LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as shareholder(s) of **Consolidated Securities Limited.** If you require any clarification about the action to be taken, you may please consult your stockbroker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in Consolidated Securities Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER BY

MUNDRA CREDIT & INVESTMENT PRIVATE LIMITED
Registered office: 410-412, 18/12, W.E.A., Arya Samaj Road, Karol Bagh, New Delhi- 110005,
Tel No.: (011) 25754812, 25749877, Fax: (011) 25749877

To
Acquire 8,00,760 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs.4/- (Rupees four only) per fully paid equity shares of Rs.10/- each, payable in Cash.

Of
CONSOLIDATED SECURITIES LIMITED
Registered Office: X-13, Hauz Khas, New Delhi-110 016
Tel. (011) 26963036, Fax: (011) 26963036

Pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof

ATTENTION:

1. **The offer is not a conditional offer.**
2. Approval for transfer of shares of a company registered in India by a Non-resident to a person resident in India is not required as the shares allotted to the non-residents are on non-repatriable basis vide Notification No. FERA 1/4-92-RB dated 27.04.1992 issued under section 29(1) read with section 19(1) of FERA, 1973.
3. **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer i.e. September 08, 2005 (Thursday)**
4. If there is any upward revision in the Offer Price by the Acquirer upto seven working days prior to the date of closure i.e. upto September 02, 2005 (Friday), the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.
5. **If there is a Competitive Bid:**
   The Public Offers under all the subsisting bids shall close on the same date.
   As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.
6. **A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's web-site: www.sebi.gov.in**

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Chartered Capital & Investment Limited 13, Community Centre,East of Kailash, New Delhi - 110065. Tel.: 011-26419079/26218274; Fax: 011-26219491; Email:delhi@charteredcapital.net **Contact Person : Ms. Shweta Jain**	**Mas Services Private Limited** AB-4, Safdurjung Enclave, New Delhi-110 029 Tel.: 011- 26104142, 26104326 Fax : 011-26181081 E-mail : massserv@girsdl01.vsnl.net.in / mas@vsnl.com **Contact Person : Mr. S. Mangla**
OFFER OPENS ON : Augsut 26, 2005 (Friday)	**OFFER CLOSED ON : September 14, 2005 (Wednesday)**

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION "11" PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 10 TO 13)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL ARE ENCLOSED WITH THIS LETTER OF OFFER.

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Sr.No.	Activity	Day and Date
1.	Date of Public Announcement (PA)	July 4, 2005 (Monday)
2.	Specified Date	August 01,2005 (Monday)
3.	Last Date for a Competitive Bid(s)	July 25, 2005 (Monday)
4.	Date by which Letter of Offer will be dispatched to the Shareholders	August 16, 2005 (Tuesday)
5.	Offer Opening Date	August 26, 2005 (Friday)
6.	Last Date for the Revision of the Offer Price / Number of Equity Shares.	September 02, 2005 (Friday)
7.	Last date to withdraw acceptance tendered by shareholders	September 08, 2005 (Thursday)
8.	Offer Closing Date	September 14, 2005 (Wednesday)
9.	Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and / or the unaccepted equity shares / share certificates will be dispatched.	September 29, 2005 (Thursday)

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1. DEFINITIONS

1.	Acquirer or The Acquirer	Mundra Credit & Investment Private Limited
2.	BSE	The Stock Exchange, Mumbai
3.	DSE	The Delhi Stock Exchange Association Limited, Delhi
4.	JSE	The Jaipur Stock Exchange
5.	FERA	Foreign Exchange Regulation Act.
6.	Form of Acceptance	Form of Acceptance cum Acknowledgement
7.	Form of Withdrawal	Form of Withdrawal cum Acknowledgement
8.	CSL/Target Company	Consolidated Securities Limited
9.	LOO or Letter of Offer	Offer Document
10.	Manager to the Offer or, Merchant Banker	Chartered Capital and Investment Limited
11.	Negotiated Price	Rs.1.50/- (Rupees One and Paise Fifty Only) per fully paid-up equity share of face value of Rs.10/- each.
12.	Nikki Securities Private Limited	A company which is in the Promoter Group of the Consolidated Securities Limited but not a part of SPA entered into between the Acquirer and Sellers
13.	Offer or The Offer	8,00,760 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 4/- (Rupees Four Only) per fully paid equity share, payable in Cash.
14.	Offer Price	Rs. 4/- (Rupees Four Only) per fully paid equity share, payable in Cash.
15.	Persons eligible to participate in the Offer	Registered shareholders of Consolidated Securities Limited and unregistered shareholders who own the equity shares of Consolidated Securities Limited any time prior to the Offer closure other than the Parties to SPA i.e. Acquirer & the Sellers
16.	Public Announcement or "PA"	Announcement of the Open Offer by The Acquirer, which appeared in the newspapers on July 04, 2005.
17.	RBI	Reserve Bank of India
18.	Registrar or Registrar to the Offer	Mas Services Private Limited
19.	SEBI	Securities and Exchange Board of India
20.	SEBI (SAST) Regulations, 1997/ Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
21.	SEBI Act	Securities and Exchange Board of India Act, 1992
22.	Sellers	Tejpal Singh Bhatia, Honey Bhatia, Kamaljit Singh Bhatia, Dolly Bhatia, Surinder Kaur Bhatia, Growth Commercial Limited, Harinder Kaur Bhatia, Ravinder Kaur Bhatia
23.	SPA	Share Purchase Agreement
24.	Specified Date	August 01,2005 (Monday)

2. RISK FACTORS

i. **In the event that either (a) the regulatory approvals are not received in a timely manner, (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirer not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of CSL, whose shares have been accepted in the offer as well as the return of shares not accepted by the acquirer may be delayed.**

ii. The acquirer intends to make an offer for 20% of the voting capital amounting to 8,00,760 equity shares of CSL under the SEBI (SAST) Regulations, 1997. Further, the shares tendered in the offer will lie to the credit of a designated escrow account, till the completion of the offer formalities.

iii. The share purchase agreement provides that, in case of non-compliance of any provisions of the SEBI (SAST) Regulations, 1997 (the "Regulations"), the agreement shall not be acted upon either by the sellers or the acquirer.

iv. The shares of CSL have been suspended from trading by the Stock Exchange, Mumbai and The Delhi Stock Exchange Association Limited due to non-compliance of Listing Agreement. As per the representation received the target company is taking steps to revoke suspension from the Stock Exchange, Mumbai and The Delhi Stock Exchange Association Limited but at present, the final decision lies with the exchanges.

v. The Company has not been complying with the requirements of the Listing Agreement entered with DSE and JSE.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of CSL or any other related matters, and are neither exhaustive not intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of CSL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

3. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF CONSOLIDATED SECURITIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PERSONS ACTING IN CONCERT OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 14.07.2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

4. DETAILS OF THE OFFER

4.1 Background of the Offer

4.1.1 The offer is being made under Regulation 10 read with Regulation 12 and as a result of this offer, the Acquirer will have substantial acquisition of shares or voting rights accompanied with complete change in control and management of "Consolidated Securities Limited".

4.1.2 The Acquirers entered into an **SPA** dated July 02, 2005 to acquire 17,07,650 (Seventeen Lacs Seven Thousand Six Hundred Fifty Only) fully paid up equity shares of Rs.10/- each representing 42.65% of the total paid up equity share capital of "Consolidated Securities Limited" from among the promoters of CSL, namely, Tejpal Singh Bhatia, Honey Bhatia, Kamaljit Singh Bhatia, Dolly Bhatia, Surinder Kaur Bhatia, Harinder Kaur Bhatia, Ravinder Kaur Bhatia and M/s Growth Commercial Limited (Collectively referred to as the **Sellers**), at a price of Rs 1.50 (Rupees One & Paise Fifty Only) per fully paid up equity share payable in cash (Negotiated Price). The total consideration for the shares acquired under the SPA is Rs.25, 61,475/- (Rupees Twenty Five Lacs Sixty One Thousand Four Hundred Seventy Five Only) to be discharged to the sellers by the acquirer as per the terms agreed upon and contained in the SPA. All the Sellers are part of the Promoter Group of the Target Company.

4.1.3 The important features of the SPA are laid down as under:

a. In consideration of the purchase of the shares, the Acquirer shall pay total cash consideration of Rs.25, 61,475/- (Rupees Twenty Five Lacs Sixty One Thousand Four Hundred Seventy Five Only) to the Sellers.

b. Against payment of the sale consideration, the Sellers as the legal and beneficial owners of the shares, shall sell, transfer, convey and deliver to the Acquirer and the Acquirer shall purchase and acquire from the sellers, shares free from all encumbrances, all rights, title and interests of the Sellers in the shares together with all accrued benefits, rights and obligations attaching thereto.

c. The obligation of the Acquirer to purchase shall be conditional upon the satisfaction of the of the following condition(s):

- Completion of the financial, legal and technical due diligence of the Target Company and the findings of the same being to the full and complete satisfaction of the Acquirers.

d. The Acquirer undertakes and covenants to take all steps and actions as may be necessary for compliance with the provisions of the Takeover Code. The Promoters agree to provide the Acquirers with all necessary support, for complying with the provisions of the Takeover Code relating to public offers as are applicable to the transaction envisaged herein.

e. On completion, by the Acquirer, of the obligations relating to the public offer under the Takeover Code, as certified by Chartered Capital And Investment Limited, the manager to the offer appointed for such public offer in accordance with the Takeover Code, the parties shall ensure that the Board of Directors of the target company shall pass effective resolutions for recording the transfer of shares of the target company to the Acquirer and appointment of the persons nominated by the Acquirer on the Board of Directors of the target company.

f. In the event the Acquirer fail to comply with the applicable provisions of the Takeover Code relating to the public offer, the SPA shall stand terminated and shall be null and void.

4.1.4 Neither the Acquirer, Sellers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

4.1.5 Acquirer have not acquired any equity shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

4.1.6 There may be a change in the composition of the Board of Directors of the Target Company in course of normal business. However, there is no proposal to this effect as of today.

4.2 Details of the proposed offer

4.2.1 The Acquirer has made a Public Announcement, which was published on 04th July 2005 in the following newspapers in accordance with the Regulation 15 and pursuant to Regulation 10 and 12 of SEBI (SAST) Regulations, 1997.

Publication	Editions
Financial Express (English)	All Editions
Jansatta (Hindi)	All Editions

The Public Announcement is also available on the SEBI website at www.sebi.gov.in

4.2.2 The Acquirer is making an offer under the SEBI (SAST) Regulations, 1997 to acquire 8,00,760 equity shares of Rs. 10/- each fully paid up representing 20% of the voting capital of "CSL" at a price of Rs. 4/- (Rupees Four Only) per fully paid up equity share ("Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter. The Offer is not subject to any minimum level of acceptances from shareholders.

4.2.3 There are no partly paid up shares in "Consolidated Securities Limited".

4.2.4 The Offer is not subject to any minimum level of acceptances from the shareholders. The Acquirer will accept the equity shares of CSL those are tendered in valid form in terms of this offer upto maximum of 8,00,760 equity shares.

4.2.5 Apart from the 17,07,650 equity shares constituting 42.65% of the total issued, subscribed, paid-up and voting share capital from sellers under SPA, the Acquirer has not acquired any equity share in the Target Company since the date of Public Announcement i.e. July 04, 2005, upto the date of Letter of Offer.

4.3 Object of the acquisition/offer

4.3.1 The Acquirer Company and it's promoters are interested in taking over the management and control of CSL. Thus substantial acquisition of shares and voting rights accompanied with change in control and management is the reason and rationale for the acquisition.

4.3.2 The Offer to the Public shareholders of CSL is for the purpose of acquiring 20% of the total voting capital/rights of CSL. After the proposed Offer, the Acquirer will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

5. BACKGROUND OF THE ACQUIRER

5.1 The Open Offer is being made by Mundra Credit & Investment Private Limited, a Company incorporated under The Companies Act, 1956 as a Private Limited company and was registered with the Registrar of Companies, NCT of Delhi & Haryana on 02.07.1992. The company at present has its Registered Office at 410-412, 18/12, W.E.A., Arya Samaj Road, Karol Bagh, New Delhi-110005, Tel No.: 011-25754812, 25749877, Fax No. 011-25749877. There are no other acquirer or other entities/persons who are or can be deemed to be Persons acting in concert for the purpose of this offer.

5.2 The Acquirer Company, M/s Mundra Credit & Investment Limited was initially promoted by Ms. Indra Mundra, Ms. Archana Mundra & Mr. Satyendra Mundra and the current promoters of the company are Mr. Rohit Gupta and Mr. Ashok Kathuria. The Company does not belong to any group as such.

5.3 The Acquirer Company's main objects pertain to advance, deposit, or lend money and securities to or with any company , body corporate, firm, person or association with or without security. The Company is also involved in investing, purchasing or otherwise acquiring in India or abroad shares, stocks, debentures, securities in any other company, movable, immovable property etc. The Company is registered with Reserve Bank of India as" Non-Banking Financial Company" Vide the RBI Registration Certificate No: B14.02168 dtd. October 13, 2001.

5.4 The Acquirer Company being a Private Limited company is not a listed Company.

5.5 Shareholding pattern of Mundra Credit & Investment Private Limited as on 27.06.2005 is as under: -

Sl. No.	Shareholder's Category	No. & %age of shares held
1.	Promoters	88,800 (21.02%)
2.	Mutual Funds/FIIs/FIs	Nil
3.	Bodies Corporate and Others	3,33,700 (78.98%)
	TOTAL	**4,22,500 (100%)**

5.6 The Board of Directors of Mundra Credit & Investment Private Limited as on P.A. date consists of the following members:

Sl.No.	Name	Designation	Qualification and Experience in no. of years	Address	Date of Appointment
1.	Mr. Rohit Gupta	Director	B. Com (Hons.), F.C.A./ 15 years experience in finance, taxation & stock market.	S-210, 2nd Floor, Greater Kailash-I, New Delhi-110048	03.10.2001
2.	Mr. Anil Kumar Chadha	Director	B.Com, FICWA, FCS/ 24 years experience in Corporate Finance, Stock Market & Company Law Matters.	66-D, Block-A, Hari Nagar, New Delhi-110034	04.06.2005

3.	Mr. Ashok Kathuria	Director	Graduate/ 20 years of experience in Stock Market.	C-5/85, Sector-5, Rohini, Delhi-110085	30.05.1997
4.	Mr. Sanjay Kumar	Director	Graduate/ 8 years experience in Stock Market.	B-239, Jhilmil Colony, Delhi-110095	04.06.2005

None of the above directors are on the board of the target company as on date.

5.7 The brief audited financials of Mundra Credit & Investment Private Limited is as under: -

(Rs. In Lacs)

Profit and loss Statement	**Year ended 31.03.02 (Audited)**	**Year ended 31.03.03 (Audited)**	**Year ended 31.03.04 (Audited)**	**Year ended 31.03.05 (Audited)**
Sale of shares	16.35	23.92	182.37	468.38
Other Income	0.38	0.36	3.42	5.86
Total Income	**16.73**	**24.28**	**185.79**	**474.24**
Total Expenditure (including Increase (Decrease) in shares}	16.68	24.08	184.60	471.04
Profit Before Depreciation, Interest & Tax	0.05	0.20	1.19	3.20
Depreciation	-	-	0.05	0.12
Interest	-	-	-	-
Profit before Tax	**0.05**	**0.20**	**1.14**	**3.08**
Provision for Tax	0.00	0.02	0.09	0.45
Profit after Tax	**0.05**	**0.18**	**1.05**	**2.63**

(Rs. In Lacs)

Balance Sheet Statement	**Year ended 31.03.02 (Audited)**	**Year ended 31.03.03 (Audited)**	**Year ended 31.03.04 (Audited)**	**Year ended 31.03.05 (Audited)**
Sources of Funds				
Paid up Share Capital	**42.25**	**42.25**	**42.25**	**42.25**
Reserves and Surplus (excluding Revaluation Reserve)	**(0.76)**	**(0.57)**	**0.48**	**3.11**
Secured Loans	**-**	**-**	**0.07**	**5.46**
Unsecured Loan	**-**	**-**	**-**	**9.25**
Current Liabilities	**0.65**	**0.53**	**0.30**	**0.45**
Deferred Tax Liability	**-**	**-**	**-**	**0.31**
Total	**42.14**	**42.21**	**43.10**	**60.83**
Uses of Funds				
Net Fixed Assets	**-**	**-**	**0.36**	**6.70**
Investment	**-**	**-**	**-**	**-**
Net Current Assets	**42.14**	**42.21**	**42.74**	**54.13**
Miscellaneous Expenses not written off	**-**	**-**	**-**	**-**
Total	**42.14**	**42.21**	**43.10**	**60.83**

Other Financial Data	**Year ended 31.03.02 (Audited)**	**Year ended 31.03.03 (Audited)**	**Year ended 31.03.04 (Audited)**	**Year ended 31.03.05 (Audited)**
Net Worth (In Lacs)	41.49	41.68	42.73	45.36
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share (In Lacs)	0.01	0.04	0.25	0.62
Return on Net worth (%)	0.11	0.43	2.46	5.80
Book Value Per Share (in Rs.)	9.82	9.86	10.11	10.73

Dividend (%)	=	(Dividend Paid/Face Value of Equity shares issued)*100
Earning Per Share	=	Profit After Tax/No. of Equity Shares issued
Return on Net worth (%)	=	(Profit After Tax/Networth)*100
Book Value Per Share	=	Networth/ No. of Equity shares issued

5.8 As per the declarations given by the acquirer company, it has not promoted any other company.

5.9 As per the declaration given by the Acquirer company, there are no litigation pending against it as on date.

5.10 No action has been taken by SEBI under section 11B or under any of the Regulations made under the SEBI Act, 1992 against the Acquirer and disclosure in this regard have been made.

6. DISCLOSURE IN TERMS OF REGULATION 16 (IX)

The Acquirer Company and it's promoters are interested in taking over the management and control of CSL. Thus substantial acquisition of shares and voting rights accompanied with change in control and management is the reason and rationale for the acquisition

The Acquirer at present has not set out any future plans and has no intention to sell, dispose of or otherwise encumber any significant assets of CSL in the succeeding two years, except in the ordinary course of business of CSL. CSL's future policy for disposal of its assets, if any, will be decided by it's Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of CSL.

7. DELISTING OPTION TO THE ACQUIRER

Pursuant to this offer the public shareholding will not be reduced to 10% or less of the total share capital of the company and therefore the provisions of Regulation 21(3) of SEBI (SAST) Regulation, 1997 will not become applicable.

8. BACKGROUND OF CONSOLIDATED SECURITIES LIMITED

8.1 The Target Company i.e. **M/s. Consolidated Securities Limited("CSL")** was incorporated on 28.12.1992 with the Registrar of Companies, NCT of Delhi & Haryana, as a Public Limited Company and got its Commencement of Business Certificate on 02.02.1993 to carry on the business in the area of providing Financial Services in different capacities including acting as Financial Advisors, Consultants and investments in shares and bonds. The Company at present has its Registered Office at X-13, Hauz Khas, New Delhi - 110016,Tel No.: 011-26963036, Fax No.: 011-26963036

8.2 The Company, M/s Consolidated Securities Limited was initially promoted by Prem Lall Gupta, Kamal Jeet Singh Bhatia, Pritam Singh Bhatia, Ravinder Kaur Bhatia, Harinder Kaur Bhatia, Sunil Kala and Dolly Bhatia and the current promoters of the company are T.S. Bhatia, Kamaljeet Singh Bhatia, Dolly Bhatia, Ravinder Kaur Bhatia, Harinder Kaur Bhatia, Surinder Kaur Bhatia, Honey Bhatia, M/s Nikki Securities Private Limited and M/s Growth Commercial Limited. The Company does not belong to any group as such.

8.3 The Present authorized capital of CSL is Rs. 450 lacs, comprising of 45,00,000 equity shares of Rs. 10/- (Rupees Ten Only) each. It has an issued, subscribed and paid-up equity share capital of Rs. 400.38 lacs, consisting of 40,03,800 fully paid-up equity shares of Rs.10/- each. There are no partly paid up shares in the company.

8.4 The present capital structure of CSL is as under: -

Paid-up equity shares of CSL	No. of Equity Shares/ Voting Rights	% of shares/ Voting Rights
Fully paid-up equity shares	40,03,800	100
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	40,03,800	100
Total Voting Rights in CSL	40,03,800	100

8.5 At present, CSL has been engaged in the business of providing Financial Services in different capacities including acting as Financial Advisors and Consultants.

8.6 The current capital structure of CSL has been build up since inception as under:-

Date of allotment	No of shares issued	% of shares issued	Cumulative paid up capital in Rs.	Mode of allotment	Identity of allottees (promoters/ ex-promoters/ others)	Status of compliance
28.12.1992	70	0.00	700	Cash	Subscribers	No Compliance is pending
25.03.1993	4,99,930*	12.48	50,00,000	Cash	Promoters	
21.03.1994	5,00,000	12.48	1,00,00,000	Cash	Promoters	
21.04.1995	30,03,800	75.02	4,00,38,000	Cash	Public Issue	
TOTAL	**40,03,800**	**100**				

* While filing the Form No. 2 for this allotment, 70 shares allotted in the year 1992, to subscribers, had also been included.

8.7 The shares of "CSL" are listed on The Jaipur Stock Exchange (JSE), The Stock Exchange, Mumbai (BSE) and The Delhi Stock Exchange Association Limited (DSE). The Stock Exchange, Mumbai has suspended the trading in securities of CSL w.e.f. September 15, 1997 due to non-compliance with clause 15/16 of the Listing Agreement. **However, as per the company's representation to the stock exchange in this regard, it has complied with the same and has requested the exchange to revoke suspension in trading of its securities. The final decision lies with the exchange**. Also, The Delhi Stock Exchange Association Limited (DSE) has suspended the trading in securities of CSL w.e.f. January 09, 2002 due to non-compliance requirements of the Listing Agreement. (Source: DSE's Letter No. DSE/LIST/7790/R/32 dated 04.07.2005). **As per the representation received, the target company is taking steps to revoke suspension from the The Delhi Stock Exchange Association Limited but the final decision lies with the exchange. The Company has not been complying with the requirements of the Listing Agreement entered with JSE.**

8.8 The Acquirer has not acquired any share of the Target Company during the 12 months period prior to the date of this Public Announcement.

8.9 There are no outstanding convertible instruments like warrants, FCDs or PCDs etc. in CSL.

8.10 Based on the information available, there were considerable delays in compliance of provisions of chapter II of the regulations and of the requirements of listing agreement by the target company, sellers, promoters and other major shareholders of CSL. However, no stock exchange has initiated any punitive action against the company. Also, the company did not avail the SEBI (Regularization) Scheme, 2002. SEBI may initiate appropriate action against the target company, sellers, promoters and other major shareholders of CSL for non-compliance with applicable provisions of the SEBI (SAST), Regulations, 1997.

8.11 The composition of the Board of Directors of CSL as on the date of this letter of offer is as under:-

Sl.No.	Name	Designation	Date of Appointment	Educational Qualification / Experience in no. of years	Address
1	Mr. Tejpal Singh Bhatia	Director	27.12.1993	B.Com, FCA, FCS, 23 years experience in Finance, Company Law Matters, Taxation & Stock Market	B-10 (2nd Floor), Green Park Extn., New Delhi-110016
2.	Mr. Lalit Dua	Director	07.12.2004	B.Com, 15 years experience in Finance & Stock Market	D-41, Kaushambi Apartment, Ghaziabad (U.P.)
3.	Mr. Sanjay Gogia	Director	15.02.2002	Graduate, 12 years experience in trading of commodities	H-23, DDA, Ashok Vihar, Phase-I, Delhi-110052.

As on date, none of the directors on the board of directors of the Target company represent the Acquirer.

8.12 There has no merger/de-merger, spin off during the past three years in CSL.

8.13 The audited financial information of CSL is as under:

(Rs. In Lacs)

Profit and loss Statement	**Year ended 31.03.03 (Audited)**	**Year ended 31.03.04 (Audited)**	**Year ended 31.03.05 (Audited)**
Sale of investment in shares	**73.08**	**67.65**	**200.18**
Sale of shares (Trade)	**0.00**	**0.00**	**225.85**
Interest	**1.14**	**1.28**	**3.60**
Dividend Income	**0.00**	**0.00**	**1.27**
Lease Income	**0.64**	**0.00**	**0.00**
Income From Operations	**74.86**	**68.93**	**430.90**
Increase (Decrease) in Stock	0.00	0.00	222.01
Other Income	0.00	0.00	0.85
Total Income	**74.86**	**68.93**	**653.76**
Total Expenditure	75.66	68.76	610.00
Profit Before Depreciation Interest and Tax	**(0.80)**	**0.17**	**43.76**
Depreciation	1.14	0.60	0.32
Interest	0.00	0.00	0.00
Profit Before Tax	**(1.94)**	**(0.43)**	**43.44**
Provision for Tax	0.29	0.00	3.94
Profit After Tax	**(2.23)**	**(0.43)**	**39.50**

(Rs. In Lacs)

Balance Sheet Statement	**Year ended 31.03.03 (Audited)**	**Year ended 31.03.04 (Audited)**	**Year ended 31.03.05 (Audited)**
Sources of Funds			
Paid up Share Capital	400.38	400.38	400.38
Reserves and Surplus (excluding revaluation reserves)	4.00	4.00	4.00
Secured Loans	-	-	-
Unsecured Loans	0.00	0.00	34.00
Deferred Tax Liability	0.11	0.11	0.28
Total	**404.49**	**404.49**	**438.66**
Uses of Funds			
Net Fixed Assets	**2.87**	**2.27**	**1.94**
Investments	**238.25**	**246.90**	**80.00**
Net Current Assets	**53.88**	**46.09**	**287.62**
Total misc. expenditure not written off	**1.33**	**0.63**	**0.00**
Profit & Loss account	**108.17**	**108.60**	**69.10**
Total	**404.49**	**404.49**	**438.66**

Other Financial Data	Year ended 31.03.03 (Audited)	Year ended 31.03.04 (Audited)	Year ended 31.03.05 (Audited)
Net Worth (Rs. in Lacs)	294.89	295.15	335.28
Dividend (%)	0.00	0.00	0.00
Earning Per Share (in Rs.)	(0.06)	(0.01)	0.99
Return on Networth (%)	(0.76)	(0.15)	11.78
Book Value Per Share (in Rs.)	7.37	7.37	8.37

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)*100
Earning Per Share = Profit After Tax/No. of Equity Shares issued
Return on Networth (%) = (Profit After Tax/Networth)*100
Book Value Per Share = Networth/ No. of Equity shares issued

8.14 **Pre- and Post-Offer shareholding pattern** of the Target Company is as per the following table:

Sr. No.	Shareholder Category	Shareholding & Voting rights prior to the Acquisition and offer		Shares/voting rights acquired Which triggered off the Regulations		Shares/Voting rights to be acquired in the open offer (assuming full acceptance)		Shareholding/voting rights after the acquisition and Offer	
		(A)		(B)		(C)		(A+B+C)	
		No.	%	No.	%	No.	%	No.	%
1.	**PROMOTER GROUP**								
	(a) Sellers								
	1. Tejpal Singh Bhatia	3,20,010	7.99	(3,20, 010)	(7.99)	Nil	Nil	Nil	Nil
	2. Honey Bhatia	46, 700	1.17	(46, 700)	(1.17)	Nil	Nil	Nil	Nil
	3. Kamaljit Singh Bhatia	1,02,010	2.55	(1,02,010)	(2.55)	Nil	Nil	Nil	Nil
	4. Dolly Bhatia	1,50,110	3.75	(1,50,110)	(3.75)	Nil	Nil	Nil	Nil
	5. Surinder Kaur Bhatia	1,62,500	4.06	(1,62,500)	(4.06)	Nil	Nil	Nil	Nil
	6. Growth Commercial Limited	4,77,400	11.92	(4,77,400)	(11.92)	Nil	Nil	Nil	Nil
	7. Harinder Kaur Bhatia	3,22,610	8.06	(3,22,610)	(8.06)	Nil	Nil	Nil	Nil
	8. Ravinder Kaur Bhatia	1,26,310	3.15	(1,26,310)	(3.15)	Nil	Nil	Nil	Nil
	(b) Other than (a) above								
	1. Nikki Securities Pvt. Ltd.*	6,55,530	16.37	Nil	Nil	Nil	Nil	6,55,530	16.37
	Total of (1a +1b)	**23,63,180**	**59.02**	**(17,07,650)**	**(42.65)**	**Nil**	**Nil**	**6,55,530**	**16.37**
2.	**ACQUIRER**								
	Mundra Credit & Investment Pvt. Ltd.	Nil	Nil	17,07,650	42.65	8,00,760	20.00	25,08,410	62.65
	Total	**Nil**	**Nil**	**17,07,650**	**42.65**	**8,00,760**	**20.00**	**25,08,410**	**62.65**
3.	**Parties to agreement other than (1) (a) & (2)**	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
4.	**Non-Promoters holding (other than 1 to 3)**								
	1. Mutual Funds	2,50,200	6.25	Nil	Nil	Nil	Nil	Nil	Nil
	2. Private Corporate Bodies	2,01,800	5.04	Nil	Nil	(8,00,760)	(20)	8,39,860	20.98
	3. Indian Public	8,36,420	20.89	Nil	Nil				
	4. NRIs/OCBs	3,52,200	8.80	Nil	Nil				
	Total of 4(1) + 4(2)	**16,40,620**	**40.98**	**Nil**	**Nil**	**(8,00,760)**	**(20)**	**8,39,860**	**20.98**
	Grand Total (1 to 4)	**40,03,800**	**100**	**Nil**	**Nil**	**Nil**	**Nil**	**40,03,800**	**100**

Note: The data within bracket indicates sale of equity shares.
* This company is a part of the Promoter Group but not a part of the SPA entered between the Acquirer and the Sellers. Therefore, is eligible to participate in the Offer made by Acquirer.

8.15 The approximate number of shareholders in CSL in public category is 834.

8.16 The company has not fully complied with the conditions of corporate governance.

8.17 The name and contact details of the compliance officer are as under:-
Name of the Compliance Officer: Mr. T.S. Bhatia
Contact Address:B-10 (2nd Floor), Green Park Extn., New Delhi-110016
Contact Number: (011) 26963036

8.18 Following Litigation is pending with the Income Tax Appellate Tribunal:

During the assessment year 1997-98 the income Tax department had raised a demand of Rs. 3708289/-. The company appealed against the said demand and got the same vacated vide Order of the Commissioner of Income Tax (Appeals- I), New Delhi dated 02.05.2000. Now the Department has appealed against the said Order with income Tax Appellate Tribunal and there decision is pending

9. OFFER PRICE AND FINANCIAL ARRANGEMENTS

9.1 Justification of Offer Price

9.1.1 As the shares of "CSL" have not been traded/ infrequently traded at all the Stock Exchanges where they are listed/permitted to be traded during the preceding six calendar months prior to the month of this Public Announcement, The annualized trading urnover of shares of the company on all the Stock Exchange where the securities of the company are listed are as under:

Name of the Exchange	Total no. of shares traded during the 6 months prior to the months in which the PA was made	Total no. of listed share	Annualized trading turnover (in trans of % of total listed shares)
BSE	NIL (Trading suspended since 15.09.97)	40,03,800	Nil
DSE	NIL (Trading suspended since 09.01.02)	40,03,800	Nil
JSE	NIL	40,03,800	Nil

9.1.2 The Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 has been determined taking into account the following parameters.

i.	Negotiated price under an agreement as referred to in sub-regulation (1) of Regulation 14 of SEBI (SAST) Regulations, 1997	**Rs.1.5/- (Rupees One and Half Only)**
ii.	Price paid by the Acquirer for Acquisition including by way of allotment in a public or rights or preferential issue during the twenty-six week period prior to the date of this public announcement	There has been no acquisition by the Acquirer during the said period of 26 weeks
iii.	OTHER PARAMETERS: (as per audited financial data for years ended 31.03.2005/ 31.03.2004) Return on Net-Worth (%) 31.03.2005 31.03.2004 Book Value Per Share (Rs.) 31.03.2005 31.03.2004 Earning Per Share (Rs.) 31.03.2005 31.03.2004	 11.78 (0.15) 8.37 7.37 0.99 (0.01)
iv.	The P/E multiple of CSL considering the Offer Price of Rs.4/- per share works out to be infinite. The average industry P/E for the sector in which CSL operates is 15.8%(Source: Capital Market Journal June 6-19, 2005, Industry Finance- {Investments})	

Mr. H.K.Batra, partner of H.K.Batra & Associates.,(Membership No.88790) Chartered Accountants, having office at 8/33, 3rd Floor, Sat Bhrawan School Marg, W.E.A. Karol Bagh, New Delhi-110005, Tel:011- 25750675,25734317, Fax:011-2573437 vide their certificate dated 02.07.2005 have valued the equity shares of the CSL. The relevant extracts of the report is stated as under:-

- Net Asset Value: The Net Asset Value is Rs. 8.37 per share as per the audited annual accounts for the year ended 31.03.2005.

- Profit Earning Capacity Value (PECV): The average profit after tax for last 3 financial years ending as on 31.03.2005 as per audited annual accounts are Rs.1227843.36. Therefore the PECV of the company is Rs.4.84 per share based on 15.8% P/E ratio of the industry. Source: Capital Market Journal June 6-19, 2005, Industry Finance-(Investments).

- Market based value: Average of the weekly high & Low of the closing prices of the shares of CSL as quoted on DSE, JSE and BSE where the shares of the company are infrequently traded during the last 26 weeks is Rs. NIL.

Considering the Supreme Court decision in the Hindustan Lever Employees Union vs. Hindustan Lever Limited, 1995 (83 Com. Case 30), wherein the Honorable Court had opined that the fair value of a listed company could be assessed based on the following weightages: Net Asset Value: 1, Earning Based Value: 2, Market Based Value: 2, Given the NAV of Rs.8.37, PECV of Rs. 4.84 as assessed above and the average market price for the last 26 weeks Rs. NIL, if one were to apply this approach, the share price based on the weighted average would be Rs.3.61 per share. The following table illustrates the calculation of fair value per share:

Method	Price per Share	Weight	Product
Net Asset Value	8.37	1	8.37
P. E. Capacity Value	4.84	2	9.68
Market Value	0.00	2	0.00
Total			**18.05**
Per Share Value (In Rs.)			**3.61**

Therefore, based on the fair value of Rs.3.61 per share as calculated above, the negotiated price under Agreement of Rs.1.50/-, the offer price of Rs.4/- in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 is justified.

9.1.3 If the acquirer acquires equity shares after the date of Public Announcement upto 7 working days prior to the closure of the offer at a price higher than the offer price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the offer.

9.2 Financial Arrangements

9.2.1 The Acquirer has made firm financial arrangements to meet the obligation under the offer in full. The Acquirer has confirmed that the firm financial arrangements required to meet the obligation under the offer are in place and are available with them. The Acquirer will meet out its financial obligations from its Internal resources. As per the Net Worth Certificate dated 22.06.2005 issued by Mr. Ratnesh Mahajan of R. Mahajan & Associates, Chartered Accountants, 402, Jain Building, 18/12, W.E.A, Karol Bagh, New Delhi-110005, Membership No.: 85484, the Net Worth of the Acquirer company as at 31.03.2005 is Rs. 45.81 lacs and also has sufficient liquid surplus funds to meet its obligations in the offer.

9.2.2 The total fund requirements for the acquisition of 8,00,760 equity shares/voting capital of "CSL" at Rs. 4/- per share is Rs. 32,03,040/- (Rupees Thirty Two Lacs Three Thousand Forty Only). In accordance with Regulation 28 of the SEBI (SAST) Regulations, 1997 the Acquirer has created an Escrow Account in the form of a cash deposit for an amount of Rs.9,00,000/- (Rupees Nine Lacs Only) being more than 25% of the total consideration payable to shareholders under the offer with Bank of Baroda, East of Kailash, New Delhi-110 065.

9.2.3 The Acquirer has empowered Chartered Capital and Investment Limited, Manager to the Offer to operate and realize the value of the Escrow Account in terms of SEBI (SAST) Regulations, 1997.

9.2.4 In terms of Regulation 28(13), in case of non-fulfillment of obligations by the Acquirer, the Manager to the Offer shall ensure realisation of escrow amount by way of foreclosure of deposit.

9.2.5 The Manager to the Offer has satisfied itself about the Acquirer's ability to implement the offer in accordance with the SEBI (SAST) Regulations, 1997.

10. TERMS AND CONDITIONS OF THE OFFER

10.1 Persons eligible to participate in the Offer

10.1.1 Registered shareholders of CSL and unregistered shareholders who own the equity shares of CSL any time prior to the date of Closure of the Offer, other than the parties to the SPA.

10.1.2 None of the existing shares of CSL are under any Lock-in requirements.

10.2 Statutory Approvals

10.2.1 Approval for transfer of shares of a company registered in India by a Non-resident to a person resident in India is not required as the shares allotted to the non-residents are on non-repatriable basis vide Notification No. FERA 1/4-92-RB dated 27.04.1992 issued under section 29(1) read with section 19(1) of FERA, 1973

10.2.2 As on the date of Public Announcement, no approval from any bank or financial institutions is required for the purpose of this Offer, to the best of the knowledge of the Acquirer.

10.2.3 As on the date of Public Announcement, to the best of the Acquirer's knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

10.2.4 The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of Offer.

10.2.5 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. SEBI has power to grant extension of time to Acquirer for payment of consideration to shareholders subject to Acquirer agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of willful default by the Acquirer in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

10.3 Others

10.3.1 Accidental omission to dispatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

10.3.2 This Letter of Offer has been mailed to all the shareholders of CSL (other than parties to SPA), whose names appeared on the Register of Members of CSL as on August 01,2005 (Monday), being the Specified Date. Persons who own equity shares of CSL any time prior to the date of Offer Closure, but are not registered holders, are also eligible for accepting the offer.

10.3.3 Unaccepted Share/ Shares Certificates, Share Transfer Forms and other documents, if any, will be credited back to respective depository account or returned by **registered post** at the shareholder(s) / unregistered owner(s) sole risk.

10.3.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

10.3.5 In accordance with the Regulation 22(6) of the SEBI (SAST) Regulations, the directors of Mundra Credit & Investment Private Limited accept the responsibility for the information contained in this Letter of Offer.

11. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

11.1 Shareholders who wish to tender their equity shares will be required to send their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and duly signed Share Transfer Form(s) to the Registrar to the Offer by hand delivery /registered post or through courier, as the case may be, at the address mentioned in Para 10.15 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

11.2 The Registrar to the Offer, **M/s. Mas Services Private Limited** has opened a special depository account styled & named as **"Mas-CSL-Open Offer Escrow Account"** with National Securities Depository Limited ("NSDL") for receiving shares during the offer from eligible shareholders who hold shares in demat form.

11.3 Shareholders of CSL to whom this Offer is being made, are free to offer his / her / their equity shares of CSL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in this Offer.

11.4 Beneficial owners and shareholders holding shares in physical form, who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post, as the case may be, on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e. **September 14, 2005.**

- Form of Acceptance, duly completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with CSL.

- Relevant Original Share Certificate(s).

- Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing in the Register of Members of CSL or on the Share Certificate issued by CSL) as per the specimen signature(s) lodged with CSL and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognised stock exchange with membership number). Please do not fill in any other details in the Share Transfer Deed. In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer as mentioned hereafter.

- Where the Transfer Deed(s) are executed by Constituted Attorney, attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer.

11.5 Beneficial owners and **shareholders holding shares in the dematerialised form,** will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e. **September 14, 2005,** along with a photocopy of the delivery instructions in **"Offmarket"** mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant **("DP"),** in favour of **"Mas-CSL-Open Offer Escrow A/c" ("Depository Escrow Account")** filled in as per the instructions given below:

DP Name	**:**	**Integrated Master Securities Private Limited.**
DP ID	**:**	**IN300724**
Client ID	**:**	**10096584**
Depository	**:**	**National Securities Depository Limited-("NSDL")**

- Shareholders having their beneficiary account in Central Depository Services (India) 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.

11.6 In case the equity shares are held by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

11.7 In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court.

11.8 **Special Note for shareholders who have sent their Shares for Dematerialisation:** Shareholders who have sent their physical Shares for dematerialisation need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the Escrow Depository Account can be received on or before 5.00 PM upto the Offer Closing Date i.e. September 14, 2005, else the application would be rejected.

11.9 The offer documents are being dispatched to only those shareholders, who are eligible to participate in the offer. As the Acquirer and the parties to the agreement dated July 02, 2005 are not eligible, the offer documents are not sent to them.

11.10 No document should be sent to the Acquirer or to CSL or to the Manager to the Offer.

11.11 In case of non-receipt of Letter of **Offer**, the eligible shareholders may send his / her / their applications to the Registrar to the Offer on the address mentioned hereina bove, on a **plain paper** stating the **name, address, number of equity shares held, folio number(s), certificate number(s), distinctive number(s), and number of shares** tendered along with the relevant documents as mentioned hereinabove, so as to reach them on or **before 5.00 PM** upto the date of closure of the offer i.e. **September 14, 2005.**

11.12 Persons who own equity shares of **CSL** any time prior to the date of Offer Closure, but are not registered holders, can tender their equity shares for purchase by the Acquirer, by communicating his / her / their desire to tender, in writing to the Registrar to the Offer and obtain from them a copy of the Letter of Offer, the Application Form and Transfer Deed(s) and lodge the same along with the relevant Share Certificate(s) and other documents, as mentioned hereinabelow together with the Original Contract Note issued by a registered Stock Broker of a recognized Stock Exchange, only at the address of Registrar to the Offer as mentioned in para 10.16.

An unregistered shareholder can send his / her / their application to the Registrar to the Offer on the address mentioned in ***para 10.16, on a <u>plain paper</u>*** *stating the name, address, number of shares held, folio number(s), certificate number(s), distinctive number(s) and number of equity shares tendered along with the relevant documents as mentioned hereinabove, so as to reach them* ***on or before 5.00 PM on September*** **14, 2005.** The forms are also available on sebi website www.sebi.gov.in .

11.13 No indemnity is required from the unregistered shareholders.

11.14 In case the Share Certificate(s) and the instrument(s) of transfer are lodged for transfer with CSL, then the **Form of Acceptance s**hould be accompanied by (i) the Share Transfer Deed(s) and (ii) the acknowledgement of lodgment or receipt issued by CSL by individual. Whereas the Transfer Deed(s) are executed by Constituted Attorney, also attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer along with the acknowledgement of lodgment or receipt issued by CSL. In case the equity shares are lodged by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed along with the Form of Acceptance and the acknowledgement of lodgment or receipt issued by CSL.

11.15 In case of shareholders who have not received the LOO and holding shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in para 10.5 above, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. September 14, 2005. Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

11.16 The following collection centre would be accepting the documents as specified above, both in case of shares in physical and dematerialized form.

Address of Registrar to the Offer:

Sr. No.	Address of Registrar to the Offer	Business Hours	Mode of Delivery
1.	**Mas Services Private Limited** AB-4, Safdurjung Enclave, New Delhi Tel.: 011- 26104142, 26104326 Fax : 011- 26181081 E-mail : masserv@giasdl01.vsnl.net.in / mas@vsnl.com **Contact Person: Mr. S. Mangla**	**Monday to Friday** 10.30 AM to 5.00 PM **Saturday** 10.30 AM to 1.30 PM	Hand Delivery / Courier/ Registered Post

Holidays: Sundays and Bank Holidays

11.17 The Registrar to the Offer will hold in trust the shares / share certificates, shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of CSL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

11.18 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the date of Closure of the Offer i.e. September 08, 2005. The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed in the Letter of Offer. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 5.00 PM upto the last date of withdrawal i.e. **September 08, 2005.**

11.19 The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum-Acknowledgement / Plain paper application submitted and the Acknowledgement slip. In case of non receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:-

11.19.1 In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares.

11.19.2 In case of dematerialized shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP, in favour of the "**Mas-CSL-Open Offer Escrow A/c"** ("Depository Escrow Account").

11.20 The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account. Physical shares withdrawn by shareholders would be returned to the shareholders by Registered post.

11.21 The acquirer shall acquire the shares received from the shareholders under the offer on a proportional basis in terms of Regulation 21(6) & the intimation of returned shares to the Shareholders will be sent at the address as per the records of CSL.

11.22 Acquirer will acquire all the 8,00,760 fully paid-up equity shares tendered in the Offer with valid applications.

11.23 Method of Settlement

11.23.1 The marketable lot of **CSL** is 1 {one } equity share.

11.23.2 The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents or/ and shares lying in the special depository account, tendered by the shareholders of CSL under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirer only upon the fulfillment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.

11.23.3 On fulfillment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirer will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of CSL whose equity shares are accepted by the Acquirer at his address registered with CSL. **It is desirable that shareholders holding Shares in physical mode provide bank details of the first/ sole shareholder in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque/ demand draft. In case of shareholders holding Shares in electronic mode, bank particulars recorded with the Depository Participant (DP) and**

forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.

11.23.4 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder.

11.23.5 The Acquirer shall endeavor to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer (i.e. September 29, 2005 (Thursday)), including payment of consideration to the shareholders of **CSL** whose equity shares are accepted for purchase by the Acquirer.

10.23.6 In case of non-receipt of any of statutory approvals, if any required, as per regulation 22(12), SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirer will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

11.24 General

11.24.1 The Form of Acceptance and instructions contained therein are integral part of this Letter of Offer.

11.24.2 Neither the Acquirer nor the Manager nor the Registrar nor the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, Share certificate(s), Share transfer deed(s), copy of delivery instructions or other documents.

11.24.3 The Offer Price is denominated and payable in Indian Rupees only.

11.24.4 All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

11.24.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirer till the last day of revision, viz., at any time upto seven working days prior to the date of closure of the Open Offer or withdrawal of the Offer i.e. September 02, 2005 (Friday), the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

11.24.6 "If there is competitive bid:

11.24.6.1 The Public Offers under all the subsisting bids shall close on the same date.

11.24.6.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly"

11.24.7 Acquirer does not hold any share in the Target Company except 17,07,650 fully paid equity shares acquired through SPA.

11.24.8 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrar to the Offer on or before 5.00 PM upto three working days prior to the date of Closure of the Offer, i.e. Thursday, September 08, 2005, as mentioned in para 10.16.

11.24.9 Alternatively, a copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal cum Acknowledgement can be obtained from SEBI's official **web-site: www.sebi.gov.in.**

11.24.10 The manager to the Offer i.e. Chartered Capital & Investment Limited does not hold any shares in CSL as on the date of PA.

11.24.11 Applications which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of offer i.e. September 14, 2005 (Wednesday) would be approved and the shares so offered would be accepted by the Acquirers free from all lien, charges, encumbrances along with all the rights attached to the shares like the right to all dividends, bonus and right shares and all other rights as are attached to such acquired shares.

11.24.12 Locked in shares

There are no shares of "CSL" with lock in period.

12. DOCUMENTS FOR INSPECTION

12.1 The following documents are available for inspection at the Office of the Manager to the Offer i.e. Chartered Capital and Investment Limited, 13, Community Centre, East of Kailash, New Delhi – 110 065, from 10:00 a.m. to 5:00 p.m. on all working days except Sundays, until the closure of the Offer:

12.1.1. Certificate of Incorporation, Memorandum and Articles of Association in case of the Acquirer company.

12.1.2 Net worth Certificates issued by Chartered Accountant certifying the net worth of the Acquirer.

12.1.3. Net worth certificates issued by Chartered Accountant certifying the adequacy of financial resources with the Acquirer to fulfill the open offer obligations.

12.1.4 Audited Annual Reports of "CSL" for the financial year 2005, 2004, 2003 and 2002.

12.1.5 Audited Annual Reports of "Mundra Credit & Investment Private Limited" for the financial year 2004, 2003 and 2002 along with the certified financial figures for the year ending 31.03.2005.

12.1.6 A letter from Bank of Baroda confirming the amount kept in Escrow Account and that the lien is in favour of Chartered Capital and Investment Limited.

12.1.7 Copy of the Share Purchase Agreement (SPA) dated July 02, 2005.

12.1.8 Published copies of the Public Announcement dated July 02,2005.

12.1.9 A copy of the letter from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

12.1.10 A copy of the agreement entered with DP for opening special depository account for the purpose of the Offer.

12.10.11 The report of M. K. Batra, Partner N. K. Batra & Associates, Chartered Accountants on justification of offer price.

13. DECLARATION BY THE ACQUIRER

13.1. The Acquirer accept full responsibility for the information contained in this Letter of Offer.

13.2 The Acquirer is responsible for ensuring compliance with the Regulations.

For and on behalf of Acquirer

(Rohit Gupta)

Place : New Delhi
Date : 09-08-2005

14. Enclosures

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

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