

**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 **Jaihind Synthetics Limited (JSL)**. If you require any clarification 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 the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

**Shri. Mihir D Karia**, 9, Gunbow Street, Patel Chambers, 3<sup>rd</sup> Floor, Fort, Mumbai 400 001  
Tel No (022) 2266 2268, Fax No. (022) 2265 4717, E Mail Id: mumbai@heropaper.com  
**Shri. Meghji G Patel**, 140/10, Asha Bindu, Opp. Garodia School, Garodia Nagar, Ghatkopar (East), Mumbai 400 077,  
Tel No (022) 2506 4442, E Mail Id: Learjet\_megh@yahoo.co.in  
**Shri. Hasmukh G Patel**, D 6/7, Patel Super Market, Station Road, Bharuch 392 001, Gujarat State  
Tel No (02642) 229865, E Mail Id: hgp@rediffmail.com

&  
**Shri. Paresh V Savani**, 15, Urmi Society -2, Varachha Road, Surat 395 006, Gujarat State  
Tel No (0261) 2572007, E Mail Id: paresh\_savani@rediffmail.com

( hereinafter collectively referred to as " the Acquirers")  
**MAKES A CASH OFFER AT RS. 6/- ( RUPEES SIX ONLY) PER  
FULLY PAID EQUITY SHARE AND RS. 1/- PER PARTLY PAID EQUITY SHARE**

**TO ACQUIRE**  
9,60,000 Equity Shares of Rs. 10/- each representing 20 % of the issued & subscribed Capital and 23.02% of the Voting capital of  
**the Target Company**

**JAIHIND SYNTHETICS LIMITED (JSL)**  
**Regd. Office:** Room No. 11, Purshottam Niwas, 31, Dadi Seth Agiary Lane, 2<sup>nd</sup> Floor, Mumbai 400 002  
Tel. No. (022) 2205 6341, 2208 8813 E-mail: [madanlal\\_jsl@yahoo.co.in](mailto:madanlal_jsl@yahoo.co.in)

**Notes:**

- This Offer is made pursuant to and in compliance with Regulations 10 & 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereof.
- This Offer is not conditional as to any minimum level of acceptance.
- This is not a competitive bid.
- There has been no revision of Offer price, till the date of this Letter of Offer
- As on the date of this Letter of Offer, no 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.
- **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 3 working days prior to the date of closure of the Offer. The Last date for such withdrawal is Wednesday, January 31, 2007**
- The Acquirers can revise the Offer price upto 7 working days prior to the date of closure of the Offer. The last date for such revision is Tuesday, January 23, 2007. Any upward revision or withdrawal of the Offer would be informed by way of a Public Announcement in the same Newspapers where the original Public Announcement had appeared. **Consideration at the same rate will be paid for all Equity Shares tendered anytime during the Offer period.**
- Details of Competitive bid, if any : **There is no competitive bid**
- **If there is a competitive bid, all the subsisting bids will close on the same date.**
- The Registration of all the Intermediaries associated with the Offer, viz. Fedex Securities Ltd, Manager to the Offer and System Support Services, Registrar to the Offer are valid and no action has been initiated by SEBI or any other Government body against them.
- A copy of this Letter of Offer (including the Form of acceptance and acknowledgement, Form of Withdrawal) and Copy of the Public Announcement and copy of Corrigendum to PA are available on SEBI's web-site: [www.sebi.gov.in](http://www.sebi.gov.in)

MERCHANT BANKER TO THE OFFER	REGISTRARS TO THE OFFER
<b>FEDEX SECURITIES LIMITED</b> SEBI Regn. No. 1NM 00010163 3 <sup>rd</sup> Floor, Jay Chambers, Service Road, Adj. Western Express Highway Vile Parle (East), Mumbai 400 057 Tel. Nos. (022) 26136460/61 Fax No. (022) 2618 6966 E Mail: <a href="mailto:fedex@vsnl.com">fedex@vsnl.com</a> <b>Contact Person: Shri. R. Ramakrishnan</b>	<b>SYSTEM SUPPORT SERVICES</b> SEBI Regn. No. INR000000502 89, Andheri Kurla Road, Saki Naka Andheri ( East), Mumbai 400 072 Tel. No. (022) 2850 0835 Fax. No. (022) 2850 1438 Email ID: <a href="mailto:zueb@sysss.com">zueb@sysss.com</a> <b>Contact person: Shri. Zoeb Sutarwala</b>

The Schedule of activities is as follows:

Activity	Original	Revised
Public Announcement (PA)	Saturday, September 30, 2006	Saturday, September 30, 2006
Corrigendum to PA		Wednesday, January 10, 2007
Specified date	Saturday, October 21, 2006	Saturday, October 21, 2006
Last date for a competitive bid	Saturday, October 21, 2006	Saturday, October 21, 2006
Letter of Offer to be posted to shareholders	Thursday, November 09, 2006	Friday, January 12, 2007
Date of opening of the Offer	Wednesday, November 15, 2006	Wednesday, January 17, 2007
Last date for withdrawing acceptance from the Offer	Wednesday, November 29, 2006	Wednesday, January 31, 2007
Date of closing of the Offer	Monday, December 04, 2006	Monday, February 05, 2007
Last date for revising the Offer price/ number of shares.	Thursday, November 23, 2006	Tuesday, January 23, 2007
Last date of communicating rejection/ acceptance and payment of consideration for applications accepted	Tuesday, December 19, 2006	Tuesday, February 20, 2007

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### Risk Factors relating to the transaction, the proposed Offer and probable risks involved in associating with the Acquirers

1. The Acquirers do not have any experience in textile manufacturing or marketing , the main activity of the Target Company . However, the Acquirers have expressed their intention to amend the Main Objects of the Company so as to enable the Target Company to commence business relating to chemicals etc.
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 successful completion of the Open Offer formalities, including Despatch of consideration for the Shares accepted.
3. Association of the Acquirers with JSL/taking control of JSL by the Acquirers does not warrant any assurance with respect to the future financial performance of JSL.
4. Shareholders accepting this Offer will be tendering their Equity Shares before getting payment of consideration as the Acquirers have 15 days time from date of closure of offer to make payment of consideration. Further, they will not be able to take advantage of any favorable price movements in the market.
5. As on 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. The Despatch of consideration can be delayed beyond 15 days from date of closure of offer, in case any statutory approval, which becomes so applicable on a later date, is not received. 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 from date of closure of Offer.
6. Potential Agro Chemicals Pvt. Ltd, a Company promoted by the Acquirers set up to manufacture of Ethanol is yet to commence commercial operations.
7. The Acquirers intend to amend the main objects of the Target Company so as to enable it to commence business relating to Chemicals, ethanol etc. The Acquirers and other ventures promoted by the Acquirers are also in the same line of business and as such, there is potential conflict of interest.
8. The profitability of the other Companies/ventures promoted by the Acquirers are very low.

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**DEFINITIONS/ABBREVIATIONS**

1	JSL/Target Company	Company whose Equity Shares are proposed to be acquired viz. Jaihind Synthetics Limited.
2	Acquirers	Shri. Mihir D Karia, Shri. Meghji G Patel, Shri. Hasmukh G Patel & Shri. Paresh V Savani , who are offering to acquire Shares through this Offer
3	PACs	Persons Acting in Concert with the Acquirers In this case, none.
4	RBI	Reserve Bank of India
5	SEBI/Board	Securities and Exchange Board of India
6	Merchant Banker/ Manager to the Offer	Fedex Securities Limited
7	Registrar to the Offer	System Support Services
8	PA/ Public Announcement	Announcement of the Offer made by the Acquirers in the dailies, on Saturday, September 30, 2006
9	Offer	Cash offer being made by the Acquirers to the Shareholders of the Target Company
10	Shares	Equity Shares
11	EPS	Earnings per Equity Share, for the period under reference and annualized
12	Book Value	Book Value of each Equity Share as on the date referred to
13	Regulations/Takeover Regulations/ SEBI(SAST) Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 as amended till date
14	NAV	Net Asset Value of Equity Shares
15	Persons not eligible to participate in the Offer	Parties to the Agreement & the Acquirers
16	Persons eligible to participate in the Offer	All Equity Shareholders of the Target Company, other than the Acquirers & parties to the Agreement. Both registered and unregistered Shareholders can participate in the Offer
17	BSE	The Bombay Stock Exchange Ltd
18	RNW	Return on Net Worth
19	FII	Foreign Institutional Investors
20	NRI	Non Resident Indians and persons of Indian origin residing abroad
21	FI	Financial Institutions
22	SFI	State level Financial Institutions
23	UTI	Unit Trust of India
24	JSE	Jaipur Stock Exchange
25	ASE	Ahemedabad Stock Exchange
26	CSE	Calcutta Stock Exchange, Kolkatta
27	PAT	Profit after Tax
28	Voting capital	Shares which gives the holder right to vote in a general meeting of the Target Company , in this case all holders of fully paid Shares
29	Shareholders who are not eligible to vote in General Meeting	Shareholders holding partly paid shares, the Shares being partly paid, on account not paying allotment money/ calls till date
30	MCX	Multi Commodity Exchange of India Ltd
31	SEBI Insider Trading Regulations	SEBI((Prohibition of Insider Trading Regulations) 1992 as amended.
32	Agreement	The Agreement for Sale of Shares dated September 29, 2006 between the Acquirers and promoters of the Target Company
33	Corrigendum to PA	Corrigendum to the Public Announcement, made on January 10, 2007

## LETTER OF OFFER

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### 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 JAIHIND SYNTHETICS LIMITED (JSL), THE TARGET COMPANY, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S), PACs 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 ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER M/S. FEDEX SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 10, 2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF.

### 2. DETAILS OF THE OFFER

#### 2.1 Background of the Offer

- 2.1.1 Shri. Mihir D Karia, aged 24 years, residing at 9, Gunbow Street, Patel Chambers, 3<sup>rd</sup> Floor, Fort, Mumbai 400 001(Tel No (022) 2266 2268, Fax No. (022) 2265 4717, E Mail Id: mumbai@heropaper.com), Shri. Meghji G Patel, aged 44 years, residing at 140/10, Asha Bindu, Opp. Garodia School, Garodia Nagar, Ghatkopar (East), Mumbai 400 077( Tel No (022) 2506 4442, E Mail Id: Learjet\_megh@yahoo.co.in), Shri. Hasmukh G Patel, aged 42 years, residing at D 6/7, Patel Super Market, Station Road, Bharuch 392 001, Gujarat State (Tel No (02642) 229865, E Mail Id: hgp@rediffmail.com) & Shri. Paresh V Savani, aged 27 years, residing at 15, Urmi Society -2, Varachha Road, Surat 395 006, Gujarat State (Tel No (0261) 2572007, E Mail Id: paresh\_savani@rediffmail.com) ("the Acquirers") are making an open Offer to the Public Shareholders (i.e. Shareholders other than the Acquirers, promoter group shareholders of JSL and parties to the Agreement) of Jaihind Synthetics Limited (" JSL", "the Target Company") to acquire 9,60,000 Equity Shares of Rs. 10/- each representing 20.00 % of issued & subscribed capital & 23.02% of the voting Capital of JSL. The Offer is at a price of Rs.6/- (Rupees Six only) per Equity Share fully paid up and at Rs. 1/- per partly paid up Equity Share ("the Offer Price"), payable in cash ("the Offer"), subject to the terms and conditions mentioned hereinafter. The offer price for partly paid Equity Shares have been worked out as the difference between the Offer price and amount unpaid per partly paid Share (Interest waived).
- 2.1.2 The Acquirers presently do not hold any Equity Shares in JSL. The Acquirers have entered into an Agreement for Sale of Shares ("Agreement") on September 29, 2006 with Shri. Roopnarayan R Sharda residing at Gurukunj, 74, Brahmin Ali, Bhiwandi 421302 , Dist. Thane (Tel No. (02522) 250823) & Shri. Madanlal R Sharda, residing at Nalanda Building, 3<sup>rd</sup> Floor, Gokul Nagar,, Bhiwandi, 421 302, Dist. Thane (Tel No. (02522) 252 168), the promoter group Shareholders of JSL to acquire 7,20,000 Equity Shares, each fully paid up, representing 15 % of the issued and subscribed capital of the Target Company, at a price of Rs. 2/08 per fully paid Share for cash consideration. The Agreement also provides for Change in Control in favor of the Acquirers. This Agreement has necessitated the Open Offer in terms of Regulation 10 and 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997. The Offer is subject to the provisions of the Companies Act 1956, SEBI (SAST) Regulations as amended and listing agreement of the Target Company with the Stock Exchanges and other applicable Laws and Regulations in force. The salient features of the Agreement are (i) The Acquirers shall comply with all the LAWS for the time being in force related to the acquisition of the Shares agreed to be acquired through the Agreement, in particular the SEBI (Substantial Acquisition of Shares and Takeovers) Regulation 1997 (Takeover Code) as amended from time to time and shall comply with all the formalities/requirements mentioned therein. (ii) The transfer of the Shares under the Share Purchase Agreement and the payment of the consideration by the ACQUIRERS to the SELLERS shall be subject to compliance with Regulation 22 (16) of the Takeover Code (iii) The actual and effective transfer of Shares and payment of consideration as the case may

be, shall be effected only upon successful completion of the Open offer to Public Shareholders of the TARGET COMPANY, as required under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 as amended till date. (iv) The transfer of Shares and change in control shall also be subject to certification by Merchant Banker as required under Regulation 23(6) of the Takeover Code. (v) The consideration for purchase of the Shares shall be Rs. 2/08(Rupees Two Ps Eight only) per Target Share, aggregating Rs.14, 97,600/- (Rupees Fourteen Lacs Ninety seven thousand Six hundred only) for the Shares payable by the Acquirers to the Sellers subject to the fulfillment of condition precedent and the receipt of deliveries (vi) The sellers will take steps to ensure that the existing Directors of the Target Company, who are nominees of the Sellers viz. Shri. M R Sharda, Shri. D R Sharda & Shri. R N Sharda shall resign and the nominees of the Acquirers are appointed on the Board of Director of Target Company. Further, the Sellers will not appoint or cause to be appointed any person as Director of the Target Company with effect from the execution of the Agreement. The aforesaid nominees of the Sellers shall resign from the Board of the Target Company pursuant to the Public Announcement and completion of Open Offer formalities and certification by Merchant Banker. (vii) In case of non-compliance of any provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, then the agreement for such sale shall not be acted upon by the Sellers or the Acquirers.

- 2.1.3 The persons/entities who are deemed to be PACs as per the Regulations do not hold any Equity Shares in the Target Company. They are not parties to the present Acquisition/Offer.
- 2.1.4 The Acquirers propose to take control over the Target Company. Upon completion of the Offer formalities and Certification by Merchant Banker, the nominees of the present promoters will resign from the Board of Directors and the Acquirers or their nominees will be inducted in their place.
- 2.1.5 The Acquirers, the Target Company, its promoters/Directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act. No other action has been taken against them by SEBI.
- 2.1.6 There is no person in the Board of the Target Company, representing the Acquirers.
- 2.1.7 Subject to satisfaction of the provisions under the Companies Act, 1956 and /or any other Regulation(s), the Acquirers intend to make changes in the management of JSL. It is proposed to induct new Directors on the Board of JSL. The Acquirers are yet to decide on the name of the persons who will be so inducted to the Board. The likely changes in the management of JSL shall be subject to compliance with Regulation 23(6) of the Regulations. During the offer period, i.e. from date of the Agreement till completion of all formalities relating to this Offer , including payment of consideration for Shares accepted under the Offer and certification by Merchant Banker, the Acquirers shall not be entitled to be appointed on the Board of Directors of the Target Company.
- 2.1.8. The proportion in which the Equity Shares will be acquired by each of the Acquirers under the Agreement and this Offer, has not been decided yet.

**2.2 Details of the proposed Offer**

2.2.1. A Public Announcement, as per Regulation 15 (1) of the Regulations, was made in all editions of one English language daily with wide circulation, one Hindi national daily with wide circulation and one vernacular daily published at the place where the registered office of the Target Company is situated which is also the place where the Equity Shares of the Target Company is most frequently traded, as detailed below. A corrigendum to the Public Announcement was made on January 10, 2007 in the same newspapers and editions which carried the original PA. The Public Announcement is also available at SEBI's Website : [www.sebi.gov.in](http://www.sebi.gov.in)

<b>Newspaper</b>	<b>Language</b>	<b>Editions</b>	<b>Date of PA</b>	<b>Date of Corrigendum</b>
Business Standard (covers all editions)	English	Mumbai, Delhi, Kolkatha, Bangalore, Chennai, Hyderabad , Lucknow, Chandigarh, Kochi & Ahmedabad editions	Saturday , September 30, 2006	Wednesday, January 10, 2007
Prathakaal (covers all editions)	Hindi	Mumbai Edition Udaipur Edition Jaipur Edition	Saturday , September 30, 2006	Wednesday, January 10, 2007
Mumbai Lakshadweep, Mumbai	Marathi	Mumbai	Saturday , September 30, 2006	Wednesday, January 10, 2007

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- 2.2.2 The Offer is to acquire 9,60,000 Equity Shares representing 20 % of issued & subscribed Capital of JSL . The same works out to 23.02% of the voting Capital.
- 2.2.3 The Offer price is Rs. 6/- (Rupees Six only) per each fully paid up Equity Share and Rs. 1/- (Rupees One only ) for partly paid up Shares (unpaid amount in partly paid Shares being Rs. 5/-), the offer price on partly paid Shares having been worked out by reducing the unpaid amount from the Offer price for fully paid Shares interest waived.
- 2.2.4 The consideration will be paid in Cash. There is no differential price since entire consideration is payable in cash.
- 2.2.5 This is not a competitive bid.
- 2.2.6 This Offer is not conditional as to any minimum level of acceptance.
- 2.2.7 The Acquirers have not made any further acquisition of Shares since the Public Announcement was made.
- 2.2.8 Details of competitive bids, if any : **There is no competitive bid**
- 2.2.9 Fedex Securities Limited, Manager to the Offer does not hold any Equity Shares in the Target Company. They declare and undertake that they shall not deal in the Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of fifteen days from the date of closure of the offer
- 2.2.10 There is no agreement by the Acquirers with any person/entity, in connection with this offer. The entire Shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other person/entity proposes to take part in the acquisition.
- 2.2.11 In the event of any further acquisition of Equity Shares from the date of P.A. till 7 days prior to closure of Offer by the Acquirers at a price higher than the Offer Price, then the Offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, they shall not be acquiring any Equity Shares of JSL during the period of 7 working days prior to the date of closure of the Offer.
- 2.2.12 Compliance with Clause 40A of the Listing Agreement:** The acquisition of 20 % of the voting capital of JSL under this Offer together with the Equity Shares being acquired by the Acquirers under the Agreement will not result in public Shareholding falling below the level required for continued Listing and hence continued listing will be ensured. In the event of further acquisition by the Acquirers during the Offer period and if consequent to such acquisition, the public holding falls below the level required for continued listing, then Acquirers will comply with the relevant provisions of Clause 40A of the listing agreement in this regard, within the time limits stipulated therein.
- 2.3 OBJECT AND PURPOSE OF ACQUISITION AND FUTURE PLANS**
- 2.3.1 The objects of the acquisition are substantial acquisition of Shares of JSL, followed by change in control. The Acquirers are proposing to take control of JSL. The likely changes in the management of JSL shall be subject to compliance with Regulation 23(6) of the Regulations.
- 2.3.2 Barring unforeseen circumstances, the Acquirers are confident of ensuring sustained growth. JSL is presently not carrying on the main activity, the level of income is low and has returned losses in 2005-06. The Acquirers do not propose to continue with the existing activities. Instead, they propose to venture into activities in petrochemicals, chemicals, ethanol etc, both trading and manufacturing and related business. The Acquirers are promoters of Potential Agro Chemicals Pvt. Ltd , which has set up a project for manufacture of 60,000 ltr of Ethanol. One of the Acquirers is a Chemical Engineer with experience in various petrochemical units. Their experience will be utilized to ensure business growth in JSL. This will require an amendment in the Main Objects of JSL. The Acquirers propose to amend the main objects clause after complying with the provisions of the Companies Act and after getting approval from members so as to enable JSL to commence activities as stated above.
- 2.3.3 The Acquirers do not have any plans to dispose off or otherwise encumber any assets of JSL in the succeeding two years from the date of closure of the Offer, except in the ordinary course of business as may be permissible. They 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.
- 2.3.4 Subject to satisfaction of the provisions under the Companies Act, 1956 and /or any other Regulation(s), the Acquirers intend to make changes in the management of JSL It is proposed to induct new Directors on the Board
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of JSL. The Acquirers are yet to decide on the name of the persons who will be so inducted to the Board. The likely changes in the management /taking control by the Acquirers shall be subject to successful completion of the Open Offer formalities, including despatch of consideration for the Shares accepted and shall be subject to compliance with Regulation 23(6) of the Regulations

**3. BACKGROUND OF THE ACQUIRERS (INCLUDING PACs, IF ANY)**

3.1.1 Shri. Mihir D Karia, aged 24 years, Bachelor in Science and International Economics and Finance , residing at 9, Gunbow Street, Patel Chambers, 3<sup>rd</sup> Floor, Fort, Mumbai 400 001(Tel No (022) 2266 2268, Fax No. (022) 2265 4717, E Mail Id: mumbai@heropaper.com) is presently Director of Potential Agro Chemicals Pvt. Ltd.

Shri. Meghji G Patel, aged 44 years, is a Commercial Pilot by qualification. He is in the business of dry fruits and spices, real estate development and construction in Mumbai and Navi Mumbai. He is also Director of Potential Agro Chemicals Pvt. Ltd. He is residing at 140/10, Asha Bindu, Opp. Garodia School, Garodia Nagar, Ghatkopar (East), Mumbai 400 077 ( Tel No (022) 2506 4442, E Mail Id: Learjet\_megh@yahoo.co.in).

Shri. Hasmukh G Patel, aged 42 years, is a Matriculate and is residing at D 6/7, Patel Super Market, Station Road, Bharuch 392 001, Gujarat State (Tel No (02642) 229865, E Mail Id: hgp@rediffmail.com). He has over 25 years experience as a businessman, trading in paper, Stationery products and furniture. He is also into development of Commercial Complexes and is a Director of Potential Agro Chemicals Pvt. Ltd .

Shri. Paresh V Savani, aged 27 years, Chemical Engineer residing at 15 Urmi Society -2, Varachha Road, Surat 395 006, Gujarat State (Tel No (0261) 2572007, E Mail Id: [paresh\\_savani@rediffmail.com](mailto:paresh_savani@rediffmail.com)) , has specialized in Petro Chemicals and bio technology. He has undergone training at various Petrochemical units in and around Gujarat. He is also a Diploma holder in Sales and Marketing Management. He has business interest in textile chemicals, yarn fabrics etc. He is also a Director of Potential Agro Chemicals Pvt. Ltd and is instrumental in setting up the Ethanol project.

3.1.2 Among the Acquirers, Shri. Hasmukh G Patel and Shri. Meghji G Patel are brothers.

3.1.3 The Acquirers do not belong to any Group.

3.2.1. There are no persons acting in concert with the Acquirers.

3.2.2. The Acquirers do not have any representative on the Board of Directors of JSL. None of the Directors of JSL represent the Acquirers.

3.2.3. None of the Companies promoted by the Acquirers are listed.

3.2.4 The Acquirers are not on the Board of any listed Company. All the Acquirers are Directors in Potential Agrochemicals Pvt. Ltd., an unlisted Company. Shri. Hasmukh G Patel and Shri. Meghji G Patel are Directors of Ace Commodity Private Ltd., an unlisted Company.

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

3.2.6 As per Certificate dated 4<sup>th</sup> September 2006 issued by Shri Kishore K Haryani (Membership No. 110780), Proprietor, K K Haryani & Co, Chartered Accountants, G 14/B, Bombay Shopping Centre, Station Road, Bharuch 392 001 (Tel. No. (02642) 329700, Telefax No. (02642) 260794) the Net Worth of Shri. Hasmukh G Patel as on 31.03.2006 is Rs. 259.43 Lacs. As per Certificate dated 4<sup>th</sup> September , 2006 from Shri Kishore K Haryani (Membership No. 110780), Proprietor, K K Haryani & Co, Chartered Accountants, G 14/B, Bombay shopping Centre, Station Road, Bharuch 392 001 (Tel. No. (02642) 329700, Telefax No. (02642) 260794) the Net Worth of Shri. Paresh V Savani as on 4<sup>th</sup> September 2006 is Rs. 46.03 Lacs. As per Certificate dated September 29, 2006 from Smt. Sheetal S Katira (Membership No. 114075), Proprietor, Sheetal S Katira & Co., Chartered Accountants, 218/1, Prem Bagh, Sir Bhalchandra Road, Matunga, C.R., Mumbai 400 019, the Net Worth of Shri. Mihir D Karia as on 31<sup>st</sup> March 2006 is Rs. 71.50 Lacs. As per Certificate dated 29<sup>th</sup> September 2006 from Shri. Pankaj G Visharia (Membership No. 33170), Proprietor, Visharia & Associates, Chartered Accountants, 113/115, Saraswati Sadan, 1<sup>st</sup> floor, Off No. 11&12, New Chinch Bunder Road, Mumbai 400 009 the Net Worth of Shri. Meghji G Patel as on 31.03.2006 is Rs. 39.12 Lacs

3.2.7. Shri. Kishore K Haryani (Membership No. 110780), Proprietor, K K Haryani & Co, Chartered Accountants, G 14/

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B, Bombay Shopping Centre, Station Road, Bharuch 392 001 (Tel. No. (02642) 329700, Telefax No. (02642) 260794) have certified that the Acquirers have adequate liquid resources to meet the funds requirements of the Offer.

3.2.8 The applicable provisions of Regulation 6, 7 & 8 of Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 are not applicable to the Acquirers

### 3.2.9 BRIEF DETAILS OF THE ACQUIRERS AS ON DATE OF PA ARE TABULATED BELOW :

Name , address and contact details	Relationship, if any, with any other Acquirers/ PACs	Net Worth as certified by Chartered Accountant	Companies in which is a full time Director
Shri. Mihir D Karia 9, Gunbow Street, Patel Chambers, 3 <sup>rd</sup> Floor, Fort, Mumbai 400 001 Tel No (022) 2266 2268 Fax No. (022) 2265 4717 E Mail Id: mumbai@heropaper.com	No relationship	Rs. 71.50 Lacs as on 31.03.2006 (Certificate dated 29.09.06)	<b>Listed</b> NIL <b>Unlisted</b> Potential Agro Chemicals Pvt. Ltd
Shri. Meghji G Patel 140/10, Asha Bindu, Opp. Garodia School Garodia Nagar, Ghatkopar (East), Mumbai 400 077 Tel No (022) 2506 4442 E Mail Id: Learjet_megh@yahoo.co.in	Brother of Shri . Hasmukh G Patel	Rs. 39.12 Lacs as on 31.03.2006 (Certificate dated 29.09. 06)	<b>Listed</b> NIL <b>Unlisted</b> Potential Agro Chemicals Pvt. Ltd Ace Commodity Private Ltd
Shri. Hasmukh G Patel D 6/7, Patel Super Market Station Road, Bharuch 392 001 Gujarat State Tel No (02642) 229865 E Mail Id: hgp@rediffmail.com	Brother of Shri. Meghji G Patel	Rs. 259.43 Lacs as on 31.03.2006 (Certificate dated 04.09. 06)	<b>Listed</b> NIL <b>Unlisted</b> Potential Agro Chemicals Pvt. Ltd Ace Commodity Private Ltd
Shri. Paresh V Savani 15, Urmi Society -2 Varachha Road, Surat 395 006 Gujarat State Tel No (0261) 2572007 E Mail Id: paresh_savani@rediffmail.com	No relationship	Rs. 46.03 Lacs as on 04.09.2006 (Certificate dated 04.09. 06)	<b>Listed</b> NIL <b>Unlisted</b> Potential Agro Chemicals Pvt. Ltd

3.2.10 There are no PACs. None of the Acquirers are on the Board of Directors of any listed Company.

### 3.2.11.DETAILS OF LISTED COMPANIES, PROMOTED BY THE ACQUIRERS

The Acquirers have not promoted any Listed Company nor have control over any Listed Company. None of the Companies/Ventures promoted by the Acquirers have promoted any listed Company or have control over any listed Company.

### 3.2.12BRIEF DETAILS VENTURES /UNLISTED COMPANIES PROMOTED BY THE ACQUIRERS

(i) Name of the Firm	:	<b>NARMADA PAPER AGENCY , Bharuch, Gujarat</b>
Constitution	:	Partnership firm
Interested Acquirer	:	Shri. Hasmukh G Patel ( Partner)
Commencement of activity	:	13 <sup>th</sup> December 1981
Nature of activities	:	Trading in all types of paper and stationery products



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

(Rs. in Lacs)

<b>Details (Year ending March 31)</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Partners' Capital	126.65	126.15	122.99
Secured Loans	795.72	647.06	483.83
Unsecured Loans	57.55	59.05	62.55
Total Income	4394.99	3587.53	2811.55
Net Profit	3.74	1.15	2.67

- (ii) Name of the Firm : **NARMADA FURNITURES, Ankleshwar**  
 Constitution : Partnership firm  
 Interested Acquirer : Shri. Hasmukh G Patel ( Partner)  
 Commencement of activity : 22<sup>nd</sup> march 1990  
 Nature of activities : Trading in all types of Industrial, Domestic and Computer Furniture

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

(Rs. in Lacs)

<b>Details (Year ending March 31)</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Partners' Capital	19.50	19.35	8.28
Secured Loans	0.45	2.19	7.68
Unsecured Loans	0.00	0.00	0.00
Total Income	84.33	62.10	48.39
Net Profit	0.18	0.17	0.28

- (iii) Name of the Firm : **SIDHIVINAYAK PETROLEUM, Kutch**  
 Constitution : Proprietary Concern  
 Interested Acquirer : Shri. Hasmukh G Patel  
 Nature of activities : Retail outlet for Hindustan Petroleum

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

(Rs. in Lacs)

<b>Details (Year ending March 31)</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Proprietor's Capital	10.02	1.61	0.94
Secured Loans	46.35	28.56	13.31
Unsecured Loans	9.74	16.74	10.00
Total Income	506.70	764.88	472.69
Net Profit	0.86	0.98	0.40

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(iv) Name of the Company	:	<b>POTENTIAL AGRO CHEMICALS PVT. LTD</b>
Date of Incorporation	:	Januray 23, 2004
Board of Directors	:	Shri. Hasmukh G Patel Shri Paresh Savani Shri. Mihir D Karia Shri. Meghji G Patel
Nature of activities	:	Has set up a 60,000 litres per day Ethanol Plant. Just commenced Commercial operations.

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

(Rs. in Lacs)

<b>Details (Year ending March 31)</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Paid Up Equity Capital	1.00	1.00	1.00
Share Application Money	310.75	0.00	0.00
Reserves & Surplus /Acc. Losses	0.00	0.00	0.00
Total Income	N.A.	N.A.	N.A.
Profit after Tax/Loss	N.A.	N.A.	N.A.
Earnings per Share per Rs.10/- paid up Eq. Share (Rs.)	N.A.	N.A.	N.A.
Book Value per Share of Rs.10/- each (Rs.)	10	10	10

The Company is not a Sick Industrial Company. During the above period, the project implementation was on and the Company is set to commence commercial activity in 2006-07 only. No profit and loss account was drawn during the above period. The promoters have brought in Share Application money towards Equity Shares of Rs. 10/- at a premium of Rs. 40/- and hence spurt in Share Application Money in 2005-06. The Shares were subsequently allotted in May 2006.

(v) Name of the Firm	:	<b>SHIVJI GANJI &amp; CO</b>
Constitution	:	Proprietary Concern
Interested Acquirer	:	Shri. Meghji G Patel
Nature of activities	:	Whole sale business in grains, dry fruits etc.

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

(Rs. in Lacs)

<b>Details (Year ending March 31)</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Proprietor's Capital	3.01	3.88	4.18
Total Income	22.26	24.17	23.40
Net Profit	0.98	1.06	2.05

(vi) Name of the Firm	:	<b>SHREE BALAJI ENTERPRISES</b>
Constitution	:	Partnership firm
Interested Acquirer	:	Shri. Meghji G Patel ( Partner)
Nature of activities	:	Real Estate Development



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

(Rs. in Lacs)

Details	31.03 .2006	31.03.2005	31.03.2004
Partners' Capital	3.00	3.00	3.00
Partner's Current Account	0.25	1.37	0.29
Secured Loans	0.00	64.14	0.00
Unsecured Loans	130.07	161.80	144.39
Total Income	0.06	0.00	0.00
Net Profit /Loss	(5.37)	(0.78)	(0.53)

3.3 The Acquirers do not propose to dispose off or otherwise encumber any of the Assets of the Target Company in the next two years, except in the ordinary course of business. They undertake that they shall not sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of Shareholders.

### 3.4 FUTURE PLANS OF THE ACQUIRER WITH RESPECT TO JSL

JSL is presently not carrying on the main activity, the level of income is low and has returned losses in 2005-06. The Acquirers do not propose to continue with the existing activities. Instead, they propose to venture into activities in petrochemicals, chemicals, ethanol etc, both trading and manufacturing and related business. The Acquirers are promoters of Potential Agro Chemicals Pvt. Ltd , which has set up a project for manufacture of 60,000 ltr of Ethanol. One of the Acquirers is a Chemical Engineer with experience in various petrochemical units. Their experience will be utilized to ensure business growth in JSL. Further, their contacts will be utilized to source business in JSL.

## 4 BACKGROUND OF THE TARGET COMPANY

4.1.1 JSL was incorporated on 12<sup>th</sup> June 1986 at Mumbai, Maharashtra State, under the Companies Act, 1956. JSL made its maiden public issue in July 1993 and got its Equity Shares listed at the various Stock Exchanges including BSE. JSL set up looms to manufacture textile materials and clothes and had been manufacturing and marketing these products till 2002. However, the recession in the Textile Industry which started around 1996 made the activity no longer profitable and JSL slowly reduced the level of activity and finally discontinued the activity altogether in 2002.

The Registered Office of JSL is situated at Room No. 11, Purshottam Niwas, 31, Dadi Seth Agiary Lane, 2nd Floor, Mumbai 400 002.

JSL was carrying out manufacturing activities at its factory at Bhiwandi, Thane. The manufacturing activities were discontinued in the year 2002. The factory premises, which is taken on Lease, is remaining locked, except for occasional maintenance works.

The Fixed Assets owned by JSL are of Looms for manufacture of Textiles, Air Conditioners, Office Equipments, Vehicles and Furniture and fixtures. The looms are no longer in usable condition.

JSL is promoted by Shri. Madanlal R Sharda & Shri. Roopnarayan R Sharda.

The Directors of JSL are Shri. M R Sharda (Chairman & Managing Director) , Shri. Arun Kishanlal Somani (Independent Non Executive), Shri. R N Sharda, Shri. Bhagirath S Biyani (Independent Non Executive), Shri. R C Muchal ( Independent Non Executive) , Shri. M M Choksi ( Independent Non Executive) and Shri. Sandeep J Merchant ( Independent Non Executive)

4.1.2 The Authorized Capital of JSL is Rs. 500 Lacs, divided into 50,00,000 Equity Shares of Rs 10/- each .The issued and subscribed Equity Share Capital is 48,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 480 Lacs. An amount of Rs. 31.49 Lacs is calls in arrears. The Paid up Capital on 48 Lacs issued and subscribed Shares is Rs. 448.51 Lacs .All the Issued and subscribed Equity Shares are listed and admitted for trading. No Shares are subject to lock in. There are no outstanding warrants, options or convertible instruments convertible into Equity Shares on a later date.

4.1.3 JSL has signed agreement with both CDSL and NSDL for offering Shares in dematerialized form and is traded in

compulsory demat mode. The Marketable lot for the Shares of JSL is 1(one). The ISIN Number of Equity Shares in dematerialized form is INE 156E01014

- 4.1.4. JSL has, as its main objects, “to carry on all or any of the business of manufacturers, dealers, exporters, brokers, agents, stockiest, distributors, dyers, printers, bleachers of all textile fibres, fabrics, yarns, cloth, textile cloth, woolen, worsted material, silk garments, polyester yarn etc.”
- 4.1.5 JSL is presently not engaged in main activity, viz. textile manufacture . But surplus funds are invested in bank Deposits, Quoted Shares and Loans/ICDs.
- 4.1.6 JSL has no Subsidiaries.
- 4.1.7 JSL has not declared any Dividend in the last 5 years.
- 4.1.8 None of the Directors of JSL represent the Acquirers.
- 4.1.9 The Equity Shares of the Target Company are listed at The Bombay Stock Exchange Ltd (BSE), Jaipur Stock Exchange Ltd, Jaipur (JSE), Calcutta Stock Exchange Association Ltd , Kolkatha (CSE) & The Ahmedabad Stock Exchange , Ahmedabad (ASE).The Shares are not admitted as permitted Security in any other Stock Exchange.
- 4.1.10 JSL has been paying listing fee regularly to The Bombay Stock Exchange Ltd (BSE). The Listing fee in respect of the other listed Stock Exchanges is in arrears; JSE & ASE from 1997 onwards and CSE from 2001. JSL is yet to pay the arrears of listing fee. JSL has also not been filing returns under Chapter II of SEBI(SAST) Regulations as required under the Regulations. Returns under Regulation 6(2) & 6(4) for 1997 and under Reg. 8(3) from 1998 to 2002 were filed late, all on 21.08.2004. For the years 2003 & 2004, the filing under Reg. 8(3) is filed late, on September 28, 2004. For the years 2005 & 2006 the same has not been filed . SEBI has, vide letter No. CFD/DCR/RC/TO/13060/04 dated July 21, 2004, sent notice for imposition of penalty of Rs. 1,75,000/- on consent terms for non compliance till 2002. JSL has, replied that the non compliance was due to lack of knowledge and has sought condonation and opportunity for personal hearing before further action. For non compliance with Regulations 6 & 8 by the Target Company for the years 1997 to 2006, SEBI may initiate suitable action in terms of the Regulations and provisions of SEBI Act.
- 4.1.11 JSL is not a Sick Industrial Company
- 4.1.12 There has not been any merger or demerger or spin off of activity in the preceding 3 years.
- 4.1.13 There are no pending Litigations against the Target Company.
- 4.1.14 The provisions of Clause 49 of the Listing Agreement is being complied with, by JSL.
- 4.1.15 The Compliance Officer of the Target Company is Shri. Madanlal R Sharda, Director, who will be available at the address of the Registered Office of JSL.

**4.2.1 Share Capital structure of the Target Company**

<b>Paid up Equity Shares of JSL</b>	<b>No. of Shares</b>	<b>% of Shares</b>	<b>Voting Rights</b>	<b>% of voting rights.</b>
Fully paid up Equity Shares	41,70,100	86.88	41,70,100	86.88
Partly paid up Equity Shares	6,29,900	13.12	0	0
<b>Total paid up Equity Shares</b>	<b>48,00,000</b>	<b>100</b>	<b>48,00,000</b>	<b>100</b>
<b>Total voting rights in Target Company</b>	<b>41,70,100</b>	<b>86.88</b>	<b>41,70,100</b>	<b>86.88</b>

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### 4.2.2 Build Up of Current Capital

#### 4.2.2.1. Build up of Authorized capital

(In Rs.)

Date	From	To	Authorized Capital after enhancement
On Incorporation	0	50,00,000	50,00,000
12.05.1988	50,00,000	1,00,00,000	1,00,00,000
29.04.1992	1,00,00,000	5,00,00,000	5,00,00,000

#### 4.2.2.2 Build up of Current paid up Capital

Date of allotment	No. and % of Shares Issued	Cumulative paid up capital (Rs.)	Mode of allotment	Identity of allottees (e.g. - promoters /others	Status of compliance With SEBI (SAST) Regulations other Regulations under SEBI Act 1992
On Incorporation	700 0.014% of current capital	7000	Signatories to the Memorandum , for cash	Signatories to the Memorandum	Provisions of Companies Act, complied with
29.06.1987	1,21,500 2.531% of current Capital	12,22,000	Allotted to promoters, friends, relatives & associates	promoters, friends, relatives & associates.	Provisions of Companies Act, complied with
14.12.1987	77,800 1.62% of current Capital	20,00,000	Allotted to promoters, friends, relatives & associates	promoters, friends, relatives & associates.	Provisions of Companies Act, complied with
10.03.1989	2,00,000 4.1667% of Current Capital	40,00,000	Allotted to promoters, friends, relatives & associates	promoters, friends, relatives & associates.	Provisions of Companies Act, complied with
19.05.1992	1,92,600 4.012% of Current Capital	59,26,000	Allotted to promoters, friends, relatives & associates	promoters, friends, relatives & associates.	Provisions of Companies Act, complied with
07.10.1993	11,87,400 24.737% of Current Capital	1,78,00,000	Allotted to promoter Group as part of public offer	promoters, friends, relatives & associates.	Provisions of Companies Act, complied with SEBI Clarifications on Public Issue complied with.
07.10.1993	7,000 0.1458% of Current Capital	1,78,70,000	Allotted to employees as part of public offer	Employees of the Company.	Provisions of Companies Act, complied with SEBI Clarifications on Public Issue complied with.
07.10.1993	30,13,000 62.771% of Current Capital	4,80,00,000	Allotted to Public	Allotted to Indian Public	Provisions of Companies Act, complied with SEBI Clarifications on Public Issue complied with.

4.2.2.3 Change in Shareholding of promoters and position of Compliance

Date of allotment/ acquisition	No. of Shares Issued /acquired/ sold/ reduced	Cumulative Share Holding	Mode of allotment/ Acquisition	Identity of persons (e.g.- promoters /others	Status of compliance with SEBI (SAST) Regulations other Regulations under SEBI Act 1992 & other statutory requirements, as applicable
Till 07.10.1993 As per above table	17,80,000	17,80,000	Private placement for cash	Promoters/promo ter group	SEBI (SAST) Regulations not applicable. Complied SEBI Clarifications on Public Issue. Complied with other statutory requirements
Between 07.10.1993 and 20.02.1997 (As reported under Reg. 6(4) less 400 Shares sold prior to 20.02.1997 but transferred after 20.02.1997)	Net addition of 4,77,100 Shares (400 shares sold prior to 20.02.1997 but transferred after 20.02.1997 has also been considered) (9.94% of listed Capital)	22,57,100 ( 47.02% of listed Capital)	Net effect of market purchases and sales.	Promoters/promo ter group	SEBI (SAST) Regulations not applicable. No copies of any reporting are available
Between 20.02.1997 and 31.03.1997	No sale or purchase	22,57,100	No change		
Between 31.03.1997 and 31.03.1998	Gross purchase of 36,500 Shares in February 1998 and gross sales of 83,400 Shares in February 1998 Net reduction of 46,900 Shares (0.98%)	22,10,200	Gross purchase is 0.76% of voting Capital. Gross Sales is 1.74% of voting Capital. Purchases and sales are within the limits under SAST Regulations.	Promoters/promo ter group	SEBI (SAST) Regulations and other applicable provisions under SEBI Act not applicable
Between 31.03.1998 and 31.03.1999	No purchases. Sale of 58,100 Shares in February 1998. Net reduction of 58,100 Shares (1.21%)	21,52,100	Change is within the limits under SAST Regulations	Promoters/promo ter group	SEBI (SAST) Regulations and other applicable provisions under SEBI Act not applicable
Between 31.03.1999 and 31.03.2000	Sale of 100 Shares. No purchases.Net reduction of 100 Shares (0.002%)	21,52,000	Change is within the limits under SAST Regulations	Promoters/promo ter group	SEBI (SAST) Regulations and other applicable provisions under SEBI Act not applicable.
Between 31.03.2000 and 31.03.2001	No purchases. Sale of 70,100 Shares in February 2000. Net reduction of 70,100 Shares (1.46%)	20,81,900	Change is within the limits under SAST Regulations	Promoters/promo ter group	SEBI (SAST) Regulations and other applicable provisions under SEBI Act not applicable.

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<b>Date of allotment/ acquisition</b>	<b>No. of Shares Issued /acquired/ sold/ reduced</b>	<b>Cumulative Share Holding</b>	<b>Mode of allotment/ Acquisition</b>	<b>Identity of persons (e.g.- promoters /others</b>	<b>Status of compliance with SEBI (SAST) Regulations other Regulations under SEBI Act 1992 &amp; other statutory requirements, as applicable</b>
Between 31.03.2001 and 31.03.2002	No change	20,81,900			SEBI (SAST) Regulations and other applicable provisions under SEBI Act not applicable.
Between 31.03.2002 and 31.03.2003	No purchase. Sale of 100 Shares (0.002%) in Feb 2001. But transferred in 2002 -03 only.	20,81,800	Change is within the limits under SAST Regulations	Promoters/promoter group	SEBI (SAST) Regulations and other applicable provisions under SEBI Act not applicable.
Between 31.03.2003 and 31.03.2004	No change	20,81,800			SEBI (SAST) Regulations and other applicable provisions under SEBI Act not applicable.
Between 31.03.2004 and 31.03.2005	Purchase of 1,43,000 Shares in January 2005 and Sale of 1,19,800 Shares in January 2005 Net increase of 23,100 Shares (0.48%)	21,05,000	Purchase is 2.98% and sales 2.50%. Change is not within the limits under SAST Regulations, for reporting	Promoters/promoter group	Both the purchase and Sale should have been reported under Reg. 7 (1A) of SEBI (SAST) Regulations as the same exceeds 2% of voting capital. No reporting has been done.
Between 31.03.2005 and 31.03.2006	No purchases. Sale of 4,18,400 Shares in May 2005. Net reduction of 4,18,400 Shares (8.72%)	16,86,600	The sales are 8.72%. Change is not within the limits under SAST Regulations for reporting.	Promoters/promoter group	Sale should have been reported under Reg. 7 (1A) of SEBI (SAST) Regulations as the same exceeds 2% of voting capital. No reporting has been done.
Between 01.04.2006 to 30.09.2006	Sale of 62,000 Shares in March 2006 and sale of 400 Shares in August 2006. Net decrease of 62,400 Shares (1.30%)	16,24,200	Sale within the limits under SAST Regulations	Promoters/promoter group	Reporting done for sale of 62,000 Shares on March 7, 2006 to the Company but the same is not in the prescribed format (Under Reg. 71(A) of SEBI (SAST) Regulations .The Shares were held in physical form and transfer effected in April 2006.

SEBI may take appropriate action in respect of the aforesaid non compliance with applicable provisions of SEBI (Prohibition of Insider Trading Regulations) 1992 and reporting requirement under SEBI(Substantial Acquisition of Shares and Takeovers) Regulations 1997 as amended.

- 4.3 There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later date.
- 4.4. The Target Company has not complied with the applicable provisions of Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997( as amended till date). Returns under Regulation 6(2) & 6(4) for 1997 and under Reg. 8(3) from 1998 to 2002 were filed late, all on 21.08.2004. For the years 2003 & 2004, the filing under Reg. 8(3) is filed late, on September 28, 2004. For the years 2005 & 2006 the same has not been filed. SEBI has, vide letter No. CFD/DCR/RC/TO/13060/04 dated July 21, 2004, sent notice for imposition of



penalty of Rs. 1,75,000/- on consent terms for non compliance till 2002. JSL has, replied that the non compliance was due to lack of knowledge and has sought condonation and opportunity for personal hearing before further action. For non compliance with provisions of Chapter II by the Target Company for the years 1997 to 2006, SEBI may initiate suitable action in terms of the Regulations and provisions of SEBI Act, at a later stage. The promoters of the Target Company have not complied with Chapter II of the Regulations . The returns under Reg. 6(1) & 6(3) for 1997 and under Reg. 8(1) & 8(2) from 1998 to 2002, were filed late, on 21.08.2004. For the years 2003 & 2004, returns under Reg. 8(1) & 8(3) were filed late on 28.09.2004. For the years 2005 & 2006, the same has not been filed. In January 2005, they have made purchases and sales which should have been reported under Reg. 7(1A) which is not done. In May 2005, they have sold Shares which should have been reported under Reg. 7(1A) which has not been done. For failures to comply with the provisions pf Chapter II of the Regulations by the promoters/promoter group shareholders, SEBI may initiate appropriate action at a later stage.

4.5.1. The Listing fee in respect of three Stock Exchanges viz. ASE, CSE and JSE are in arrears; JSE & ASE from 1997 onwards and CSE from 2001. JSL is yet to pay the arrears of listing fee.

4.5.2 All the issued Equity Shares of JSL are listed at the Stock Exchanges.

4.5.3. Subject to disclosure under 4.4 & 4.5.1, above, the Company has been complying with the Listing requirements of the Stock Exchange. The Stock Exchange has not awarded any penalties /action against the Target Company, its promoters/Directors/persons in control.

4.6.1 **Board of Directors as on Saturday, September 30, 2006, the date of PA:**

<b>Name</b>	<b>Date of appointment</b>	<b>Residential Address</b>	<b>Designation</b>
Shri. Madanlal R Sharda	07.05.1986	Nalanda Building, 3 <sup>rd</sup> Floor, Gokul Nagar, Bhiwandi, Thane Dist, Maharashtra 421 302	Chairman & Managing Director
Shri. Roopnarain R Sharda	07.05.1986	Gurukunj, 74, Brahmin Ali, Bhiwandi Dist. Thane, Maharashtra 421302 ,	Director
Shri. Ramesh Muchhal	29.09.1992	Flat No. 12, Minakshi, Sec No. 17, Ulhas Nagar, Maharashtra	Director
Shri. Sandeep J Merchant	28.03.2005	10, Lilagrah, North Avenue Road, Santacruz (West), Mumbai 400 054	Director
Shri. M M Chosksi	28.03.2005	600, Shanti Kutir, 10 <sup>th</sup> Road, Santacruz (West), Mumbai 400 055	Director
Shri. Bhagirath S Riyani	15.12.2005	31, Dadi Seth Agiary Lane, Kalbadevi, Mumbai 400 002	Director
Shri. Arun K Somani	15.12.2005	B 208, Balkrishna Nagar, Navghar Road, Bhayander (East), Thane Dist.	Director

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

4.6.2 There have been the following changes in Directors in the last three years.

<b>Name</b>	<b>Date of change</b>	<b>Nature of change</b>
Shri. R D Sharda	15.12.2005	Retired as Director ( Resigned)
Shri. D R Sharda	15.12.2005	Resigned as Director ( Resigned)
Shri. Bhagirath S Riyani	15.12.2005	Appointed as Director
Shri. Arun K Somani	15.12.2005	Appointed as Director
Shri. Sandeep J Merchant	28.03.2005	Appointed as Addl. Director
Shri. M M Chosksi	28.03.2005	Appointed as Addl. Director

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### 4.6.3 Experience, Qualification and date of appointment of the Board of Directors

<b>Name</b>	<b>Date of appointment</b>	<b>Age, Qualification, Occupation</b>	<b>Experience , in brief</b>
Shri. Madanlal R Sharda	07.05.1986	Age: 73 years. Matric Director of JSL since 1986	About 50 years experience as a businessman. Over the years has gained experience in trading in textiles, marbles and stones. Experience at JSL since inception. JSL was engaged in manufacture of textiles and marketing
Shri. Roopnarain R Sharda	07.05.1986	Age : 61 years. Matric Director of JSL since 1986	About 40 years experience as a businessman. Over the years has gained experience in family business of trading in textiles, marbles and stones. Experience at JSL since inception.
Shri. Ramesh Muchhal	29.09.1992	Age : 64 years. Diploma in Textile Designing. Director since 1992 at JSL	Has about 40 year's experience in textile manufacturing units in designing. Has been with JSL since inception and made Director in 1992. Was in charge of production.
Shri. Sandeep J Merchant	28.03.2005	Age : 40 years. B. Sc Director of JSL since 2005	About 19 years experience as a financial consultant. Familiar with finance, accounts, investments.
Shri. M M Chosksi	28.03.2005	Age : 47 years. Matric Director of JSL since 2005	A businessman with about 20 years experience in various businesses owned by him.
Shri. Bhagirath S Riyani	15.12.2005	Age : 31 years. M Com Director of JSL since December 2005	About 10 years experience in Textile marketing.
Shri. Arun K Somani	15.12.2005	Age : 44 years. B Com Director of JSL since December 2005	About 10 years experience in Textile marketing.

4.7 There has not been any mergers/demergers involving the Target Company nor was there any spin off of activity during the last three years. There has been no change of name since Incorporation .

4.8. Brief published Audited Financial data for the last three years are given hereunder:

(Rs. In Lacs)

<b>Profit &amp; Loss Statement</b>	<b>2005-06</b>	<b>2004-05</b>	<b>2003-04</b>
Income from Main activity	0.00	0.00	0.45
Other Income	2.97	6.18	10.15
<b>Total Income</b>	<b>2.97</b>	<b>6.18</b>	<b>10.60</b>
Total Expenditure	4.05	13.30	12.22
Depreciation	1.88	1.88	1.88
Extra Ordinary Expenditure ( Investments written off)	14.88	0.00	0.00
Extra Ordinary Expenditure (Loss on Sale of Investments)	0.14	0.00	0.00
Extra Ordinary Expenditure ( Bad Debts written off)	0.00	3.44	0.00
Profit Before Tax before Extraordinary/Exceptional items	(1.08)	(9.00)	(3.50)
Profit before Tax after Extraordinary income/Extraordinary exp/Exceptional items	(17.98)	(12.44)	(3.50)
Provision for Taxes	0.12	0.00	0.00
Profit After Tax/Loss Before Extraordinary Income/Exp.	(1.20)	(9.00)	(3.50)
Profit After Tax /Loss after Extraordinary Income	(18.10)	(12.44)	(3.50)
<b>Balance Sheet Statement</b>			
<b>Sources of funds</b>			
Paid up Equity Share Capital	448.51	388.26	388.26
Reserves and Surplus (excluding Revaluation reserves, if any) /Acc. Losses	(89.11)	(71.01)	(58.57)
Less: Misc. Exp not written off or adjusted	0.00	0.00	0.00
<b>Net Worth</b>	<b>359.40</b>	<b>317.25</b>	<b>329.69</b>
<b>Total Source of funds</b>	<b>359.40</b>	<b>317.25</b>	<b>329.69</b>
<b>Uses of funds</b>			
Net Fixed Assets	4.17	6.05	7.93
Investments	0.00	22.88	22.78
Net Current Assets	355.23	288.32	298.98
<b>Total</b>	<b>359.40</b>	<b>317.25</b>	<b>329.69</b>
<b>Other Financial Data</b>			
Dividend (%)	NIL	NIL	NIL
Earnings per Share(Rs.) (Profit after Tax /No. of Issued and subscribed Shares)	(0.38)	(0.26)	(0.08)
Return on Net Worth (%) ( Negative in Brackets) (Profit after Tax X100/Net Worth)	(5.04)	(3.92)	(1.06)
Book Value Per Share (Rs.) (Net Worth/No. of Issued and subscribed Shares)	7.48	6.61	6.87

**The above financials are furnished after**

- ❖ Making adjustments / rectification for all incorrect accounting policies or failures to make provisions or other adjustments which resulted in Audit qualifications; Material amounts relating to adjustments for last three years, if any have been identified and adjusted in arriving at the profits of the years to which they relate.
- ❖ Where there has been a change in accounting policy during the last three years, the profits or losses of those years have been re-computed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years. However, in respect of any incorrect accounting policy being followed, the re-computation of the financial statements have been made in accordance with correct accounting policies;

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- ❖ Statement of profit or loss discloses both the profit or loss arrived at before considering extraordinary items and after considering the profit or loss from extraordinary items.
- ❖ The statement of assets and liabilities have been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.
- ❖ Details of Other income, Extraordinary Income, Extraordinary Expenditure etc. are given in the above table.
- ❖ There is unusual fall or rise in Total Income and PAT in the above period. In the year 2004-05, bad debts to the tune of Rs. 3.44 Lacs were written off. In the year 2005-06, Investments to the tune of Rs. 14.88 Lacs were written off which have been instrumental in the significant variation in Net Losses.
- ❖ The Auditors, in their Report for 2005-06 have qualified that no provision has been made for (1) Contingent liability in respect of arrears of listing fee and penalty for non compliance with Reg. 6 & 8 (2) Sundry Debtors of Rs. 6.00 Lacs which is overdue for more than 3 years (3) Unsecured Loans to the extent of Rs. 268.46 Lacs which are either overdue or do not have any covenants to ascertain the terms and conditions.
- ❖ The Company has written off Investments to the tune of Rs. 14.88 Lacs in 2005-06 for the reason that the realizable value is NIL. The Company is not an Investment Company and the investments, not being related to the main activity of the Company, the same is treated as an Extraordinary expenditure and is in conformity with generally accepted accounting principles.
- ❖ The Target Company has discontinued main activity. The majors sources of Other Income and major items under total expenditure in the above years are as follows:

( Rs. In Lacs)

<b>Break up of Other Income given above</b>	<b>2005-06</b>	<b>2004-05</b>	<b>2003-04</b>
Interest Income	2.95	6.03	8.76
Dividend Income	0.02	0.15	0.13
Profit on Sale of Investment			1.25
Misc. Income			0.01
<b>Total</b>	<b>2.97</b>	<b>6.18</b>	<b>10.15</b>
<b>Break up of total expenditure given above</b>	<b>2005-06</b>	<b>2004-05</b>	<b>2003-04</b>
Auditors' remuneration	0.17	0.17	0.16
Conveyance & Traveling	0.13	0.10	0.16
Remuneration to MD	0.00	0.67	0.67
Electricity charges	0.00	0.81	0.14
General Expenses	0.22	0.30	0.29
Legal & Prof. charges	0.41	1.19	0.29
Listing fee	0.10	0.10	0.10
Motor car expenses	1.06	0.74	0.55
Rent, rates and taxes	0.97	0.81	0.06
Salary	0.78	3.12	1.07
Staff Welfare Expenses	0.08	0.11	0.16
Telephone expenses	0.11	0.30	0.50
Bank charges etc	0.02	0.03	0.02
Decrease in Stock		4.85	0.41
Materials and manufacturing expenses			6.14
Preliminary expenses written off			1.50
<b>Total</b>	<b>4.05</b>	<b>13.30</b>	<b>12.22</b>

4.9. Pre and Post- Offer Share holding pattern of JSL shall be as follows:

Shareholders' category	Shareholding prior to the agreement/ Acquisition and offer. (A)		Shares to be acquired which Triggered off the Regulations (B)		Shares to be Acquired in Open Offer(Assuming full acceptances) (C)		Share holding after the acquisition and Offer. (D)	
1. Promoter group Parties to the Agreement Others	16,24,200	33.84	(7,20,000)	(15)	0	0	9,04,200	18.84
Total 1	16,24,200	33.84	(7,20,000)	(15)	0	0	9,04,200	18.84
2. Acquirers	0	0	7,20,000	15	9,60,000	20	16,80,000	35.00
Total of Acquirers	0	0	7,20,000	15	9,60,000	20	16,80,000	35.00
3 Public Holding								
a. Indian Public	25,45,134	53.02			(9,60,000)	20	22,15,700	46.16
b. IIs/FIs/Mutual Funds, Banks, SFIs/LIC (Banks)	0	0						
c. NRIs	666	0.02						
d. Public ( Partly Paid Shares)	6,29,900	13.12						
Total 3 (a+b+c+d)	31,75,700	66.16			(9,60,000)	20	22,15,700	46.16
Total (1+2+3)	48,00,000	100.00					48,00,000	100

**Notes:**

- There are no Shares, which are subject to Lock in.
  - There are 6,29,900 partly paid Shares or Shares where calls are in arrears. The unpaid amount per Share is Rs. 5/-
  - Post offer, the residual holding of the promoters shall be clubbed with Public Holding.
  - The Acquirers have not acquired any Shares from the date of the Public Announcement till date of this Letter of Offer.
- 4.10. The number of Shareholders under Public Category, i.e. under 4 above, on the Specified Date is 4440

**5. OFFER PRICE AND FINANCIAL ARRANGEMENTS**

**5.1 Justification of Offer price**

5.1.1. The Equity Shares of JSL are listed at The Bombay Stock Exchange Ltd (BSE), The Ahmedabad Stock Exchange

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Ltd (ASE), Jaipur Stock Exchange Ltd (JSE) and The Calcutta Stock Exchange Association Ltd (CSE) . The Shares are not admitted as permitted Security in any other Stock Exchange

5.1.2 The annualized trading turnover of Shares of JSL, during the preceding 6 calendar months prior to the month in which Public Announcement was made, i.e. during the months March, 2006 to August 2006 (both inclusive) is given below.

The trading data is given below:

Name of stock exchange(s)	Total no. of Shares traded during the 6 calendar months prior to the month in which the P A was made.	Total No. of listed Shares	Annualized Trading turnover ( in terms of % to total listed Shares)
The Bombay Stock Exchange Ltd (BSE)	2,92,766	48,00,000	12.20
The Ahmedabad Stock Exchange Ltd (ASE)	0	48,00,000	0
Jaipur Stock Exchange Ltd (JSE)	0	48,00,000	0
The Calcutta Stock Exchange Association Ltd (CSE)	0	48,00,000	0

The trading volume data in respect of BSE have been taken from the BSE's website [www.bseindia.com](http://www.bseindia.com). In respect of other Stock Exchanges, the details are based on information from the Target Company.

The Shares are not infrequently traded in terms of Regulation 20 (5), explanation (i) at The Bombay Stock Exchange Ltd (BSE) and infrequently traded at ASE, JSE and CSE.

5.1.3 (i) Since the Equity Shares of the Target Company has not been infrequently traded as per explanation (i) to Regulation 20(5) at BSE during the 6 calendar months preceding the month in which the Public Announcement is made, the Offer price has been justified, taking into account, the following parameters, as set out under Regulations 20(4):

1. Negotiated price paid by the Acquirers or persons acting in concert under the Agreement referred to in sub regulation (1) of Regulation 14.	Rs. 2/08
2. Highest price paid by the Acquirers or PACs for acquisition including by way of allotment in a Public or Rights issue, if any, during the twenty-six week period prior to the date of PA.	N.A.
3. Price paid by the Acquirers under a preferential allotment made to them or Persons Acting in Concert with them, at any time during the twenty six weeks prior to the date of PA.	N.A.
4. The average of the weekly high and low of the closing prices at BSE in the 26 weeks preceding the date of the Public Announcement	Rs .1/93
5. The average of the daily high and low prices at BSE in the 2 weeks preceding the date of the Public Announcement	Rs. 3/17
6. Highest of the above	Rs. 3/17
7. Offer price	Rs. 6/-

The trading data has been taken from BSE's website : [www.bseindia.com](http://www.bseindia.com)

- (ii) Since the Equity Shares of JSL has been infrequently traded as per explanation (i) under Regulation 20(5) at the ASE, CSE and JSE during the 6 calendar months preceding the month in which the Public Announcement is made, the Offer price has been justified , taking into account, the following parameters, as set out under Regulations 20(5):

1.	Negotiated price paid by the Acquirers or persons acting in concert under the Agreement referred to in sub regulation (1) of Regulation 14.	Rs. 2/08
2.	Highest price paid by the Acquirers or PACs for acquisition including by way of allotment in a public or rights issue, if any, during the twenty-six week period prior to the date of public announcement.	N.A.
3.	Price paid by the Acquirers under a preferential allotment made to them or Persons Acting in Concert with them, at any time during the twenty six weeks prior to the date of PA.	N.A.
4.	Return on Net Worth of JSL during the preceding Financial year ended 31.03.2006 (based on Audited results)	Negative
5.	Book Value of Shares as on 31.03.2006(Audited)	Rs. 7/48
6.	Earnings Per Share in 2005-06	Negative
7.	P/E Multiple. Industry Average(Miscellaneous)	13
8.	Return on Net Worth( annualized) of JSL during the 3 months period ended 30.06.2006 (based on Un audited results)	Negative
9	EPS (Annualized) of JSL during the 3 months period ended 30.06.2006 (based on Un audited results)	Negative
10.	Book Value as on 30.06.2006 ( Based on unaudited results)	Rs.7/48
11.	Fair Value arrived at as per the formula suggested by Supreme Court in HLL vs. Employees case	Rs. 5/08
12.	Offer Price	Rs. 6/-

(Source : 1. Capital Market Vol. XXI/14 dated September 11-24 2. Quotations from BSE site [www.bseindia.com](http://www.bseindia.com) 3. Information provided by Target company regarding trading at JSE, ASE & CSE. 4. Audited Accounts as on 31.03.2006 published by JSL & Unaudited results as on 30.06.2006 published by JSL 4. Agreement between Acquirers & Sellers.%. 5. Certificate dated January 4, 2007 from Naresh Jhawar, (Membership No. 45145 ) Jhawar, Mantri & Associates, Chartered Accounts,217, Great Eastern Galleria, Plot No. 20, Sector 4, Nerul, Navi Mumbai 400 706 ( Ph. (022) 2772 1467, Fax (022) 2772 1557) certifying the fair value as per formula given by Supreme Court, in HLL Vs. Employees case)

#### 5.1.3.1 . Trading data at BSE

- a. The Weekly High and Low of the closing prices of the Equity Shares of JSL at BSE during the 26 Weeks preceding the date of the Public Announcement is as under:

(Price in Rs.)

Week Nos.	Week ended	High	Low	Average	Volume
1	7-Apr-06	1.53	1.46	1.50	6075
2	13-Apr-06	1.64	1.50	1.57	2300
3	21-Apr-06	1.80	1.72	1.76	3451
4	29-Apr-06	1.64	1.52	1.58	11039
5	5-May-06	1.50	1.45	1.48	10075
6	12-May-06	1.60	1.50	1.55	5700

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Week Nos.	Week ended	High	Low	Average	Volume
7	19-May-06	1.50	1.44	1.47	4000
8	26-May-06	1.44	1.37	1.41	3101
9	2-Jun-06	1.42	1.25	1.34	9649
10	9-Jun-06	1.31	1.31	1.31	550
11	16-Jun-06	1.25	1.19	1.22	2900
12	23-Jun-06	1.30	1.24	1.27	1140
13	30-Jun-06	1.24	1.19	1.22	3210
14	7-Jul-06	1.32	1.20	1.26	6208
15	14-Jul-06	1.70	1.37	1.54	22111
16	21-Jul-06	2.04	1.85	1.95	16255
17	28-Jul-06	2.59	2.03	2.31	78468
18	4-Aug-06	2.86	2.60	2.73	47878
19	11-Aug-06	3.00	2.62	2.81	9775
20	18-Aug-06	2.61	2.28	2.45	3600
21	25-Aug-06	2.44	2.22	2.33	2850
22	1-Sep-06	2.63	2.33	2.48	8075
23	8-Sep-06	2.72	2.61	2.67	13483
24	15-Sep-06	2.66	2.50	2.58	7430
25	22-Sep-06	3.06	2.71	2.89	13550
26	29-Sep-06	3.88	3.21	3.55	22559
<b>Total</b>		<b>52.68</b>	<b>47.67</b>	<b>50.18</b>	<b>315432</b>
<b>Average Price</b>			<b>1.9298</b>	<b>1.93</b>	

The trading data has been taken from BSE's website : [www.bseindia.com](http://www.bseindia.com)

- b. The daily High and Low of the Prices of JSL at BSE in the two Weeks preceding the date of the Public Announcement is as under:

( Price in Rs.)

Day	Date	High	Low	Average	Volume
1	18-Sep-06	2.79	2.54	2.67	900
2	19-Sep-06	2.92	2.67	2.80	3900
3	20-Sep-06	2.84	2.62	2.73	150
4	21-Sep-06	2.98	2.92	2.95	5300
5	22-Sep-06	3.06	3.06	3.06	3300
6	25-Sep-06	3.21	2.92	3.07	4510
7	26-Sep-06	3.37	3.37	3.37	5499
8	27-Sep-06	3.53	3.53	3.53	300
9	28-Sep-06	3.70	3.70	3.70	4575
10	29-Sep-06	3.88	3.88	3.88	7675
	<b>TOTAL</b>	<b>32.28</b>	<b>31.21</b>		<b>36109</b>
	<b>AVERAGE</b>		<b>Rs. 3.17</b>		



The trading data has been obtained from BSE's website : [www.bseindia.com](http://www.bseindia.com)

5.1.4. This is not an indirect acquisition/control.

5.1.5 **Non Compete Fee:** There is no non-compete agreement for payment to any person.

5.1.6 The Offer price is justified in terms of Regulation 20(11) of the Regulations. In the opinion of the Manager to the Offer and the Acquirers, the Offer price is justified. The Offer price of Rs. 6/- per Equity Share (fully paid up) is more than the average of the weekly high and low of the closing prices as quoted at BSE, during the 26 weeks preceding the date of the Public Announcement and also higher than the average of the daily high and low prices as quoted at BSE during the 2 weeks preceding the date of the Public Announcement and is also higher than the highest price paid by the Acquirers for acquisition of Shares through the Agreement. In respect of JSE, CSE and ASE, the Equity Shares have been infrequently traded in terms of Explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations 1997 during the 6 months prior to the month in which this public announcement is made i.e. during the months March 2006 to August 2006. In respect of these Stock Exchanges, the Offer price has been arrived at considering the Book Value, EPS, PE Ratio of the Industry, Return on Net Worth and the fair price determined a per the formula in the Supreme Court decision in HLL vs. Employees case. The Offer price for partly paid Shares have been arrived at by reducing the unpaid amount (interest waived. The Target Company has been waiving interest on delayed payment) on partly paid Shares from offer price for fully paid Shares.

The Offer price for partly paid Equity Shares is justified since the same is Offer price for fully paid Equity Shares less amount unpaid on each partly paid Equity Share. The unpaid amount per partly paid Equity Share is Rs.5/-.

5.1.7 In the event of any further Acquisition by the Acquirers or Persons Acting in Concert/deemed to be acting in concert as defined under the Regulations with them any time till Tuesday, January 23, 2007 and in the event of such acquisition price being higher than the price offered under this Offer, the Offer price will be revised upwardly to ensure that the price offered under this Offer is not less than the highest price paid for any such acquisitions. Any such upward revision will be notified through an announcement in all dailies where the original Public Announcement was made. The last date for any upward revision is Tuesday, January 23, 2007

## **5.2 Financial arrangements :**

5.2.1 Assuming full acceptance, the total funds requirements to meet this Offer is Rs. 57,60,000/- (Rupees fifty seven Lacs sixty thousand only).

5.2.2 In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirers have created an Escrow Account in the form of Fixed Deposit with The Dhanalakshmi Bank Ltd., Janmabhoomi Bhavan, Janmabhoomi Marg, Fort, Mumbai 400 001 on September 29, 2006 for Rs. 15,00,000/- ( Rupees Fifteen Lacs only) in conjunction with the Manager to the Offer, which is more than 25% of the consideration payable, and lien has been marked on the said account in favor of Fedex Securities Ltd., Manager to the Offer.

5.2.3 The Acquirers have authorized Fedex Securities Ltd., Managers to the Offer to realize the value of the Escrow Account

5.2.4 The Acquirers have adequate resources to meet the financial requirements of the Offer. The funds requirements will be met from own sources/Net Worth and no borrowings from Banks/ FIs or Foreign sources such as NRIs or otherwise is envisaged. The Acquirers hereby declare and confirms that they have adequate and firm financial resources to fulfill the obligations under the Offer.

5.2.5. As per Certificate dated 4<sup>th</sup> September 2006 issued by Shri Kishore K Haryani (Membership No.110780), Proprietor, K K Haryani & Co, Chartered Accountants, G 14/B, Bombay Shopping Centre, Station Road, Bharuch 392 001 (Tel. No. (02642) 329700, Telefax Nos. (02642) 260794) the Net Worth of Shri. Hasmukh G Patel as on 31.03.2006 is Rs. 259.43 Lacs. As per Certificate dated 4<sup>th</sup> September, 2006 from Shri Kishore K Haryani (Membership No. 110780), Proprietor, K K Haryani & Co, Chartered Accountants, G 14/B, Bombay Shopping Centre, Station Road, Bharuch 392 001 (Tel. No. (02642) 329700, Telefax Nos. (02642) 260794) the Net Worth of Shri. Paresh V Savani as on 4<sup>th</sup> September 2006 is Rs. 46.03 Lacs. As per Certificate dated September 29, 2006 from Smt. Sheetal S Katira (Membership No. 114075), Proprietor, Sheetal S Katira & Co., Chartered Accountants, 218/1, Prem Bagh, Sir Bhalchandra Road, Matunga, C.R., Mumbai 400 019, the Net Worth of Shri. Mihir D Karia as on 31<sup>st</sup> March 2006 is Rs. 71.50 Lacs. As per Certificate dated 29<sup>th</sup> September 2006 from Shri. Pankaj G Visharia (Membership No. 33170), Proprietor, Visharia & Associates, Chartered Accountants, 113/115, Saraswati Sadan,

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1<sup>st</sup> floor, Off No. 11&12, New Chinch Bunder Road, Mumbai 400 009 the Net Worth of Shri. Meghji G Patel as on 31.03.2006 is Rs. 39.12 Lacs

5.2.6 Shri. Kishore K Haryani (Membership No. 110780), Proprietor, K K Haryani & Co, Chartered Accountants, G 14/ B, Bombay Shopping Centre, Station Road, Bharuch 392 001 (Tel. No. (02642) 329700, Telefax Nos. (02642) 260794) have certified that the Acquirers have adequate liquid resources to meet the funds requirements of the Offer.

5.2.7 Fedex Securities Limited, Manager to the Offer certify and confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

## 6. TERMS AND CONDITIONS OF THE OFFER

### 6.1

- a. This Offer will open on Wednesday, January 17, 2007 and will close on Monday, February 5, 2007. The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.
- b. This is not a conditional Offer and there is no stipulation as to the minimum level of acceptance.
- c. The Specified date for this Offer is Saturday , October 21, 2006.
- d. **Specified 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 Shares of JSL anytime before the closure of the Offer, are eligible to participate in the Offer.**
- e. The Acquirers will comply with the Takeover Regulations and complete the offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement for purchase of Shares and Change in control and its related conditions.
- f. In case of non-compliance with any of the provisions of the Takeover Regulations, Agreement for Sale of Shares & change in Control shall not be acted upon by the Sellers or the Acquirers.
- g. JSL has signed agreement with both CDSL and NSDL for offering Shares in dematerialized form and is traded in compulsory demat mode. The Marketable lot for the Shares of JSL is 1(one). The ISIN Number of Equity Shares in dematerialized form is INE 156E01014

6.2 **Locked in Shares:** There are no Shares, which are subject to lock in.

### 6.3. Eligibility for accepting the Offer

6.3.1 The Letter of Offer shall be mailed to all Equity Shareholders/ Beneficial Owners holding Shares in dematerialized form (except the present promoters of JSL , Parties to the agreement and the Acquirers) whose names appear in register of Target Company as on Saturday, October 21, 2006, the Specified Date.

6.3.2 This Offer is also open to persons who own Equity Shares in JSL but are not registered Shareholders / beneficial owners holding Shares in dematerialized form, as on the "Specified date".

6.3.3 All Equity Shareholders/ Beneficial Owners holding Shares in dematerialized form (except the promoters of JSL, 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.

6.3.4 The Form of acceptance and other documents required to be submitted herewith, will be accepted by the Registrar to the Offer, M/s. System Support Services, 89, Andheri Kurla Road, Saki Naka, Andheri ( East), Mumbai 400 072 (Tel. Nos. (022) 2850 0835 Fax. No. (022) 2850 1438, Email ID: [zoeb@sysss.com](mailto:zoeb@sysss.com) (**Contact person: Shri. Zoeb Sutarwala**) between 10 a.m. to 4 p.m. on working days and between 10. a.m. to 2 p.m. on Saturdays, during the period, the Offer is open.

6.3.5 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 or Form of Withdrawal from the SEBI website for applying in the Offer or to withdraw from the Offer.

- 6.3.6 Unregistered Equity Shareholders who have sent the Share Certificates for transfer to JSL/its Share Transfer Agent, and not received them back or hold Shares of JSL without being submitted for transfer or those who hold in Street Name shall also be eligible to participate in this Offer.
- 6.3.7 Unregistered Equity Shareholders and those who apply in plain paper will not be required to provide any Indemnity.
- 6.3.8 Unregistered Shareholders may follow the same procedure mentioned above for registered Shareholders.
- 6.3.9 The acceptance of this Offer by the Equity Shareholders of JSL 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.
- 6.3.10 The acceptance of this Offer is entirely at the discretion of the Equity Shareholders of JSL.
- 6.3.11 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 JSL are advised to adequately safeguard their interest in this regard.
- 6.3.12 The acceptance of Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.
- 6.3.13 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute part of the terms of the Offer.
- 6.3.14 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.
- 6.3.15 For any assistance please contact Fedex Securities Limited, Manager to the Offer or the Acquirers or the Registrar to the Offer.

**6.4 Statutory Approvals :**

- 6.4.1 As on the date of this Letter of Offer, no 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.
- 6.4.2 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 from date of closure of the Offer.
- 6.4.3 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.
- 6.4.4 No approval is required to be obtained from Banks/Financial Institutions for the Offer.

**7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT**

**ACCEPTANCE OF THE OFFER**

- 7.1.1 Name and Address of the persons (Registrars to the Offer) to whom the Equity Shares alongwith documents required to be submitted therewith, should be sent including name of the contact person, telephone no., fax no. etc.

Registrars to the Offer	Working days and timings	Mode of delivery
<b>SYSTEM SUPPORT SERVICES</b> 89, Andheri Kurla Road, Saki Naka Andheri ( East), Mumbai 400 072 Tel.No. (022) 2850 0835 Fax. No. (022) 2850 1438 Email ID: zoeb@sysss.com <b>Contact person: Shri. Zoeb Sutarwala</b>	<b>Monday to Friday</b> 11.00 A. M to 11.00 A M to 4.00 P M <b>Saturday</b> 11.00 A M to 2.00 P M	By Post/Courier/ Hand delivery

## LETTER OF OFFER

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- 7.1.2 Share holders holding Equity Shares in physical form and wishing to tender their Equity Shares will be required to send their form of acceptance, original Share certificates and transfer deeds to the Registrar to the Offer: M/s. System Support Services, 89, Andheri Kurla Road, Saki Naka, Andheri ( East), Mumbai 400 072 (Tel. Nos. (022) 2850 0835 Fax. No. (022) 2850 1438, Email ID: [zoeb@sysss.com](mailto:zoeb@sysss.com)) (**Contact person: Shri. Zoeb Sutarwala**) either by hand delivery or by Registered Post, to reach them on or before the closure of the Offer, i.e. Monday, February 5, 2007 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance. In case the Share Certificate(s) and Transfer Deeds are lodged with JSL/its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by JSL/its transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of the Memorandum & Articles of Association and copy of the Board Resolution authorizing the signatory, shall also be sent along with.
- 7.1.3 Beneficial owners (holders of Equity Shares in Dematerialized Form) who wish to tender their Equity Shares will be required to send their Form of Acceptance-cum-acknowledgement along with a photocopy of the delivery instructions in "Off –market" mode or counterfoil of the delivery instruction in "Off –market" mode, duly acknowledged by the Depository Participant (DP) in favor of the Special Depository Account opened by the Registrar to the Offer, in accordance with instructions specified in this Letter of Offer and in the Form of Acceptance-cum-acknowledgement. The details of the Special Depository Account is given below:

DP Name	The Dhanalakshmi Bank Ltd
DP ID	IN302687
Client Name	System Support Services A/c JSL Open Offer
Client ID	10006575

- 7.1.4 The Acceptance Form alongwith Share Certificates/copy of delivery instruction to DP and other relevant documents shall be sent to the Registrars only. The same shall not be sent to the Acquirers, Target Company, parties to the Agreement or Manager to the Offer.
- 7.2. Procedure for acceptance of the Offer by unregistered Shareholders, owners of Shares who have sent them for transfer or those who did not receive the Letter of Offer**
- 7.2.1. Accidental omission to dispatch the Letter of Offer to any person will not invalidate the Offer in any way.
- 7.2.2 In case of non-receipt of the letter of Offer, the eligible person(s), holding Equity Shares of JSL in physical form, may send his/her/their consent on plain paper stating the name, address, number of Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the Share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the closure of the Offer.
- 7.2.3 In case of non receipt of the Letter of Offer, beneficial owners holding Equity Shares in dematerialized form, may send their applications in writing to The Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and photocopy of the delivery instruction in "Off-market", or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the Special Depository account, so as to reach the Registrar to the Offer on or before the closure of the Offer.
- 7.2.4 In case the Share Certificate(s) and Transfer Deeds are lodged with JSL/its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by JSL/its Share Transfer Agent, for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of memorandum & Articles of Association, shall also be sent along with.

**Unregistered owners holding Equity Shares in physical Form should enclose**

- (i) Form of Acceptance-cum-acknowledgement duly completed and signed in accordance with instructions contained therein, by all Shareholders whose names appear on the Share certificates.
  - (ii) Original Share Certificates.
  - (iii) Original broker contract note of a registered broker of a recognized Stock Exchange
  - (iv) Valid Share transfer form as received from the market. The details of the buyer should be left blank. If the details of buyer are filled in, the tender will not be valid under the Offer. All other requirements for valid transfer will be pre-conditions for acceptance.
- 7.3 The Acquirers shall accept all valid Equity Shares tendered (except those, which are withdrawn, within the date specified for withdrawal).
- 7.4 The Acquirers shall accept all valid Shares tendered (except those, which are withdrawn, within the date specified for withdrawal). If the number of Equity Shares offered by the Shareholders are more than the Offer size, then the acquisition from each Shareholder will be as per Regulation 21 (6) of the SEBI (SAST) Regulations, on proportionate basis.
- 7.5 The market lot for JSL's Shares is 1(one only).
- 7.6 Consideration for Equity Shares accepted will be paid by Crossed Account Payee Cheque drawn at Mumbai and sent by Registered Post/Under Certificate of Posting.
- 7.7 The Equity Shares Certificate(s) and the transfer form (s) or Shares transferred to the Special Depository Account together with the Acceptance Form submitted by the acceptors of the Offer will be held by the Registrars in trust for the acceptors of the Offer until the Acquirers pay the Offer Price.
- 7.8 In terms of Regulation 22(12) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, in case of non receipt of statutory approvals, SEBI has the power to grant extension of time beyond 15 days from the date of closure of offer, for the purpose of making payment subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from date of closure of the Offer.
- 7.9 In case of acceptance on proportionate basis/or rejection for any reason, the unaccepted Share Certificates, Transfer deeds and other documents, if any, will be returned by Registered Post at the Share holder's / unregistered holder's sole risk as per the details furnished in the form of acceptance-cum-acknowledgement. Shares held in demat form to the extent not accepted will be returned to the beneficial owner to the credit of the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.
- 7.10 Shareholders who are desirous of withdrawing their acceptances tendered in the Offer can do so upto three working days prior to the date of closure of the Offer, in terms of Regulation 22(5A).
- 7.11 The Withdrawal option can be exercised by submitting the Form of Withdrawal attached to the Letter of Offer duly filled in, with relevant particulars, so as to reach the Registrar to the Offer on or before Wednesday, January 31, 2007
- 7.12 The Withdrawal option can also be exercised by making an application on plain paper alongwith the following details:  
Name, Address, Distinctive numbers, Folio nos., No. of Shares tendered/ withdrawn, if held in physical form  
Name, Address, DP Name, DP ID, Beneficiary Account/Client ID No. of the Account from where Shares were tendered, photocopy of the delivery instruction in " Off Market Mode" duly acknowledged by the DP in favor of the Special Depository Account in the name of Registrar and number of Shares tendered /withdrawn.
- 7.13 The Shares withdrawn by Shareholders, which are in physical form will be returned by Registered Post. Shares tendered in dematerialized form and withdrawn will be returned by credit to the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.

## LETTER OF OFFER

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### 7.14 . SETTLEMENT/ PAYMENT OF CONSIDERATION

7.14.1 The Acquirers shall arrange to pay the consideration on or before Tuesday, February 20, 2007. Payment will be made to the person named by the acceptors in the relevant box in the Acceptance Form by "Account Payee" crossed Cheque payable at Mumbai as indicated in the form of acceptance. If no such details are filled in by the acceptor(s), then the same will be sent by registered post to the Sole/ First holder at their registered address at the Equity Share holder's own risk. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

7.14.2 Consideration for Equity Shares accepted will be paid by Cheque crossed "Account Payee" and drawn at Mumbai. Payment Cheques upto Rs. 1,500/- will be sent by Certificate of Posting and for amount of Rs.1,500/- and above by Registered Post.

7.14.3 In terms of Regulation 22(12) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, 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 the last date mentioned for payment of consideration.

### 8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at 9, Gunbow Street, Patel Chambers, 3<sup>rd</sup> Floor, Fort, Mumbai 400 001, the place of residence of Shri. Mihir D Karia, one of the Acquirers. The documents can be inspected during normal business hours (10.00 A.M. to 5.00 P.M.) on all working days (except Saturdays and Sundays) during the period from the date of this Letter of Offer, till date of closure of the Offer.

1. Copy of Certificate dated 4<sup>th</sup> September 2006 issued by Shri Kishore K Haryani (Membership No. 110780), Proprietor, K K Haryani & Co, Chartered Accountants, G 14/B, Bombay Shopping Centre, Station Road, Bharuch 392 001 certifying the Net Worth of Shri. Hasmukh G Patel as on 31.03.2006
2. Copy of Certificate dated 4<sup>th</sup> September , 2006 from Shri Kishore K Haryani (Membership No. 110780), Proprietor, K K Haryani & Co, Chartered Accountants, G 14/B, Bombay Shopping Centre, Station Road, Bharuch 392 001 certifying the Net Worth of Shri. Paresh V Savani as on 4<sup>th</sup> September 2006
3. Copy of Certificate dated September 29, 2006 from Smt. Sheetal S Katira (Membership No. 114075), Proprietor, Sheetal S Katira & Co., Chartered Accountants, 218/1, Prem Bagh, Sir Bhalchandra Road, Matunga, C.R., Mumbai 400 019, certifying the Net Worth of Shri. Mihir D Karia as on 31<sup>st</sup> March 2006
4. Copy of Certificate dated 29<sup>th</sup> September 2006 from Shri. Pankaj G Visharia (Membership No. 33170), Proprietor, Visharia & Associates, Chartered Accountants, 113/115, Saraswati Sadan, 1<sup>st</sup> floor, Off No. 11&12, New Chinch Bunder Road, Mumbai 400 009 certifying that the Net Worth of Shri. Meghji G Patel as on 31.03.2006 .
5. Copy of Certificate from Shri. Kishore K Haryani (Membership No. 110780), Proprietor, K K Haryani & Co, Chartered Accountants, G 14/B, Bombay Shopping Centre, Station Road, Bharuch 392 001 (Tel. No. (02642) 329700, Telefax Nos. (02642) 260794) certifying the Acquirers have adequate liquid resources to meet the funds requirements of the Offer.
6. Published Audited accounts of JSL for the years 2003-04, 2004 –2005 & 2005-2006
7. Copy of Agreement for Sale of Shares dated September 29,2006 between the Acquirers & present promoters of JSL for acquisition of Shares and change in control over JSL.
8. Copy of Fixed Deposit Receipt No. 270163, Deposit Account No. 144.206.6672 dated 03.10.2006 (effective from 29.09.2006) for Rs.15,00,000/- in the name of Shri. Mihir D Karia & Fedex Securities Ltd being Escrow Account and letter dated September 29, 2006 from The Dhanalakshmi Bank Ltd., Fort, Mumbai certifying that lien has been noted in favor of Fedex Securities Limited, Manager to the Offer.
9. Certificate dated January 4, 2007 Naresh Jhavar, (Membership No. 45145 ) Jhavar, Mantri & Associates, Chartered Accounts,217, Great Eastern Galleria, Plot No. 20, Sector 4, Nerul, Navi Mumbai 400 706, certifying fair value of Jaihind Synthetics Ltd.

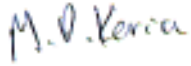
10. Audited Accounts/Certified Accounts, Memorandum & Articles of Association, Certificate of Incorporation & Certificate for Commencement of Business of all Companies promoted by the Acquirers and financial statements of proprietary/partnership ventures promoted by the Acquirers , details of which are given in this Letter of Offer.
11. Published Copies of the Public Announcement made in newspapers on September 29, 2006 & Corrigendum to PA made on January 10, 2007
12. Copy of Client Master List issued by NSDL (DP: The Dhanalakshmi Bank Ltd) and copy of Acknowledgement from The Dhanalakshmi Bank Ltd, with respect to Special Account opened by Registrars to the Issue.
13. Due Diligence letter dated October 10, 2006 submitted to SEBI by Fedex Securities Ltd., Manager to the Offer
14. Certified Copies of Certificate of Incorporation and Certificate for Commencement of Business of JSL, the Target Company.
15. Copy of MOU dated September 29, 2006 between the Acquirers and Manager to the Offer.
16. Copy of letter dated September 29, 2006 addressed to the Acquirers by the Registrar to the Offer, offering their services and acknowledged by the Acquirers.
17. SEBI Observation letter No. CFD/DCR/MM/TO/83321/06 dated December 29, 2006.

**9. DECLARATION**

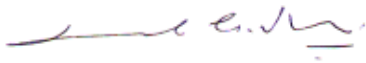
The Acquirers jointly and severally accept full responsibility for the information contained in this Letter of Offer and Form of Acceptance. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

The Acquirers shall be responsible for ensuring compliance of the Regulations.

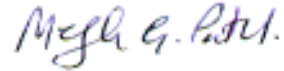
**The Acquirers**



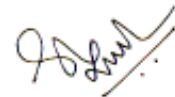
**Shri. Mihir D Karia**



**Shri. Hasmukh G Patel**



**Shri. Meghji G Patel**



**Shri. Paresh V Savani**

Place : Mumbai

Date : January 11, 2007

**Encl.:**

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Share Transfer Deed



**FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

*(Please send this Form with enclosures to the Registrars to the Offer)*

Offer opens on	Wednesday, January 17, 2006
Offer closes on	Monday, February 5, 2007

From:

Unique identification No. under MAPIN, if applicable \_\_\_\_\_

To

**SYSTEM SUPPORT SERVICES**

89, Andheri Kurla Road, Saki Naka  
 Andheri ( East), Mumbai 400 072  
 Tel.No. (022) 2850 0835 Fax. No. (022) 2850 1438  
 Email ID: zoeb@sysss.com

**Contact person: Shri. Zueb Sutarwala**

Dear Sir,

**Sub: Open Offer to purchase 9,60,000 Equity Shares of Jaihind Synthetics Limited  
 representing 20.00 % of the Issued & Subscribed Equity Capital by Shri. Mihir D Karia & others**

I/We refer to the Letter of Offer dated January 11, 2007 for acquiring the Equity Shares held by me/us in Jaihind Synthetics Limited.

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

(In the case of Shares in Physical Form)

Sl. No.	Ledger Folio No.	No. of Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers	
					From	To

(In case of insufficient space, please attach a separate sheet.)

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

I/We note and understand that the original Share certificate(s) and valid Share transfer deed will be held in trust for me/us by the Registrars to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the consideration only after verification of the documents and signatures.

- Tear Here -

**ACKNOWLEDGEMENT RECEIPT**

Received from Mr./Ms./M/s \_\_\_\_\_ Form of acceptance cum acknowledgement in connection with open offer to Shareholders of Jaihind Synthetics Limited.

Ledger Folio No. \_\_\_\_\_ No. of Share Certificates /Copy of Delivery instructions to DP for \_\_\_\_\_ Shares of Jaihind Synthetics Limited.

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares
	In case of dematerialized Shares, ensure that copy of the delivery instruction to the DP and duly acknowledged by the DP is submitted with the tender / offer form.

I/We hold the following Equity Shares of Jaihind Synthetics Ltd in Dematerialized Form and accept the Offer and enclose a photocopy of the Depository Delivery instruction(s) duly acknowledged by the DP in respect of my/our Equity Shares, details of which are given below:

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

I/We have done an Off market transaction for crediting the Shares to the Special Depository Account noted below:

DP Name	The Dhanalakshmi Bank Ltd
DP ID	IN302687
Client Name	System Support Services A/c JSL Open Offer
Client ID	10006575

I/We note and understand that the Shares transferred to the above Special Depository Account will be held in trust for me/us by the Registrars to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the consideration only after verification of the documents, transfer of Shares and signatures.

I/We confirm that the Equity Shares of Jaihind Synthetics Limited which are transferred by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirers to accept the Shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, Equity Share certificate(s) in respect of which the offer is not found valid /not accepted, specifying the reasons thereof. I/We authorize the Acquirers or the Manager to the Offer or the Registrars to the Offer to send by registered post/under certificate of posting, the Cheque, in settlement of the amount to the sole/first holder at the address mentioned below:

The permanent Account No. (PAN/GIR No.) Allotted under the Income Tax Act 1961 is as under

	PAN / GIR No.
1 <sup>st</sup> Shareholder	
2 <sup>nd</sup> Shareholder	
3 <sup>rd</sup> Shareholder	
4 <sup>th</sup> Shareholder	

Yours faithfully

Signed and delivered

	Full Name	Holder's Signature
Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place : \_\_\_\_\_

Date : \_\_\_\_\_

So as to avoid fraudulent encashment in transit, the applicants are requested to provide details of Bank account of the sole/first Shareholder and the consideration Cheque will be drawn accordingly.

Name of the Bank	
Full address of the Branch	
Nature of Account	
Account Number	

----- ✂ ----- - Tear Here ----- ✂ -----

**Note** : All future correspondence, if any, should be addressed to the Registrars to the Offer at the following address:

<p><b>SYSTEM SUPPORT SERVICES</b>            89, Andheri Kurla Road, Saki Naka            Andheri ( East), Mumbai 400 072            Tel.No. (022) 2850 0835 Fax. No. (022) 2850 1438            Email ID: <a href="mailto:zoeb@sysss.com">zoeb@sysss.com</a>  <b>Contact person: Shri. Zoeb Sutarwala</b></p>
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**FORM OF WITHDRAWAL**

Offer opens on	Wednesday, January 17, 2007
Offer closes on	Monday, February 5, 2007

From:

Unique identification No. under MAPIN, if applicable \_\_\_\_\_

To

**SYSTEM SUPPORT SERVICES**

89, Andheri Kurla Road, Saki Naka  
 Andheri ( East), Mumbai 400 072  
 Tel.No. (022) 2850 0835 Fax. No. (022) 2850 1438  
 Email ID: [zoeb@sysss.com](mailto:zoeb@sysss.com)

**Contact person: Shri. Zoeb Sutarwala**

Dear Sir,

**Sub: Open Offer to purchase 9,60,000 Equity Shares of Jaihind Synthetics Limited  
 representing 20.00 % of the Issued & Subscribed Equity Capital by Shri. Mihir D Karia & others**

I/We refer to the Letter of Offer dated January 11, 2007 for acquiring the Equity Shares held by me/us in Jaihind Synthetics Limited

I/We, hereby consent to unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorize the Acquirers to return to me/us, the tendered Equity Shares at my/our sole risk.

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

I/We note that the Acquirers/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay /loss in transit of the Share Certificate(s) due to incomplete or inaccurate particulars.

I/We also note and understand that the Acquirers will return the original Share Certificate(s) , Share Transfer Deed(s) or credit back the Shares to my/our Beneficiary Account for Shares held in dematerialized form, only on completion of verification of the documents .

The particulars of Share Certificate(s) tendered and duly signed Transfer Deeds which are wished to be withdrawn from the Offer are as given below:

(In the case of Shares in physical form)

Sl. No.	Ledger Folio No.	No. of Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers	
					From	To

----- ✂ ----- - Tear Here ----- ✂ -----

**ACKNOWLEDGEMENT RECEIPT**

Received from Mr./Ms./M/s \_\_\_\_\_ Form of withdrawal.

Ledger Folio No. \_\_\_\_\_ No. of Share Certificates /photocopy of delivery instructions to DP for \_\_\_\_\_ Shares of Jaihind Synthetics Limited

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares	In case of dematerialized Shares, ensure that copy of the delivery instruction to the DP is submitted with the withdrawal form
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The particulars of Shares held in Dematerialized Form, which were transferred to Special Depository account noted below

DP Name	The Dhanalakshmi Bank Ltd
DP ID	IN302687
Client Name	System Support Services A/c JSL Open Offer
Client ID	10006575

The Shares proposed to be withdrawn are as follows. I wish to withdraw the under noted Shares so transferred.

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

(In case of insufficient space, please attach a separate sheet.)

I/We confirm that the Equity Shares of Jaihind Synthetics Limited, which were tendered by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

Please find a photocopy of the Delivery instructions duly acknowledged by the DP.

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

Yours faithfully,

Signed and delivered

	Full Name	Holder's Signature
Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place : \_\_\_\_\_

Date : \_\_\_\_\_

- Tear Here -

**Note** : All future correspondence, if any, should be addressed to the Registrars to the Offer, at the following address:

**SYSTEM SUPPORT SERVICES**  
89, Andheri Kurla Road, Saki Naka  
Andheri ( East), Mumbai 400 072  
Tel.No. (022) 2850 0835 Fax. No. (022) 2850 1438  
Email ID: [zoeb@sysss.com](mailto:zoeb@sysss.com)  
**Contact person: Shri. Zoeb Sutarwala**