DRAFT LETTER OF OFFER

This Document is important and requires your immediate attention

This Letter of Offer is being sent to you as an equity shareholder of Century Enka Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer / Registrar to the Offer. In case you have sold your shares in Century Enka Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the purchaser of the shares or the member of stock exchange through whom the sale was effected.

CASH OFFER (The "Offer")

by

CVC Capital Partners Limited

Registered Office : Hudson House, 8-10 Tavistock Street, London, WC2E 7PP

Tel: +31 26 366 44 44; Fax: + 31 26 366 59 19

and

Acordis BV (now renamed Disacord BV)

Registered Office : Westervoortsedijk 73, P.O. Box 9600, 6800 TC Arnhem, The Netherlands;
Tel: +31 26 366 44 44; Fax: + 31 26 366 59 19

and

Acordis Overseas Investment BV

Principal Executive Office: Westervoortsedijk 73, P.O. Box 9600, 6800 TC Arnhem, The Netherlands;
Tel: +31 585 724 4000; Fax: + 31 26 366 59 19

for purchase of up to 5,728,740 fully paid up Equity Shares representing up to 20.00% of the issued equity share capital of

Century Enka Limited

Registered Office: Birla Building, 7th floor, 9/1, R. N. Mukherjee Road, Kolkata - 700 001, India;
Tel : +91 33 2243 6003; Fax : +91 33 2243 6005

at Rs. 62.37 per Equity Share (the "Offer Price")

Total consideration would comprise of the Offer Price of Rs. 62.37 per Equity Share and interest @ 15% p.a. of Rs. 51.52 per share assuming payment of total consideration by May 29, 2005.

(please note that the actual interest amount may differ based on the actual date for dispatch of consideration cheques/drafts)

The Offer is being made by CVC Capital Partners Limited, Acordis BV and Acordis Overseas Investment BV in accordance with Securities and Exchange Board of India ("SEBI") order dated June 25, 2003, and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "Regulations"). For the purpose of the Offer and in terms of the Regulations, CVC Capital Partners Limited, Acordis BV and Acordis Overseas Investment BV are "Acquirer".

The Acquirer has vide letter dated October 15, 2003 Ref. FC.II.258(2003)/332(2003) received the requisite approval from FIPB for acquiring of equity shares representing upto 20.00% of the issued equity share capital of Century Enka. The Acquirer has vide letter dated November 4, 2003 Ref. MUMBAI.FID.II/4888/04.02.01/A-Misc/03-04 received the requisite approval from RBI for opening escrow acount in a bank in India. Application to RBI for acquiring shares tendered and for making payment to non-resident shareholders would be made only after offer closes. Other than the aforesaid permission from RBI, to the best of knowledge and belief of Acquirer, there are no other statutory approvals required to acquire equity shares that are tendered pursuant to this Offer. As per SEBI Order dated June 25, 2003, interest @ 15% p.a. would be paid to the shareholders for period commencing November 28, 1999, upto actual date of dispatch of payment consideration to the shareholders whose shares are accepted in the Offer.

Shareholders, who shall accept 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 (i.e on or before April 26, 2005) to the date of the closure of the Offer.

The Acquirer is permitted to revise the Offer Price upward any time up to seven working days prior to the date of the closure of the Offer (i.e. April 19, 2005). In the event of such revision, an announcement to this effect will be made in the newspapers as specified in Clause 2 of this Letter of Offer and the same price would be payable by the Acquirer for all the shares tendered at any time during the Offer.

The last date for the competitive bid was August 30, 2003.

A copy of the public announcement, Supplemental PA and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) is also available on SEBI's web-site (www.sebi.gov.in).

MANAGER TO THE OFFER

JM MORGAN STANLEY

JM Morgan Stanley Private Limited
141, Maker Chambers III, Nariman Point,
Mumbai – 400 021, India
Phone: +91 22 5630 3030
Fax: +91 22 2202 8224
Email: ravindra.sinkar@morganstanley.com
Contact Person: **Ravindra Sinkar**

REGISTRAR TO THE OFFER

MCS Limited
Unit: Century Enka Open Offer
Sri Venkatesh Bhavan, Plot No. 27,
Road No.11, M.I.D.C., Andheri (East),
Mumbai – 400 093, India
Phone: +91 22 2821 5235
Fax: +91 22 2835 0456
Email: mcsmum@vsnl.com
Contact Person: **Ashok Gupta**

The schedule of activities is as per the following table:

Public Announcement (PA) Date	Saturday, August 09, 2003	Saturday, August 09, 2003
Specified Date	Friday, August 22, 2003	Friday, August 22, 2003
Last date for a competitive bid	Saturday, August 30, 2003	Saturday, August 30, 2003
Supplemental PA Date	—	Wednesday, March 23, 2005
Date by which Letter of Offer will be dispatched to the shareholders	Monday, September 22, 2003	Saturday, March 26, 2005
Offer Opening Date	Tuesday, October 07, 2003	Thursday, March 31, 2005
Last date for revising the Offer Price/number of shares	Monday, October 27, 2003	Tuesday, April 19, 2005
Last date for shareholders for withdrawing their acceptance tendered in the Offer	—	Tuesday, April 26, 2005
Offer Closing Date	Wednesday, November 05, 2003	Friday, April 29, 2005
Date by which the acceptance/ rejection would be dispatched and the corresponding payment for the acquired shares be dispatched and/ or the share certificate for the rejected shares will be dispatched/ credited	Friday, December 05, 2003	Sunday, May 29, 2005

TABLE OF CONTENTS

DEFINITIONS

Acquirer	CVC Capital Partners Limited, Acordis BV (now renamed Disacord BV) and Acordis Overseas Investment BV
BSE	The Stock Exchange, Mumbai
CSE	The Calcutta Stock Exchange Association Limited
Supplemental PA	Supplemental to the Public Announcement of the Offer made by Acquirer on March 23, 2005
DSE	The Delhi Stock Exchange Association Limited
Eligible Persons	All owners of shares, registered or unregistered of Century Enka Limited other than the Acquirer, who own shares at any time prior to the closure of the Offer
FIPB	Foreign Investment Promotion Board
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
Century Enka or Target Company	Century Enka Limited
GAAP	Generally Accepted Accounting Principles
Manager/ Manager to the Offer	JM Morgan Stanley Private Ltd.
NRI	Non-Resident Indian
NSE	The National Stock Exchange of India Ltd.
OCB	Overseas corporate body
Offer	Cash offer being made by the Acquirer to shareholders of Century Enka Limited
Offer Price	Rs. 62.37 per Equity Share of Century Enka
PSE	The Pune Stock Exchange Limited
Public Announcement	Announcement of the Offer made by the Acquirer on August 09, 2003
RBI	Reserve Bank of India
Registrar/ Registrar to the Offer	MCS Limited
SEBI	Securities and Exchange Board of India
Specified Date	August 22, 2003 (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 an all owner (Register or unregister) of equity shares of Target Company, (except the Acquirer) any time before the closer Offer, are eligible to participate in the offer during the Offer Period).
The Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "EUR" or "€" are to "Euro". Certain financial details contained herein are denominated in Euro. The Rupee equivalent quoted in each case is calculated in accordance with the average of the buying and selling TT exchange rates appearing in August 06, 2003 issue of *The Economic Times*, Mumbai; namely 1 EUR or 1 Euro or 1€ = Rs. 52.25.

In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

1· DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 IN ORDER TO FACILITATE THE SHAREHOLDERS OF CENTURY ENKA TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR CENTURY ENKA OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND 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 DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED AUGUST 22, 2003, TO SEBI IN ACCORDANCE WITH THE REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer or in the advertisement or any material issued by, or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

2. BACKGROUND TO THE OFFER

On July 30, 1999, CVC Capital Partners made an offer to Akzo Nobel NV to purchase Acordis, a division of Akzo Nobel NV. Subsequently, on August 9, 1999, the Akzo Nobel Group announced restructuring of its fibres group and the induction of CVC Capital Partners Limited into the fibres group.

Pursuant to the aforesaid public announcement dated August 9, 1999, Akzo Nobel NV and Acordis BV, a private limited company incorporated under the laws of Netherlands, and owned by several funds under the management of CVC Capital Partners Limited entered into an agreement dated November 17, 1999 for transferring Acordis, being Akzo Nobel NV's fibre group consisting of various companies including Century Enka Limited, to Acordis BV. As per this agreement, Akzo Nobel NV was given the opportunity to acquire an equity stake in Acordis BV. Upon closing of the transaction, the subsidiaries of Acordis BV acquired from Akzo Nobel NV the shares in Akzo Nobel's Acordis companies. Among these companies were Acordis AG and Acordis Overseas Investment BV, both holding shares in Century Enka.

As a result of transfer by Akzo Nobel NV of Acordis (consisting *inter alia* of the Target Company), Acordis BV indirectly acquired shares / voting rights in the Target Company to the tune of 36.5% and indirect control in terms of Regulation 2(1)(c) over the Target Company. On January 16, 2002, SEBI wrote to Acordis AG and Acordis Overseas Investment BV seeking details regarding their shareholding in the Target Company and the acquisition of shares/voting rights /control over Target Company.

Acordis AG and Acordis Overseas Investment BV replied to SEBI on April 10, 2002 submitting details regarding acquisition by CVC Capital Partners Limited and also stated that there was no violation by them of the provisions of the Regulations.

Acordis BV made an exemption application dated August 26, 2002, to SEBI under Regulation 4 seeking exemption from making a public announcement and other formalities in terms of Regulations 10, 11 & 12 of the Regulations. In the aforesaid application Acordis BV submitted that the induction of CVC Capital Partners Limited as 64% shareholder into the Acordis Group did not result in any change in the control and management of the Target Company, and as the fact of the case, there has been no acquisition of holding companies and their induction was a result of global reorganization and restructuring of the fibres business of the Acordis Group involving numerous corporate entities all over the world. It was also submitted in the application that even if a direction for making a public offer is given, the minimum offer price plus interest would be less than the prevalent market price on the stock exchange and therefore they should not be directed to make the public offer.

SEBI vide its letter dated September 4, 2002, stated that the exemption application was not maintainable since in terms of Regulation 4(2) of the Regulations, an Acquirer could file an application seeking exemption under Regulation 4(1) in respect of a "proposed acquisition" and in this case, the acquisition had already taken place and beneficial ownership was also transferred. SEBI also requested for further details about the acquisition. All pertinent information sought by SEBI was furnished.

Subsequently SEBI issued a show cause notice to CVC Capital Partners on December 12, 2002, setting out the detailed background and called upon them to show cause as to why one or more or all actions under Regulation 44 and Regulation 45 of the Regulations and Sections 11, 11B, 11(4), 15H and 24 of the SEBI Act, should not be initiated against CVC Capital Partners for the violations specified.

Hearing

A hearing before the Chairman, SEBI, was granted to Acordis BV on February 12, 2003 at which time submissions were made by Acordis BV, Acordis AG and Acordis Overseas Investment BV reiterating the position that by reason of induction of CVC Capital Partners in the Acordis Group, no change in the control of management of the Target Company had taken place and nor was there an indirect acquisition of shares. They also filed written submissions on February 24, 2003. The main submissions made by Acordis BV, Acordis AG and Acordis Overseas Investment BV were, *inter alia*, as follows:

- Right from its incorporation, the Target Company has been controlled and managed by the Birla Group, spearheaded under the chairmanship of Mr. B K Birla. That position has remained completely unchanged till now.
- The induction of CVC Capital Partners as 64% shareholders in the Acordis Group pursuant to the Agreement of November 1999 did not result in the acquisition either directly or indirectly of the shares or voting rights of the Target Company by CVC Capital Partners so as to trigger Regulation 10 or Regulation 11 of the Takeover Code. It is, therefore, not a case governed by Regulations 10 or 11. It was submitted that the explanation to Regulation 11 was intended to apply to an acquisition of a holding company whose sole or predominant purpose and objective was to hold shares in the Target Company in India, which was not the case in the present instance.
- No change in control has ever occurred and the Target Company continued to be controlled by the Birla Group by virtue of their majority representation on the Board and also the Shareholders' Agreement. It was submitted that Regulation 12 is intended to apply only when transfer of *defacto* or *dejure* control is involved. *Defacto* change of control was clearly not involved in the present case as the Company continued to be under the control and management of the Birla Group. By virtue of the Shareholders' Agreement there cannot either be *dejure* control in the hands of Acordis Group. *Defacto* and *dejure* control was with the Birla Group. It was submitted that Regulation 12 is intended to afford an exit option to the Indian investor where change of control has occurred in the Target Company.
- That even as far as the management of the Acordis Group is concerned it had remained unaffected by the induction of CVC Capital Partners. All members on the Board of Acordis BV and Acordis Overseas Investment BV had been nominated from within the Acordis organization and not from CVC Capital Partners.
- CVC Capital Partners had not violated the provisions of Regulation 10 & 12 read with Regulation 14(1) and 14(3) of the Regulations.
- If however, SEBI was inclined to come to the conclusion that CVC Capital Partners has acquired shares / voting rights or control of the Target Company and therefore bound to make a public announcement, it was submitted that the following factors be considered by SEBI before passing an order directing CVC Capital Partners to make a public announcement:
  - "Interest rates in the country have been steadily and sharply declining and now hovers between levels of 7% to 9%. The Hon'ble Supreme Court has linked the rate of interest for compensation with the rate given by nationalized banks for Fixed Deposits. The Supreme Court has in several cases, either increased or decreased the rate of interest awarded by High Courts to the level of 9%. The yardstick employed by the Hon'ble Supreme Court should also be employed by SEBI. Regulation 44(i) also provides that whilst imposing interest for delay in making a public announcement, SEBI should take the "applicable rate of interest payable by Banks on fixed deposits" into consideration. SEBI should therefore not direct CVC Capital Partners to pay interest at a rate higher than 9% p.a. to the shareholders who tender their shares in response to the public announcement which may be made.
  - It is further submitted that such interest, at whatever rate fixed by SEBI, should be restricted in accordance with the judgement of the Hon'ble Securities Appellate Tribunal in the case of Rhodia SA vs SEBI to only those persons who were holding shares on July 30, 1999 and continued to hold them and are in a position to tender in case CVC Capital Partners makes a public offer as directed by SEBI.

— It was further submitted that in calculating the interest, SEBI should order that CVC Capital Partners should be entitled to take into account the pre-tax dividend received by the shareholders from the Target Company and direct that the amount of pre-tax dividend received be deducted from the interest payable. The Target Company has paid a dividend of Rs. 2.50 per share and ex-dividend trading for this dividend commenced from June 28, 1999. The 26-week SEBI formula price taking July 30, 1999 as the reference date as adjusted for this dividend in terms of Explanation 1 to Regulation 20 of the Regulations prior to September 9, 2002 is Rs. 41.08 on the National Stock Exchange. We may also mention that the Target Company has declared in total a dividend of Rs. 15/- per share after July 30, 1999."

Order

Subsequent to the aforesaid hearing and submissions, SEBI directed CVC Capital Partners as follows vide its Order dated June 25, 2003:

- To make a public announcement as required under Chapter III of the Regulations in terms of Regulations 10 & 12 using July 30, 1999 as the reference date for calculation of offer price, within 45 days of passing of the Order.
- To pay interest @ 15% per annum on the offer price, from November 28, 1999 (being the last date by which payment would have been due on the basis of July 30, 1999 as the reference date) till the actual date of payment of consideration to all the shareholders who tender shares in the open offer, and whose shares are accepted pursuant to the Offer.

The issues considered by SEBI while passing the Order, *inter alia*, included the following:

- On July 30, 1999, CVC Capital Partners made an offer to Akzo Nobel NV to purchase the fibre business of Akzo Nobel NV. Pursuant to the aforesaid offer from CVC Capital Partners, Akzo Nobel NV announced restructuring of its fibre business.
- On August 4, 1999, CVC Capital Partners floated a 100% subsidiary i.e. Acordis BV for the purposes of acquiring Akzo Nobel group companies carrying out fibre business.
- On August 9, 1999, CVC Capital Partners made a public announcement to acquire the fibre business of Akzo Nobel Group. Pursuant to the aforesaid public announcement, Acordis BV and Akzo Nobel NV entered into an agreement dated November 17, 1999 (hereinafter referred to as the "Agreement"), wherein it was *inter alia* agreed between the parties that Acordis BV will purchase Acordis (a division of Akzo Nobel NV, engaged in the development, production, marketing and sale of fibres and associated materials inside and outside of The Netherlands and consisting of companies and businesses listed in Schedule 2 to the Agreement – which included the 36.5% interest in the Target Company).
- Further, as per the terms of the Agreement, Akzo Nobel NV and Acordis Management was to be given the opportunity to acquire an equity stake in Acordis BV. In short, in terms of the aforesaid Agreement, upon closing of the transaction, the shareholding of the Target Company held by Akzo Nobel NV, Acordis AG and Acordis Overseas Investment BV was to be transferred to Acordis Overseas Investment BV.
- As a result, on closing of the transaction, CVC Capital Partners through its various funds held 64% shares in Acordis BV. Out of the balance 36% shares, Akzo Nobel NV held 21% shares and Acordis Management through a foundation called 'Stichting Acordis Management' held 15% shares.
- Further, as stated by Acordis Overseas Investment BV for reasons of simplification it was decided that Acordis Overseas Investment BV should hold all the shares in the Target Company of the Acordis Group. Therefore, in December 2000, Acordis Overseas Investment BV acquired 15.5% shares held by Akzo Nobel NV in the Target Company and 15.5% shares held by Acordis AG in the Target Company. Acordis Overseas Investment BV paid Euro 1,000 to Acordis AG for its 15.5% shares of the Target Company and Euro 1,000 to Akzo Nobel NV for its 15.5% shares of the Target Company. As a result of the said Transfer, Acordis Overseas Investment BV held 36.5% shares in the Target Company.
- Consequent to the aforesaid transfer of shares of the Target Company from Akzo Nobel NV and Acordis AG in favour of Acordis Overseas Investment BV aggregating 31% shares, Acordis Overseas Investment BV filed a report under Regulation 3(4) of the Regulations claiming exemption under Regulations 3(1)(e)(i) and 3(1)(e)(iii)(b) on the ground of *interse* transfer of shares amongst promoters / group companies. In the aforesaid application, it was stated that Akzo Nobel NV and Acordis Overseas Investment BV are promoters and Acordis AG is a group company. Based on the submissions made by Acordis Overseas Investment BV, the aforesaid report filed by it was taken on record by SEBI on December 20, 2000.

- Acordis Overseas Investment BV didn't disclose, *inter alia*, the following material information in the said report:
  - — Ownership of Acordis AG and Acordis Overseas Investment BV has changed hands
  - — CVC Capital Partners controlled Acordis AG and Acordis Overseas Investment BV at the time of acquisition of shares by Acordis Overseas Investment BV.
  - — Details of the agreement entered into between Akzo Nobel NV and CVC Capital Partners.
  - — Details of the offer made by CVC Capital Partners for the purchase of the fibre business of Akzo Nobel, which was carried on by Acordis.
- The aforesaid disclosures, as discussed elsewhere in the order, were material to consider whether the said acquisition by Acordis Overseas Investment BV was covered under Regulation 3(1)(e)(i) and/or 3(1)(e)(iii) and eligible for exemption from the applicability of Regulation 10, 11 & 12 as claimed by CVC Capital Partners. Had these material information been disclosed in the report filed by Acordis Overseas Investment BV, the fact that the ultimate ownership of Acordis AG (which held 15.5%) and Acordis Overseas Investment BV (which held 5.5%) had been acquired by CVC Capital Partners would have come to the knowledge of SEBI. Thus, it is observed that Acordis Overseas Investment BV had concealed these material information and furnished incomplete information in the aforesaid report.
- Therefore, had Acordis Overseas Investment BV furnished complete facts of the case, SEBI would have examined the report accordingly and the submissions would not have been taken on record.
- From the aforesaid facts, it is implicit that prior to the acquisition by Acordis BV the shares aggregating 36.5% were held by Akzo Nobel group in the Target Company and after the acquisition by CVC Capital Partners of fibre business of the Akzo Noble group it acquired 36.5% shares of the Target Company indirectly through Acordis AG and Acordis Overseas Investment BV.

3. DETAILS OF THE OFFER

In deference to the SEBI Order dated June 25, 2003, CVC Capital Partners Limited, Acordis BV and Acordis Overseas Investment BV are making an offer to the shareholders of Century Enka Ltd. as required under Chapter III of the Regulations in terms of Regulation 10 and 12 taking July 30, 1999 as the reference date to acquire upto 5,728,740 fully paid up equity shares of Rs. 10/- each, representing up to 20.00% of the fully paid up equity share capital of Century Enka at an offer price of Rs. 62.37 per share payable in cash. Interest @15% p.a. would be paid to the shareholders whose shares are accepted in the Offer, for the period from November 28, 1999 upto May 29, 2005 (date of dispatch of consideration to the shareholders). Assuming that the payment is dispatched on May 29, 2005, the interest payable per share will be Rs. 51.52. Thus the total consideration per share will be Rs. 113.89 (comprising of Offer Price of Rs. 62.37 and interest of Rs. 51.52). **Please note that the actual amount of interest paid may change as per the actual date for payment of consideration.**

As on the date of this PA, Acordis Overseas Investment BV hold 10,952,280 equity shares of the Target Company aggregating 38.24% of the issued equity share capital of Century Enka. Other than the above, no other shares are held by Acquirer in the Target Company.

All shares tendered and accepted under the Offer, will be acquired by Acordis Overseas Investment BV, subject to terms and conditions set out herein in the Letter of Offer.

The equity shares of the Target Company are listed on BSE, NSE, CSE, DSE and PSE**.** The shares are frequently traded on the BSE and on NSE [*Source: BSE and NSE website*] but are infrequently traded on the DSE, PSE and CSE within the meaning of Regulation 20 of the Regulations. Shareholders of the Target Company in the 34th Annual General Meeting held on July 25, 2000, passed a Special Resolution for delisting of the Target Company's equity shares from PSE and DSE. Since the PA the Target Company has detailed its equity shares from PSE and DSE on October 6, 2003 and March 31, 2004 respectively.

The Public Announcement, as per Regulation 15(1) of the Regulations and Supplemental PA, was made in the following newspapers on Saturday, August 09, 2003 and Wednesday March 23, 2005 respectively:

Newspaper	Language	Editions
Financial Express	English	Mumbai, New Delhi, Kolkata, Chennai, Bangalore, Kochi, Chandigarh
Jansatta	Hindi	New Delhi, Kolkata
Aaj Kal	Bengali	Kolkata
Sakal	Marathi	Mumbai

The copy of the Public Announcement and Supplemental PA is also available on the SEBI website at www.sebi.gov.in

Any upward revision in the Offer Price will be announced in the above-mentioned newspapers and the same price would be payable by the Acquirer for all the valid shares tendered at any time during the Offer.

Neither the Acquirer nor the directors of the Acquirer have acquired any equity shares of Century Enka from the date of the Public Announcement till the date of this Letter of Offer.

Based on the information available from the Acquirer, Century Enka and the SEBI website, the Acquirer and Century Enka have not been prohibited by SEBI from dealing in securities, in terms of directions under Section 11B of the SEBI Act, 1992.

The Offer is not subject to any minimum level of acceptance and Acquirer will acquire all the fully paid up equity shares of Century Enka that are tendered in valid form in terms of this Offer up to a maximum of 5,728,740 equity shares.

In case the shares tendered in the Offer by the shareholders of Century Enka are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per provisions of Regulation 21(6) of the Regulations on a proportionate basis, irrespective of whether the shares are held in physical or dematerialised form.

4. BACKGROUND OF THE ACQUIRER

CVC CAPITAL PARTNERS LIMITED

CVC Capital Partners Limited was incorporated under the laws of United Kingdom as a private company limited by shares. The group and the company's business is primarily that of procuring equity investments and providing related advisory services in relation to certain types of management buyouts, strategic restructurings and venture capital transactions. The directors intend to continue to build on the company and the group's reputation as a leading management buyout initiator and venture capital house in the United Kingdom and Europe.

CVC Capital Partners Limited is a part of the CVC Capital Partners Group, which advises funds specialising in large scale MBOs/MBIs in the UK and Continental Europe. Founded in 1981 as Citicorp's European private equity arm, in 1993 CVC Group completed its own management buy-out and is independently owned by its management. As a general rule, CVC Group seeks investment in established businesses with turnover in excess of US$ 100 million supported by talented experienced and committed management team. Since 1981, CVC funds have acquired over 230 companies for a total consideration of € 40 billion. CVC funds' current portfolio of 70 companies has a combined transaction size of € 22 billion, with a combined turnover of €33 billion, operating in 25 countries and employing over 200,000 people. Its current portfolio by sector consists of automotives, chemicals, distribution, food and beverages, leisure, manufacturing (including clothing and footware, manufacturing construction and product services, manufacturing consumer products, manufacturing engineering, manufacturing miscellaneous, manufacturing packaging material, manufacturing paper products), media, retail, services, utilities. CVC has established local advisory boards comprised of senior industry professionals to broaden the depth and range of CVC's expertise and contact network throughout Europe. CVC currently has total funds under management of €9.3 billion (US$8 billion). In February 2000, CVC established a US$ 750 million Asia Pacific investment programme.

As per the consolidated accounts of CVC Capital Partners Limited, as of December 31, 2002, the called up share capital of CVC Capital Partners Limited is £ 1,000 divided into allotted and fully paid ordinary shares of £ 1 each. For the year ended December 31, 2002, as per the consolidated profit and loss account, the turnover was £ 13.70 million (£ 12.51 million as on December 31, 2001); profit on ordinary activities after taxation was £ 0.11 million (£ 1.31 million as on December 31, 2001) and profit for the financial period was £ 0.11 million (£ 1.31 million as on December 31, 2001). As per consolidated balance sheet as of December 31, 2002, CVC Capital Partners Limited has Equity Shareholders Funds of £ 5.74 million (£ 5.62 million as on December 31, 2001).

The registered office of CVC Capital Partners Limited is Hudson House, 8-10 Tavistock Street, London, WC2E 7PP. However, the funds which invest in the companies are based in various locations. The list of Directors of CVC Capital Partners Limited is as follows:

Name	Designation
Michael DC Smith.	Chairman and Managing Director
B Hardy McLain.	Director
Iain M Parham.	Director
Mark A R Grizzelle.	Director
Steven F Koltes.	Director
Anthony G Clinch.	Director
David G Milne.	Director
Jonathan P Feuer.	Director
Robert R Lucas.	Director
Marc Boughton.	Director
Anthony Fobel.	Director
A Donald MacKenzie.	Director

Acordis BV (now renamed Disacord BV)

CVC Capital Partners Limited is a global asset management entity, which acquired indirectly, voting capital and joint control in the Target Company through various funds under its management as explained earlier. CVC Capital Partners Limited being a global fund management company has investments in several entities globally, organised and held through special purpose vehicles for respective investments. For investment in the Acordis businesses including the Target Company, the principal Special Purpose Vehicles are Acordis BV and Acordis Overseas Investment BV. Accordingly, Acordis BV and Acordis Overseas Investment BV are Acquirer for the purpose of this Open Offer.

Acordis BV, owned and managed by various funds of CVC Capital Partners Limited, having its registered office at Westervoortsedijk 73, NL-6800 TC Arnhem, The Netherlands, was floated as a 100% subsidiary of CVC Capital Partners Limited on August 4, 1999, for the purpose of acquiring Akzo Nobel group companies carrying out fibre business. Acordis BV is a top holding company of Acordis group of international companies, engaged in the man-made fibres business. Its main activities are in The Netherlands, the United Kingdom, Germany and the United States. Acordis BV is not listed on any stock exchange. Acordis BV holds 100% in Acordis Beheer BV. Acordis Beheer BV held 100% in Acordis International Holding BV which was subsequently merged with its parent company Acordis Beheer BV with effect on December 10, 2004. Acordis International Holding BV held 100% in Acordis Overseas Investment BV. Subsequent to the merger Acordis Beheer BV directly holds 100% in Acordis Overseas Investment BV which holds 38.24 % in the Target Company.

The Acquirer intends to review from time to time Century Enka's business affairs and financial position. Based on such evaluation and review, as well as general economic and industry conditions existing at the time, the Acquirer may consider, from time to time, various alternative courses of action. Such actions may include, subject to necessary compliance of applicable laws at the relevant time including Regulation 20A, the acquisition of additional equity shares through open market purchases, privately negotiated transactions, tender offer, exchange offer or otherwise support to the proposal for buybacks of shares by Century Enka. Alternatively, such actions may involve the sale of all or a portion of the equity shares in the open market, in privately negotiated transactions, through a public offering or otherwise, subject to the provisions of the applicable laws at the relevant time. Although Acquirer is not aware of any specific intentions or plans of CVC Capital Partners Limited at present, it may be stated that since CVC Capital Partners is a global asset management entity with investments in several entities globally through various funds, it is guided at all times by its investment decisions. Accordingly CVC Capital Partners Limited may decide to alter its investment portfolio at any time, thereby liquidating their shareholding in all investment companies, including in Acquirer and Century Enka Limited.

Subsequent to the date of PA on December 29, 2003 the shareholders of Acordis BV have created a new company called Acordis Holding BV, with exactly same shareholding as in Acordis BV. Acordis Holding BV has acquired from Acordis BV all shares in Acordis Beheer BV, including indirectly all subsidiaries and investments. Thus there has been no change in the ultimate shareholding or control over Century Enka. With effect from March 3, 2004 Acordis BV has been renamed Disacord BV and with effect from March 8, 2004 Acordis Holding BV has been renamed Acordis BV. Further Acordis International Holding BV has been merged into its parent company Acordis Beheer BV. Thus, the shares in Companies held by Acordis Overseas Investments are now directly held by Acordis Beheer BV. Thus the earlier shareholding tree of Disacord BV (erstwhile Acordis BV) holding 100% in Acordis Beheer BV; Acordis Beheer BV holding 100% in Acordis International Holding BV; Acordis International Holding BV holding 100% in Acordis Overseas Investment BV and finally Acordis Overseas Investment BV holding 38.24% in the Target Company has been changed to Acordis BV (erstwhile Acordis Holding BV) holding 100% in Acordis Beheer BV; Acordis Beheer BV holding 100% in Acordis Overseas Investment BV and finally Acordis Overseas Investment BV holding 38.24% in the Target Company.

The shareholding pattern of Acordis BV, as on date of Public Announcement is as follows:

Name of Shareholder	No. of shares	%
CVC (through various funds)	637,500	63.91%
Akzo Nobel	212,500	21.30%
Acordis management	147,525	14.79%
Total	**997,575**	**100.00%**

The Directors of Acordis BV and their residential addresses are as listed below. The official address of each listed director is at Westervoortsedijk 73, NL-6800 TC Arnhem, The Netherlands.

Name	Residential Address
Mr. Peter Wack	St. Hubertusweg 11, NL-6573 BZ Beek Ubbergen, The Netherlands
Mr. Folkert Boudewijn Blaisse.	Willem III laan 7, NL-2243 HZ Wassenaar, The Netherlands
Mr. Patrick Shanley	Heathfield Farm House, Rotherhams Oak Lane, Hockley Heath Solihull, West Midlands B94 6RW, United Kingdom

Please note that any correspondence to the directors must be addressed to the Official address of the directors only. Presently Mr. Peter Wack is the only Director of Acordis BV who is on the Board of Directors of Century Enka.

Summary of the audited financial details of Acordis BV for the year ending December 31, 2000, December 31, 2001, December 31, 2002 and certified financial details for the period January 1, 2003 to June 30, 2003 is as follows:

	Financial Year (in millions)							
Profit & Loss Account	**2000**		**2001**		**2002**		**January 1, 2003 to June 30, 2003**	
	EUR	**Rs.**	**EUR**	**Rs.**	**EUR**	**Rs.**	**EUR**	**Rs.**
Profit & Loss Statement:								
Income from Operations	**2,423.59**	**126,620.51**	**1,878.15**	**98,124.16**	**1,571.38**	**82,096.49**	**769.57**	**40,206.18**
Profit on sale of discontinuing operations	370.78	19,371.19	0	0	86.05	4,495.94	0	0
Total Income	2,794.37	145,991.70	1,878.15	98,124.16	1,657.43	86,592.43	769.57	40,206.18
Total Expenditure	2,230.50	116,532.63	1,879.85	98,212.97	1,696.27	88,621.78	767.09	40,076.62
Profit Before Depreciation Interest and Tax	**563.86**	**29,459.07**	**(1.70)**	**(88.82)**	**(38.84)**	**(2,029.35)**	**2.48**	**129.57**
Share of result Associates/ Minority Interest	6.98	364.83	1.73	90.38	14.88	777.88	(2.35)	(122.83)
Interest	(37.03)	(1,934.74)	(1.18)	(61.75)	13.07	682.58	(1.53)	(79.78)
Profit before Tax	**533.82**	**27,889.16**	**(1.15)**	**(60.19)**	**(10.89)**	**(568.90)**	**(1.40)**	**(73.04)**
Provision for Taxation	47.49	2,481.27	.86	45.14	(22.18)	(1,158.64)	(2.39)	(124.66)
Profit After Tax	**486.32**	**25,407.89**	**(2.02)**	**(105.33)**	**11.29**	**589.74**	**0.99**	**51.62**

	As on December 31, (in millions)							
Balance Sheet Statement	**2000**		**2001**		**2002**		**As on June 30, 2003**	
	EUR	**Rs.**	**EUR**	**Rs.**	**EUR**	**Rs.**	**EUR**	**Rs.**
Sources of Funds								
Paid up share capital	**1.00**	**52.25**	**.95**	**49.74**	**.95**	**49.74**	**.95**	**49.74**
Reserves & Surplus (excluding revaluation reserves)	1,001.34	52,314.85	815.31	42,596.08	698.96	36,517.32	613.87	32,071.53
Net Worth	**1,002.34**	**52,367.10**	**816.26**	**42,645.82**	**699.91**	**36,567.06**	**614.82**	**32,121.27**
Secured Loans	362.08	18,916.97	0	0	0	0	0	0
Unsecured Loans	158.10	8,259.99	38.91	2,033.06	16.47	860.27	0	0
Total	**1,522.52**	**79,544.06**	**855.18**	**44,678.88**	**716.38**	**37,427.33**	**614.82**	**32,121.27**
Uses of Funds								
Net Fixed Assets	929.17	48,544.43	847.09	44,256.06	628.21	32,820.73	614.92	32,126.60
Investments	33.10	1,729.15	107.82	5,633.00	28.94	1,511.97	20.44	1,067.99
Net Current Assets	962.27	50,273.59	954.91	49,889.06	657.15	34,332.70	635.37	33,194.59
Total miscellaneous expenditure not written off	560.25	29,270.47	(99.73)	(5,210.18)	59.23	3,094.63	(20.54)	(1,073.32)
Total	**1,522.52**	**79,544.06**	**855.18**	**44,678.88**	**716.38**	**37,427.33**	**614.82**	**32,121.27**

Other Financial Data	Financial Year					
	2000		2001		2002	
	EUR	Rs.	EUR	Rs.	EUR	Rs.
Dividend Per Share	1%	1%	1%	1%	2%	2%
Earning Per Share	444	23,197	(2)	(104)	11	575
Return on Networth	0%	0%	(18)%	(18)%	(14)%	(14)%
Book Value Per Share	915	47,804	780	40,751	668	34,900

Note: All financial information including the ratios reported for Acordis BV, are reported as per Dutch GAAP.

Acordis Overseas Investment BV

Acordis Overseas Investment BV is an indirect, wholly-owned subsidiary of Acordis BV having its registered office at Westervoortsedijk 73, NL-6800 TC Arnhem, The Netherlands. Acordis Overseas Investment BV was incorporated on July 30, 1908 under the laws of Netherlands. The principal activity of Acordis Overseas Investment BV is holding shares in Century Enka Ltd., Acordis Overseas Investment BV has no other material activity, no employees and no other business. Accordis Overseas Investment BV currently holds 10,952,280 equity shares representing 38.24% of the equity share capital of Century Enka Ltd. The company is not listed on any stock exchange.

The entire issued and paid-up capital of Acordis Overseas Investment BV is held by Acordis Beheer BV.

The sole director of Acordis Overseas Investment BV is Acordis Beheer BV subsequent to the merger of its subsidiary Acordis International Holding BV with Acordis Beheer BV. There is, by nature, no residential address of this company; its business address is Westervoortsedijk 73, 6800 TC Arnhem, The Netherlands. The directors of Acordis Beheer BV and their residential addresses are as listed below. The official address of each listed director is at Westervoortsedijk 73, NL-6800 TC Arnhem, The Netherlands.

Name	Residential Address
Mr. Peter Wack	St. Hubertusweg 11, NL-6573 BZ Beek Ubbergen, The Netherlands
Mr. Folkert Boudewijn Blaisse.	Willem III laan 7, NL-2243 HZ Wassenaar, The Netherlands
Mr. Patrick Shanley	Heathfield Farm House, Rotherhams Oak Lane, Hockley Heath Solihull, West Midlands B94 6RW, United Kingdom

Please note that any correspondence to the directors must be addressed to the Official address of the directors only. Presently Mr. Peter Wack is the only Director of Acordis International Holding BV who is on the Board of Directors of Century Enka.

Summary of the audited financial details of Acordis Overseas Investment BV for the year ending December 31, 2000, December 31, 2001, December 31, 2002 and certified financial details for the period January 1, 2003 to June 30, 2003 is as follows:

	Financial Year (in millions)							
Profit & Loss Account	**2000**		**2001**		**2002**		**January 1, 2003 to June 30, 2003**	
	EUR	**Rs.**	**EUR**	**Rs.**	**EUR**	**Rs.**	**EUR**	**Rs.**
Profit & Loss Statement:								
Income from Operations	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other Income (Dividend)	0	0	1.36	71.00	1.24	64.78	0	0
Total Income	**0**	**0**	**1.36**	**71.00**	**1.24**	**64.78**	**0**	**0**
Total Expenditure	**0.002**	**0.10**	**0.002**	**0.10**	**0.006**	**0.31**	**0.006**	**0.31**
Profit Before Depreciation, Interest and Tax	**(0.002)**	**(0.10)**	**1.36**	**70.90**	**1.23**	**64.47**	**(0.006)**	**(0.31)**
Depreciation	0	0	0	0	0	0	0	0
Interest	0	0	(0.03)	(1.62)	0.05	2.40	0.03	1.31
Profit before Tax	**(0.002)**	**(0.10)**	**1.33**	**69.28**	**1.28**	**66.87**	**0.02**	**0.99**
Provision for Taxation	0	0	0	0	0.01	0.52	0.01	0.37
Profit After Tax	**(0.002)**	**(0.10)**	**1.33**	**69.28**	**1.27**	**66.35**	**0.01**	**0.63**

	As on December 31, (in millions)							
Balance Sheet Statement	**2000**		**2001**		**2002**		**As on June 30, 2003**	
	EUR	**Rs.**	**EUR**	**Rs.**	**EUR**	**Rs.**	**EUR**	**Rs.**
Sources of Funds								
Paid up share capital	**0.05**	**2.51**	**0.05**	**2.51**	**0.05**	**2.51**	**0.05**	**2.51**
Reserves & Surplus (excluding revaluation reserves)	(0.002)	(0.10)	1.32	69.17	2.59	135.52	0	0
Net Worth	**0.05**	**2.40**	**1.37**	**71.68**	**2.64**	**138.03**	**0.05**	**2.51**
Secured Loans	0	0	0	0	0	0	0	0
Unsecured Loans	0	0	0	0	0	0	0	0
Total	**0.05**	**2.40**	**1.37**	**71.68**	**2.64**	**138.03**	**0.05**	**2.51**
Uses of Funds								
Net Fixed Assets	0	0	0	0	0	0	0	0
Investments	0.001	0.05	0.001	0.05	0.001	0.05	0.001	0.05
Net Current Assets	0.001	0.05	0.001	0.05	0.001	0.05	0.001	0.05
Total miscellaneous expenditure not written off	0.05	2.35	1.37	71.63	2.64	137.98	0.05	2.51
Total	**0.05**	**2.40**	**1.37**	**71.68**	**2.64**	**138.03**	**0.05**	**2.51**

Other Financial Data	Financial Year					
	2000		2001		2002	
	EUR	Rs.	EUR	Rs.	EUR	Rs.
Dividend Per Share	0%	0%	0%	0%	0%	0%
Earning Per Share	0	0	13	679	12	627
Return on Networth	0%	0%	2878%	2878%	92.5%	92.5%
Book Value Per Share	0.4	20.9	13	679.2	25	1306.1

Note: All financial information including the ratios reported for Acordis Overseas Investment BV, are reported as per Dutch GAAP.

5. BACKGROUND OF CENTURY ENKA

Century Enka was incorporated under the Companies Act, 1956 on November 17, 1965. It was formed and registered as a result of the scheme of collaboration evolved between Akzo Nobel NV (formerly known as Algemene Kunstzijde Unie NV (AKU) of Holland) and Acordis AG (formerly known as Glanzstoff AG of Germany) and the House of Birlas (B.K. Birla Group). It got listed in 1967. Its Registered Office is at Birla Building, 7th floor, 9/1, R. N. Mukherjee Road, Kolkata - 700 001. There is no change in the name of the Company since incorporation.

Century Enka's principal activity is manufacture and sale of Synthetic Yarns mainly consisting of Nylon Filament Yarn, Polyster Filament Yarn, Polyster Chips, Nylon Industrial Yarn/Tyrecord/ Tyrecord Fabrics and Polyster Industrial Yarn and Polyster partially Oriented Yarn. It has plants at Bhosarigaon (Pune), Mahad (Raigad) and Rajashreenagar (Bharuch). Nylon Yarn is marketed under the trade mark "Enkalon" and Polyester yarn under the trade mark " Diolen".

The issued, subscribed and paid up equity share capital of Century Enka as on the date of the Public Announcement is as follows:

	No. of shares	% of shares
Fully paid up equity shares.	28,643,698	100%
Partly paid up equity shares.	0	0%
Total fully paid up equity shares.	28,643,698	100%
Total subscribed and paid up capital.	28,643,698	100%

There are no partly paid up shares. The equity shares of Century Enka are listed on BSE, NSE, CSE, DSE and PSE**.** Since the PA the equity shares of the Company are delisted from DSE and PSE.

Century Enka has complied with all the provisions of the listing agreement entered into with the stock exchanges and no punitive action has been initiated by any of the stock exchanges against it.

The Board of Directors of Century Enka is as listed below:

Name	Designation	Residential Address
Mr. Basant Kumar Birla	Director	9/1, R.N. Mukherjee Road Kolkata - 700 001
Mr. Peter Wack	Director	Fasa New Weg 13, D-47533, Kleve, Germany
Mr. Paulus Grimmelikhuizen	Director	NL-7061 WV Terborg Prins Johan Frisohof 4 The Netherlands
Mr. Rajendra Ambalal Shah . . . . (Alternate to Mr. Peter Wack)	Alternate Director	Panorama, 2nd Floor 203, Walkeshwar Road Teen Batti Mumbai - 400 006
Mr. Bansidhar Sunderlal Mehta	Director	Maheshwari Mansion 5th Floor, Flat No. 37 34, L Jagmohandas Marg Mumbai - 400 036
Mr. Vachaspati Dixit	Director	Coromondal Stamping & Stones Ltd. 104, Emerald House Sarojini Devi Road Secunderabad - 500 003
Mr. Dinanath Yashwant Gaitonde	Director	1091/B-3, Harekrishna Mandir Road Model Colony Pune - 411 016
Mr. Kugalur Ramasesha . . . . Venkata Subrahmanian (Alternate to Mr. Paulus Grimmelikhuizen)	Alternate Director	8, 'Rushilla' 17-C, Carmichael Road Mumbai - 400 026

Since the date of PA Mr. Paulus Grimmelikhuizen retired as a director of the Company w.e.f July 30, 2004 and in his place Mr. Eenje Molenaar has been appointed director of the Company effective from July 30, 2004. Further, Mr. Kugalur Ramasesha Venkata Subrahmanian ceased to be an alternate director if Mr. Paulus Grimmelikhuizen on July 30, 2004 and appointed as an alternate director to Mr. Eenje Molenaar effective from July 30, 2004.

Please note that any correspondence to the directors must be addressed to the registered office of Century Enka. Of the above directors, Mr. Peter Wack (appointed on January 14, 1997), and Mr. Paulus Grimmelikhuizen (appointed on May 29, 2000) are the only representatives of the Acquirer. Mr. Peter Wack is also a director of the Acquirer. Accordingly, Mr. Peter Wack has recused himself and abstained from voting on the resolution passed by the Acquirer to make this Offer as per Regulation 22(9) of the Regulations.

The audited financial details of Century Enka for the three years ended March 31, 2001, March 31, 2002, March 31, 2003 and the unaudited financial details for the period April 1, 2003 to June 30, 2003, as adopted by the Board are as follows:

	Financial Year (in millions)			
	2001	2002	2003	April 1, 2003 to June 30, 2003
	Rs.	Rs.	Rs.	Rs.
Profit and Loss Statement:				
Income from Operations	7,661.6	7,087.0	7,361.4	1,601.0
Other income	145.4	263.2	74.4	12.6
Total Income	**7,807.0**	**7,350.2**	**7,435.8**	**1,613.6**
Total Expenditure	6,417.0	5,958.3	6,225.4	1,486.9
Profit before Interest, Depreciation & Tax	**1,390.0**	**1,391.9**	**1,210.4**	**126.7**
Depreciation	419.8	748.1	390.8	98.5
Interest	214.8	96.5	42.6	7.7
Profit before tax	755.4	547.3	777.0	20.5
Provision for tax (incl. Deferred)	50.7	202.1	196.1	6.4
Profit after tax	**704.7**	**345.2**	**580.9**	**14.1**

Balance Sheet:	As on March 31,			
	2001	2002	2003	June 30, 2003
	Rs.	Rs.	Rs.	Rs.
Sources of funds				
Paid-up share capital	**300.1**	**286.4**	**286.4**	**286.4**
Reserves and surplus (excl. revaluation reserves)	4,862.7	4,093.0	4,496.2	4,510.3
Networth	**5,162.8**	**4,379.4**	**4,782.6**	**4,796.7**
Secured Loans	1,367.6	945.0	983.4	590.6
Unsecured Loans	591.1	182.1	23.0	41.2
Total	**7,121.5**	**5,506.5**	**5,789.0**	**5,428.5**
Uses of funds				
Net Fixed Assets (net of revaluation reserves)	5,671.6	5,391.6	5,308.4	5,245.2
Investments	39.7	30.6	30.6	183.2
Net Current Assets	1,393.3	1,104.3	1,610.0	1,162.2
Net Deferred Tax liability	0	(1,020.0)	(1,160.0)	(1,162.1)
Total Miscellaneous Expenditure not written off	16.9	1.0	0	0
Total	**7,121.5**	**5,507.5**	**5,789.0**	**5,428.5**

Other Financial Data:	2001	2002	2003	June 30, 2003
Dividend %	50%	60%	55%	-
Earning per share --	23.48	11.69	20.28	0.49
Return on net worth--	13.65%	7.88%	12.15%	0.29%
Book value per share --	172	153	167	167

Note: All financial information including the ratios reported for Century Enka, are reported as per Indian GAAP.

The equity shareholding in Century Enka before the Offer (as on August 15, 2003) and after the Offer (assuming full acceptance of the Offer) is given in the table below:

		Shareholding/voting rights prior to the Offer (on August 15, 2003, except Promoter Group)		Shareholding/voting rights to be acquired in the Offer (assuming full acceptance)		Shareholding/ voting rights after the Offer	
	Shareholders' Category	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
1.	**Promoter Group**						
	Foreign Promoters / Acquirer						
	- Acordis Overseas Investment BV	10,952,280	38.24	5,728,740	20.00	16,681,020	58.24
	Indian Promoters						
	- Grasim Industries Ltd.	2,117,170	7.39			2,117,170	7.39
	- KICM Investments Ltd.	1,290,680	4.51			1,290,680	4.51
	- Century Textiles & Industries Ltd.	136,250	0.48			136,250	0.48
	- Jayshree Tea & Industries Ltd.	100,000	0.35			100,000	0.35
	- Indian Rayon & Industries Ltd.	62,500	0.22			62,500	0.22
	- Kesoram Industries Ltd.	50,000	0.17			50,000	0.17
	- ECE Industries Ltd.	50,000	0.17			50,000	0.17
	- Hindalco Industries Ltd.	37,500	0.13			37,500	0.13
	Persons Acting in Concert with Indian Promoter	999,600	3.49			999,600	3.49
	Total	**15,795,980**	**55.15**			**21,524,720**	**75.15**
2.	**Institutional Investors**						
	a. Financial Institutions	2,914,093	10.17				
	b. Banks	149,475	0.52				
	c. Mutual Funds	736,868	2.57				
	d. NRI individuals/OCBs	412,140	1.44				
	e. Foreign Institutional Investors ...	6,035	0.02			7,118,978	24.85
	f. Non- Domestic Companies	0	0				
	Total	**4,218,611**	**14.73**				
3.	**Others (not included in 1 & 2)**	**8,629,107**	**30.13**				
	Total	**28,643,698**	**100.00**			**28,643,698**	**100.00**

The equity shareholding pattern has undergone change since the date of PA.

6. REASONS FOR THE OFFER AND FUTURE PLANS

The Offer to the shareholders of the Target Company is made as directed by SEBI as required under Chapter III of the Regulations in terms of Regulation 10 and 12 taking July 30, 1999 as reference date for indirect substantial acquisition of shares or voting rights accompanied with indirect change in control.

The Acquirer does not have any plans at present to make any major change to the existing lines of business of Century Enka or to dispose off or otherwise encumber any assets of the Target Company in the next two years, except in the ordinary course of business of Century Enka and except to the extent required for the purpose of restructuring or rationalizing the existing lines of business, assets, investments, liabilities or otherwise of Century Enka. It will, in any case, be for the Board of Directors of the Target Company to take any appropriate decisions in these matters in accordance with the requirements of the business. Such decisions will be governed by the provisions of the Regulations or any other applicable Act or legislation at the relevant time, and will be subject to prior approval of shareholders of Century Enka.

7. ACQUIRER'S CURRENT SHAREHOLDING

Acordis Overseas Investment BV currently holds 10,952,280 equity shares representing 38.24% of the equity share capital of Century Enka. All shares tendered and accepted under the Offer, will be acquired through Acordis Overseas Investment BV, subject to terms and conditions set out herein.

Pursuant to this Offer the public shareholding will not be reduced to 10% or less of the Voting Capital of Century Enka and therefore Regulation 21(3) of the Regulations is not applicable. During the Offer Period the Acquirer shall not purchase additional equity shares of Century Enka and accordingly the public shareholding of Century Enka will not be reduced to 10% or less of its Voting Capital.

8. OFFER PRICE

As per SEBI Order dated June 25, 2003, the reference date for calculating offer price is July 30, 1999.

The equity shares of Century Enka are listed on BSE, NSE, CSE, DSE and PSE. The shares are frequently traded on the BSE and on NSE [*Source: BSE and NSE website*] but are infrequently traded on the DSE, PSE and CSE within the meaning of Regulation 20 of the Regulations. The details of trading volumes on all the above stock exchanges are provided below:

	Total shares traded during the six calendar months ended July 30, 1999	**Total no. of listed shares ***	**Annualised trading turnover as a % of total number of listed shares**
BSE	2,319,681	30,005,880	15.5%
NSE	4,001,150	30,005,880	26.7%
CSE	9,155	30,005,880	0.1%
DSE	0	30,005,880	0.0%
PSE	0	30,005,880	0.0%

Source: Official data obtained from the stock exchanges.

** Indicates outstanding equity share capital of Century Enka Ltd. as on July 30, 1999 which has been subsequently reduced pursuant to the Scheme of Arrangement approved by the shareholders of Century Enka and sanctioned by the Hon'ble High Court at Kolkata. As a result the present issued and paid-up share capital of Century Enka comprises 28,643,698 equity shares*

As the annualised trading turnover on BSE and NSE is more than 2% of the total number of listed shares, the shares of Century Enka are frequently traded on both these exchanges as per the explanation to Regulation 20(3) of the Regulations, with NSE being the exchange where the shares are most frequently traded, with reference to the period relevant to July 30, 1999. However, the shares are infrequently traded on CSE, DSE and PSE.

The weekly high and low of the closing prices of the shares, during the 26-week period ending July 30, 1999, (being the trigger date for this offer), on NSE, are given below:

		National Stock Exchange (NSE)			
	Week Ending	Closing Price (Rs.)			
		High	Low	Average	Volume (shares)
1	05-Feb-99	36.60	33.60	35.10	29,800
2	12-Feb-99	32.00	29.00	30.50	35,550
3	19-Feb-99	28.70	26.30	27.50	93,050
4	26-Feb-99	28.00	26.40	27.20	122,100
5	05-Mar-99	31.50	30.10	30.80	107,850
6	12-Mar-99	29.00	28.00	28.50	41,500
7	19-Mar-99	31.00	27.25	29.13	25,050
8	26-Mar-99	36.25	31.00	33.63	72,150
9	02-Apr-99	33.95	32.00	32.98	41,600
10	09-Apr-99	31.50	30.15	30.83	22,300
11	16-Apr-99	29.55	29.00	29.28	48,400
12	23-Apr-99	29.50	26.70	28.10	82,900
13	30-Apr-99	28.70	26.60	27.65	53,100
14	07-May-99	29.00	27.75	28.38	37,700
15	14-May-99	32.45	29.00	30.73	197,300
16	21-May-99	39.65	31.40	35.53	276,350
17	28-May-99	37.00	35.00	36.00	276,450
18	04-Jun-99	50.80	40.00	45.40	641,600
19	11-Jun-99	64.80	54.90	59.85	548,500
20	18-Jun-99	63.90	54.75	59.33	399,800
21	25-Jun-99	77.25	68.75	73.00	618,550
22	02-Jul-99	75.25	71.25	73.25	221,300
23	09-Jul-99	79.10	74.35	76.73	328,350
24	16-Jul-99	82.65	74.90	78.78	280,950
25	23-Jul-99	76.00	73.05	74.53	141,550
26	30-Jul-99	72.95	67.80	70.38	376,800
	Average of 26 weeks			**43.58**	

The Offer Price is justified in accordance with the clause 20(2) of the Regulations as follows:

- The Acquirer has not acquired any equity shares of Century Enka under any agreement referred to in Regulation 14(1)
- In the 26 weeks preceding July 30, 1999, the Acquirer has not acquired any equity shares of Century Enka by way of allotment in a public or rights issue.
- No shares have been acquired by the Acquirer or to the best of their knowledge by any of their directors, including by way of public or rights issue during 26-week period preceding July 30, 1999.
- There was no preferential allotment of equity shares of Century Enka made during the 12 months prior to July 30, 1999 to the Acquirer or subsequently upto the date of Public Announcement.
- The average of weekly high and low of closing prices for the shares of Century Enka, during the 26-week period preceding July 30, 1999, on NSE, the exchange where the shares are most frequently traded, is Rs. 43.58 as tabulated above.

The shares of Century Enka were infrequently traded on CSE, DSE and PSE with reference to the period relevant to July 30, 1999. Hence, in terms of Regulation 20(3) of the Regulations, the Offer Price is justified as follows:

- The Acquirer has not acquired any equity shares of Century Enka under any agreement referred to in Regulation 14(1)
- In the 26 weeks preceding July 30, 1999, the Acquirer has not acquired any equity shares of Century Enka by way of allotment in a public or rights issue.
- No shares have been acquired by the Acquirer or to the best of their knowledge by any of their directors, including by way of public or rights issue during 26-week period preceding July 30, 1999.
- There was no preferential allotment of equity shares of Century Enka made during the 12 months prior to July 30, 1999 to the Acquirer or subsequently upto the date of Public Announcement.
- Other parameters with reference to Century Enka, are as follows:

Book Value per Share as on March 31, 1999[1]	Rs. 141.00
Book Value per Share as on March 31, 1999[1] (excluding revaluation reserve, miscellaneous expenses not written off and contingent liabilities adjusted)	Rs. 138.83
Price[2] to Book Value Multiple based on Offer Price	0.45
Textiles – Man-made Industry Price to Book Value Multiple as on March 31, 1999[3]	0.05
Textiles – Man-made Industry Price to Book Value Multiple as on July 30, 1999[3]	0.19
Return on Net Worth as on March 31, 1999[1]	8.52%
Textiles – Man-made Industry Return on Net Worth as on March 31, 1999[3]	10.15%
Earnings per Share for the year ended March 31, 1999[1]	Rs. 12.03
Price[2] Earnings Multiple based on Offer Price	5.18
Textiles – Man-made Industry Price Earnings Multiple as on March 31, 1999[3]	3.18
Textiles – Man-made Industry Price Earnings Multiple as on July 30, 1999[3]	4.74

[1] Source: Century Enka
[2] Source: Bloomberg (NSE)
[3] Source: Capitaline

SEBI vide its letter dated January 10, 2005 Ref. CRD/AT/30604/2005 has directed the Acquirer to justify the Offer Price indicating a fair value based on the valuation methodology as laid down by the Hon'ble Supreme Court in the case of Hindustan Lever Ltd. & Ors [1995 Supp (1) SCC 499], M/s. N.M.Raiji & Co.,Chartered Accountants (Partner : Mr. Sujal Shah - Membership No. 45816) have undertaken a valuation exercise to determine the value of the equity shares of Century Enka and furnished a report in this regard. The fair value as determined by M/s. N.M.Raiji & Co. based on aforesaid valuation methodology is Rs. 62.37 per Equity Share with reference date of July 30, 1999. Thus the Offer Price of Rs. 62.37 is justified in terms of Regulation 20 of the Regulations.

The Acquirer shall not acquire, during the Offer Period, any shares in Century Enka except in compliance with the Regulations and the details of such acquisitions shall be disclosed to the stock exchanges and to the Manager within 24 hours thereof in terms of the Regulation 22(17). If the Acquirer acquires shares in the open market or through negotiation or otherwise, after the date of Public Announcement till the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all acceptances received under the Offer. However, no acquisition will be made by the Acquirer in the open market during the last seven working days prior to the Offer Closing Date.

9. FINANCIAL ARRANGEMENT

The purchase consideration payable by the Acquirer, as per the Offer Price would be Rs. 357.30 million. The interest, @ 15% p.a., from November 28, 1999 till the actual date of dispatch of consideration to those shareholders who have tendered their shares in the Offer, assuming full acceptance, would be Rs. 295.14 million (calculated till May 29, 2005). Thus, the maximum purchase consideration including interest payable by the Acquirer in the case of full acceptance of the Offer would be Rs. 652.44 million, which will be funded by Acordis Overseas Investment BV. Acordis BV will give all the necessary financial help, in case it is required for payment of consideration to the shareholders. In accordance with the provisions of Regulation 28 of the Regulations, Acquirer has established a bank guarantee in favour of the Manager to the Offer for Rs. 163.20 million through ABN AMRO Bank N.V. having its office at 4th Floor, Sakhar Bhavan, Nariman Point, Mumbai 400 021, India. This bank guarantee shall be valid until June 30, 2005. The Acquirer has empowered the Manager to the Offer to realise the value of the Escrow Account under the Regulations.

The Acquirer has also made a cash deposit of Rs. 6.52 million (being not less than 1% of the maximum purchase consideration payable under this Offer) in a Bank account with ABN AMRO Bank N.V. located in India having its office at 4th Floor, Sakhar Bhavan, Nariman Point, Mumbai 400 021, India (hereinafter referred to as the “Escrow Account” or “Escrow Bank” or “Escrow Banker”). The Manager to the Offer is authorised to realise the value of the aforesaid Bank account.

If required, Acordis BV shall provide necessary financial assistance to Acordis Overseas Investment BV for payment of consideration to the shareholders of Century Enka, whose shares are acquired pursuant to this Offer.

The Acquirer’s banker, ABN AMRO Bank N.V., has confirmed that sufficient resources are available for Acordis BV to fulfil its obligations in full under the Offer. On the basis of the above, the Manager to the Offer has satisfied itself that the Acquirer has the ability to implement the Offer in accordance with the Regulations.

10. TERMS AND CONDITIONS OF THE OFFER

(a) The Offer is being made in deference to the SEBI Order dated June 25, 2003, as required under Chapter III of the Regulations in terms of Regulation 10 and 12 taking July 30, 1999 as the reference date to acquire upto 5,728,740 fully paid up equity shares of Rs. 10/- each, representing up to 20.00% of the fully paid up equity share capital of Century Enka Ltd. at a price of Rs. 62.37 per share (hereinafter referred to as the “Offer Price”) payable in cash (hereinafter referred to as the “Offer”). Interest @15% p.a. would be paid to the shareholders whose shares are accepted in the Offer, for the period from November 28, 1999 upto May 29, 2005 (deemed date of dispatch of consideration to the shareholders).

(b) The Acquirer has made the Public Announcement on August 09, 2003 for the Offer. The Acquirer further issued Supplemental PA on March 23, 2005 for the Offer. This Offer is made to all the public shareholders of Century Enka. However, the Letter of Offer together with the Form of Acceptance-cum-Acknowledgement will be mailed to the shareholders of Century Enka whose names appear on the Register of Members of Century Enka and to the beneficial owners of the shares of Century Enka whose names appear on the beneficial records of the respective depositories at the close of business on August 22, 2003 (the “Specified Date”). 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 an all owner (Register or unregister) of equity shares of Target Company, (except the Aquirer) any time before the closer Offer, are eligible to participate in the offer during the Offer Period.

(c) The acceptance of the Offer made by Acquirer is entirely at the discretion of the equity shareholders of Century Enka and each shareholder of Century Enka to whom this Offer is being made, is free to offer his shareholding in Century Enka, in whole or in part while accepting the Offer.

(d) **Any shares that are the subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/orders regarding these shares are not received together with the shares tendered under the offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.**

(e) The Offer will open on Thursday, March 31, 2005, and close on Friday, April 29, 2005 (both days inclusive).

(f) Accidental omission to dispatch this Letter of Offer or any further communication to any person to whom this Letter of Offer is made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.

(g) The instructions, authorisations and provisions contained in the Form of Acceptance constitute an integral part of the terms of this Offer.

(h) The acceptance of the Offer must be unconditional and should be sent in the attached Form of Acceptance along with the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at the collection centre mentioned in paragraph 11(g) under "Procedure for Acceptance and Settlement" on or before Friday, April 29, 2005. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.

(i) Barring unforeseen circumstances and factors beyond their control, the Acquirer intends to complete all formalities pertaining to the purchase of the shares, including dispatch payment of consideration to the shareholders who have accepted the Offer, by May 29, 2005.

(j) The Acquirer has received the approval of FIPB and RBI under FEMA, for acquiring and transferring the equity shares tendered in this Offer. The Acquirer has received FIPB approval to acquire 20.00% of the equity share capital of Century Enka vide letter dated October 15, 2003 Ref. FCII.258(2003). The Acquirer has also received the RBI approval vide letter dated November 4, 2003 Ref. MUMBAI.FID.II/4888/04.02.01/A-Misc/03-04 received the requisite approval from RBI for opening escrow acount in a bank in India. Application to RBI for acquiring shares tendered and for making payment to non-resident shareholders would be made only after offer closes.

(k) Other than the aforesaid permission from RBI, to the best of knowledge of the Acquirer, there are no other statutory approvals required to implement the Offer other than those indicated above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirer will not proceed with the Offer in the event that such statutory approvals are not obtained/denied.

(l) In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of the time required for payment under the Offer provided that the Acquirer agrees to pay interest in accordance with Regulation 22(12) of the Regulations. If the delay occurs due to the willful default of the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the Regulations will become applicable. **Acquirer will not proceed with the Offer in the event the statutory approvals indicated above are refused in terms of Regulation 27 of the Regulations.**

(m) The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholders of the Target Company. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the equity shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

(n) As already mentioned elsewhere in this Letter of Offer, the Offer is not subject to any minimum level of acceptance from the shareholders and the Acquirer will acquire all the fully paid-up equity shares of Century Enka that are tendered in valid form in terms of this Offer upto a maximum of 5,728,740 equity shares. Thus, the Acquirer will proceed with the Offer even if it is unable to obtain acceptance to the full extent of the Equity Shares of Century Enka for which this Offer is made.

(o) Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

(p) The Acquirer reserves the right of upward revision of price at any time upto seven working days prior to the closure of the Offer, as per Regulation 26 of the Regulations. If there is an upward revision in the Offer Price before the last date of revision (i.e. April 19, 2005), the same would be informed by way of Public Announcement in the newspapers mentioned in para 2 of this Letter of Offer. Such revised Offer Price would be payable to all shareholders who tender their shares at any time during the Offer and which are accepted under the Offer.

(q) Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Registrar's special depository account should be received on or before the date of closure of the Offer, i.e. April 29, 2005, else the application would be rejected.

(r) **Shareholders, who shall accept 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 (i.e. on or before April 26, 2005) to the date of the closure of the Offer.**

(s) The instructions, authorisations and provisions contained in the Form of Acceptance-cum-Acknowledgement and Form of withdrawal constitute an integral part of the terms of the Offer.

(t) If the aggregate of the valid responses to the Offer exceeds Offer Size, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations. The equity shares of Century Enka are in compulsory dematerialized form and the minimum marketable lot is one equity share.

11. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

a. Shareholders of Century Enka, who wish to avail this Offer should forward the under mentioned documents **by hand delivery or by registered post** to the Registrar to the Offer at their office at MCS Limited, Unit: Century Enka Open Offer, Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, M.I.D.C., Andheri (East), Mumbai - 400 093, India (Tel: +91 22 28215235, Fax: +91 22 2835 0456, Contact Person: Mr. Ashok Gupta; E-mail: mcsmum@vsnl.com), **or by hand delivery** only at the collection centres given under para (g) below so as to reach the Registrars on or before April 29, 2005 (the Offer Closure Date) on their working days during business hours indicated in sub-para (g) below. In the case of demat shares, the Registrar is not bound to accept equity shares which have not yet been credited to the Special Depository Account as on the date of closure of the Offer, i.e. April 29, 2005.

For equity share held in physical form

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/first shareholders whose names appear on the share certificates (in case of joint holdings) in the same order in which their names appear in the Register of Members.
- Original Share Certificate(s)
- Valid Share Transfer Deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with Century Enka and duly witnessed at the appropriate place. It is preferred that the transferor's signature(s) is attested by a Notary or Bank Manager or Member of Stock Exchange under their seal of office and membership number. The Transfer Deed should be left blank, excepting the signatures as mentioned above.
- Documents mentioned in para 11(e), for resident shareholders.
- Documents mentioned in para 11(d) for NRI/OCB/FII shareholders.

For equity share held in demat form

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/all shareholders whose names (in case of joint holdings) in the same order in which their names appear in their beneficiary account. The Form of Acceptance-cum-Acknowledgement has to be tendered by the beneficial holder of shares only.
- A photocopy of the Delivery Instruction Slip duly acknowledged by the DP filled as per the instructions given hereunder:
  - The Beneficial Owners who hold shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the Special Depository Account. The credit in the Special Depository Account should be received on or before the date of closure of the Offer, i.e. April 29, 2005.

- The Delivery Instructions to be given to the DP should be in “Off-Market” mode only. For each Delivery Instruction the Beneficial Owner should submit a separate Form of Acceptance-cum-Acknowledgement.

- The Registrar to the Offer, MCS Ltd., has opened a special depository account with National Securities Depository Limited (NSDL) named as “MCS Ltd. - Escrow A/c Century Enka Open Offer” as per the details given below:

Depository:	National Securities Depository Limited (NSDL)
DP Name:	HDFC Bank Limited
Client ID Number:	40832919
DP ID Number:	IN300476

  Shareholders having their beneficiary account in Central Depository Services Limited (CDSL) have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.
- Documents mentioned in para 11(e), for resident shareholders
- Documents mentioned in para 11(d), for NRI/OCB/FII shareholders
- In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirers may deem the Offer to have been accepted by the shareholder
- Shareholders should ensure that the credit for the delivered shares should be received in the Special Depository Escrow Account on or before the Closure of the Offer (i.e. April 29, 2005).

b. All Eligible Persons can participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer. They are required to submit, besides the documents as mentioned above, other documents to prove their title to the shares offered for acceptance, such as original brokers contract note, transfer deed(s) executed by the registered holders of the shares in addition to the Form of Acceptance-cum-Acknowledgement and share certificate(s). No indemnity is required from unregistered shareholders. Unregistered owners, if they so desire, may also apply on the Form of Acceptance-cum-Acknowledgement downloaded from SEBI’s website (www.sebi.gov.in). Notwithstanding that the signature(s) of the transferor(s) have been witnessed as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with Century Enka or are not in the same order, such shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such shares.

c. In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of shares held, Distinctive Nos., Folio No., No. of shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer. No indemnity is required in this regard. Shareholders who have lodged their shares for transfer with Century Enka must also send the acknowledgement, if any, received from Century Enka towards such lodging of shares.

d. **While tendering shares under the Offer, NRI/OCB/foreign shareholders will be required to submit the previous RBI approvals (specific or general) that they would have obtained for acquiring shares of Century Enka a No Objection Certificate/Tax Clearance Certificate from the Income-Tax authorities under the Income-tax Act, 1961, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject the shares. In case the aforesaid No Objection Certificate/Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the currently prevailing rate of 41.82% in case of a non-resident corporate shareholder, 33.66% in case of non-resident partnership firms, domestic corporate shareholders, non-resident individual shareholders or trusts on the entire consideration amount (Offer Price as well as interest thereon) payable to such NRIs/foreign shareholders.**

e. **In case of resident shareholders tendering their shares under the Offer, the Acquirer will deduct tax on the interest component of the consideration payable to such shareholders exceeding Rs. 5,000 per shareholder at the rate of 22.44% in case of resident corporate shareholders, at the rate of 11.22% in case of resident partnership firms and individual shareholders, association of persons or body of individuals having income less than INR 10,00,000. As per the provision of the Income-tax Act, 1961, if the resident shareholder requires that no tax be deducted or tax be deducted at a rate lower than the prescribed rate, then in such an event the resident shareholder will be required to submit No Objection Certificate from the Income-Tax authorities or a self-declaration in Form 15H, as may be applicable, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration.**

Please note that the rates mentioned above are as proposed in the Finance Bill, 2005 ("Bill") announced on February 28, 2005. Thus, the provisions of the Bill may undergo change before enactment. The Bill will become law upon receiving Presidential assent.

f. The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent. Such documents may include, but are not limited to:

- duly attested death certificate and succession certificate / probate / letter of administration (in case of single shareholder) if the original shareholder is deceased;
- duly attested Power of Attorney if any person apart from the shareholder has signed the application form and/or transfer deed(s);
- no objection certificates from the chargeholder/lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance;
- in case of companies, the necessary corporate authorisation (including Board Resolutions);
- any other relevant documentation.

g. The collection centres of the Registrar MCS Ltd., for the purpose of the Offer are as follows:

Name & Address of the collection centre	Contact Person	Mode of delivery	Tel. No.	Fax No.
Ahmedabad MCS Limited 101, Shatdal Complex, 1st Floor, Opp. Bata Showroom Ashram Road, Ahmedabad 380 009	Mr. Mahendra Singh	Hand Delivery	+91-79-26582878	+91-79-26584027
Baroda/Vadodara MCS Limited Neelam Apartments 88, Sampatrao Colony B/H Standard Chartered Bank Alkapuri, Baroda 390 007	Mr. J P Mehta	Hand Delivery	+91-265- 2339397	+91-265- 2341639
Kolkata MCS Limited 77-2A, Hazra Road, 3rd & 5th Floor Kolkata 700 029	Mr. S K Jhanwar	Hand Delivery	+91-33- 24767350	+91-33- 24747674
Mumbai (Andheri) MCS Limited Sri Venkatesh Bhavan Plot No.27, Road No.11 MIDC Area, Andheri East Mumbai 400 093	Mr. Ashok Gupta	Registered Post or Hand Delivery	+91-22- 28215235	+91-22- 28350456
Mumbai (Fort) MCS Limited C/o Ghia Textile Products Co. Agra Building, 1st Floor, Room 5 Above Bank of Baroda University Branch, 121, M G Road, Fort, Mumbai 400 001	Mr. Rajendra G	Hand Delivery	+91-22- 22691266	+91-22- 22691567
New Delhi MCS Limited Sri Venkatesh Bhavan, 212-A, Shahpurjat, New Delhi 110 049	Mr. S P Gupta	Hand Delivery	+91-11-26384909	+91-11-26384907
Pune MCS Limited 116/118, Akshay Complex Off Dhole Patil Road Near Ganesh Mandir, Pune 411 001	Mr. Pramod N. Ranade	Hand Delivery	+91-20-30906685	+91-20-26129597
Chennai MCS Limited C/o GNSA Investor Services (P) Ltd. 18/1, Balaiah Avenue, Luz Mylapore, Chennai 600 004	Mr. N Swaminathan	Hand Delivery	+91-44-24661976	+91-44-24662448

Business Hours : Mondays to Fridays between 10.00 a.m. to 1.00 p.m. & 2.00 p.m. to 4.00 p.m.
Saturdays between 10.00 a.m. to 1.00 p.m.

Holidays : Sundays and Bank Holidays

Applicants may send their documents only by Registered Post, at their own risk, if not hand delivered at the designated collection centres, to the Registrar at MCS Limited, Unit: Century Enka Open Offer, Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, M.I.D.C., Andheri (East), Mumbai - 400 093, India (Tel: +91 22 28215235, Fax: +91 22 2835 0456, Contact Person: Mr. Ashok Gupta; E-mail: mcsmum@vsnl.com) during business hours indicated above other than on holidays.

h. Payment of consideration will be made by crossed account payee cheques /demand drafts and sent by registered post and /or courier in case of consideration amount exceeding Rs.1,500/- (Under Certificate of Posting otherwise) to those shareholders whose share certificates and other documents are found in order and accepted by Acquirers. All cheques/ demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

i. In case of physical shares, the Registrar to the Offer will hold in trust the share certificates, Form of Acceptance-cum-Acknowledgement duly filled in and the transfer deed/s on behalf of shareholders of Century Enka who have accepted the Offer, till the cheques /drafts for the consideration and/or the share certificates are posted.

j. In case of dematerialised shares, the 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 Acquirer and give instructions for credit to the beneficial account of Acquirer.

k. Barring unforeseen circumstances and factors beyond their control, the Acquirer intends to complete all formalities pertaining to the purchase of the shares, including dispatch of consideration to the shareholders who have accepted the Offer, by May 29, 2005.

l. In case of physical shares, to the extent the equity shares are not accepted under the Offer, the rejected Share Certificates, transfer deeds and other documents, if any, will be returned by registered post by the Registrar to the Offer to the shareholders /unregistered owners. Subject to the necessary approval from RBI, for the physical shares accepted under the Offer, the Registrar shall take action for transferring the shares to Acquirer after the consideration cheques are released to the shareholders concerned.

m. In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the Offer (i.e. April 26, 2005). The withdrawal option can be exercised by submitting the document as per the instruction below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before the last date of withdrawal.

- Shareholders should enclose the following:-

  For Equity Shares held in demat form:

  Beneficial owners should enclose

  - Duly signed and completed Form of Withdrawal
  - Copy of the Form of Acceptance-cum-Acknowledgement/Plain paper application submitted and the acknowledgement slip
  - Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the Depository Participant

  For Equity Shares held in physical form:

  Registered Shareholders should enclose

  - Duly signed and completed Form of Withdrawal
  - Copy of the Form of Acceptance-cum-Acknowledgement/Plain paper application submitted and the acknowledgement slip
  - In case of partial withdrawal, 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 specimen signatures registered with R&T Department of Century Enka Limited and duly witnessed at the appropriate place.

  Unregistered owners should enclose:

  - Duly signed and completed Form of Withdrawal
  - Copy of the Form of Acceptance-cum-Acknowledgement/Plain paper application submitted and the acknowledgement slip

- The withdrawal of Shares will be available only for the Share certificates/Share that have been received by the Registrar to the Offer/Special Depository Escrow 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.
- The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
- 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 to Registered shareholders.

n. The Equity Shares held in dematerialised form to the extent not accepted under the Offer will be released to the Beneficial Owner's Depository Account with the respective DP as per details furnished by the Beneficial Owner in the Form of Acceptance-cum-Acknowledgement, at the sole risk of the Beneficial Owner. An intimation to that effect will be sent to the Beneficial Owner by Ordinary Post. Subject to the necessary approval from RBI, for the shares lying in the Special Depository Account, the Registrar shall take action for transferring the shares to Acquirer after the consideration cheques are released to the Beneficial Owners.

12. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of Century Enka at the Head Office of Century Enka at 7th floor, Bakhtawar, Nariman Point, Mumbai - 400 021, between 11 a.m. and 4 p.m. on all working days except Saturdays till the Offer Closing Date (i.e. April 29, 2005):

1. Copy of the Master Agreement dated November 17, 1999 regarding the sale and purchase of Acordis
2. Certificate of Incorporation and Articles of Association of Acordis BV and Acordis Overseas Investment BV.
3. Certificate of Incorporation, Memorandum and Articles of Association of Century Enka.
4. Certificate dated August 05, 2003 by ABN AMRO Bank, The Netherlands, regarding the adequacy of financial resources with the Acquirer to fulfill the Offer obligations.
5. Audited accounts of Century Enka for the accounting years ended March 31, 2001, March 31, 2002 and March 31, 2003 and unaudited for the period April 01, 2003 to June 30, 2003, as adopted by the Board.
6. Audited accounts of Acordis BV for the financial years ending December 31, 2002, December 31, 2001 and December 31, 2000 and for the period January 01, 2003 to June 30, 2003.
7. Audited accounts of Acordis Overseas Investment BV for the financial years ending December 31, 2002, December 31, 2001 and December 31, 2000 and for the period January 01, 2003 to June 30, 2003.
8. Copy of confirmation from ABN AMRO Bank, India confirming the balance of Rs. 6.52 million in the Escrow Account.
9. Escrow Agreement entered between Acordis Overseas Investment BV, ABN AMRO Bank, India and JM Morgan Stanley Private Limited.
10. Copy of Bank Guarantee for Rs. 163.20 million issued by ABN AMRO Bank, India favouring the Manager to the Offer valid upto June 30, 2005.
11. Copy of Resolution of Acordis BV for the open offer
12. Copy of Resolution of Acordis Overseas Investment BV for the open offer
13. Copy of Power of Attorney from Acordis BV, authorising Mr. R.A. Shah and Ms. Shefali R. Shah to execute and perform all acts in relation to the open offer, including signing of all papers on its behalf.
14. Copy of Power of Attorney from Acordis Overseas Investment BV, authorising Mr. R.A. Shah and Ms. Shefali R. Shah to execute and perform all acts in relation to the open offer, including signing of all papers on its behalf.
15. Copy of letter received from SEBI, Ref. Nos. DCR/AT/19491/03 dated October 14, 2003,
16. Copy of letter received from SEBI, Ref Nos.CRD/AT/30604/2005 dated January 10, 2005
17. Copy of letter received from SEBI, Ref Nos. CFD/DCR/TO/AT/36216/05 dated dated March 16, 2005.
18. Copy of Public Announcement made on August 09, 2003, by the Acquirer for acquiring up to 5,728,740 paid up equity shares of Century Enka.
19. Copy of Supplemental made on March 23, 2005 by the Acquirer

20. Share price details on BSE and NSE as obtained from their website and letters from CSE, DSE, PSE containing the share price and volume data.
21. Copy of FIPB approval letter dated October 15, 2003 Ref. FC.II.258(2003)/332(2003
22. Copy of RBI approval letter dated . November 4, 2003 Ref. MUMBAI.FID.II/4888/04.02.01/A-Misc/03-04
23. Copy of the agreement with Depository participant for opening a special depository Escrow account.
24. Valuation Report of M/s. N.M. Raiji & Co. (Chartered Accountants) dated February 15, 2005.
25. Audited Financial Statements of CVC Capital Partners Limited.

13. RESPONSIBILITY STATEMENT

The Acquirer accepts full responsibility for the information contained in this Letter of Offer and Form of Acceptance. The Acquirer shall be jointly and severally responsible for ensuring compliance with the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Mr. R.A. Shah and Ms. Shefali R. Shah have been severally authorised by Acquirer to sign the Letter of Offer.

On behalf of CVC Capital Partners Limited, Acordis BV and Acordis Overseas Investment BV

sd/-
Authorised Signatory

Shefali R. Shah

Place : Mumbai

Date : March 22, 2005

Attached: 1. Form of Acceptance-cum-Acknowledgement

2. Form of Withdrawal

Tear along this line

FORM OF WITHDRAWAL

OFFER		
Opens On	:	Thursday, March 31, 2005
Closes On	:	Friday, April 29,2005
Last Date of withdrawal	**:**	Tuesday, April 19,2005

From:

To,**MCS Limited**
Sri Venkatesh Bhavan, Plot No. 27, Road No.11, M.I.D.C., Andheri (East), Mumbai – 400 093, India

Dear Sir,

Sub: Open Offer to purchase up to 5,728,740 paid-up equity shares of Rs 10/- each, representing up to 20% of the paid up equity share capital of Century Enka Limited at a price of Rs 62.37 per equity share and interest of Rs. 51.52 per equity share calculated @ 15% p.a. from November 28, 1999 to May 29, 2005 i.e. the scheduled date of payment of consideration (the interest amount is subject to change depending upon the actual date of payment) by CVC Capital Partners Limited, Acordis BV (now renamed "Disacord BV") and Acordis Overseas Investment BV (together hereinafter referred to as the "Acquirer")

I/We refer to the Letter of Offer dated March 22, 2005 for acquiring the equity shares held by me/us in Century Enka Limited. **I/We the undersigned have read the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.**

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in para 11 (m) of the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our equity 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 equity shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/ Registrar to the Offer.

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

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the equity shares held in physical form and also for the non receipt of equity 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 Original Share Certificate(s), Share Transfer Deed(s) and equity shares only on completion of verification of the documents, signatures carried out by Century Enka Limited and/ or their R & T Agents and beneficiary position data as available from the Depository from time to time, respectively.

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) and the equity shares I/we wish to withdraw are detailed below:

Ledger Folio No.________No. of Share Certificate(s) __________ No. of Equity Shares ____________

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
			From	To	
	TENDERED				
1.					
2.					
3.					
	WITHDRAWN				
1.					
2					
3.					
Total No. of Certificates			**Total No. of Equity Shares**		

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

SHARES IN DEMAT FORM :

I/We hold the following equity shares in dematerialised form and tendered the equity shares in the Offer and had done an off-market transaction for crediting the Shares to the "MCS Ltd. - Escrow A/c Century Enka Open Offer" (the "Special Depository Account") with the following particulars:

Depository Participant Name: HDFC Bank Ltd. **Client ID No.:** 40832919 **DP ID No.:** IN300476

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

The particulars of the account from which my/our equity shares have been tendered are as detailed below

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

Tel. No.: ________________________ Fax No.: ______________________ E-mail : ____

I/We note that the equity shares will be credited back only to that Depository Account, from which the equity 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 equity shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

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)
First/Sole Shareholder			
Second Shareholder			
Third 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 : ____________________

.... **Tear along this line** ....

Acknowledgement Slip

CVC Capital Partners Limited/Acordis BV (now renamed Disacord BV)/ Acordis Overseas Investment BV

Westervoortsedijk 73, NL-6800 TC Arnhem, The Netherlands

Folio No.

Sr. No.

Received from Mr/Ms.M/s. ____

Address ____

____

Form of Withdrawal for, # ____________ Number of Share Certificates for ________________ Equity Shares/

Copy of Delivered instruction to (DP) for ____ Equity Shares

Delete whichever is not applicable.

Signature of official and Date of Receipt	Stamp of Collection Centre

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:
MCS Limited (Unit : Century Enka Open Offer) Sri Venkatesh Bhavan, Plot No. 27, Road No.11, M.I.D.C., Andheri (East), Mumbai – 400 093, India
Phone: +91 22 2821 5235; Fax: +91 22 2835 0456; Email: mcsmum@vsnl.com

INSTRUCTIONS

1. **The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal.**

2. Shareholders should enclose the following:-

   i. <u>For Equity Shares held in demat form:</u>

      Beneficial owners should enclose

      - Duly signed and completed Form of Withdrawal
      - Copy of the Form of Acceptance-cum-Acknowledgement/ Plain paper application submitted and the Acknowledgement slip
      - Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP

   ii. <u>For Equity Shares held in physical form:</u>

      Registered Shareholders should enclose

      - Duly signed and completed Form of Withdrawal
      - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip
      - In case of partial withdrawal, 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 specimen signatures registered with R&T Department of Century Enka Limited and duly witnessed at the appropriate place.

   iii <u>Unregistered owners should enclose:</u>

      - Duly signed and completed Form of Withdrawal
      - Copy of the Form of Acceptance-cum-Acknowledgement/ Plain paper application submitted and the Acknowledgement slip

3. 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.

4. 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.

5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.

6. 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.

7. **Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.**

8. Please refer para 11(g) of the Letter of Offer for Collection Centres.