PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF CONTINENTAL VALVES LIMITED

Registered Office: Poddar Point (10th Floor), 113, Park Street, Kolkata- 700 016

This Public Announcement ("PA") is being issued by Microsec Capital Limited ("Manager to the Offer") on behalf of Mrs. Rashmi Chowdhary (hereinafter referred to as 'the Acquirer') pursuant to Regulation 11(1) and other provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("Regulations" / "SEBI (SAST) Regulations 1997").

1. THE OFFER :

1.1 Mrs. Rashmi Chowdhary, a resident of 10F, Alipore Park Place, Kolkata – 700 027 is making an Open Offer pursuant to Regulation 11(1) and in compliance with the SEBI (SAST) Regulations, 1997.

1.2 The Acquirer has acquired 195,182 equity shares representing 23.97% of total paid up/voting share capital of Continental Valves Limited (hereinafter referred to as "the Target Company" or "CVL") from Industrial Development Bank of India Limited (hereinafter referred to as "the seller") at a price of Rs. 8/- (Rupees Eight) per share ('Negotiated Price') in cash on March 12, 2009 through off market transaction and that resulted in the triggering of the SEBI (SAST) Regulations, 1997.

1.3 The Acquirer belongs to the promoter group of the Target Company. Prior to the acquisition referred to in para 1.2, the promoter group held 360,500 equity shares representing 44.27% of the total paid up/voting share capital of the Target Company. The Acquirer did not hold any shares of the Target Company prior to the acquisition. After the acquisition referred to in para 1.2, the promoter group holds 555,682 equity shares representing 68.24% of the total paid up/voting share capital of the Target Company as on the date of this Public Announcement.

1.4 The Acquirer and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 or any other regulations made under the SEBI Act.

1.5 There are no Persons acting in concert in relation to this Offer and the equity shares tendered and accepted pursuant to the Offer will be acquired by the Acquirer only.

1.6 The Acquirer intends to make an Open Offer in terms of the SEBI (SAST) Regulations, 1997 to the shareholders of CVL to acquire an aggregate of 162,873 equity shares of Rs. 10/- each representing 20.00 % of the total voting share capital of CVL at a price of Rs. 8/- (Rupees Eight Only) per fully paid up equity share/ Voting Right ("Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter. The Letter of Offer would be dispatched to those shareholders whose names appear on the register of members on the Specified Date i.e April 13, 2009.

1.7 The Offer is not subject to any minimum level of acceptance from the shareholders and is not a conditional Offer.

1.8 The offer is not a competitive bid.

1.9 Microsec Capital Limited, the Manager to the Offer, does not hold any shares of the Target Company as on the date of this Public Announcement.

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

2. THE OFFER PRICE

2.1 The equity shares of CVL are currently listed on the Calcutta Stock Exchange Association Limited (CSE) and Delhi Stock Exchange Limited (DSE) (together referred herein as "the stock exchanges"). There has been no trading in the shares of the Target Company on the stock exchanges during 6 calendar months preceding the month in which this PA is being made. The equity shares of the Target Company are infrequently traded in terms of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997 and therefore the Offer Price has been determined taking into account the following parameters : -

A.	Negotiated price (Rs.)	8.00 per share	
B.	The highest price paid by the Acquirer for acquisitions, if any, including by way of allotment in a public or rights or preferential issue during the 26 week period prior to the date of PA	Not Applicable	
C.	Average of the weekly high and low of closing prices of the equity shares of the Target Company on the stock exchanges during the 26 weeks period preceding the date of Public Announcement.	Not Applicable	
D.	Average of the daily high and low prices of the equity shares of the Target Company on the stock exchanges during the 2 weeks preceding the date of this Public Announcement	Not Applicable	
E.	**Other financial Parameters**	**31/03/2008**	**31/12/2008**
i.	Return on Net Worth (%)	12.72%	8.42%
ii.	Book value per share (Rs.)	11.49	12.55
iii.	Earnings per Share (Rs.)	1.46	1.41#
iv.	Price Earning Multiple (with reference to the offer price of Rs. 8 per share)	5.47	5.67
v.	Industry Average Price Earning Multiple*	3.22	

\# *Annualized*

* *Source: Capitaline- Medium / Small – Engineering- manufacturing- March 13, 2009.*

Therefore, the Offer price of Rs. 8/- in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 is justified.

2.2 The Acquirer has not acquired any shares/ voting rights of the Target Company during the 12 months period prior to the date of Public Announcement except as stated in para 1.2 above.

2.3 The Acquirer undertakes that she will not exercise the voting rights, which have been vested by virtue of the acquisition of the above shares, till the completion of all the formalities under the Regulations.

3. INFORMATION ABOUT THE ACQUIRER

3.1 Mrs. Rashmi Chowdhary is wife of Mr. Umesh Chowdhary, Director of the Target Company, residing at 10F, Alipore Park Place , Kolkata – 700 027. Telephone no. 033-22834467.

3.2 Mrs. Namita Lakhotia, Membership no. 064406, partner of R. K. Lakhotia & Associates, Chartered Accountants (157, N. S. Road, Room No. 113A, Kolkata- 700 001) has certified vide their letter dated March 04, 2009 that the net worth of Mrs. Rashmi Chowdhary as on 31.12.2008 is Rs. 7319 Lacs.

3.3 The provisions of Chapter II of SEBI (SAST) Regulations, 1997 are applicable to the Acquirer and she has made timely disclosures to the stock exchanges and the Target Company.

4. INFORMATION ABOUT THE TARGET COMPANY

4.1 CVL was incorporated as a public limited company under the name of Continental Valve Limited vide certificate of incorporation dated May 13, 1982. The name of the Target Company was changed to Continental Valves Limited vide fresh certificate of incorporation dated April 8, 2005. The present registered office of the Target Company is located at Poddar Point (10th Floor), 113, Park Street, Kolkata- 700 016, Ph: +91-33- 2229 5542; Fax: +91-33-2226-0437. The corporate office is situated at 2 & 10, Rozka Meo Industrial Area, Sohna 122 103, District Gurgaon, Haryana, Ph: +91-124- 236 2311, Fax: +91-124- 236 2580.

4.2 The authorized share capital of CVL is Rs. 100 Lacs divided into 900,000 equity shares of Rs. 10 each and 10,000 unclassified shares of Rs. 100 each. The total current issued, subscribed and paid-up equity share capital of CVL is Rs. 82.22 Lacs consisting of 814,362 equity shares of Rs. 10 each fully paid up and Rs. 0.78 Lacs on account of forfeited shares. There are no partly paid up equity shares in the Target Company.

4.3 CVL is engaged in the manufacturing and selling of various types of control valves & spares. The manufacturing unit of the Target Company is located at 2 & 10, Rozka Meo Industrial Area, Sohna 122 103, Dist – Gurgaon (Haryana), India.

4.4 The Board of Directors of CVL comprises of Mr. J.P Chowdhary, Mr. N.K. Mittal, Mr. Umesh Chowdhary and Prof N.K. Barat.

4.5 There has been no merger, de-merger and spin off in the Target Company during the last three years.

4.6 The equity shares of the Target Company are currently listed on the Calcutta Stock Exchange Association Limited (CSE) and Delhi Stock Exchange Limited (DSE).

4.7 The Target Company does not have any subsidiary as on the date of this PA.

4.8 Brief financials of the Target Company are as under : **(Rs. in Lacs)**

Particulars	31-Mar-06	31-Mar-07	31-Mar-08	31-Dec-08
Total Income	132.66	153.46	153.17	117.03
Profit after tax	1.10	10.33	11.91	8.61
Paid up Share Capital	82.22	82.22	82.22	82.22
Profit & Loss Account	(10.85)	(0.52)	11.39	20.00
Net Worth	71.37	81.70	93.61	102.22
Earnings per share (Rs)	0.13	1.27	1.46	1.41*
Return on Net Worth (%)	1.54%	12.65%	12.72%	8.42%
Book Value per Share (Rs.)	8.76	10.03	11.49	12.55

* *Annualized*

Source : Audited annual accounts. However, the accounts for the nine months ended December 31, 2008 have been subjected to limited review by the statutory auditors.

5. REASON FOR THE ACQUISITION/ OFFER

5.1 The consolidation of shareholding by the Promoter Group is the reason and rationale for the acquisition.

5.2 The Offer to the public shareholders of CVL is for acquiring 20.00% of the voting share capital of Target Company.

5.3 Other than in the ordinary course of business, the Acquirer undertakes that the promoter group will not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company. Notwithstanding the immediately preceding sentence, the Board of Directors of the Target Company will take appropriate decisions in these matters as per the requirements of business and in line with the business opportunities from time to time.

6. STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

6.1 As on the date of this PA, to the best of the knowledge of the Acquirer, there are no statutory approvals required to acquire the equity shares that are validly tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer shall not proceed with the Offer in the event any statutory approval indicated herein is not obtained in terms of regulation 27 of the SEBI (SAST) Regulations, 1997.

6.2 It may be noted that in case of non-receipt of any statutory approval within time, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the shareholders under the Offer provided that the Acquirer agrees to pay interest for the delay, in accordance with Regulation 22(12) of the SEBI (SAST) Regulations, 1997.

7. DISCLOSURE IN TERMS OF REGULATION 21(2) OF THE SEBI (SAST) REGULATIONS, 1997

As per the listing agreement with the Stock Exchanges and in terms of Clause 40 A of the Listing Agreement, the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis.

Pursuant to the successful closure of the Offer, and assuming full acceptances, the public shareholding of the Target Company is expected to fall below 25% of the voting capital of the Target Company. The Acquirer and other promoters will, in accordance with Regulation 21(2) of the SEBI(SAST) Regulations 1997, take necessary actions in compliance of the laws to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the stock exchanges within the specified time and in accordance with the prescribed procedure under amended clause 40A (viii) of the Listing Agreement.

8. FINANCIAL ARRANGEMENTS

8.1 The maximum consideration payable by the Acquirer assuming full acceptance in the Offer would be Rs. 1,302,984 (Rupees Thirteen Lacs Two Thousand Nine Hundred and Eighty Four only) **("Maximum Consideration")**. Mrs. Namita Lakhotia, Membership no. 064406, partner of R. K. Lakhotia & Associates, Chartered Accountants (157, N. S. Road, Room No. 113A, Kolkata- 700 001) **("Chartered Accountants")** has certified vide their letter dated March 04, 2009 that the net worth of Mrs. Rashmi Chowdhary as on 31.12.2008 is Rs. 7319 Lacs.

8.2 In accordance with regulation 28 of the SEBI (SAST) Regulations, 1997, an escrow account has been created in the form of cash deposit for an amount of Rs. 3,50,000 (Rupees Three Lacs and Fifty Thousand only) ("Cash Deposit") placed with HDFC Bank Limited, Central Plaza Branch, 2/6 Sarat Bose Road, Kolkata- 700 020 **("Escrow Bank")** for the performance of the Acquirer's obligations under the SEBI (SAST) Regulations, 1997. The cash deposit is in excess of 25% of the maximum consideration payable under the offer. The Manager to the Offer is empowered to realize the value of the aforesaid escrow account and instruct the escrow bank to issue cheques/demand drafts in terms of the SEBI (SAST) Regulations, 1997.

8.3 On the basis of the aforesaid financial arrangements and based on the confirmations received from the Escrow Bank and the Chartered Accountants, the Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to implement this offer in full.

9. OTHER TERMS OF THE OFFER

9.1 The Letter of Offer, specifying the detailed terms and conditions, together with the Form of Acceptance-cum-Acknowledgement ('Form of Acceptance'), Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form) will be mailed to the shareholders of CVL whose names appear on the register of members of CVL and to the beneficial owners of the equity shares of CVL whose names appear as beneficiaries on the records of the respective Depositories, at the close of business hours on April 13, 2009 (the 'Specified Date'). Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the open offer in any manner whatsoever. A copy of the Letter of Offer (including Form of Acceptance) will be available on SEBI's website **www.sebi.gov.in** during the period the Offer is open and may also be downloaded from the site.

9.2 All owners of equity shares, except the Acquirer and the promoter group, registered or unregistered, are eligible to participate in the Offer any time before closure of the Offer.

9.3 Shareholders of the Target Company who wish to avail of and accept the offer shall send/ deliver the Form of Acceptance along with all the relevant documents to the Registrar to the offer **Niche Technologies Private Limited** at D-511, 5th Floor, Bagree Market, 71, B R B B Road, Kolkata- 700001 whether by hand delivery on weekdays or by registered post, so as to reach on or before the closure of the Offer, i.e. May 27, 2009 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

9.4 Shareholders who hold equity shares of CVL in physical form and wish to tender their equity shares pursuant to the Offer will be required to submit the Form of Acceptance, Original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer, so as to reach on or before the closure of the Offer, i.e. May 27, 2009.

9.5 In case of non-receipt of the Letter of Offer, shareholders may download the same from the SEBI website or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer on providing suitable documentary evidence of acquisition of the said shares.

9.6 The Registrar to the Offer, Niche Technologies Private Limited has opened a special depository account with Lohia Securities Limited. Beneficial owners and shareholders holding equity shares of CVL in the dematerialised form, will be required to send their Form of Acceptance to the Registrar to the Offer on or before the closure of the Offer, along with a photocopy or counterfoil of the delivery instruction in 'Off-market' mode, duly acknowledged by the Depository Participant ('DP'), in favour of 'Niche Technologies Pvt Ltd-CVL-Open Offer Escrow A/C' and filled in with the details given below :

Name of the special depository account	Niche Technologies Pvt Ltd-CVL-Open Offer Escrow A/c
Depository	Central Depository Services Limited
DP Name	Lohia Securities Limited
DP ID	12022100
Client ID	00000810
ISIN	INE465F01016
Market	'Off-market'

Forms of Acceptance of dematerialized equity shares not credited to the above special depository account on or before the closure of Offer are liable to be rejected. Beneficial owners are therefore requested to tender the delivery instructions at least two working days prior to the date of closing of the Offer.

9.7 Unregistered owners or shareholders who have not received the Letter of Offer may send their consent, to the Registrar to the Offer, on a plain paper stating the name, address, folio number, distinctive numbers, number of shares held, number of shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, or in the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in 'off-market' mode or counterfoil of the delivery instruction in the 'off-market' mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer. No Indemnity is required from the unregistered owners.

9.8 Shareholders of CVL who have sent their equity shares for transfer should submit Form of Acceptance duly completed and signed, copy of the letter sent to CVL (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialisation should submit their form of acceptance as applicable along with the copy of the demat request form (DRF) duly acknowledged by their DP. However, they have to ensure that the corresponding credit of the dematerialized shares is received in the escrow depository account on or before closure of the Offer.

9.9 In case the number of shares tendered by the shareholders are more than the shares agreed to be acquired under the Offer, the Acquirer shall accept the offers received from the shareholders on a proportionate basis as per regulation 21(6) of the SEBI (SAST) Regulations, 1997 in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in nonmarketable lots. Provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

9.10 The Registrar to the Offer will hold in trust the equity shares and Share Certificate(s), equity shares lying in credit of the special depository account, Form of Acceptance and the transfer deed(s) on behalf of the shareholders of CVL who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted equity shares / share certificates are dispatched/ returned.

9.11 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the Shareholder's / unregistered owner's sole risk to the sole / first Shareholder. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement or otherwise. **It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective depository participants when transferred by the Registrar to the Offer.**

9.12 While tendering the shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of the Target Company and 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, the Acquirer reserves the right to reject such shares tendered. In case the aforesaid No Objection Certificate/ Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the currently prevailing rate as advised by their tax advisors on the entire consideration amount payable to such NRI / OCB /Non-domestic companies / other persons who are not resident in India.

9.13 The consideration to those shareholders whose shares or share certificates and /or other documents are found complete, valid and in order, will be paid by crossed account payee cheques/ demand drafts/ electronic clearance service (ECS) where applicable. Such considerations in excess of Rs. 1500/- will be despatched by registered post/speed post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder/unregistered owner. All dispatches involving payment of a value upto Rs.1,500/- will be made under certificate of posting at the shareholders sole risk.

10. TIME SCHEDULE OF THE OFFER

Schedule of the major activities of the open offer are as under :

Activity	Day & date
Public Announcement	Tuesday, March 17, 2009
Specified Date *	Monday, April 13, 2009
Last date for a competitive bid	Tuesday, April 07, 2009
Date by which the Letter of Offer will be despatched to the shareholders of the Target Company	Thursday, April 30, 2009
Offer Opening Date	Friday, May 08, 2009
Last date for revising the offer price/offer size	Monday, May 18, 2009
Last date for withdrawal by shareholders	Friday, May 22, 2009
Offer Closing Date	Wednesday, May 27, 2009
Date by which the acceptance/ rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be dispatched	Thursday, June 11, 2009

* *Specified Date is only for the purpose of determining the names of shareholders as on such date to whom the Letter of Offer will be sent and all owners (registered or unregistered) of the shares of the Target Company (except the promoter group) are eligible to participate in the Offer anytime before the closure of the Offer.*

11. GENERAL CONDITIONS

11.1 In accordance with regulation 22(5A) of the Regulations, shareholders who have tendered the requisite documents in terms of the Public Announcement and Letter of Offer shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer on or before May 22, 2009.

11.2 The withdrawal option can be exercised on submitting the form of withdrawal (which will be sent to Shareholders along with the Letter of Offer) and the copy of the acknowledgement received from the Registrar to the Offer while tendering the acceptance together with:

a) In respect of physical shares: name, address, distinctive numbers, folio number, number of shares tendered and number of shares to be withdrawn.

b) In respect of dematerialized shares: name, address, number of shares tendered, number of shares withdrawn, DP name, DP ID, beneficiary account number, photocopy of the delivery instruction in 'Off Market' mode duly acknowledged by DP.

In case of non-receipt of the form of withdrawal the above application can be made on a plain paper.

11.3 The Acquirer is permitted to revise the Offer Price of shares / No. of equity shares upwards, such upward revision will be made in accordance with regulation 26 of the SEBI (SAST) Regulations, 1997 not later than May 18, 2009, which is 7 (Seven) working days prior to the date of closure of the Offer. If the Offer Price is revised upward, such revised price will be payable to all shareholders who have accepted the Offer and submitted their equity shares at any time during the offer period to the extent that their shares have been verified and accepted by the Acquirer. The same would be informed by way of Public Announcement in the same newspapers where this Public Announcement appears.

11.4 If there is a competitive bid:

11.4.1 The public offers under all the subsisting bids shall close on the same date.

11.4.2 As the offer price cannot be revised during 7 working days prior to the closing date of the offers /bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.

11.5 The Acquirer and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or any other regulation made under the SEBI Act.

11.6 Please note that some financial data contained in this Public Announcement has been rounded off to the nearest Lac except where stated otherwise.

11.7 Pursuant to regulation 13 of the SEBI (SAST) Regulations, 1997, the Acquirer has appointed Microsec Capital Limited as the Manager to the Offer. The Acquirer has appointed Niche Technologies Private Limited as the Registrar to the Offer.

11.8 The Public Announcement would also be available on SEBI's website at **www.sebi.gov.in**.

11.9 The Acquirer accepts full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

Issued by the Manager to the Offer

For and on behalf of the Acquirer

MICROSEC

MICRO FOCUS. MEGA WEALTH

MICROSEC CAPITAL LIMITED

Azimganj House, 2nd Floor, 7 Camac Street, Kolkata- 700 017, Tel.: 91-33- 2282 9330 (5 Lines), Fax: 91-33- 2282 9335, E-mail: mgoenka@microsec.in, Website: www.microsec.in

Contact Person: Mr. Manav Goenka

Place: Kolkata

Date: March 17, 2009