITRE INDUSTRIES LIMITED (CIL) - OPEN OFFER**  
 (to be filled in by the shareholders)

Received from Mr. / Ms. / M/s. \_\_\_\_\_ Form of Acceptance-cum-Acknowledgment in connection with Open Offer to Shareholders of Croitre Industries Limited.

<b>FROM</b> Name: _____  Address: _____	Category: Individual / Body Corporate / NRI / OCB / FI / MF / Bank / Clearing Member / FII / Non-Resident Ledger Folio No.: _____ No. of Shares Held _____	<b>OPEN OFFER</b> Offer Opens on: April 15, 2011 Last date of withdrawal: May 2, 2011 Offer Closes on: May 05, 2011
--	--	--

Ledger Folio No. \_\_\_\_\_ & \_\_\_\_\_ No. of share certificates

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

I / We note and understand that the original Share certificate(s) and valid Share transfer deed(s) will be held in trust for me / us by the Registrar to the Offer until the time the Acquirer pay 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 note and understand that the shares would lie in the Escrow Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.

I / We confirm that the Equity Shares of CIL, which are being tendered herewith by me / us under the Offer, are free from lien, charges and encumbrances of any kind whatsoever.

I / We authorize the Acquirer to accept the Shares so Offered which he may decide to accept in consultation with the Registrar to the Offer and in terms of the Letter of Offer and I / We further authorize the Acquirer to return to me / us, equity Share certificate(s) in respect of which the Offer is not found valid / not accepted, specifying the reasons thereof.

I / We authorize the Acquirer or the Registrar to the Offer to send by Registered Post (under UCP if less than INR 1,500) the draft / cheque in settlement of the amount to the sole/first holder at the address mentioned below.

Yours faithfully

Signed and Delivered \_\_\_\_\_

	Full Name(s)	Signature(s)	Address of First / Sole shareholder
First / Sole Shareholder			
Second Shareholder			
Third Shareholder			

Note: In case of joint holdings, all holders must sign. A corporation / Company must affix its common seal & Board resolution.

Name of the Bank: _____	Branch: _____
Account Number: _____	Savings / Current / Others: _____
I/We want to receive the payment through ECS / RTGS / NEFT / DC / NECS (please strike of, for the mode not required)	
In case of ECS, 9 digit code number of the Bank & Branch (appearing on MICR cheque issued by Bank)	
_____	
In case of RTGS / NEFT, 8 digit IFSC number issued by the Bank	
_____	

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

(Business hours: Monday to Saturday: 10.00 am to 5.0 pm except holidays)

All queries in this regard to be addressed to the Registrar to the Offer quoting your Ledger Folio No.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION  
(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)

FORM OF WITHDRAWAL

(You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to this Offer any time upto three working days prior to the date of closure of Offer. In case you wish to withdraw your acceptance please use this form)

To  
Bigshare Services Private Limited  
E-2, Ansa Industrial Estate  
Sakivihar Road, Saki Naka  
Andheri (East), Mumbai - 400 072  
Ph: +91 22 2847 0652; Fax: +91 22 2847 5207  
E-mail: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)  
Contact Persons: Mr. Vishant Nayak

Dear Sir,

**Sub: Open Offer to the shareholders of Croitre Industries Limited ('CIL') (formerly known as Sai Wires India Limited) for acquisition of 12,61,278 fully paid-up equity shares of INR 10.00 each representing 20.00% of the paid-up and voting share capital of CIL, for cash at a price of INR 0.25 paisa per share by Mr. Kalakuntla Sudheer Rao, Mr. Saraswatula Siva Rama Krishna Mohan Babu, Mr. Pasupulati Pavan Kumar (hereinafter referred to as 'Acquirers').**

I / We refer to the Letter of Offer dated \_\_\_\_\_ for acquiring the Equity Shares held by me / us in CIL.

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

I / We have read the procedure for withdrawal of Equity Shares tendered by me/us in the Offer as mentioned in the Letter of Offer and unconditionally agree to the terms and conditions as mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my / our Equity Shares from the Offer and I / We further authorize the Acquirer to return to me/us the tendered equity Share certificate(s)/Share(s) at my / our sole risk.

I / We note that upon withdrawal of my/our Equity Shares from the Offer, no claim or liability shall lie against the Acquirer / Manager to the Offer / Registrar to the Offer.

I / We note that this form of withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal May 02, 2011 by 4.30 pm.

I / We note that the Acquirer / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Equity Shares and also for non-receipt of Equity Shares due to inaccurate/incomplete particulars/instructions.

I / We also note that and understand that the original Share certificate(s), Share transfer deeds(s) and Equity Shares only on completion of verification of the documents, signatures carried out by the Registrar.

----- Tear along this line -----

ACKNOWLEDGMENT RECEIPT  
CROITRE INDUSTRIES LIMITED (CIL) - OPEN OFFER

Received from Mr. / Ms. / M/s. \_\_\_\_\_ Form of Acceptance-cum-Acknowledgment in connection with Open Offer to Shareholders of Croitre Industries Limited.

Ledger Folio No. \_\_\_\_\_ & \_\_\_\_\_ No. of share certificates

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

The particulars of tendered original Share certificate(s) and duly signed transfer deed(s) and the Shares we withdraw are detailed below.

Folio No.:

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

Sl. No	Certificate No	Distinctive Nos		No. of equity shares
		From	To	
	TENDERED			
1				
2				
3				
	WITHDRAWN			
1				
2				
3				
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(s) 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.

I / We authorise the Acquirer to reject the Shares so offered which he may decide in consultation with Registrar to the Offer and in terms of the Letter of Offer.

Yours faithfully,

Signed \_\_\_\_\_

	Full Name(s)	Signature(s)	Address of First / Sole shareholder
First / Sole Shareholder			
Second Shareholder			
Third Shareholder			

Note: In case of joint holdings, all holders must sign. A corporation / Company must affix its common seal & Board resolution.