

## LETTER OF OFFER

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

This Letter of Offer is sent to you as equity shareholder(s) of **Raipur Alloys & Steel Limited**. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the offer. In case you have recently sold your equity 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 the stock exchange through whom the said sale was effected.

#### **Cash Offer at Rs. 10/- (Rupees Ten only) per fully paid up equity share of Rs. 10/- each (Rupees Ten only)**

[Pursuant to Regulation 11(1) of Securities and Exchange Board of India  
(Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereto.]

#### **To acquire**

26,16,000 fully paid up equity shares of face value of Rs.10/- each representing 20% of the total equity shares  
(post preferential issue) of

#### **Raipur Alloys & Steel Limited**

Reg. Off. : 73/A, Central Avenue, Nagpur 440 018

Tel. : 0712 2727509 Fax 0712 2728207

#### **By**

**Chhattisgarh Electricity Company Limited**, having its Registered Office at Industrial Growth Centre,  
Siltara, Raipur, Chhattisgarh. Tel. : 0771 5093925 Fax: 0771 5093924

#### **and**

**Chhattisgarh Investments Limited**, having its Registered Office at P-49, Industrial Area, Raipur (Chhattisgarh)  
Tel. No. : 07720 275226

#### **Along with following Persons Acting in Concert**

Sarda Agriculture & Properties Pvt. Limited, Prachi Agriculture & Properties Pvt. Ltd, both having Registered Offices at P-48, Industrial Area, Raipur, Chhattisgarh Tel. : 07721 263261 and Shri Kamal Kishore Sarda residing at P-18/19, Anupam Nagar, P.O. Shankar Nagar, Raipur, Chhattisgarh. Tel. : 0771 5093900/01

1. The Offer is not subject to any minimum level of acceptance.
2. The Offer is subject to the approval of the Reserve Bank of India (RBI) under the foreign Exchange Management Act, 1999 for acquiring shares tendered by NRIs/FIIs/OCBs. No approval is required to be obtained from banks/financial institutions for the Offer. As on the date of this Letter of Offer there are no other statutory approvals and/or consents required to implement this Offer.
3. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer can withdraw the same upto three working days prior to the date of closure of the Offer.
4. If there is an upward revision in the Offer Price by the Acquirers (including PACs) till the last date of upward revision viz. August 19, 2003 or in case of withdrawal of the Offer, the same would be informed by way of a Public Announcement in the same newspapers, where the original Public Announcement had appeared. Such revised price would be payable by the Acquirers to all the shareholders for all the shares tendered at any time during the Offer and accepted under the Offer.
5. **If there is a competitive bid :**
  - i. **The public offers under all the subsisting bids shall close on the same date.**
  - ii. **As the Offer Price cannot be revised during seven working days prior to the closing date of the Offers/bids, it would therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each Offer/bid and tender their acceptance accordingly.**
6. A copy of the Public Announcement and Corrigendum to the PA and Letter of Offer (including Form of Acceptance cum Acknowledgement and form of withdrawal) will also be available on SEBI's website at [www.sebi.gov.in](http://www.sebi.gov.in).

#### **MANAGER TO THE OFFER**



**Anand Rathi  
Securities**

**ANAND RATHI SECURITIES PRIVATE LIMITED**  
J. K. Somani Building, British Hotel Lane  
Bombay Samachar Marg, Fort, Mumbai 400 023  
Tel. No. 022-56377000 Fax No. 56377009  
Email : [nishashah@rathi.com](mailto:nishashah@rathi.com)  
Contact Person : Mrs. Nisha Shah

#### **REGISTRAR TO THE OFFER**



**INTIME SPECTRUM REGISTRY LTD**  
C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup (West), Mumbai 400 078  
Tel. : 25923837 Fax No. 25672693  
Email: [nikunj@intimespectrum.com](mailto:nikunj@intimespectrum.com)  
Contact Person : Mr. Nikunj Daftary

**OFFER OPENS ON : JULY 31, 2003**

**OFFER CLOSES ON : AUGUST 29, 2003**

#### **SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER**

Activity	Day & Date
Public Announcement (PA) Date	Monday, June 23, 2003
Corrigendum to the PA	Friday, July 25, 2003
Specified Date	Tuesday, June 24, 2003
Date by which Letter of Offer will be dispatched to the shareholders	Monday, July 28, 2003
Offer opening date	Thursday, July 31, 2003
Offer closing date	Friday, August 29, 2003
Last date for revising the Offer Price/ number of shares	Tuesday, August 19, 2003
Last date for a competitive bid	Monday, July 14, 2003
Last date for withdrawal of acceptance by shareholders of RASL	Tuesday, August 26, 2003
Date by which acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate for the rejected shares will be dispatched	Saturday, September 27, 2003

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## DEFINITIONS/ABBREVIATIONS

Acquirers	Chhattisgarh Electricity Company Ltd. and Chhattisgarh Investments Ltd.
BSE	The Stock Exchange, Mumbai
CDSL	Central Depository Services (India) Limited
DP	Depository Participant
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors
FCDs	Fully convertible Debentures
FOAA	Form of Acceptance cum Acknowledgement accompanying this Letter of Offer
FOW	Form of Withdrawal accompanying this Letter of Offer
LO	Letter of Offer
Manager to the Offer/ARSPL	Anand Rathi Securities Private Limited
MFs	Mutual Funds
NSDL	National Securities Depository Limited
NRIs	Non Resident Indians
OCBs	Overseas Corporate Bodies
Offer or Open Offer	Offer for acquisition of 26,16,000 equity shares of Raipur Alloys & Steel Limited at a price of Rs.10/- per share for cash
Offer Price	Rs.10/- per fully paid equity share of Target Company in cash
PA or Public Announcement	Public Announcement for the Open Offer issued on behalf of the Acquirers (including PACs) on June 23, 2003
PACs	Persons Acting in Concert
PCDs	Partly Convertible Debentures
RBI	Reserve Bank of India
SEBI (SAST) Regulations/ The Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereof
SEBI	Securities and Exchange Board of India
SFIs	State Financial Institutions
Specified Date	Tuesday, June 24, 2003
Target Company/RASL	Raipur Alloys & Steel Limited

## 1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF RAIPUR ALLOYS & STEEL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, PACs OR OF THE COMPANY WHOSE SHARES/CONTROL ARE/IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER(S) DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, ANAND RATHI SECURITIES PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 27, 2003 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER(S) FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

## 2. DETAILS OF THE OFFER

### 2.1 Background of the Offer

- 2.1.1 Pursuant to the preferential allotment, the shareholding of the Acquirers along with PACs would be increased from 31.12% to 65.57% and hence, Regulation 11(1) is triggered. In view of the above, the offer is made pursuant to Regulation 11(1) of the SEBI (SAST) Regulations.
- 2.1.2 The shareholders of the Target Company have vide a Special Resolution passed in terms of section 81(1A) of the Companies Act, 1956, at the Extra-ordinary General Meeting of the Target Company held on 9<sup>th</sup> June, 2003 approved the preferential allotment of 65,40,000 equity shares of Rs. 10/- each (representing 50% of the post issue paid up share capital) of the Target Company to the Acquirers and the PACs at a price of Rs. 10/- per fully paid up equity share payable in cash (hereinafter referred to as "the said Shares"). The Board of Directors of the Target Company at its meeting held on 20<sup>th</sup> June, 2003 has agreed to issue the said Shares on the preferential allotment basis to the Acquirers and the PACs, subject to the Acquirers and the PACs complying with SEBI (SAST) Regulations. The share holdings in the Target Company of the Acquirers and PACs is as under:

	Pre preferential allotment		Post preferential allotment	
	Number	%	Number	%
Chhattisgarh Electricity Company Limited	Nil	Nil	30,00,000	22.94
Chhattisgarh Investment Ltd	15,39,508	23.54	30,39,508	23.24
Sarda Agriculture & Properties Pvt. Ltd	2,80,492	4.29	12,80,492	9.79
Prachi Agriculture & Properties Pvt. Ltd	1,87,939	2.87	10,27,939	7.86
Shri Kamal Kishore Sarda	27,762	0.42	2,27,762	1.74
<b>Total</b>	<b>20,35,701</b>	<b>31.12%</b>	<b>85,75,701</b>	<b>65.57%</b>

- 2.1.3 The Target Company has entered into a Subscription Agreement dated June 20, 2003 with the Acquirers and the PACs whereby the Acquirers and the PACs have deposited the Share Application Money of Rs. 6,54,00,000/- (Rupees six crores fifty four lacs only) representing 100% of the issue price, with the Target Company, subject to the terms and conditions contained in the Agreement. In terms of regulation 22(16), the Agreement contains a clause that in the event of the non-compliance of any provisions of the SEBI (SAST) Regulations by the Acquirers or the PACs, the said Agreement shall not be acted upon by either party thereto.
- 2.1.4 Based on the information available from the Acquirers, the Target Company and SEBI website, the Acquirers, PACs and the Target Company have not been prohibited by SEBI from dealing in securities in terms of directions issued under Section 11B of SEBI Act or under any of the regulations made under the SEBI Act.
- 2.1.5 The Acquirers do not intend to make a major change in the Board of Directors of the Target Company. Shri Kamal Kishore Sarda is also on the Board of the Acquirers and the PACs and Shri G. D. Mundra is on the board of Chhattisgarh Investments Ltd but none of them represent the Acquirers or the PACs on the board of Target Company.
- 2.1.6 The other promoters (other than Acquirers and PACs) holding 4,70,463 (7.19%) equity shares of the Target Company are eligible to participate in the instant offer along with public.
- 2.1.7 No action has been taken by SEBI under SEBI Act, 1992 against Acquirers and PACs except the Target Company as mentioned in the point 5.6 of this document.

### 2.2 Details of the proposed Offer

- 2.2.1 The Public Announcement as per Regulation 15(1) of the Regulations, was made on June 23, 2003 and a corrigendum to the PA was made on July 25, 2003 in the following newspapers:

Newspapers	Language	Editions
Financial Express	English	All editions (Bangalore, Mumbai, Kolkatta, Chandigarh, Ahmedabad, Kochi, New Delhi, Chennai)
Janasatta	Hindi	All editions (Kolkatta, New Delhi)
Loksatta	Marathi	Nagpur edition

A copy of the Public Announcement and Corrigendum to the PA is also available on SEBI's website at [www.sebi.gov.in](http://www.sebi.gov.in)

- 2.2.2 The Acquirers along with PACs, in pursuant to Regulation 11(1) are making an Offer to the public shareholders of the Target Company to acquire up to 26,16,000 fully paid up equity shares of Rs.10/- each of the Target Company, representing 20% of paid-up equity share capital (post preferential allotment) at a price of Rs.10/- (Rupees ten only) per fully paid up equity share (“the Offer Price”) payable in cash, subject to terms and conditions mentioned hereinafter (“the Offer”).
- 2.2.3 As on the date of the Public Announcement, there are no partly paid up shares in the Target Company.
- 2.2.4 The Offer is not conditional upon any minimum level of acceptance.
- 2.2.5 The Acquirers and the PACs have acquired 8500 shares of the Target Company at a price of Rs.10/- per fully paid up equity share during the period of last twelve months. The relatives of the PACs and their associate companies have acquired 58432 shares of the Target Company at the highest and the average price of Rs.10/- and Rs.6.53 respectively during the period of last twelve months.
- 2.2.6 The Acquirers or any of the PACs have not acquired any shares of the Target Company after the date of Public Announcement.
- 2.2.7 The Equity Shares will be acquired by the Acquirers free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

### 2.3 Object of the acquisition/Offer

The object of the Offer is to rehabilitate the Target Company. The Target Company had taken term loans for its project but could not meet the repayment obligation on time due to global downturn in the steel industry and high cost of debt. Under negotiated settlement / One Time settlement scheme, the Financial Institutions have waived the interest and other charges of Rs.3868 lacs and restructured the repayment of principal of Rs.3590 lacs at Rs.3682 lacs including interest for deferred payment. The Company has so far repaid Rs.2492 lacs from accruals and temporary loans. The Company has still to pay Rs.1190 lacs and the internal accruals are not sufficient to meet repayment. Hence it was proposed to raise long term equity funds by allotment of 65,40,000 equity shares of Rs. 10/- each for cash at par on a preferential basis. The outstanding dues of Rs.1190 lacs to the Financial Institutions will be repaid out of the funds raised through preferential Allotment and the balance by internal accruals. Acquirers and PACs have agreed to subscribe to the preferential issue by the Target Company, thereby increasing their aggregate holding from the existing 31.12% to 65.57% As a result of the said preferential allotment, the provisions of Regulation 11(1) of SEBI (SAST) Regulations have been attracted. Hence the present offer to the shareholders is being made in terms of the SEBI (SAST) Regulations.

## 3. BACKGROUND OF THE ACQUIRERS and PACs

- 3.1 **Chhattisgarh Electricity Company Limited** was incorporated on January 23, 1998, as Chhattisgarh Electricity Supply Company Private Limited. The company was converted into a public limited company on February 18, 1999 and the name was subsequently changed to Chhattisgarh Electricity Company Limited on May 27, 1999. The company has its Registered Office at Industrial Growth Centre, Siltara, Raipur, Chhattisgarh . The Company was promoted by Shri Kamal Kishore Sarda, who is also the promoter of the Target Company. It belongs to the Sarda Group. The company is not listed on any stock exchange. The company manufactures Ferro Alloys and generates Thermal power which is mainly consumed captively. The company is in this business since incorporation and has around 3 years experience
- 3.1.1 Shri Kamal Kishore Sarda residing at P-18/19, Anupam Nagar, P.O.Shankar Nagar, Raipur, Shri Ravi Thakurdas Laddha residing at H-5, Anupam Nagar, P.O.Shankar Nagar, Raipur, Shri Manish Sarda residing at 201, Golchha Apartments, Shankar Nagar, Raipur, Shri Padam Kumar Jain residing at C-42, Sector 1 Devendra Nagar, Raipur, Shri Pramod Kumar Agarwal residing at ‘Abhivadan, Panchsheel Nagar, Raipur, Shri Vijay Kumar Gupta residing at 53, Motilal Nehru Nagar, Bhilai and Shri Rakesh Khator residing at 605, Shilpak Apartment, 25, Daga Layout, North Ambajhari Road, Nagpur are the directors of the Company. Shri K.K.Sarda is the Chairman and Managing Director (CMD) of the Target Company and shall recuse himself and not participate in any matter(s) concerning or ‘relating’ to the Offer including any preparatory steps leading to the Offer in terms of Regulations 22(9) in his capacity as CMD of the Target Company.
- 3.1.2 The provisions of Chapter II of SEBI Takeover Regulations are not applicable to the company.
- 3.1.3 Brief audited financial details of **Chhattisgarh Electricity Company Limited**, for the last three years are given below. (The company had not commenced commercial production till 30.09.2001, therefore profit & Loss Account was not prepared for 18 months ended 30.09.2001)

Profit & Loss Statement	(Amount Rs. in lacs)		
	Year ended 31-03-03	6 months ended 31-03-02	18 months ended 30-09-01
Income from operations	7778.94	2846.46	0.00
Other Income	12.53	0.74	0.00
Total Income	7791.47	2847.20	0.00
Total Expenditure	5157.31	2257.21	0.00
Profit Before Depreciation Interest and Tax	2634.16	589.99	0.00
Depreciation	621.83	301.34	0.00
Interest	327.19	137.37	0.00
Profit Before Tax	1685.15	151.28	0.00
Provision for Tax	133.00	12.00	0.00
Profit After Tax	1552.15	139.28	0.00

<b>Balance Sheet Statement</b>	<b>As on 31-03-03</b>	<b>As on 31.03.02</b>	<b>As on 30.09.01</b>
<b>Sources of funds</b>			
Paid up share capital	215.00	321.51	317.51
Reserves and Surplus (excluding revaluation reserves)	2551.26	939.12	799.84
Networth	2766.26	1260.62	1117.35
Secured loans	1964.74	1366.62	1362.05
Unsecured loans	1294.28	1200.00	1200.00
<b>Total</b>	<b>6025.28</b>	<b>3827.24</b>	<b>3679.40</b>
<b>Uses of funds</b>			
Net fixed assets	4697.57	4033.53	3765.47
Investments	0.00	0.00	0.00
Net current assets	1323.09	-208.49	-88.51
Total miscellaneous expenditure not written off	4.62	2.20	2.44
<b>Total</b>	<b>6025.28</b>	<b>3827.24</b>	<b>3679.40</b>
<b>Other Financial Data</b>	<b>31-03-03</b>	<b>31.03.02</b>	<b>30.09.01</b>
Dividend (%)	Nil	Nil	Nil
Earning Per Share (Rs.)	72.19	*6.96	*0.00
Return on Networth (%)	56.20	*11.05	*0.00
Book Value Per Share (Rs.)	128.45	56.85	49.87

\* EPS and Return on Networth are not annualised.

3.2 **Chhattisgarh Investments Limited** was incorporated on April 21, 1982 and has its Registered Office at P-49, Industrial Area, Raipur, Chhattisgarh. It was promoted by Shri Kamal Kishore Sardar, who is also the promoter of the Target Company. It belongs to the Sardar Group. The company is listed on Indore stock exchange. The company is engaged in the business of cultivation, horticulture, and investment. The company is in this business since incorporation and has 21 years experience.

3.2.1 Shri Kamal Kishore Sardar, residing at P-18/19, Anupam Nagar, P.O.Shankar Nagar, Raipur, Shri G.D.Mundra residing at RH-2, C-10, Sector VI, Vashi, Navi Mumbai, Shri Pramod Kumar Agarwal residing at Abhivadan, Panchsheel Nagar, Raipur and Shri Shekhar Kanti Shome residing at LIG -107, Janta Colony, Gudhiyari, Raipur are the directors of the Company. Shri K.K.Sardar and Shri G.D.Mundra are also on the board of the Target Company and shall recuse themselves and not participate in any matter(s) concerning or 'relating' to the Offer including any preparatory steps leading to the Offer in terms of Regulations 22(9) in their capacity as directors of the Target Company.

3.2.2 The company has complied with the provisions of Chapter II of SEBI Takeover Regulations within the stipulated time.

3.2.3 Brief audited financial details of **Chhattisgarh Investments Limited**, for a period of three years and certified provisional figures for the year ended March 31, 2003 are given below:

<b>Profit &amp; Loss Statement</b>	<b>(Amount Rs. in lacs)</b>			
	<b>Year ended 31-03-03 (provisional)</b>	<b>Year ended 31-03-02</b>	<b>Year ended 31-03-01</b>	<b>Year ended 31-03-00</b>
Income from operations	229.14	196.02	180.54	281.94
Other Income	50.96	79.85	258.60	79.97
Total Income	280.10	275.87	439.14	361.91
Total Expenditure	58.14	99.78	333.00	221.02
Profit Before Depreciation Interest and Tax	221.96	176.09	106.14	140.89
Depreciation	6.56	7.28	5.28	2.83
Interest	6.05	10.32	5.72	76.45
Profit Before Tax	209.35	158.49	95.14	61.61
Provision for Tax	0.78	0.61	0.61	0.61
Profit After Tax	208.57	157.88	94.53	61.00
<b>Balance Sheet Statement</b>	<b>As on 31-03-03 (Provisional)</b>	<b>As on 31-03-02</b>	<b>As on 31-03-01</b>	<b>As on 31-03-00</b>
<b>Sources of funds</b>				
Paid up share capital	24.50	24.50	24.50	24.50
Reserves and Surplus (excl. revaluation reserves)	1416.51	1216.66	1065.07	976.67
Networth	1441.01	1241.16	1089.57	1001.17
Secured loans	2.25	5.99	10.67	6.04
Unsecured loans	33.68	75.84	125.91	55.13
<b>Total</b>	<b>1476.94</b>	<b>1322.99</b>	<b>1226.15</b>	<b>1062.34</b>

**Balance Sheet Statement (Contd...)**

	As on 31-03-03 (Provisional)	As on 31-03-02	As on 31-03-01	As on 31-03-00
<b>Uses of funds</b>				
Net fixed assets	66.95	69.36	69.76	51.64
Investments	936.08	921.87	924.98	801.47
Net current assets	473.90	331.73	231.36	209.16
Total miscellaneous expenditure not written off	0.01	0.03	0.05	0.07
<b>Total</b>	<b>1476.94</b>	<b>1322.99</b>	<b>1226.15</b>	<b>1062.34</b>
<b>Other Financial Data</b>	<b>31-03-03</b>	<b>31-03-02</b>	<b>31-03-01</b>	<b>31-03-00</b>
Dividend (%)	25%	25%	25%	25%
Earning Per Share(Rs.)	85.13	64.69	38.58	25.15
Return on Networth(%)	14.47	12.77	8.67	6.15
Book Value Per Share(Rs.)	588.17	506.58	444.70	408.61

3.3 **Sarda Agriculture & Properties Pvt. Ltd.** was incorporated on December 10, 1981 and has its Registered Office at P-48, Industrial Area, Raipur, Chhattisgarh. It was promoted by Shri Kamal Kishore Sarda, who is also the promoter of the Target Company. It belongs to the Sarda Group. The company is not listed on any stock exchange. The company is engaged in the business of cultivation, horticulture, and investment. The company is in this business since incorporation and has 21 years experience.

3.3.1 Shri Kamal Kishore Sarda, residing at P-18/19, Anupam Nagar, P.O.Shankar Nagar, Raipur, Shri G.D.Sarda residing at 73-A, Central Avenue and Smt. Uma Devi Sarda residing at P-18/19, Anupam Nagar, P.O.Shankar Nagar, Raipur, are the directors of the Company. Shri K.K. Sarda is the Chairman and Managing Director (CMD) of the Target Company and shall recuse himself and not participate in any matter(s) concerning or 'relating' to the Offer including any preparatory steps leading to the Offer in terms of Regulations 22(9) in his capacity as CMD of the Target Company.

3.3.2 The company has complied with the provisions of Chapter II of SEBI Takeover Regulations within the stipulated time.

3.3.3 Brief audited financial details of Sarda Agriculture & Properties Pvt. Ltd, for a period of three years and certified provisional figures for the year ended March 31, 2003 are given below:

Profit & Loss Statement	(Amount Rs. in lacs)			
	Year ended 31-03-03 (provisional)	Year ended 31-03-02	Year ended 31-03-01	Year ended 31-03-00
Income from operations	19.52	14.55	21.43	23.65
Other Income	6.34	2.98	2.81	4.17
Total Income	25.86	17.53	24.24	27.82
Total Expenditure (Net of stock Adjustment)	8.59	-0.22	8.76	5.18
Profit Before Depreciation Interest and Tax	17.27	17.75	15.48	22.64
Depreciation	2.42	2.74	0.49	0.28
Interest	7.09	6.98	7.86	4.36
Profit Before Tax	7.76	8.03	7.13	18.00
Provision for Tax	0.00	0.00	0.00	0.00
Profit After Tax	7.76	8.03	7.13	18.00
<b>Balance Sheet Statement</b>	<b>As on 31-03-03 (Provisional)</b>	<b>As on 31-03-02</b>	<b>As on 31-03-01</b>	<b>As on 31-03-00</b>
<b>Sources of funds</b>				
Paid up share capital	4.5	4.5	4.5	4.5
Reserves and Surplus (excl. revaluation reserves)	128.74	120.97	112.94	105.56
Networth	133.24	125.47	117.44	110.06
Secured loans	9.75	11.46	0.00	0.00
Unsecured loans	85.91	43.43	38.67	44.56
<b>Total</b>	<b>228.90</b>	<b>180.36</b>	<b>156.11</b>	<b>154.62</b>
<b>Uses of funds</b>				
Net fixed assets	23.54	26.09	22.87	12.56
Investments	95.12	117.3	104.77	110.35
Net current assets	110.24	36.97	28.47	31.71
Total miscellaneous expenditure not written off	0.00	0.00	0.00	0.00
<b>Total</b>	<b>228.90</b>	<b>180.36</b>	<b>156.11</b>	<b>154.62</b>

<b>Other Financial Data</b>	<b>31-03-03</b>	<b>31-03-02</b>	<b>31-03-01</b>	<b>31-03-00</b>
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share(Rs.)	172.44	178.44	158.44	400.00
Return on Networth(%)	5.82	6.40	6.07	16.35
Book Value Per Share(Rs.)	2960.88	2788.22	2609.77	2445.77

3.4 **Prachi Agriculture & Properties Pvt. Ltd.** was incorporated on January 4, 1988 and has its Registered Office at P-48, Industrial Area, Raipur, Chhattisgarh. It was promoted by Shri Kamal Kishore Sarda, who is also the promoter of the Target Company. It belongs to the Sarda Group. The company is not listed on any stock exchange. The Company is engaged in the business of cultivation, horticulture & investment. The company is in this business since incorporation and has around 14 years experience.

3.4.1 Shri Kamal Kishore Sarda, residing at P-18/19, Anupam Nagar, P.O.Shankar Nagar, Raipur, Shri G.D.Sarda residing at 73-A, Central Avenue and Smt. Uma Devi Sarda residing at P-18/19, Anupam Nagar, P.O.Shankar Nagar, Raipur, are the directors of the Company. Shri K.K.Sarda is the Chairman and Managing Director (CMD) of the Target Company and shall recuse himself and not participate in any matter(s) concerning or 'relating' to the Offer including any preparatory steps leading to the Offer in terms of Regulations 22(9) in his capacity as CMD of the Target Company.

3.4.2 The company has complied with the provisions of Chapter II of SEBI Takeover Regulations within the stipulated time.

3.4.3 Brief audited financial details of Prachi Agriculture & Properties Pvt. Ltd, for a period of three years and certified provisional figures for the year ended March 31, 2003 are given below:

<b>Profit &amp; Loss Statement</b>	<b>(Amount Rs. in lacs)</b>			
	<b>Year ended 31-03-03 (provisional)</b>	<b>Year ended 31-03-02</b>	<b>Year ended 31-03-01</b>	<b>Year ended 31-03-00</b>
Income from operations	8.27	7.83	9.88	17.71
Other Income	2.21	4.75	3.83	5.02
Total Income	10.48	12.58	13.71	22.72
Total Expenditure	4.67	1.70	4.38	6.57
Profit Before Depreciation Interest and Tax	5.81	10.88	9.33	16.15
Depreciation	0.29	0.32	0.37	0.42
Interest	0.73	0.89	1.25	1.29
Profit Before Tax	4.79	9.67	7.71	14.44
Provision for Tax	0.00	0.00	0.00	0.07
Profit After Tax	4.79	9.67	7.71	14.37
<b>Balance Sheet Statement</b>	<b>As on 31-03-03 (Provisional)</b>	<b>As on 31-03-02</b>	<b>As on 31-03-01</b>	<b>As on 31-03-00</b>
<b>Sources of Funds</b>				
Paid up share capital	4.95	4.95	4.95	4.95
Reserves and Surplus (excluding revaluation reserves)	101.28	96.49	86.83	79.11
Networth	106.23	101.44	91.78	84.06
Secured loans	0.00	0.00	0.00	0.00
Unsecured loans	12.78	6.93	6.24	14.67
<b>Total</b>	<b>119.01</b>	<b>108.37</b>	<b>98.02</b>	<b>98.73</b>
<b>Uses of funds</b>				
Net fixed assets	12.01	12.30	12.63	13.00
Investments	83.00	82.42	60.70	64.30
Net current assets	24.00	13.65	24.69	21.43
Total miscellaneous expenditure not written off	0.00	0.00	0.00	0.00
<b>Total</b>	<b>119.01</b>	<b>108.37</b>	<b>98.02</b>	<b>98.73</b>
<b>Other Financial Data</b>	<b>31-03-03</b>	<b>31-03-02</b>	<b>31-03-01</b>	<b>31-03-00</b>
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share(Rs.)	96.77	195.35	155.76	290.30
Return on Networth(%)	4.51	9.53	8.40	17.09
Book Value Per Share(Rs.)	2146.06	2049.29	1854.14	1698.18

3.5 Shri Kamal Kishore Sarda, aged 50 years, is residing at P-18/19, Anupam Nagar, P.O. Shankar Nagar, Raipur, Chhattisgarh. Tel. : 0771 5093900/01. He has over 25 years of experience in the field of iron and steel and power. He is the chairman and managing director of Raipur Alloys & Steel Limited and is also on the board of the Acquirers and the other PACs. His networth as of March 31, 2003 as certified by Mr. Neeraj Baid, membership number 401329, partner of Messrs. Begani & Begani, Chartered Accountants, having office at Sadar Bazar, Raipur Tel.:2227242, vide certificate dated 13.06.03 is Rs. 45,91,327/- (Rupees Forty five lacs ninety one thousand three hundred twenty seven only).

3.5.1 Shri Kamal Kishore Sarda has complied with the provisions of chapter II of the Regulations with in the stipulated time.

3.5.2 He is on the board of Raipur Alloys and Steel Ltd and Chhattisgarh Investments Ltd. He is not on the board of any other listed company. He is a full time director only in Raipur Alloys and Steel Ltd.

3.5.3 The Acquirers and the PACs have agreed to subscribe to 65,40,000 equity shares (representing 50% of the post issue share capital) of the Target Company under preferential allotment, at a price of Rs. 10/- per equity share. The Target Company has entered into a Subscription Agreement dated 20.06.03 with the Acquirers and the PACs whereby the Acquirers and the PACs have deposited the Share Application Money of Rs. 6,54,00,000/- (Rupees six crore fifty four lacs only) representing 100% of the issue price, with the Target Company, subject to the terms and conditions contained in the said Agreement. In terms of regulation 22(16), the Agreement contains a clause that in the event of the non-compliance of any provisions of the SEBI (SAST) Regulations by the Acquirers or the PACs, the said Agreement shall not be acted upon by either party thereto

### 3.6 Disclosure in terms of Regulation 16(ix)

3.6.1 The company is undertaking the expansion project to increase the capacity of sponge iron from 60000 tons per annum to 2,10,000 tons per annum and steel melting capacity from 40000 tons per annum to 1.4 lacs tons per annum to use the sponge iron captively. The sanction of the banks for the financial assistance for the same is awaited.

3.6.2 The Acquirers do not intend to sell, dispose of or otherwise encumber any assets of the Target Company in succeeding two years, except in the ordinary course of business of the Target Company.

3.6.3 The Acquirers undertake not to sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders.

## 4. OPTION IN TERMS OF REGULATION 21(3)

If pursuant to this Offer and/or acquisition of shares from the open market or through negotiation or otherwise, the public shareholding falls to 10% or less of the voting capital of the Target Company, then in accordance with SEBI (SAST) Regulations, the Acquirers undertake to disinvest through an offer for sale or by a fresh issue of capital to the public, which shall open within a period of 6 months from the date of closure of public offer, such number of shares so as to satisfy the listing requirements.

## 5. BACKGROUND OF THE TARGET COMPANY

5.1 Raipur Alloys & Steel Limited, having its Registered Office at 73-A, Central Avenue, Nagpur 440 014, was incorporated on June 23, 1973 under the companies Act, 1956, originally as Raipur Wires & Steel Limited. The name of the company was changed to Raipur Alloys & steel Ltd on June 28, 1985. The Company was promoted by Tejpaal Group of Mumbai in 1973. The Company was taken over by the Sarada Group in 1979 as a sick unit.

5.2 Presently the Company is engaged in the manufacture of Sponge Iron and Steel ingots with the installed capacity of 60000 Mts and 40000 MTs respectively. The sponge iron plant is operating above 100% of its capacity. The company has also received mining lease for iron ore.

5.3 The Share Capital Structure of Raipur Alloys & Steel Ltd. as on the date of the Public Announcement was as follows:

Paid up Equity Share Capital	No. of Equity Shares/ Voting Rights	% of Equity Shares/ Voting Rights
Fully paid up Equity Shares	65,40,000	100
Partly paid up Equity Shares	Nil	Nil
Total Paid up Equity Shares	65,40,000	100
Total Voting Rights	65,40,000	100

The Target Company is in the process of allotting 65,40,000 equity shares to the Acquirers under preferential allotment.

5.4 There are no outstanding convertible instruments (Warrants/FCDs/PCDs).

5.5 There are no Partly paid up shares of the company as on the date of the public announcement.

5.6 RASL vide its letter dated June 18, 2003 has certified that the promoters & major shareholders of the company have complied with the provisions of the Chapter II of the SEBI (SAST) Regulations within the stipulated time. However the company has complied with the provisions of the Chapter II of the SEBI (SAST) Regulations with some delay. SEBI vide order dated July 17, 2003 has initiated adjudication proceedings against the Target Company under section 15A (b) of the SEBI Act,1992 for the alleged contravention of Regulation 7(3) for the year 2002 and Regulation 8(3) for the year ended 31.03.2003. No other action has been taken against RASL by SEBI under SEBI Act, 1992.

5.7 The equity shares of RASL are listed on The Stock Exchange ,Mumbai, Delhi Stock Exchange, Kolkata Stock Exchange and Cochin Stock Exchange. RASL had not complied with clause 35 and clause 41 of the listing agreement, therefore the trading was temporarily suspended on The Stock Exchange, Mumbai from 13th May, 2002 but was restored w.e.f 26th March, 2003 . There is no trading of shares on the Delhi Stock Exchange, Kolkata Stock Exchange and Cochin Stock Exchange. No penal action has been taken by any of the stock exchanges. The listing fees amounting to Rs.1,92,750/- to non regional stock exchanges are in arrears and the company proposes to get the shares delisted from these stock exchanges.

5.8 The Board of Directors of RASL as on the date of Public Announcement was as under:

S. No.	Name of Director	Residential Address
1.	Shri Kamal Kishor Sarada	P-18/19, Anupam Nagar, P.O. Shankar Nagar, Raipur.
2.	Shri Gopal Krishna Chhangani	198, Geetanjali Nagar, P.O. Shankar Nagar, Raipur.
3.	Shri Ghanshyam Das Mundra	RH-2, C-10, Sector-VI, Vashi, Navi Mumbai.
4.	Shri Rakesh Mehra	E-7 / 720, Shahpura, Bhopal (M.P)
5.	Shri A. K. Basu	RH Plot No.61, Sector 8, Khoparkhairne, Navi Mumbai.



Shri Kamal Kishore Sarma is also on the Board of the Acquirers and the PACs and Shri G. D. Mundra is on the board of Chhattisgarh Investments Ltd but none of them represent the Acquirers or the PACs on the board of Target Company.

- 5.9 There were no mergers/demergers or spin off involving the Target Company in the last 3 years. The name of the Target Company was changed from Raipur Wires & Steel Ltd to Raipur Alloys and Steel Ltd on June 28, 1985.
- 5.10 Brief audited financial details of the Target Company for the three years and certified financials for the six months ended March 31, 2003 are given below:

Profit & Loss Statement	(Amount Rs. in lacs)			
	6 months ended 31-03-03 (provisional)	Year ended 30-09-02	18 months ended 30-09-01	Year ended 31-03-00
Income from operations	4487.98	5787.33	8294.12	4589.24
Other Income	0.35	31.51	64.12	32.65
Total Income	4488.33	5818.84	8358.24	4621.89
Total Expenditure	3979.75	5222.58	7533.54	3910.80
Profit Before Depreciation Interest and Tax	508.58	596.26	824.70	711.09
Depreciation	172.44	327.37	474.75	0.00
Interest	22.26	39.36	0.00	858.88
Profit/loss Before Tax	313.88	229.53	349.95	-147.79
Add : Write back of waived interest liability already provided	1432.75			
Provision for Tax	150.00	7.28	0.00	0.19
Profit/ Loss After Tax	1596.63	222.25	349.95	-147.60
<b>Balance Sheet Statement</b>	<b>31-03-03 (Provisional)</b>	<b>30-09-02</b>	<b>30-09-01</b>	<b>31-03-00</b>
<b>Sources of funds</b>				
Paid up share capital	654.00	654.00	653.75	653.73
Reserves and Surplus (excl. revaluation reserves)	948.62	-648.02	212.83	-137.13
Networth	1602.62	5.98	866.58	516.60
Secured loans	3816.23	6378.76	7095.00	7524.64
Unsecured loans	657.59	127.53	0.00	0.00
<b>Total</b>	<b>6076.44</b>	<b>6512.27</b>	<b>7961.58</b>	<b>8041.24</b>
<b>Uses of funds</b>				
Net fixed assets	4003.73	4162.13	3960.50	4665.58
Investments	0.05	0.05	0.05	5.06
Net current assets	3138.31	2325.51	3979.56	3230.97
Net Deferred Tax Liability	-1090.63			
Total miscellaneous expenditure not written off	24.98	24.58	21.47	139.63
<b>Total</b>	<b>6076.44</b>	<b>6512.27</b>	<b>7961.58</b>	<b>8041.24</b>
<b>Other Financial Data</b>	<b>31-03-03</b>	<b>30-09-02</b>	<b>30-09-01</b>	<b>31-03-00</b>
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share(Rs.)	*2.51	3.40	*5.35	-2.26
Return on Net worth(%)	*10.23	3714.77	*40.38	-28.57
Book Value Per Share(Rs.)	24.50	0.09	13.25	7.90

\* Not Annualised

- 5.11 The equity shareholding pattern of the Target Company before the Offer and after the Offer (assuming full acceptance of the Offer) is given in the table below:

Shareholders Category	Equity Shareholding & Voting rights prior to Offer		Equity Shares agreed to be acquired in the preferential allotment which triggered off the Regulation		Equity Shareholding & Voting rights Post Preferential allotment		Equity Shares/ Voting rights to be acquired in the open Offer (assuming full acceptance)		Equity Shareholding/ Voting rights after the acquisition and Offer	
	(A)		(B)		(C) = A + B		(D)		(E) = C + D	
	No.	%	No.	% #	No.	%	No.	%	No.	%
1) Promoters/Acquirers/PACs										
a) Acquirers										
Chhattisgarh Electricity Co. Ltd.	Nil	Nil	30,00,000	22.94	30,00,000	22.94	26,16,000	20	56,16,000	42.94
Chhattisgarh Investments Ltd.	15,39,508	23.54	15,00,000	11.47	30,39,508	23.24	-	-	30,39,508	23.24

b) PACs:										
Sarda Agriculture & Properties Pvt. Ltd.	2,80,492	4.29	10,00,000	7.65	12,80,492	9.79	-	-	12,80,492	9.79
Prachi Agriculture & Properties Pvt. Ltd.	1,87,939	2.87	8,40,000	6.42	10,27,939	7.86	-	-	10,27,939	7.86
Shri Kamal Kishore Sarda	27,762	0.42	2,00,000	1.52	2,27,762	1.74	-	-	2,27,762	1.74
c) Promoters other than Acquirers & PACs	4,70,463	7.19	-	-	4,70,463	3.59	-	-	4,70,463	3.59
<b>Total [1(a)+(b)]</b>	<b>25,06,164</b>	<b>38.32</b>	<b>65,40,000</b>	<b>50.00</b>	<b>90,46,164</b>	<b>69.16</b>	<b>26,16,000</b>	<b>20</b>	<b>1,16,62,164</b>	<b>89.16</b>
2) Public										
a. Fis/MFs/Fils/ Banks/SFIs										
IDBI	5,44,605	8.33	-	-	5,44,605	4.16			Not	Not
LIC	19,500	0.30	-	-	19,500	0.15			Ascer-	Ascer-
ICICI	3,000	0.05	-	-	3,000	0.02			tained	tained
United India Insurance Co.	45,500	0.70	-	-	45,500	0.35				
BOI Mutual Fund	2,750	0.04	-	-	2,750	0.02				
SBI Capital Markets	677	0.01	-	-	677	0.005				
SHCIL (A/c LIC Mutual Fund)	350	0.01	-	-	350	0.003				
Advantage Advisors India Fund	5,100	0.08	-	-	5,100	0.04				
Total	6,21,482	9.50	-	-	6,21,482	4.75				
b. Others	34,12,354	52.18	-	-	34,12,354	26.09				
<b>Total [2(a)+(b)]</b>	<b>40,33,836</b>	<b>61.68</b>			<b>40,33,836</b>	<b>30.84</b>			<b>14,17,836</b>	<b>10.84</b>
<b>Total 1+2</b>	<b>65,40,000</b>	<b>100.00</b>	<b>1,30,80,000</b>	<b>100.00</b>	<b>1,30,80,000</b>	<b>100.00</b>	<b>26,16,000</b>	<b>20</b>	<b>1,30,80,000</b>	<b>100.00</b>

# as a percent of post preferential share capital/voting rights. We have assumed that all the shares tendered in the open offer will be acquired by Chhattisgarh Electricity Company Ltd.

5.12 The total number of equity shareholders in RASL in the public category as on specified date was 16123.

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1 Justification of Offer Price

- The shares of the Target Company are listed on The Stock Exchange, Mumbai., Delhi Stock Exchange, Kolkata Stock Exchange and Cochin Stock Exchange. There is no trading of shares on the Delhi Stock Exchange, Kolkata Stock Exchange and Cochin Stock Exchange. The trading was temporarily suspended on the The Stock Exchange, Mumbai from 13th May, 2002 but was restored w.e.f from 26th March, 2003
- The volumes traded during the six calendar months preceding the month of the board meeting dated May 2, 2003, which, subject to all necessary approvals, consents, permissions and/or sanctions of all appropriate and competent authorities being obtained in that behalf under the Securities & Exchange Board of India Act, 1992 and other applicable laws, rules and regulations, approved the issue of shares on preferential basis to the Acquirers and PACs, and convening of an Extra-Ordinary General Meeting of RASL on June 4, 2003, was as below. (source: The Stock Exchange, Mumbai).

Stock Exchange	Total No. of Shares traded during 6 months (November 2002-April 2003)	Total No. of listed shares	Annualized trading turnover (as a % of total listed shares)
BSE	90623	65,40,000	2.77%

- The equity shares are infrequently traded within the meaning of Regulation 20 of the SEBI (SAST) Regulations. The Offer Price of Rs. 10/- per equity share of the Target Company, is determined in accordance with Regulation 20(5) of the SEBI (SAST) Regulations considering the following factors:

Mode of Allotment/Acquisition of Equity Shares	Price per fully paid up equity share (Rs.)	
a. The negotiated price under the Agreement	10	
b. The highest price paid by the Acquirers and the PACs for acquisition of shares of the Target Company during the twenty-six week period prior to the date of the Public Announcement	10	
c. Other parameters	Period ended	
	31.03.2003 (6 Months)	30.9.2002 (12 Months)
Return on Net Worth (%)	* 10.23	3714.77
Book value per share (Rs.)	24.50	0.09
Earning per share (Rs.)	* 2.51	3.40
Price to Earnings Ratio (based on the Offer Price)	3.98	2.94
Industry P/E Ratio (source : Capital Markets Vol XVIII/06 Jun. 08, 2003 Industry : Steel - Medium/Small)	5.40	

\* Not Annualised

- iv. Since the shares of Raipur Alloys and Steel Limited are infrequently traded on The Stock Exchange, Mumbai , the fair value of shares has been arrived at by placing reliance on the Supreme Court Judgement in case of Miheer H.Mafatlal Vs. Mafatlal Industries (1997) 87 com cases 792, AIR 1997 SC 506 and with due regard to the erstwhile CCI formula for valuation of shares. Accordingly, the Offer Price has been worked out based on the following parameters and weights taking the weighted average of three valuation methods viz Net Assets Value Method, Price Earning Capacity value Method and Market Based Value, as under:

**1. Net Asset Value Per Share**

The net asset value as per the last audited balance sheet i.e 30th September 2002 is Rs.0.09/-

**2. Price Earning Value Per Share (PECV)**

For the Financial Years ended at

Particulars	30/09/02 (12 months)	30/09/01 (18 months)	31/03/00 (12 months)	
PAT (Rs.lacs)	222.25	*233.30	-147.60	
Average PAT (Rs.Lacs)				102.65
No. of Equity shares				65,40,000
Earning Per share (EPS) (Rs.)				1.57
PECV @15% capitalization (Rs.)				10.47

\*Annualised figure

**3. Market Based Value**

There was no trading of equity shares of RASL from November 2002 till 25th March 2003. The week wise details of the share price till April 2003 is as follows:

Week ended	High	Low	Average	Rs.
28/03/03	6.60	4.00	5.30	
04/04/03	9.50	6.00	7.75	
11/04/03	9.50	6.80	8.15	
17/04/03	11.10	7.45	9.27	
25/04/03	10.80	8.25	9.53	
<b>Average of 5 weeks</b>			<b>8.00</b>	

**Valuation Per Equity Share**

Measure	Weight (a)	Value per share (b)	Amt. in Rs. (a) x (b)
1. Net Asset Value per share	1	0.09	0.09
2. Price Earning Capacity Value per share	2	10.47	20.94
3. Market Based Value per share	2	8.00	16.00
Total	5		37.03
<b>Weighted Average Value of above three</b>			<b>7.41</b>

In view of the above, the Offer Price of Rs.10/- per equity share is justified.

The above working is certified by Ms.Ritu Jain, partner of R.S.Choraria & Associates, Chartered Accountants, Raipur,(membership no.074899) vide their certificate dated 21st July , 2003.

- v. There is no non-compete agreement.
- vi. Considering the above parameters, the Offer Price is justified.
- vii. If the Acquirers/PACs acquire shares after the date of Public Announcement and upto 7 working days prior to the closure of the Offer i.e. upto August 19, 2003, at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all acceptances received under this Offer.

**6.2 Financial arrangements:**

- i. The total requirement of funds (assuming full acceptance of the Offer) for the acquisition of 26,16,000 equity shares of the Target Company at a price of Rs. 10/- per share would amount to Rs. 2,61,60,000/-(Rupees Two crore sixty one lacs sixty thousand only).
- ii. In accordance with Regulation 28 of the SEBI (SAST) Regulations,the Acquirers have created an escrow account with Union Bank of India,B.S.Marg Branch, Mumbai, in the form of a cash deposit of Rs. 3,00,000/- (Rupees three lacs only) being more than 1% of the total consideration payable and lien is marked in favour of the Manager to the Offer. The Acquirers have also pledged 60000 fully paid up equity shares of TISCO of face value of Rs.10/- each in Demat form in favour of the manager to the offer. The market price of the shares on the date of pledge i.e. 19th June 2003 was Rs.157.10 and

the market value was Rs.94,26,000/-. The margin is 33.80% over the market price. The aggregate value of the shares and the cash deposit is more than 25% of the total consideration payable under the Offer. If there is any deficit on realization of value of the securities, the manager to the Offer shall make good any such deficit in accordance with Regulation 28(7).

- iii. The Manager to the Offer has been duly authorised by the Acquirers to operate the escrow account by sale of securities or otherwise in terms of the SEBI (SAST) Regulations.
- iv. The Acquirers have made firm arrangements for financing the acquisition of equity shares under the Offer out of its internal resources.
- v. As per the audited Balance sheet for the year ended March 31, 2003, the networth of the Chhattisgarh Electricity Company Ltd is Rs.2762 lacs. Mr. Sanjay Bothra, a partner of OP Singhanian & Co., Chartered Accountants, (membership number 74916) having office at 199-A, Samta Colony, Raipur -492001 Tel.:0771 253538 Fax 0771 253844 has certified vide a certificate dated May 28, 2003 that Chhattisgarh Electricity Company Ltd has adequate financial resources for fulfilling all the obligations under the Offer.
- vi. The Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations.

## 7. TERMS AND CONDITIONS OF THE OFFER

- 7.1 The Acquirers have made a Public Announcement on June 23, 2003 and a corrigendum to the PA on July 25, 2003 for the Offer. This Offer is being made to all the remaining equity shareholders of RASL, (other than the Acquirers and the PACs), whose names appear on the Register of Members of RASL or on the beneficial record of the respective depositories, at the close of business on June 24, 2003 (the specified date) and to also those persons (except the Acquirers and PACs) who own the equity shares at any time prior to the closure of the Offer but are not the registered shareholders. The Letter of Offer together with Form of Acceptance cum Acknowledgement and the Form of Withdrawal is mailed to the shareholders of the Target Company, whose names appear in the Register of Members of the Target Company and the beneficial owners of the shares of the Target Company whose names appear on the beneficial records of the respective depositories, at the close of business on June 24, 2003 ("the specified date").
- 7.2 All owners of shares, registered and unregistered (who own the shares any time prior to the closure of the Offer) are eligible to participate in the Offer.
- 7.3 The Offer is not subject to any minimum level of acceptance.
- 7.4 There are no locked in shares of the Target Company.
- 7.5 Shareholders who wish to tender the shares should submit documents in accordance with the procedures specified in point 8 of the Letter of Offer and the Form of Acceptance cum Acknowledgement.
- 7.6 The shareholders shall have the option to withdraw acceptance tendered by him upto three working days prior to the date of closure of the Offer. Shareholders who wish to withdraw their shares should submit documents in accordance with the procedures specified in point 8 of the Letter of Offer and the Form of Withdrawal.
- 7.7 The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement and the Form of Withdrawal constitute an integral part of the terms of this Offer.
- 7.8 Accidental omission to dispatch this Letter of Offer or any further communication to any persons to whom this Offer is being made or the non-receipt of this Letter of Offer by any such persons shall not invalidate the Offer in any way.
- 7.9 Equity shares tendered under this Offer should be free from any charge, lien or encumbrance.
- 7.10 If there is an upward revision in the Offer Price by the Acquirers till the last date of upward revision viz. August 19, 2003 or in case of withdrawal of the Offer, the same would be informed by way of a Public Announcement in the same newspapers, where the original Public Announcement had appeared. Such revised price would be payable by the Acquirers to all the shareholders for all the shares tendered at any time during the Offer and accepted under the Offer.
- 7.11 If there is a competitive bid
  - The public Offers under all the subsisting bids shall close on the same date.
  - As the Offer Price cannot be revised during seven working days prior to the closing date of the Offers/bids, it would therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each Offer/bid and tender their acceptance accordingly.
- 7.12 The Acquirers will not be responsible in any manner for any loss of equity shares certificate(s) and other documents during transit. The equity shareholders of RASL are therefore advised to adequately safeguard their interest in this regard.
- 7.13 Statutory approvals
  - i) The Offer is subject to the approval of the Reserve Bank of India (RBI) under the Foreign Exchange Management Act, 1999 for acquiring shares tendered by NRIs/FIIs/OCBs... No approval is required to be obtained from banks/financial institutions for the Offer.
  - ii) As on the date of this Public Announcement, to the best of knowledge of the Acquirers, there are no other statutory approvals and/or consents required to implement this Offer.

- iii) However, the Offer would be subject to all such statutory approvals as may be required and/or may subsequently become necessary to acquire at any later date.
- iv) The Acquirers shall complete all procedures relating to the Offer within a period of 30 days from the closure of the Offer. In terms of Regulation 22(12) of the SEBI (SAST) Regulations, in the case of delay in 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 for the delayed period to the shareholders as directed by SEBI. Further if the delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of SEBI (SAST) Regulation will also become applicable.

## 8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1 The Shareholders who wish to tender equity shares will be required to send the under mentioned documents to the Registrar to the Offer at the following address by hand delivery or registered post during business hours on or before the closure of the Offer i.e August 29, 2003.

Registrar to the Offer	Working days and timings	Mode of delivery
<b>Intime Spectrum Registry Ltd.</b> C-13, Pannalal Silk Mills Compound LBS Marg, Bhandup (West), Mumbai 78 Tel. 25923837 Fax:25672693 Email : nikunj@intimespectrum.com Contact Person : Mr. Nikunj Daftary	Monday to Friday 10.30 a.m. to 1 p.m. and 2 p.m. to 4.30 p.m.	Hand Delivery or Registered Post

The envelope should be clearly marked with the words "RASL-Open Offer".

In case of dematerialized equity shares the shareholders should ensure that the credit to the special depository account mentioned below should be received on or before August 29, 2003. In order to ensure this, beneficial owners should tender the delivery instructions at least two working days prior to August 29, 2003 (i.e. the date of the closing of the Offer). Form of Acceptance cum Acknowledgement of such dematerialized equity shares not credited to the special depository account before the date of close of the Offer is liable to be rejected.

The documents mentioned elsewhere should be sent only to the Registrar to the Offer and NOT to the Acquirers, PACs or the Target Company.

- 8.2 Procedure for equity shares held in physical form

**i) Registered shareholders should enclose:**

- a) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein by sole/joint shareholders whose name(s) appears in the equity share certificate(s) and in the same order in which their name(s) appear in the Register of Members and as per the specimen signature lodged with RASL.
- b) Original share certificate(s).
- c) Valid share transfer form(s) duly signed (as transferors) by all the registered shareholders in the same order as per specimen signature registered with the company and duly witnessed at the appropriate place. The transfer deed should be left blank except for the signatures as mentioned above. All other requirements for valid transfer will be a precondition for valid acceptance.

**ii) Unregistered shareholders (persons who hold shares of the company irrespective of the specified date as also those whose names do not appear on the register of members of the company) should enclose:**

- a) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein by the person accepting the Offer
- b) Original share Certificate(s)
- c) Valid share transfer form(s) as received from market. The details of the buyer should be left blank, failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be pre-conditions for acceptance.
- d) Original contract note issued by the broker through whom the shares are acquired.
- e) The acknowledgement received, if any, from RASL in case the equity shares have been lodged with RASL.

Unregistered owners can send their applications in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, distinctive numbers, folio number, number of shares offered along with the original share certificate(s), duly signed transfer deed(s) and the original contract note issued by the broker through whom the shares were acquired, so as to reach the Registrar to the Offer on or before the close of the Offer i.e. August 29, 2003. No indemnity is required from the unregistered owners. Alternatively, shareholders can download Form of Acceptance cum Acknowledgement placed on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) and send in their acceptance by filling in the same.

### 8.3 Procedure for equity shares held in demat form

#### i) Beneficial owners should enclose:

- a) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose names appear in the beneficiary accounts and in the same order therein. The Form of Acceptance has to be tendered by the beneficial holders of the equity shares only.
- b) 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 favour of the special depository account.
- c) The Registrar to the Offer has opened a special depository account with CDSL

Styled	"Intimespectrum-Escrow Account for Raipur Alloys"
DP ID	10600
DP Name	Anand Rathi Securities Private Limited
Client ID Number	1201060000107037.

Shareholders, having their beneficiary account with NSDL have to use inter depository delivery instructions slip for the purpose of crediting their equity shares in favour of the special depository account with CDSL.

The delivery instructions to be given to the depository participant should be in "for off-market" mode only. For each delivery instructions the beneficial owner should submit separate Form of Acceptance cum Acknowledgement.

#### ii) Shareholders who have sent their equity share certificates for dematerialisation should enclose:

- a) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein by the sole/joint equity shareholders whose names appear on the equity share certificate and in the same order in which their name(s) appears in the Register of Members and as per the specimen signature lodged with RASL.
- b) A copy of the dematerialisation request form duly acknowledged by the equity shareholders' depository participants.

Such equity shareholders should ensure that the credit of their equity shares tendered under the Offer to the special depository account is made on or before the date of closing of the Offer, otherwise the same are liable to be rejected. Alternatively, if the equity shares sent for dematerialisation are yet to be processed by the equity shareholders' depository participants, the equity shareholders can withdraw their dematerialisation request and tender the equity share certificates in the Offer.

### 8.4 Procedure for acceptance of the Offer by shareholders who do not receive the Letter of Offer.

- i) In case of non-receipt of the Letter of Offer, the eligible persons may obtain a copy of the same from the Registrar to the Offer or send their consent to the Registrar to the Offer on a plain paper stating the name, address, number of shares held, distinctive numbers, folio number, number of shares offered along with the original share certificate(s) and duly signed transfer deed(s) as transferor, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e. August 29, 2003.
- ii) In case of beneficial owners, they may send the application 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 a photocopy of the delivery instruction in "off-market" mode or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the close of the Offer i.e. August 29, 2003.
- iii) Shareholders can download Form of Acceptance cum Acknowledgement placed on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) and send in their acceptance by filling in the same. Such shareholders must send a covering letter along with the above-mentioned details stating acceptance of Offer on the terms and conditions set out in the Letter of Offer. Further the Public Announcement dated June 23,2003 Corrigendum to the PA dated July 25, 2003 and the Letter of Offer are available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

### 8.5 Procedure for withdrawing of acceptance tendered

The Shareholders who are desirous of withdrawing their acceptance tendered in the offer, can do so up to three working days prior to the date of closure of the offer, i.e. on or before August 26, 2003. The withdrawal option can be exercised by submitting the following documents so as to reach the Registrar to the offer on or before August 26, 2003.

- a. Duly signed and completed form of withdrawal.
- b. Copy of the submitted form of Acceptance cum Acknowledgement /Plain paper application and the acknowledgement slip.
- c. In case of shares in demat form, photocopy of the delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP.
- d. In case of partial withdrawal of physical shares, valid share transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per the specimen signatures registered with RASL and duly witnessed at the appropriate places for the shares which are not withdrawn.

In case of non receipt of the form of withdrawal, the withdrawal option can be exercised by making an application on plain paper alongwith the following details:

- a. In case of physical shares: Name, address, distinctive numbers, folio numbers, number of shares tendered/withdrawn.
- b. In case of dematerialised shares: Name, address, number of shares tendered/withdrawn, DP name, DP ID, Beneficiary account number and a photocopy of delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Depository Escrow Account.

Alternatively, shareholders can download the Form of Withdrawal placed on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in) and send in their withdrawal by filling in the same.

8.6 The Acquirers shall accept all shares other than those that are invalid/rejected in consultation with the Manager to the Offer. In case the shares tendered in the offer by the shareholders of the Target Company are more than the shares to be acquired under the Offer, the acquisition of the shares from each shareholder will be as per the provision of Regulation 21(6) of the Regulations on a proportionate basis irrespective of whether the shares are held in physical or dematerialised form. The marketable lot is one share in case of Demat shares and 50 in case of Physical shares. The Registrar to the Offer will hold in trust the equity shares/equity share certificates, equity shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, Form of withdrawal, if any and transfer form(s) on behalf of the shareholders of the Target Company who have tendered the Offer, till the cheques/drafts for the consideration and/or the unaccepted/ withdrawn equity shares/equity share certificates are dispatched/returned. The Acquirers/PACs would not have access to these equity shares till such time.

8.7 The payment of consideration to those shareholders whose share certificates and/or other documents are found valid and in order by the Acquirers, will be through a crossed account payee cheque/demand draft/pay order. The intimation regarding the acquisition (in part or full) or rejection of the equity shares and the corresponding payment for the acquired equity shares and/or equity share certificates for the rejected equity shares will be dispatched to the shareholders by registered post at the shareholders sole risk. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

In case of dematerialised equity shares, the equity shares would reside in the special depository account as mentioned above. The Registrar to the Offer will debit the special depository account to the extent of payment of consideration made by the Acquirers and his instructions for the credit to the beneficial account of the Acquirers. The shares held in demat form to the extent not accepted or withdrawn will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement/ Form of Withdrawal.

In case of unregistered owners of the shares, payment will be made in the name of the person stated in the contract note. It is desirable that the shareholders provide bank details in the form of Acceptance cum Acknowledgement, for incorporation in the cheque/demand draft.

8.8 The Acquirers shall complete all procedures relating to the Offer within a period of 30 days from the closure of the Offer. In terms of Regulation 22(12) of the SEBI (SAST) Regulations, in the case of delay in 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 for the delayed period to the shareholders as directed by SEBI. Further if the delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

## 9. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the registered office of the Chhattisgarh Electricity Company Ltd from 10.30 a.m. to 1 p.m. and 2 p.m. to 5 p.m. on any working day except Saturdays, Sundays and Public Holidays until the Offer closes.

- i. Certificate of Incorporation, Memorandum and Articles of Association of the Chhattisgarh Electricity Company Ltd and Chhattisgarh Investments Ltd, Sarda Agriculture & Properties Pvt. Ltd and Prachi Agriculture and Properties Pvt. Ltd
- ii. Chartered Accountants certificates certifying the net worth of Shri K.K.Sarda.
- iii. Chartered Accountants certificate certifying the adequacy of financial resources with Chhattisgarh Electricity Company Ltd to fulfill the open Offer obligations.
- iv. Audited annual reports of the Acquirers, PACs and Target Company for the three years and provisional results for the year 2002-2003.
- v. A letter from Union Bank of India, B.S Branch, Mumbai, confirming the amount kept in the escrow account and a lien in favour of the Manager to the Offer.
- vi. A copy of the Subscription Agreement between the Acquirers, PACS and the Target Company for the preferential allotment.
- vii. A published copy of Public Announcement dated June 23, 2003 and corrigendum to the PA dated July 25, 2003.
- viii. A copy of the letter dated July 22, 2003 from SEBI in terms of proviso to Regulation 18(2).
- ix. The escrow account consists of 60000 equity shares of TISCO with face value of Rs.10/- per share fully paid up. The market price of shares on the date of creation of escrow i.e. June 19,2003 was Rs.157.10 and the market value of 60000 shares was Rs.94,26,000/-
- x. A copy of the agreement entered into with depository participants ( Anand Rathi Securities Pvt. Ltd) for opening a special depository account for the purpose of the Offer.

## 10. DECLARATION BY THE ACQUIRERS

- a) The Board of Directors of the Acquirers and PACs accept full responsibility for the information contained in this Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal.
- b) Each of the Acquirers (including PACs) would be severally and jointly responsible for ensuring compliance with the Regulations.
- c) The Manager to the Offer ensures that the Board of Directors of the Acquirers have been authorised by the PACs to sign this Letter Of Offer.
- d) All informations contained in this document are as on the date of the Public Announcement, unless stated otherwise.

By Order of the Board  
For **Chhattisgarh Electricity Company Ltd.**

sd/-

**P.K. Jain**  
Director

For **Chhattisgarh Investments Ltd.**

sd/-

**G.D. Mundra**  
Director

Place : Mumbai  
Date : July 25, 2003

Enclosed :

- a) Form of Acceptance cum Acknowledgement
- b) Form of Withdrawal
- c) Transfer Deed, if applicable





I/We authorise the Acquirers to accept the shares so offered which it may decide to accept in consultation with the Registrar to the offer and in terms of the Letter of Offer and I/We further authorise 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 authorise the Acquirers to accept the shares so offered which it may decide to accept in consultation with the Manager to the offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to credit back shares held in demat form to the extent not accepted, to the beneficiary account with the respective depository participant as per the details given above.

I/We authorise the Acquirers or the Registrar to the Offer to send by registered post the demand draft/pay order, in settlement of the amount to the sole/first holder at the address mentioned above.

Yours faithfully,

Signed and delivered :

	FULL NAME(S) OF THE HOLDERS	SIGNATURE
First/Sole Holder		
Joint Holder 2		
Joint Holder 3		

Note : In case of joint holdings all holders must sign. A Corporation must affix its rubber stamp

Place :

Date :

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

Name of the Bank			
Branch		City	
Account Number	Savings/Current/(Others : Please specify)		

The permanent account number (PAN/GIR number) allotted under the Income Tax Act, 1961 is as under :

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

#### INSTRUCTIONS

- Please read the enclosed Letter of Offer carefully before filling this Form of Acceptance.
- The acceptance of the Offer made by the Acquirers is entirely at the discretion of the Equity Shareholders of RASL. Each equity shareholder of RASL to whom this Offer is being made is free to offer his equity shareholding in RASL in whole or in part while accepting the Offer.
- In case of joint holdings, all the holders whose names appears on the Equity Share Certificate or in the beneficiary account must sign this Form of Acceptance in the same order in which these names appears on the register of members/beneficial account and as per the specimen signature(s) lodged with RASL or the beneficial owners' depository participant.
- In case of dematerialised shares, a photocopy of the delivery instruction in the "off market" mode duly attested by the DP of the shareholder as specified in point 8 of the Letter of Offer should be enclosed. Beneficial owners are advised to tender the delivery instructions at least two working days prior to the closure of the Offer, so that the credit may be received in the special depository account by August 29, 2003.
- In case of physical Equity Shares, the enclosed transfer deed should be duly signed as transferors by all shareholders in the same order and as per specimen signatures lodged with RASL and should be duly witnessed at the appropriate place. The Transfer Deed should be left blank, excepting the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar Authority holding a Public Office and authorised to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or Registrar of the transferors' bank. PLEASE DO NOT FILL UP ANY DETAILS ON THE TRANSFER FORM. Relevant Equity Share Certificates must be annexed.
- The shareholders of RASL who have sent their equity share certificates for dematerialisation should submit their form of acceptance and other documents, as applicable along with a copy of the dematerialisation request form duly acknowledged by their DP.
- In case of bodies corporate, proper corporate authorization should be enclosed.
- Persons who own Equity Shares (as on the Specified Date or otherwise) but are not the registered holders of such Equity Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the Equity Share Certificate(s) and valid transfer deed(s) and other relevant documents. In case, the Equity Share Certificate(s) and transfer deed(s) are lodged with RASL for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgement or receipt by RASL.
- Shareholders of RASL, who wish to avail this Offer should forward the relevant documents, by registered post with acknowledgement due or by hand delivery to the Registrar to the Offer so as to reach on or before August 29, 2003. The Equity Shares can be tendered at the below address between Monday to Friday from 10.30 a.m. to 1.00 p.m. and 2.00 p.m. to 4.30 p.m. The center will be closed on Saturdays, Sundays and any other Public Holidays. No document should be sent to the Acquirers or RASL.

----- TEAR ALONG THIS LINE -----

Note : All future correspondence, if any, should be addressed to the Registrar to the offer, at the address mentioned below:



**Intime Spectrum Registry Ltd.**  
 C-13, Pannalal Silk Mills Compound  
 LBS Marg, Bhandup (W), Mumbai  
 Tel. No. : 022-25923837 Fax No. 25672693  
 Email : nikunj@intimespectrum.com  
 Contact Person : Mr. Nikunj Daftary

**FORM OF WITHDRAWAL****THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION****(Please send this form with enclosures to the Registrar to the Offer at their address mentioned below. All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)**

From :

<b>Offer Opens on</b>	<b>: July 31, 2003</b>
<b>Offer Closes on</b>	<b>: August 29, 2003</b>
<b>Last date of Withdrawal</b>	<b>: August 26, 2003</b>

Tel. No. :

Fax No. :

E-mail :

To,  
**Intime Spectrum Registry Ltd.**  
 C-13, Pannalal Silk Mills Compound,  
 LBS Marg, Bhandup (W), Mumbai

Dear Sirs,

**Sub : Open offer for purchase of 26,16,000 equity shares of Raipur Alloys & Steel Ltd (RASL) representing 20% of its equity share capital ,at an offer price of Rs.10/- per fully paid up equity share for cash by Chhattisgarh Electricity Company Ltd and Chhattisgarh Investments Ltd.**

I/We refer to the Letter of Offer dated July 25, 2003 for acquiring the Shares held by me/us in RASL. I/We, the undersigned, have read the letter of offer and understood its contents including the terms and conditions as mentioned therein.

I/We have tendered the following Shares in Physical/ Dematerialised form in terms of the letter of offer.

**SHARES IN PHYSICAL FORM**

Sr.No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
<b>Total number of Equity Shares</b>					

(Please attach on additional sheet of paper and authenticate the same if the above space is insufficient).

**SHARES IN DEMAT FORM**

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

I/We have done an off market transaction for crediting the Equity Shares to the Depository Account with CDSL named as "Intimespectrum-Escrow Account for Raipur Alloys", whose particulars are :

**DP Name** : Anand Rathi Securities Private Limited**DP ID Number** : 10600**Client ID Number** : 1201060000107037

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP.

I/We hereby consent unconditionally and irrevocably to withdraw \_\_\_\_\_ Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

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

I/We note that this Form of Withdrawal should reach the Registrar to the Offer as per the mode of delivery indicated in the Letter of Offer on or before the last date of withdrawal.

I/We note that the Acquirer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and also for the non receipt of Shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depositories from time to time.

----- TEAR ALONG THIS LINE -----

**ACKNOWLEDGEMENT SLIP**

Received from Mr./Ms. _____	
Address _____	
Number of Shares to be withdrawn _____	
<input type="checkbox"/> Form of Withdrawal	Copy of Delivery Instruction to (DP) Share Transfer Form
<input type="checkbox"/> Copy of the submitted FOAA/plain paper application & acknowledgement slip.	
Signature of Official _____	Date of Receipt _____

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

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

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

In case of dematerialised Shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and delivered

Signed and delivered	FULL NAME(S)	SIGNATURE(S)	Verified and Attested by us. Please affix the stamp of DP (in case of demat Shares)/Bank (in case of physical shares)
1st Shareholder			
2nd Shareholder			
3rd Shareholder			

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

Place:

Date :

### INSTRUCTIONS

- Please read the enclosed Letter of Offer carefully before filling this Form of Withdrawal.
- The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer as per the mode of delivery indicated therein on or before the last date of withdrawal.
- The withdrawal of Shares will be available only for the Share certificates/ Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
- In case of joint holdings, all the holders whose names appears on the Equity Share Certificate or in the beneficiary account must sign this Form of Withdrawal in the same order in which these names appears on the register of members/beneficial account and as per the specimen signature(s) lodged with RASL or the beneficial owners' depository participant.
- Shareholders should enclose the following documents:
  - Duly signed and completed form of withdrawal
  - Copy of the submitted form of Acceptance cum Acknowledgement /Plain paper application and the acknowledgement slip.
  - In case of shares in demat form, photocopy of the delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off-market" mode, duly acknowledged by the DP.
  - In case of partial withdrawal of physical shares, valid share transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per the specimen signatures registered with RASL and duly witnessed at the appropriate places for the shares which are not withdrawn.
- In case of bodies corporate, proper corporate authorization should be enclosed.
- In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only on to Registered shareholders.
- Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
- The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
- Shareholders of RASL, who wish to withdraw their acceptance should forward the relevant documents, by registered post with acknowledgement due or by hand delivery to the Registrar to the Offer so as to reach on or before August 26, 2003. The Equity Shares can be tendered at the below address between Monday to Friday from 10.30 a.m. to 1.00 p.m. and 2.00 p.m. to 4.30 p.m. The center will be closed on Saturdays, Sundays and any other Public Holidays. No document should be sent to the Acquirers or RASL.

----- TEAR ALONG THIS LINE -----

Note : All future correspondence, if any, should be addressed to the Registrar to the offer, at the address mentioned below:



**Intime Spectrum Registry Ltd.**  
C-13, Pannalal Silk Mills Compound  
LBS Marg, Bhandup (W), Mumbai  
Tel. No. 022-25923837 Fax No. 25672693  
Email : nikunj@intimespectrum.com  
Contact Person : Mr. Nikunj Daftary