LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as a shareholder (s) of **Stovec Industries Limited**. If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager/ Registrar to the Offer. In case you have sold your equity shares in Stovec Industries Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the said sale was effected.

Stork Prints Group B.V.

Registered Office: Zuidplein 76, 1077 XV, Amsterdam, The Netherlands, Telephone: (+31) 20 5400 940, Fax: (+31) 20 5400 941.
(hereinafter referred to as the "Acquirer" or "SPGBV")

and

Stork Prints B.V.

Registered Office: Raamstraat 3, 5831 AT Boxmeer, The Netherlands, Telephone: (+31) 485 599 555, Fax: (+31) 485 572 282
who is acting in concert with the Acquirer for the purpose of the Offer
(hereinafter referred to as the "Person Acting in Concert" or "PAC" or "SPBV")

MAKE A CASH OFFER AT Rs.225.75 (RUPEES TWO HUNDRED TWENTY FIVE AND SEVENTY FIVE PAISE ONLY) PER FULLY PAID-UP EQUITY SHARE OF FACE VALUE OF RUPEES TEN EACH
pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto upto the Public Announcement (the "SEBI Takeover Code")

TO ACQUIRE 4,17,604 FULLY PAID-UP EQUITY SHARES

representing 20% of the paid-up and voting equity share capital of

Stovec Industries Limited

Registered Office: N.I.D.C., Near Lambha Village, Post Narol, Ahmedabad – 382 405, Gujarat,
Telephone: (+ 91) 79 30412300, Fax: (+ 91) 79 25710406/415

Please Note :

1) The Offer is being made pursuant to and in compliance with Regulations 10 [read with explanation (b) to Regulation 11] and 12 and other applicable provisions of the SEBI Takeover Code.
2) The Offer is subject to the receipt of approval from Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder for the acquisition of shares under the Offer. For further details please refer to Section 8 of this Letter of Offer for details.
3) This Offer is not conditional upon any minimum level of acceptance. If the aggregate of the valid response exceeds 4,17,604 shares, then the Acquirer and PAC shall accept shares equal to 4,17,604 shares, on a proportionate basis, in consultation with the Manager to the Offer, in accordance with Regulation 21(6) of the SEBI Takeover Code.
4) If there is any upward revision in the Offer Price till the last date of revision i.e. Thursday, May 22, 2008 or withdrawal of the Offer in terms of the SEBI Takeover Code, the same would be informed by way of a public announcement in the same newspapers where the original Public Announcement dated January 16, 2008 and the corrigenda to the PA had appeared. Such revised offer price would be payable for all the equity shares of Stovec Industries Limited, tendered anytime during the Offer and accepted under the Offer.
5) The procedure for acceptance is set out in paragraph 9, of this Letter of Offer. A Form of Acceptance-cum-Acknowledgement and a Form of Withdrawal is enclosed with this Letter of Offer.
6) There has been no competitive bid as on the last date for a competitive bid i.e. Wednesday, February 6, 2008.
7) The Public Announcement, corrigenda to the Public Announcement, Letter of Offer, Form of Acceptance-cum-Acknowledgement and Form of Withdrawal would also be available on the website of Securities and Exchange Board of India http://www.sebi.gov.in.
8) **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 the Offer Closing Date. Requests for such withdrawals should reach the designated collection centres before the close of business hours on Wednesday, May 28, 2008.**
9) **If there is a competitive bid:·**
   - **The public offers under all the subsisting bids shall close on the same date.**
   - **As the offer price cannot be revised during the period after Thursday, May 22, 2008, 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.**

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
AMBIT Acumen at work **Ambit Corporate Finance Private Limited** Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 Contact Person: Astha Singhania / Anshul Mittal Tel: (+91) 22 39821819, Fax: (+91) 22 39823020 Email: silopenoffer@ambitpte.com	**Intime Spectrum Registry Limited,** C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078, Contact Person: Awani Thakkar Tel. No. 022-25960320; Fax No. 022-25960328-329; Email: silopenoffer@intimespectrum.com

Activity	Original schedule (Day & Date)	Revised schedule (Day & Date)
Date of publication of Public Announcement	Wednesday, January 16, 2008	Wednesday, January 16, 2008
Specified Date	Friday, February 01, 2008	Friday, February 01, 2008
Last date for a competitive bid	Wednesday, February 06, 2008	Wednesday, February 06, 2008
Date of First Corrigendum to Public Announcement	-	Friday, February 29, 2008
Date of Second Corrigendum to Public Announcement	-	Wednesday, May 07, 2008
Date by which Letters of Offer to be dispatched to shareholders	Wednesday, February 27, 2008	Friday, May 09, 2008
Offer Opening Date	Friday, March 07, 2008	Wednesday, May 14, 2008
Offer Closing Date	Wednesday, March 26, 2008	Monday, June 02, 2008
Last date for revising the Offer Price / Offer Size	Thursday, March 13, 2008	Thursday, May 22, 2008
Last date for withdrawing acceptance from the Offer	Wednesday, March 19, 2008	Wednesday, May 28, 2008
Last date of communicating acceptance / rejection and payment of consideration for accepted tenders / return of unaccepted Shares	Thursday, April 10, 2008	Tuesday, June 17, 2008

RISK FACTORS

i. Acceptance of equity shares of Stovec Industries Limited tendered in the Offer is subject to availability of RBI/statutory approvals as mentioned in Section 8 of this Letter of Offer.

ii. In the event that either (a) a regulatory approval is not received in time, (b) there is any litigation leading to a stay on the Offer, (c) SEBI instructing the Acquirer and the PAC not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of Stovec Industries Limited whose shares have been accepted in the Offer as well as the return of the shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI Takeover Code, SEBI may, if satisfied that the non receipt of approvals was not due to any wilful default or negligence on the part of the Acquirer and the PAC, grant an extension for the purpose of completion of the Offer subject to the Acquirer and the PAC agreeing to pay interest to the shareholders, as may be specified by SEBI. Further, shareholders should note that after the last date of withdrawal i.e. May 28, 2008, shareholders who have lodged their acceptances would not be able to withdraw the same even if the acceptance of shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

iii. This Offer is not conditional upon any minimum level of acceptance and in case the numbers of valid acceptances are higher than 4,17,604 Shares, then the valid tenders would be accepted on a proportionate basis upto a maximum of 4,17,604 Shares.

iv. The Acquirer and the PAC makes no assurance with respect to the market price of the shares of Stovec Industries Limited, both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the shareholders on whether to participate or to not participate in the Offer.

v. The Acquirer and the PAC makes no assurance with respect to the financial performance of Stovec Industries Limited. The Acquirer makes no assurance with respect to their investment / divestment decisions relating to their proposed shareholding in Stovec Industries Limited.

The risk factors set forth above pertain to the acquisition and the Offer and do not relate to the operations of Stovec Industries Limited and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of Stovec Industries Limited are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

TABLE OF CONTENTS

1 DEFINITIONS

€ / Euro(s)	Euro
Acquirer / SPGBV	Stork Prints Group B.V.
AoA / Articles	Articles of Association
ASE	Ahmedabad Stock Exchange Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Corrigenda to the Public Announcement	The First Corrigendum to Public Announcement dated February 29, 2008 and the Second Corrigendum to Public Announcement dated May 07, 2008.
Depositories	Collectively NSDL and CDSL
DP	Depository Participant
Eligible Person(s) for the Offer	All owners (registered or unregistered), including the beneficial owners, of equity shares of SIL (other than the Acquirer and the PAC) anytime before the closure of the Offer
FEMA	Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder
FII(s)	Foreign Institutional Investor(s)
Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement
FOW	Form of Withdrawal
FY	Financial Year
ICT	Information and Communication Technology
Letter of Offer	this Letter of Offer
Listing Agreement (s)	The listing agreement entered into by the Target Company with the stock exchanges on which its shares are listed
Ltd.	Limited
Manager/ Manager to the Offer / Merchant Banker	Ambit Corporate Finance Private Limited
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Bodies
Offer	This open offer for acquisition of 4,17,604 fully paid-up equity shares of face value of Rs.10/- each, representing 20% of the paid-up and voting equity share capital of the Target Company at the Offer Price
Offer Closing Date	Monday, June 02, 2008
Offer Opening Date	Wednesday, May 14, 2008
Offer Price	Rs.225.75 (Rupees Two Hundred Twenty Five and Seventy Five Paise only) per Share payable in cash
Offer Size	4,17,604 Shares
PAC / Person Acting in Concert / SPBV	Stork Prints B.V.
Public Announcement/ PA	Announcement of the Offer published on January 16, 2008
RBI	Reserve Bank of India
Registrar to the Offer / Registrar	Intime Spectrum Registry Limited
Rs./ Re. / INR	Indian National Rupee
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Share(s)	Fully paid-up equity shares of face value of Re.10/- each of Stovec Industries Limited
SIL / the Target Company	Stovec Industries Limited
Specified Date	Friday, February 1, 2008

2 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 TO FACILITATE THE SHAREHOLDERS OF STOVEC INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, AMBIT CORPORATE FINANCE PVT LTD, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 30, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3 DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The Offer is being made by the Acquirer and the PAC to the equity shareholders of SIL to acquire from them upto 4,17,604 Shares of the Target Company representing 20% of the paid-up and voting equity share capital of the Target Company at a price of Rs.225.75 (Rupees Two Hundred Twenty Five and Seventy Five Paise only) per Share, payable in cash and subject to the terms and conditions mentioned hereinafter and in the Public Announcement. SPBV will be, for the purpose of the Offer, a person acting in concert with the Acquirer within the meaning of Regulation 2(1)(e)(1). Other than SPGBV and SPBV, who are acting in concert with each other for the Offer, no other person is acting in concert with the Acquirer and the PAC for the Offer. Due to the operation of Regulation 2(1)(e)(2) of the SEBI Takeover Code, there could be persons who could be deemed to be acting in concert with the Acquirer and the PAC. However, such persons are not acting in concert for the purposes of this Offer.

3.1.2 SPBV holds 10,64,889 fully paid-up equity shares of face value of Rs.10/- each in Stovec Industries Limited representing 51% of the paid-up and voting equity share capital of the Target Company. SPGBV acquired 100% ownership of SPBV from Conrad Stork Beheer B.V. (the erstwhile holding company of SPBV and a 100% subsidiary of Stork NV) by way of a ‘Share Sale and Purchase Agreement’ dated November 13, 2007 (the “Global Acquisition”). Therefore, there was an indirect acquisition of 51% shareholding in the Target Company by SPGBV pursuant to which this Offer is being made.

3.1.3 Prior to this transaction, SPBV was fully owned by Conrad Stork Beheer B.V. and was part of the Prints division of Stork NV, which is the leading provider of system and application know-how in textile and graphics printing processes as well as 2-dimensional, high accuracy, metal precision products. Stork NV is ultimately the parent company of the Prints division of Stork NV. Pursuant to a controlled auction process organized by Stork NV for the sale and transfer of its interest in SPBV, Stork NV and Bencis Capital Partners BV (an independent investment management company targeting medium sized companies in the Benelux countries) reached an agreement regarding purchase of all shares of SPBV by SPGBV. On September 21, 2007, SPGBV was incorporated as a wholly owned subsidiary of Bencis Buyout Fund III A C.V. and Bencis Buyout Fund III B C.V. (hereinafter collectively referred to as “Bencis”). Subsequently, Stork N.V. bought 38.85% in SPGBV. The consideration paid by SPGBV pursuant to the Global Acquisition was a composite consideration for SPBV shares and no specific consideration was allocated for the indirect interest in the Target Company.

3.1.4 As the Global Acquisition has resulted in SPGBV indirectly acquiring 51% of the paid-up and voting equity share capital of the Target Company, this Offer is being made in compliance with the Regulations 10 [read with explanation (b) to Regulation 11] and 12 of the SEBI Takeover Code.

3.1.5 As on the date of the PA, the present paid-up equity and voting capital of the Target Company consists of 20,88,016 equity shares having face value of Rs.10/- each. The Shares have been issued on a fully paid up basis and there are no partly paid up shares in the Company. The existing promoter holding consists of 13,61,468 shares, representing

65.20% of the paid-up and voting equity share capital of the Target Company, out of which 10,64,889 Shares representing 51% of the total share capital are held by SPBV.

3.1.6 The Offer is not conditional on any minimum level of acceptance and all Shares validly tendered in terms of the Offer shall be acquired subject to a maximum of 4,17,604 shares at the Offer Price. During the Offer period, the Acquirer and the PAC may purchase additional Shares in accordance with the SEBI Takeover Code.

3.1.7 The Acquirer and the PAC have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or any regulations made under the SEBI Act.

3.1.8 The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company is not applicable to the Acquirer. PAC has complied with the filing requirements under Chapter II of the SEBI Takeover Code except for the following:

- Compliance under Regulations 6(1), 6(3) in 1997 and under Regulations 8(1) & 8(2) from 1997 till 2002, seems to have been done since the same was mentioned in the cover letter of the Target Company to BSE, while filing under the SEBI Regularisation Scheme, 2002 in January 2003. However, the relevant copies are not available either with the Target Company or the PAC.
- Similarly, records in respect compliance under Regulation 8(1) and 8(2) for year 2003 (at the time of record date for dividend) are not available. Therefore compliance cannot be ascertained.
- Compliance under Regulations 8(1) and 8(2) at the time of record date for dividend in 2007 was not done.

3.2 Details of the Offer

3.2.1 This Offer is to acquire upto 4,17,604 Shares, which is 20% of the paid-up and voting equity share capital of the Target Company. The Offer is being made at a price of Rs.225.75 (Rupees Two Hundred Twenty Five and Seventy Five Paise only) per Share to be paid in cash in accordance with SEBI Takeover Code and subject to the terms and conditions mentioned in this Letter of Offer.

3.2.2 The PA was published in the following newspapers on January 16, 2008, in accordance with Regulation 15 of the SEBI Takeover Code:

Publication	Language	Editions
Business Standard*	English	All editions
Pratahkal	Hindi	All editions
Navshakti	Marathi	Mumbai
Jansatta	Gujarati	Ahmedabad

(The Public Announcement would be available at the SEBI website: http://www.sebi.gov.in)

*The Public Announcement appeared on January 17, 2008 in the Chennai and Hyderabad editions of Business Standard.

The First Corrigendum to Public Announcement and Second Corrigendum to Public Announcement dated February 29, 2008 and May 07, 2008 respectively also appeared in the same publications.

3.2.3 Neither the Acquirer and the PAC nor any of their directors have acquired any Shares since the date of the Public Announcement upto the date of this Letter of Offer. Other than the indirect acquisition through the Global Acquisition, the Acquirer and the PAC have neither acquired nor have been allotted any Share of the Target Company in the last 12 months period prior to the date of the PA.

3.2.4 The Acquirer did not own any shares of the Target Company, as on the date of the PA. The PAC holds 10,64,889 Shares in the Target Company representing 51% of the paid-up and voting equity share capital of the Target Company.

3.2.5 To the extent of the Offer Size and in accordance with the PA and the Letter of Offer, the Shares of the Target Company that are validly tendered & accepted pursuant to this Offer are proposed to be acquired by the PAC i.e. SPBV.

3.2.6 This is not a competitive bid.

3.2.7 There has been no competitive bid as on the last date for a competitive bid i.e. Wednesday, February 06, 2008.

3.3 Object of the Offer and Future Plans for Stovec Industries Limited

3.3.1 The Offer is being made pursuant to the Global Acquisition resulting from the controlled auction process organized by Stork NV for the sale and transfer of its interest in SPBV, as mentioned above. The Global Acquisition has resulted in an indirect acquisition of the Target Company and this Offer is being made, in compliance with Regulations 10 [read with explanation (b) to Regulation 11] and 12 of the SEBI Takeover Code. Bencis and Stork NV (the shareholders of SPGBV) jointly envisage they will sell parts of SPGBV separately or will sell SPGBV, as a whole, all with the objective to fully exit within a period of five years from the date of the Global Acquisition. After completion of the Offer, the Acquirer intends to review from time to time SIL'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 and the PAC may evaluate options for further consolidation of its shareholding in the Target Company subject to applicable laws. Such consolidation options may also result in delisting of the equity shares of the Target Company.

3.3.2 The Acquirer and the PAC reserve the right to seek reconstitution of the Board of Directors of the Target Company, in accordance with the provisions contained in the SEBI Takeover Code and the Companies Act, 1956.

3.3.3 The Acquirer and the PAC do not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and/or streamlining of operations, assets, investments, liabilities or otherwise of the Target Company by way of arrangement / reconstruction, restructuring, mergers / demergers, at a later date. Such decisions will be governed by the provisions of applicable laws and other applicable regulations. The Acquirer and the PAC will evaluate and consider such proposals and may, if appropriate, support the same. Notwithstanding the preceding sentences, 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 opportunities or changes in the economic scenario, from time to time.

3.3.4 Except in the ordinary course of business, the Acquirer and the PAC undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company.

3.3.5 The Acquirer is not in the similar line of business with the Target Company. Though the PAC and the Target Company are in the similar line of business, no changes will occur to the position of the Acquirer or to the position of the PAC in terms of market positioning, capacity utilization etc.

4 BACKGROUND OF THE ACQUIRER AND THE PAC

4.1 Details of the Acquirer – Stork Prints Group B.V. (SPGBV)

4.1.1 SPGBV is a company, limited by shares and incorporated on September 21, 2007. It is registered in the Kingdom of The Netherlands with The Chamber of Commerce of Amsterdam under number 34283494. The registered office is situated at Zuidplein 76, 1077 XV, Amsterdam, The Netherlands, Telephone: (+31) 20 5400 940, Fax: (+31) 20 5400 941.

4.1.2 SPGBV directly holds 100% of SPBV, which in turn, holds 51% of the paid-up and voting equity share capital of the Target Company. The fully subscribed and paid up share capital of the Acquirer is EUR 18,000. There are 5 classes of share capital. SPGBV has issued 10,000 Class A Preference Shares of EUR 1 each, 1 Class B Preference Share of EUR 1, 9,999 Class C Preference Shares of EUR 1 each, 6527 Class D Preference Shares of EUR 0.01 each and 10,000 Class E Equity Shares of EUR 1 each.

4.1.3 SPGBV is an unlisted company. 14.43% and 40% of its share capital is held by Bencis Buyout Fund III A C.V. and Bencis Buyout Fund III B C.V respectively. 5.82% is held by the Foundation Stork Prints Group and 0.90% is held by Foundation Bencis Prints Investments. The balance 38.85% of the share capital of the Acquirer is held by Stork NV

4.1.4 The Management Board of SPGBV as on the date of the Public Announcement comprised of Aschwin Hollander and Dirk Wim Joustra. Brief particulars of the directors are as follows:

Name / Designation	Appointment Date	Experience	Qualification	Residential Address
Aschwin Hollander Chief Financial Officer of the Stork Prints Group.	November 13, 2007	In the year 1992, he joined Stork N.V. as analyst and has been working in the company in various managerial positions ever since. He has significant experience in areas of finance.	He holds a degree in Business Economics from Erasmus University, Rotterdam, after which he followed Post Graduate education as	Roemer Visscherlaan 61, 3705 SE Zeist, The Netherlands

			Controller.	
Dirk Wim Joustra Chief Executive Officer of Stork Prints Group.	November 13, 2007	Starting in 1983 he has served SPBV at various management levels in various fields. He was also the Managing Director of Stork Prints B.V. He has significant experience in areas of sales and marketing.	He holds a degree in Business Administration from HTS Enschede, Institute de Baak, Noordwijk and Institute Nijenrode.	Ansbaldusweg 58a, 5581 CX, Waalre The Netherlands

4.1.5 The Supervisory Board of SPGBV as on the date of the Public Announcement comprised of Hans Bouland and Meindert van der Meer. Brief particulars of these directors are as follows:

Name / Designation	**Appointment Date**	**Experience**	**Qualification**	**Residential Address**
Hans Bouland Chief Operations Officer on the Management Board of Stork NV.	November 13, 2007	He started working for Stork NV in 1975 and from 1985 he held several management positions, the most recent being Director of Stork Technical Services Group. In 1998 he joined the Management Board. He also holds Board memberships in the Institute of Gas Turbine Education, the Institute of Technology and Marketing, the Netherlands Institute of Metals Research, the Advisory Board of the Delft University Fund and the FME-CWM.	He holds a degree in Chemical Technology at the Technische Hogeschool van Eindhoven and followed a part time course in Economics at the University Amsterdam.	Rembrandtlaan 75, 1412 JN Naarden, The Netherlands
Meindert van der Meer	November 13, 2007	He has worked for PricewaterhouseCoopers within the corporate finance department for 11 years, the last 4 years as a partner. He has been involved in a large number of Mergers & Acquisitions transactions. Before joining PwC corporate finance department; he worked as an auditor with Arthur Andersen for 5 years.	He holds a degree of Business Administration from University of Groningen and is a Chartered Public Auditor.	Hugo de Grootstraat 73, 2518 EC's-Gravenhage, The Netherlands

4.1.6 SPGBV is the holding company of SPBV and does not have any operating activities. SPGBV has been recently incorporated and does not have any significant financials.

4.1.7 Brief financials of SPGBV since incorporation are as follows:

STATEMENT OF INCOME FOR THE PERIOD SEPTEMBER 21, 2007 TO DECEMBER 31, 2007

	EUR (mn)	**INR (lacs)**
Income from operations	-	-

Other Income	-	-
Total Income	-	-
Total Expenditures	(0.74)	(423.91)
Profit before depreciation, interest and tax	(0.74)	(423.91)
Depreciation	-	-
Interest	(0.12)	(66.63)
Profit before tax	(0.85)	(490.54)
Tax	(0.63)	(363.02)
Profit after tax	(1.49)	(853.56)
Share in profits of subsidiaries	6.60	3,791.04
Profit for the period	5.11	2,937.48

BALANCE SHEET AS AT 31-12-2007

	EUR (mn)	**INR (lacs)**
Source of funds		
Paid up share capital	0.03	17.23
Reserves & Surplus (excluding revaluation reserves)	25.95	14,902.81
Networth	25.98	14,920.04
Secured Loans	-	-
Unsecured Loans	11.78	6,767.58
	37.76	**21,687.62**
Uses of funds		
Net Fixed Assets	-	-
Investments	32.32	18,566.33
Net Current Assets	5.43	3,121.29
Total miscellaneous expenditure not written off	-	-
	37.76	**21,687.62**

Other Financial Data	**EUR**	**INR**
Dividend (%)	Not Meaningful	
Earning per share		
Return on Net worth (%)		
Book Value per share		

Note:

1. Earning per share = Profit (Loss) for the period / No. of shares outstanding
2. Return on Net Worth (%) = Profit (Loss) for the period / Shareholders equity at the end of the period
3. Book Value per share = Shareholders equity at the end of the period / No. of shares outstanding
4. One Euro = Rs.57.44 as on November 13, 2007; Source: Reference rate at www.rbi.org.in
5. Source: KPMG Accountants NV vide their letter dated May 06, 2008 have confirmed that the above figures are derived from the general ledger of SPGBV and have been subject to a statutory audit.

4.1.8 The significant accounting policies of SPGBV, as per the financial statements for the period September 21, 2007 to December 31, 2007 are as follows:

a. The financial information above has been prepared in accordance with International Financial Reporting Standards (“IFRS”), as accepted within the European Union.
b. The financial information above are based on cost basis and presented in euros, rounded to the nearest thousand.
c. Subsidiaries - Subsidiaries comprise investments in group companies. In view of the international nature and structure of the group and the company's place therein, interests in companies are valued at acquisition price less a provision for any permanent impairment. No consolidation takes place.

d. Foreign currency translation - Assets and liabilities denominated in foreign currencies are translated into euros at the exchange rates ruling at the year-end. Foreign currency transactions are recorded at exchange rates, which approximate those ruling at the transaction date. Resulting gains and losses are recognized in income
e. Interest income - This comprises interest received on deposits.
f. Interest expenses - This comprises interest paid to third parties and capital increase expenses.
g. Current assets - Current assets are stated at nominal values unless a different basis of valuation is indicated.
h. Current liabilities - Current liabilities are stated at nominal values unless a different basis of valuation is indicated.

4.1.9 There are no contingent liabilities as on December 31, 2007.

4.1.10 This being the first year of operation of SPGBV, a comparison of results cannot be done.

4.1.11 Aschwin Hollander and Dirk Wim Joustra are on the Board of the Target Company. As required under Regulation 22(9), Aschwin Hollander and Dirk Wim Joustra have recused themselves from the Board of the Target Company and have not participated in any matter concerning or relating to the Offer.

4.1.12 The provisions of Chapter II of the SEBI Takeover Code are not applicable to the Acquirer.

4.1.13 There are no mergers / demergers / spin offs involving SPGBV during the last 3 years.

4.1.14 Other than SPBV, there are no companies that are presently promoted / controlled by SPGBV.

4.2 Details of the PAC – Stork Prints B.V.

4.2.1 SPBV is a company limited by shares and was incorporated on November 23, 1972. It is registered in the Kingdom of The Netherlands with The Chamber of Commerce of Brabant under number 16032034 The registered office is situated at Raamstraat 3, 5831 AT Boxmeer, The Netherlands, Telephone: (+31) 485 599 555, Fax: (+31) 485 572 282.

4.2.2 SPBV and its subsidiaries primarily focuses on a) Development and production of consumables and the printing equipment required for the Textile and Graphics printing industry, b) Supply of services, spare parts & auxiliaries for the Textile & Graphics printing industry, and c) Production of precision metal products by means of electroforming and photo-etching.

4.2.3 SPBV is an unlisted company. SPGBV holds 100% of the share capital of SPBV.

4.2.4 The fully subscribed and paid up share capital of SPBV is EUR 45,400. There is only one class of share capital.

4.2.5 The Management Board of SPBV as on the date of the Public Announcement comprised of Aschwin Hollander and Dirk Wim Joustra. For their brief particulars, please refer para 4.1.4 above.

4.2.6 KPMG Accountants NV, the statutory auditors of SPBV, vide their letter dated December 21, 2007 have confirmed that SPBV was, until November 13, 2007, a 100% subsidiary of Stork N.V. Stork N.V. published a declaration in accordance with article 403, 1f, Title 9 Volume 2 of the Dutch Civil Code at the Dutch Chamber of Commerce that they shall assume joint and several liability for all debts ensuing from any legal acts of SPBV. As a consequence of issuing this declaration, SPBV was exempted by the Dutch Law to audit and publish their financial statements. The financial figures have been forwarded by management of SPBV to their shareholder Stork NV in respect of the preparation of the consolidated financial statements of Stork N.V. KPMG Accountants NV has not issued auditors opinion regarding these standalone figures.

4.2.7 Key financials of SPBV are as follows:

INCOME STATEMENT

Particulars	**Year ended**					
	31-Dec-07		**31-Dec-06**		**31-Dec-05**	
	(€ mn)	***(Rs lacs)***	***(€ mn)***	***(Rs lacs)***	***(€ mn)***	***(Rs lacs)***
Income from operations	99.31	57,045.96	100.22	57,566.94	99.23	57,000.01
Other Income	(0.21)	(122.35)	0.67	387.15	(3.41)	(1,961.00)
Total Income	99.10	56,923.61	100.90	57,954.09	95.82	55,039.01

Particulars	Year ended					
	31-Dec-07		31-Dec-06		31-Dec-05	
	(€ mn)	**(Rs lacs)**	**(€ mn)**	**(Rs lacs)**	**(€ mn)**	**(Rs lacs)**
Total Expenditures	(85.99)	(49,389.78)	(88.99)	(51,118.15)	(95.87)	(55,069.45)
Profit before depreciation, interest and tax	13.12	7,533.83	11.90	6,835.93	(0.05)	(30.44)
Depreciation	(1.78)	(1,022.43)	(2.37)	(1,363.63)	(1.90)	(1,092.51)
Interest	0.37	210.23	0.27	152.79	0.09	53.42
Profit before tax	11.70	6,721.63	9.79	5,625.10	(1.86)	(1,069.53)
Tax	-	-	-	-	-	-
Profit after tax	11.702	6,721.63	9.793	5,625.10	(1.86)	(1,069.53)

BALANCE SHEET

Particulars	As of					
	31-Dec-07		31-Dec-06		31-Dec-05	
	(€ mn)	**(Rs lacs)**	**(€ mn)**	**(Rs lacs)**	**(€ mn)**	**(Rs lacs)**
Source of funds						
Paid up share capital	0.05	25.85	0.05	25.85	0.05	25.85
Reserves & Surplus (excluding revaluation reserves)	23.29	13,376.63	29.52	16,958.59	14.06	8,073.77
Networth	23.33	13,402.48	29.57	16,984.43	14.10	8,099.61
Secured Loans	-	-	-	-	-	-
Unsecured Loans	17.50	10,052.00	-	-	-	-
	40.83	**23,454.48**	**29.57**	**16,984.43**	**14.10**	**8,099.61**
Uses of funds						
Net Fixed Assets	9.00	5,169.60	7.80	4,480.32	8.06	4,627.37
Investments	51.28	29,452.36	6.65	3,822.06	4.62	2,651.43
Net Current Assets	(19.44)	(11,167.48)	15.12	8,682.06	1.43	820.82
Total miscellaneous expenditure not written off	-	-	-	-	-	-
	40.83	**23,454.48**	**29.57**	**16,984.43**	**14.10**	**8,099.61**

OTHER FINANCIAL DATA	31-Dec-07 12 months period		31-Dec-06 12 months period		31-Dec-05 12 months period	
	(€)	*(Rs.)*	*(€)*	*(Rs.)*	*(€)*	*(Rs.)*
Dividend (% of face value)	-		-		-	
Earnings per equity share ("EPS")	0.26	14.93	0.22	12.64	(0.04)	(2.30)
Return on Equity (%)	50		33		(13)	
Book Value per equity share	518.51	29,783.21	657.09	37,743.25	313.36	17,999.40

***Note**:*

(1) Dividend (%) = Dividend paid / No. of equity shares outstanding at year end / Par value per share

(2) Earnings per equity share = Profit/Loss for the period / No. of equity shares outstanding

(3) Return on Net Worth(%) = Profit /loss for the period / Shareholders Equity at the end of the period

(4) Book Value per equity share = Shareholders Equity at the end of the period / No. of equity shares outstanding

(5) NM = Not meaningful or not applicable.

(6) One Euro = Rs.57.44 on November 13, 2007; Source: Reference rate at www.rbi.org.in

(7) *Source: KPMG Accountants NV vide their letter dated May 05, 2008 have confirmed that the above figures for the year ending December 2005 and 2006 are derived from the general ledger of SPBV and have been forwarded by management of SPBV to their shareholder Stork NV in respect of preparation of the consolidated financial statements for the year ending December 2005 and 2006 of Stork NV. These figures have been subject to an audit for consolidation purposes. KPMG Accountants NV did not issue an auditors opinion regarding these standalone figures. The above figures for the year ending December 2005 and are management certified. The figures for the year ending December 2007 have been subject to a statutory audit.*

4.2.8 The significant accounting policies of SPBV, as per the financial statements for the year ended December 31, 2007 are as follows:

a. Reporting exemptions – Stork Prints B.V. has opted to make use of certain reporting exemptions as provided by Article 403, Book 2 Dutch Civil Code
b. The financial information above has been prepared in accordance with IFRS, as accepted within the European Union.
c. The financial information above are based on cost basis
d. Foreign currency translation - Assets and liabilities denominated in foreign currencies are translated into euros. at the exchange rates ruling at the year-end. Foreign currency transactions are recorded at exchange rates, which approximate those ruling at the transaction date. Resulting gains and losses are recognized in income.
e. Subsidiaries - Subsidiaries comprise investments in group companies. In view of the international nature and structure of the group and the company's place therein, interests in group companies are valued at cost. No consolidation takes place
f. Revenue - This is the turnover form sale of goods and services to third parties, less discounts and taxes charged on turnover.
g. Cost price and Variances - This is the direct cost of producing the goods and services sold. It also includes movements in the provisions with the exception of provisions recognized under operating expenses.
h. Current assets - Current assets are stated at nominal values unless a different basis of valuation is indicated.
i. Fixed assets and fluid assets - Fixed assets and fluid assets are stated at nominal values unless a different basis of valuation is indicated.
j. Current liabilities - Current liabilities are stated at nominal values unless a different basis of valuation is indicated.
k. Loans - Loans are recognised at fair value, less attributable transaction costs.
l. Provisions - Short-term provisions are shown at face value. Long-term provisions are shown at present value.

4.2.9 There are contingent liabilities up to an amount of EUR 26.3 million (Rs. 15,106.72 lacs) as on December 31, 2007. This includes lease contracts for real estate, vehicles and ICT for the period up to and including FY 2022.

4.2.10 <u>Comparison of income and profit for the year ended December 31, 2007 over the previous year ended December 31, 2006</u>

During the year ending December 2007, the revenues had decreased by 1% to Euro 99.31 million (Rs.57,045.96 lacs) as compared to Euro 100.22 million (Rs.57,566.94 lacs) for the year 2006. For the same period, the profit before tax increased by 12.6% to Euro 11.02 million (Rs.6,331.61 lacs) as compared to Euro 9.79 million (Rs.5,625.10 lacs)

<u>Comparison of income and profit for the year ended December 31, 2006 over the previous year ended December 31, 2005</u>

During the year ending December 2006, the revenues had increased by 1% to Euro 100.22 million (Rs.57,566.94 lacs) as compared to Euro 99.23 million (Rs.57,000.01 lacs) for the year 2005. For the same period, the profit before tax was Euro 9.79 million (Rs.5,625.10 lacs) as compared to a loss of Euro 1.86 million (Rs.1,069.53 lacs) in 2005. The reasons for loss in 2005 were the loss making machine activities and consequent restructuring costs suffered by SPBV.

4.2.11 Aschwin Hollander and Dirk Wim Joustra are on the Board of the Target Company. As required under Regulation 22(9), Aschwin Hollander and Dirk Wim Joustra have recused themselves from the Board of the Target Company and have not participated in any matter concerning or relating to the Offer.

4.2.12 PAC has complied with the filing requirements under Chapter II of the SEBI Takeover Code except for the following:

- Compliance under Regulations 6(1), 6(3) in 1997 and under Regulations 8(1) & 8(2) from 1997 till 2002, seems to have been done since the same was mentioned in the cover letter of the Target Company to BSE, while filing under the SEBI Regularisation Scheme, 2002 in January 2003. However, the relevant copies are not available either with the Target Company or the PAC.
- Similarly, records in respect compliance under Regulation 8(1) and 8(2) for year 2003 (at the time of record date for dividend) are not available. Therefore compliance cannot be ascertained.
- Compliance under Regulations 8(1) and 8(2) at the time of record date for dividend in 2007 was not done.

4.2.13 The details of major acquisitions and divestments made by SPBV during the last 3 years and upto the date of the Public Announcement are as follows:

a) <u>During the period January – December 2007</u>

Acquisitions:

i). 99.99% of Stork Prints Austria GmbH
ii). 100% of Stork GmbH.
iii). 99.998% of Stork Prints Mexico S.A. de C.V.

iv). 100% of Stork Prints Japan Kabushiki Kaisha
v). 95% of Stork Prints Indonesia PT
vi). 87.31% of Stork IBI Prints Pakistan Limited
vii). 100% of Stork Prints Pakistan Limited
viii). 100% of Balco Precision GmbH
ix). 48.999% of Digital Prints Asia
x). 100% of Stork Prints America Inc

Divestments:
i). 100% of Stork Facilities Deutschland GmbH
ii). 100% of Stork Immobilien GmbH
iii). 100% of Stork Screens S.a.r.l.

b) <u>During the period January – December 2006</u>

Acquisitions:
i). 100% of Stork Digital Imaging B.V.
ii). 100% of Stork Veco B.V.
iii). 100% of Fingraf AG
iv). 100% of AKL Flexo Technic GmbH

c) <u>During the period January – December 2005</u>
Nil

4.2.14 Other than the Target Company, there are no companies that are presently promoted / controlled by SPBV in India.

4.3 Disclosures in terms of Regulation 16(ix) of the SEBI Takeover Code

Please refer to paragraph 3.3 of the Letter of Offer.

4.4 Future plans/strategies of the Acquirer and the PAC with regard to the Target Company

Please refer to paragraph 3.3 of the Letter of Offer.

5 DISCLOSURE IN TERMS OF REGULATION 21

Assuming full acceptance, pursuant to this Offer, the public shareholding of the Target Company would not reduce below the minimum limit specified in the listing agreement entered into by the Target Company with the stock exchanges on which its shares are listed (the "Listing Agreements") for the purpose of listing on a continuous basis.

6 BACKGROUND OF STOVEC INDUSTRIES LIMITED
(Information in this section is sourced from publicly available sources and SIL)

6.1 SIL was incorporated on June 5, 1973 as Stovec Screens India Limited under the Companies Act, 1956 vide registration no.16573-1973-74 with the Registrar of Companies, Mumbai and was subsequently renamed Stovec Industries Limited and a fresh certificate of incorporation was obtained on October 12, 1988. The registered office was shifted to the state of Gujarat in the year 2007. The registered & corporate office and manufacturing facilities of the Target Company are situated at N.I.D.C., Near Lambha Village, Post Narol, Ahmedabad – 382 405, Gujarat.

6.2 SIL is presently engaged into manufacturing of Perforated Nickel Rotary screens and Engraved Cylindrical screens, ("consumables"), Rotary Printing machines, Anilox Rollers, Press Room chemicals. The Company is also engaged into trading of Rotamesh screens for label printing. The core activities of the Company are development and production of consumables for their use in textile and graphic printing industry. The activities also include manufacturing, supply, installation and after sales support of the Rotary Printing machines. SIL is a subsidiary company of SPBV and caters to the needs of textile printing and graphic printing industries. SIL is an ISO 9000:2000 accredited company.

6.3 The Target Company was promoted jointly by erstwhile Stork Screens BV (since renamed as SPBV) and ATE Private Limited ("ATE") through a formation agreement dated October 16, 1972. By way of a subsequent agreement dated March 29, 1973 between Stork Screens BV, ATE and Mr. Atul Bhagwati, as modified by a supplemental agreement dated June 7, 1993, the mutual understanding on appointment of directors, 'right of first refusal' to the other party in case of any one party desiring to transfer a part of whole of its shareholding in SIL etc, was articulated. In the filings with stock exchanges, under the listing agreements, Stork Screens BV (now SPBV) has been classified as the foreign promoter while ATE and its promoters/associates etc have been classified as Indian promoters of SIL.

6.4 Following are some of the key events in the history of SIL:

- In 1974-75, SIL came out with its public issue and its shares were listed.
- In August 1975, the commercial production of perforated nickel rotary screens commenced in August, 1975.
- In 1981-82 SIL introduced engraved rollers and electroformed filters to its product range in order to increase depth of its product range.
- In 1987-88 Stormac India Ltd. which was promoted by A.T.E. Enterprises Pvt. Ltd. (Formerly ATE Pvt. Ltd.) in collaboration with Stork Brabant B.V. Netherlands was merged with SIL. This division (industrial machinery) manufactures automatic rotary screen printing machines, high pressure continuous loop steamers.
- In 1989-90 The Board of Industrial and Financial Reconstruction (BIFR) passed an order for merger of Assotex Engineering Industries Ltd. (a sick company) a group company, manufacturing sintered components and ferrites, with Stovec Industries Ltd. with effect from April 1, 1989.
- In 1994-95, SIL sold out the unit Assotex Engineering Industries Ltd.
- In 1996-97 SIL sold its unit at Gandhinagar, manufacturing professional grade printed circuit boards.
- In 1997-98, SIL divested its stake from the then subsidiary, Stork Pumps India Ltd.
- In 1999-00, SIL divested its stake from the then subsidiary, Pranay Shares & Securities Limited.
- In 2006-2007, SIL sold its Graphics division along with all its assets except its land to an Indian Company, Technova Imaging Systems Pvt. Ltd.
- In 2007-08, SIL entered into a technical collaboration agreement with Stork Prints B.V for the supply of complete know-how and information for the manufacture of rotary screen printing machine called “Pegasus”. .

6.5 The present paid-up equity and voting capital of the Target Company consists of 20,88,016 equity shares having face value of Rs.10/- each. The Shares have been issued on a fully paid up basis and there are no partly paid up shares in the Company. As on date, there are no Shares that are locked-in. The existing promoter holding consists of 13,61,468 shares, representing 65.20% of the paid-up and voting equity share capital of the Target Company, out of which 10,64,889 Shares representing 51% of the total share capital are held by SPBV and 2,96,579 Shares, representing 14.20% are held by the Indian promoters namely Pramol Traders Holdings Pvt. Ltd., Inspiron Engineering Pvt. Ltd. (formerly known as A.T.E. Industries Pvt. Ltd.), Mr. Prakash Bhagwati and Mr. Amol Bhagwati. There are no outstanding convertible instruments of SIL as on the date of Public Announcement.

6.6 SIL is presently engaged into manufacturing of Perforated Nickel Rotary screens and Engraved cylindrical screens, (“consumables”), Rotary printing machines, Anilox Rollers, Press room chemicals. The Company is also engaged into trading of Rotamesh screens for label printing. The core activities of the Company are development and production of consumables for their use in textile and graphic printing industry. The activity also includes manufacturing, supply, installation and after sales support of the Rotary printing machines. SIL is a subsidiary company of SPBV and caters to the needs of textile printing and graphic printing industries.

6.7 The Shares of the Target Company are listed on the BSE and ASE.

6.8 The share capital structure of SIL, as on the date of the Public Announcement, was as follows:

Particulars	No. of shares	% of Voting Shares
Authorised Share Capital Equity Shares -Equity Shares of Rs.10/- each -10% Cumulative Redeemable Preference Shares of Rs.100/- each	 29,00,000 10,000	 -
Issued Equity Shares	20,88,016	-
Subscribed and fully paid up Equity Shares	20,88,016	100%
Total Voting Shares	20,88,016	100%

6.9 Details of the changes in share capital of the Target Company since incorporation and status of compliance with applicable SEBI regulations / other statutory requirements, are as follows:

Date of Allotment	No of equity shares issued	% of shares issued	Cumulative paid up Equity Share Capital		Mode of Allotment	Identity of Allottees (Promoters Ex-Promoters/ Others)	Status of Compliances
	(Face Value Rs.10)		No. of equity shares	INR			
14-Feb-73	7	0.00%	7	70	Cash at par for Rs.10/- each	Subscribers to Memorandum of Association	Complied
28-Nov-73	59,993	2.87%	60,000	6,00,000	Cash at par for Rs.10/- each	Promoters, directors and executives of promoting company	Complied
11-Feb-74	1,20,000	5.75%	1,80,000	18,00,000	Cash at par for Rs.10/- each	Public Issue	Complied
27-Sep-74	1,01,328	4.85%	2,81,328	28,13,280	Other than cash	Issued to Stork Prints B.V. against imports by company, as per RBI permission.	Complied
10-Mar-75	18,672	0.89%	3,00,000	30,00,000	Other than cash	Issued to Stork Prints B.V. against imports by company, as per RBI permission.	Complied
5-Aug-80	2,00,000	9.58%	5,00,000	50,00,000	Cash at par for Rs.10/- each	Bonus Issue 2:3	Complied
10-Sep-86	2,50,000	11.97%	7,50,000	75,00,000	Cash at par for Rs.10/- each	Bonus Issue 1:2	Complied
28-Mar-89	2,50,000	11.97%	10,00,000	1,00,00,000	Other than cash	Shares issued in ratio of 1:2 under scheme of merger with Stormac India Ltd.	Complied
24-Dec-90	1,13,810	5.45%	11,13,810	1,11,38,100	Other than cash	Shares issued in ratio of 1:15 under scheme of amalgamation with Assotex Engineering Industries Ltd.	Complied
29-Nov-91	75,873	3.63%	11,89,683	1,18,96,830	Other than cash	56,905 shares issued to Stork Screens B.V. and 18,968 shares issued to Stork Brabant B.V. under scheme	Complied

						of amalgamation with Assotex Engineering Industries Ltd.	
19-Apr-93	8,98,333	43.02%	20,88,016	2,08,80,160	Cash Rs.10/- each at a premium of Rs.90/- each	Rights Issue 2:5 *	Complied
Total	**20,88,016**	**100.00%**					

*4,75,873 shares allotted to the then equity shareholders of SIL, 15,200 shares to existing employees and 8,594 shares to small share holders (holding less than 300 shares) and 3,98,666 shares to Stork Prints B.V.

6.10 The promoters and SIL have complied with the applicable provisions of Chapter II of SEBI Takeover Code except the following:

- Compliances under Regulation 6
  Target Company has filed the disclosures under Regulation 6(2) and 6(4) from the year ended 1997 to 2002 under the SEBI Regularisation Scheme, 2002.

- Compliances under Regulation 7
  ATE Enterprises Pvt. Ltd. sold its entire shares by February 28, 2007 to Pramol Traders Holding Pvt. Ltd. in two tranches. On July 07, 2006, ATE Enterprises Pvt. Ltd. sold 76,974 shares (3.69%) to Pramol Traders Holding Pvt. Ltd. for which the disclosures under Regulation 7 were not made. On July 11, 2006, ATE Enterprises Pvt. Ltd. sold 73,816 shares (3.54%) to Pramol Traders Holding Pvt. Ltd. for which the disclosure under Regulation 7(1A) was not made.

- Compliances under Regulation 8
  Target Company has filed the disclosures under Regulation 8(3) from the year ended 1997 to 2002 under the SEBI Regularisation Scheme, 2002. For the record date July 27, 2007, the disclosures under Regulation 8(2) were not made by Pramol Traders Holding Pvt. Ltd., Prakash Bhagwati, Amol Bhagwati & Inspiron Engineering Pvt. Ltd.

- For disclosures related to compliance by SPBV, please refer to para 3.1.8

  SEBI, in its observation letter, has directed to disclose that for the non-compliance with Chapter II of the SEBI Takeover Code by the promoters, SEBI may initiate suitable action at a later stage.

6.11 SIL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, or any other regulations framed there under. SIL has confirmed that no action has been taken against them by SEBI under SEBI Act or any other SEBI regulations.

6.12 The Board of Directors of SIL as on the date of the Public Announcement was as under:

Sr No	Name and Residential Address	Date of Appointment	Designation	Qualification	Experience
1.	Khurshed Meherwanji Thanawalla Address: Khatau Bungalow, Ground Floor 6, Manav Mandir Road, Mumbai 400 006	28/01/2005	Chairman	He is a commerce graduate from the Bombay University. He is a Fellow of The Institute of Chartered Secretaries & Administrators, London. He is also an Associate of The Textile Institute, U.K. and of The British	He has around 42 years of experience in establishing and managing textile mills.

Sr No	Name and Residential Address	Date of Appointment	Designation	Qualification	Experience
				Institute of Management.	
2.	Ashish Kaul Address: B-92, Shaligram – 3, Prahaladnagar, Satellite, Ahmedabad- 380 051	01/03/2007	Managing Director	He holds degree in B.E. (Electronics) from Bangalore University and also holds degree in M.B.A. (Finance) from MDI, Gurgaon.	He has over 16 yrs of management experience in operation, supply chain management and sales.
3.	Dirk Wim Joustra Address: Ansbaldusweg 58a, 5581 CX, Waalre The Netherlands	29/01/1999	Director	Please refer para 4.1.4 above	Please refer para 4.1.4 above
4.	Aschwin Hollander Address: Roemer Visscherlaan 61, 3705 SE Zeist, The Netherlands	26/04/2005	Director	Please refer para 4.1.4 above	Please refer para 4.1.4 above
5.	Joost Willem Pieter Smits Address: Tweerijten 23, 5673 TT Nuenen, The Netherlands	30/01/2006	Director	Mr. Smits holds degree of Business Econometrics, major in supply chain management, from Universiteit van Tilburg	He has over 10 years of managerial experience. Before joining Stork Prints Group, he worked for Xantic (a joint venture of KPN and Telstra) and TNT. He has industry experience in industries as divers as logistics, telecommunications, software, printing equipment and print forms. Presently, he is Director Operations at Stork Prints Group and a member of the management team of Stork Prints Group.
6.	Henricus J. E. van de Mortel Address: Molenstraat 12, St.Anthonis – 5845, The Netherlands	26/02/1998	Director	He holds a degree in Mechanical Engineering and Project Management	He has experience on maintenance, production and projects management. He has been working with Stork Group since 1969 at various levels. Presently he is serving Stork NV as Plant Manager for consumables.
7.	Prakash K. Bhagwati Address: “Vatsalya Bhagwati Farms”, Behind Karnavati Club, Mumatpura Village, Post. Bopal, Ahmedabad-380058	05/06/1973	Director	B. E. (Mechanical), M. S. (Engineering) from USA	He is an entrepreneur and an industrialist. He has around 35 years of experience in the areas of management. He started his career in 1973 as resident director of SIL and served SIL as the Managing Director from 1990 – 2007.
8.	Jayant C. Vakil Alternate to Mr. Henricus J. E. van de Mortel	05/06/1973	Director	B. A. (Economics) and Bachelor of Law.	He is a Solicitor and an Advocate at Bombay High Court since 1956. He is also a senior partner in the firm of Tyabji Dayabhai, Advocates and Solicitors established in 1872. Mr.

Sr No	Name and Residential Address	Date of Appointment	Designation	Qualification	Experience
	Address: 'Shanti Sadan' 3, Vatcha Gandhi Road, Gamdevi Mumbai - 400 007				Vakil has more than 45 years of experience in insurance, banking, corporate, real estate, arbitration and aviation laws. He was on the Local Advisory Board of Credit Lyonnais (now Calyon Bank of France) for 7 years. He was also the past Chairman of the Board of Trustees of Bank of Baroda Mutual Funds.
9.	Girish C. Sharedalal Address: 'Landmark' 111, Dahanukar Road, Gamadia Hill, Mumbai - 400 026	26/09/1989	Director	Chartered Accountant	He has more than 40 years of experience in the fields of accounts and taxation.
10.	Marco A. Wadia Address: Thakur Nivas 173, Jamshedji Tata Road Mumbai - 400 020	21/05/1999	Director	B.A.(Hons) & LLB from Bombay University	He is a partner in the firm of M/s. Crawford Bayley & Co., Advocates and Solicitors and has a standing of about 25 years in legal profession specializing in corporate matters and mergers and acquisitions.

6.13 Aschwin Hollander and Dirk Wim Joustra are on the Management Board of the Acquirer and the PAC. As required under Regulation 22(9), Aschwin Hollander and Dirk Wim Joustra have recused themselves from the Board of the Target Company and have not participated in any matter concerning or relating to the Offer.

6.14 Build-up of promoter shareholding:

Original promoters:

Stork Prints B.V.:

Date of acquisition	No. of shares	Method of acquisition	Cumulative holding (no. of shares)	% of paid of up capital of SIL i.e. 2,088,016 fully paid up equity shares of Rs.10/- each
27-Sep-74	1,01,328	Issued to Stork Prints B.V. against imports by company, as per RBI permission.	1,01,328	4.85%
10-Mar-75	18,672	Issued to Stork Prints B.V. against imports by company, as per RBI permission.	1,20,000	5.75%
5-Aug-80	80,000	Bonus Issue 2:3	2,00,000	9.58%
10-Sep-86	1,00,000	Bonus Issue 1:2	3,00,000	14.37%
28-Mar-89	1,00,000	Shares issued in ratio of 1:2 under scheme of merger with Stormac India Ltd.	4,00,000	19.16%
29-Nov-91	75,873	Shares issued under scheme of amalgamation with Assotex Engineering Industries Ltd.	4,75,873	22.79%
19-Apr-93	5,89,016	Pursuant to Rights Issue including allotment of additional shares	10,64,889	51.00%
There has been no change to SPBV's shareholding subsequent to the above				

Note: Out of the 10,64,889 Shares held by SPBV, some Shares were allotted to Stork Brabant BV, which subsequently merged with SPBV. The records related to allotment to Stork Brabant BV and their subsequent transfer to SPBV is not available.

ATE Enterprises Pvt. Ltd.:

FY	No. of shares	Method of acquisition	Cumulative holding (no. of shares)	% of paid of up capital of SIL i.e. 20,88,016 fully paid up equity shares of Rs.10/- each
Initial holding before 1983			8,250	-
1983		Please See Note ii below	13,750	0.66%
1986			20,625	0.99%
1989			46,947	2.25%
1993			83,921	4.02%
For subsequent changes to ATE Enterprises Pvt. Ltd. shareholding, please see the table below.				

Changes to shareholding of promoters as per filings under Regulation 8(3) of the SEBI Takeover Code, by the Target Company

FY	No. of shares acquired / sold	Method of acquisition / sale	SPBV	ATE Enterprises Pvt. Ltd.	Pramol Traders Holdings Pvt Ltd	Prakash Bhagwati	Amol Bhagwati	Inspiron Engineering Pvt. Ltd.	Total	% on 2,088,016 Shares
20-Feb-97	11,48,810	Shares acquired prior to disclosure as per Regulations 6(2) & 6(4)	10,64,889	83,921	Please see note (iii) below	Please see note (iv) below	Please see note (v) below	Please see note (vi) below	11,48,810	55.02
1998	-	None	10,64,889	83,921					11,48,810	55.02
1999	-	None	10,64,889	83,921					11,48,810	55.02
2000	-	None	10,64,889	83,921					11,48,810	55.02
2001	4,853	Acquired by ATE Enterprises Pvt. Ltd.	10,64,889	88,774					11,53,663	55.25
2002	(893)	Sold by ATE Enterprises Pvt. Ltd.	10,64,889	87,881					11,52,770	55.21
2003	29,206	Acquired by ATE Enterprises Pvt. Ltd.	10,64,889	1,17,087					11,81,976	56.61
2004	2,069	Acquired by ATE Enterprises Pvt. Ltd.	10,64,889	1,19,156					11,84,045	56.71
2005	31,170	Acquired by ATE Enterprises Pvt. Ltd.	10,64,889	1,50,326					12,15,215	58.20
2006	3,654	Acquired by ATE Enterprises Pvt. Ltd.	10,64,889	1,53,980					12,18,869	58.37

2007	73,816	1,53,980 shares were transferred by ATE Enterprises Pvt. Ltd. to Pramol Traders Holding Pvt. Ltd. and 73,816 was further acquired by Pramol Traders Holding Pvt. Ltd. from open market	10,64,889	-	2,27,796				12,92,685	61.91
2007-till date	71,935	Addition of Prakash Bhagwati, Amol Bhagwati & Inspiron Engg. Pvt. Ltd. as promoters	10,64,889	-	2,27,796	53,619	12,264	2,900	13,61,468	65.20

Note:

i) Figures in brackets indicate disposal of Shares during the period. As regards the promoter shareholding build-up from the year 1997 onwards, as disclosed above, the information submitted by the Target Company to stock exchanges under Regulation 8(3) of the SEBI Takeover Code has been taken as the basis for above computation.

ii) The records related to the build-up of ATE Enterprises Pvt. Ltd's shareholding to the level of 83,921 Shares, till February 1997, including the date(s) /mode of acquisition / sale is not available with the Target Company.

iii) Pramol Traders Holdings Pvt. Ltd. acquired 76,974 Shares from ATE Enterprises Pvt. Ltd. on July 07, 2006, 73,816 Shares on August 11, 2006 through open market purchases and 77,006 Shares on February 28, 2007 from ATE Enterprises Pvt. Ltd. Pramol Traders Holdings Pvt. Ltd was included as part of the promoter group in filings under the listing agreements from the quarter ended September 30, 2006. In the filings under Regulation 8(3) of the SEBI Takeover Code, for financial year ended March 2007, the shareholding of Pramol Traders Holdings Pvt. Ltd was not included.

iv) Mr. Prakash Bhagwati was included as part of the promoter group in filings under the listing agreements from the quarter ended December 31, 2006. As per the records made available by the Target Company, he sold 456 Shares during FY 2007. The records related to the build-up of his shareholding to the level of 54,075 Shares, including the date(s) / mode of acquisition / sale is not available with the Target Company. In the filings under Regulation 8(3) of the SEBI Takeover Code, for financial year ended March 2007, the shareholding of Mr. Prakash Bhagwati was not included.

v) Mr. Amol Bhagwati was included as part of the promoter group in filings under the listing agreements from the quarter ended December 31, 2006. As per the records made available by the Target Company, he sold 3,152 Shares during September 2007. The records related to the build-up of his shareholding to the level of 15,416 Shares, including the date(s) / mode of acquisition / sale is not available with the Target Company.

vi) Inspiron Engineering Pvt. Ltd. was included as part of the promoter group in filings under the listing agreements from the quarter ended December 31, 2006. The records related to the build-up of his shareholding to the level of 2,900 Shares, including the date(s) / mode of acquisition / sale is not available with the Target Company. In the filings under Regulation 8(3) of the SEBI Takeover Code, for financial year ended March 2007, the shareholding of Inspiron Engineering Pvt. Ltd was not included.

vii) Instances of non-compliances with filings requirements under Chapter II of the SEBI Takeover Code are disclosed in paragraph 6.10.

viii) The aggregate promoter shareholding in SIL has gone up from 55.02% in 1999-2000 to 65.20% till date.

ix) The issue related to inclusion of new persons in the promoter group is under SEBI's examination.

6.15 SIL did not have any merger / acquisition /de-merger/spin-off in the last 3 years. SIL does not have any subsidiaries.

6.16 As per the schedule of implementation given in the clause 49 of the Listing Agreements, SIL does not come under the mandatory requirement of corporate governance. SIL has however continued complying with the requirement broadly.

SIL has confirmed that no penal action has been initiated for any of the compliance matters by any of the stock exchanges and none of the securities of SIL have been suspended from trading by any of the stock exchanges.

6.17 Following are the pending material legal cases and notices issued by SIL / against SIL, as on the date of this Letter of Offer. Unless specifically stated, the amounts of the claims do not include any interest or penalty that may be awarded by a court of competent jurisdiction or any competent authority on these claims.

There are no material litigation proceedings involving the Target Company as on the date of this Letter of Offer, except for the following:

A. Cases filed against the Target Company

There is one consumer case pending against the Target Company and M/s. Associated Textile Engineers ("Opposite Parties") before the National Consumer Disputes Redressal Commission filed by Nova Dyeing & Printing Mills Ltd. ("Complainant") in the year 1999. The Complainant, for its business operations negotiated with the Opposite Parties for purchasing a Stormac Rotary Screen Printing Machine. However, the said machine was defective and the Complainant due to the failure of the Opposite Parties to rectify the defects in the machine incurred grave losses leading to the Complainant becoming a sick unit. The Complainant then filed a suit before the National Consumer Disputes Redressal Commission for an amount of approximately Rs.95.18 Lacs. Prior to the consumer case filed by the complainant as above, the Target Company had filed a summary suit against Nova Dyeing & Printing Mills Ltd. for the recovery of Rs.4.41 Lacs. Both the above matters are currently pending.

There are six income tax cases pending against the Target Company in respect of assessment years ranging from 1989-90 until 2005-06 pending at various stages of litigation either before the Assessing Officer or before the Commissioner of Income Tax (Appeals). The total estimated liability in respect of these cases was approximately Rs.67.35 Lacs exclusive of interest and penalty. The department has recently issued an order in favour of the Target Company for the assessment years 2003-04 and 2005-06, which has resulted in a reduction of the estimated liability of the Target Company from Rs.67.35 Lacs to Rs.65.55 Lacs.

The Income Tax Officer, [Tax Deducted at Source ("TDS")] has issued notice to the Company for determining whether the provisions of Section 206C have been complied with or not in relation to the sale of scrap. Section 206C of the Income tax Act requires the company to collect Tax Collected at Source ("TCS") at the rate of 1.05% on sale of scrap generated from the manufacturing and mechanical process. The Company has not collected and paid TCS on sale of scrap of Rs.129.80 Lacs since as per the Company it has received the requisite declarations. In case of any short fall in the declaration via a vis sales of scrap which requires TCS, the Company would be liable to pay TCS at the requisite rate and in addition Company will be liable to interest at the rate of 12.00% per annum and penalty as per the relevant provisions of the Act.

There is an amount of Rs.18 Lacs receivable by the Target Company from the income tax department on account of a refund arising out of an order by the Income Tax Appellate Tribunal for the assessment year 1992-93.

There are thirteen labour cases pending against the Target Company claiming reinstatement of employment with back wages, recovery etc. pending at various stages of litigation either in the High Court, the Labour Court and the the Civil Court. The total estimated liability in respect of these cases is approximately Rs.73.35 Lacs.

There is one case in the matter of stamp duty for Rs.9.13 Lacs pending before the Collector of Stamps.

There is one notice pending against the company issued by the Profession Tax Officer under Sub-section (3) of Section (5) of the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975. The estimated penalty that could be imposed on the Target Company is Rs.0.01 Lacs. The Target Company is in the process of filing a reply to the Profession Tax Officer.

There is one case pending against the Target Company before the Deputy Commissioner of Sales Tax where the demand is of approximately Rs.10.92 Lacs.

There is one case pending against the Target Company before the Commissioner Central Excise (Appeals) for the recovery of an amount Rs.18.03 Lacs exclusive of interest and penalty. The Commissioner of Central Excise (Appeals) had recently confirmed the demand of the duty of Rs.18.03 Lacs and penalty of Rs.18.03 Lacs, plus interest. The Target Company being aggrieved is in the process of filing an appeal with the Appellate Tribunal.

The Target Company had also received a notice and subsequently an order from the Assistant of Commissioner of Central Excise confirming a demand of Rs.2.65 Lacs against duty and penalty of Rs.2.65 Lacs. The Target Company being aggrieved by the said order is in the process of filing appeal.

There was one case pending against the Target Company before the Commissioner of Customs (Appeals) for an amount Rs.2.89 Lacs exclusive of penalty and interest. The Commissioner of Customs has recently issued an order in favour of the Target Company. Based upon the order of the Commissioner of Customs (Appeals), the Target Company is in the process of making an application to release Bank Guarantee and Provisional Duty Bond of Rs.3.05 Lacs.

There are five service tax litigations pending against the Target Company before the Office of the Superintendent, Service Tax/ Deputy Commissioner, Service Tax. The total estimated tax liability demanded in respect of these cases was approximately Rs.6.42 Lacs. In one of the abovementioned cases, the Target Company had applied for stay against the recovery demand of the department, which was confirmed by the department subject to deposit of 50% of the duty and penalty amounting to Rs.4.45 Lacs. The Target Company has deposited the said amount and is in the process of filing appeal before the Commissioner of Excise (Appeals).

B. Cases filed by the Target Company

There are seventeen cases filed by the Target Company under Section 138 of the Negotiable Instruments Act, 1881/ Summary Civil Suit for recovery against various parties for the recovery of an amount of approximately Rs.36.52 Lacs.

There is one insolvency petition filed by the Target Company against M/s. Silver Line Textiles under Section 9 and 10 of the Provincial Insolvency Act, 1920, for an estimated sum of Rs.8.79 Lacs. The matter is currently pending before the Court of the District Judge, Erode.

The Target Company has filed two winding up petitions, one with the High Court of Delhi and another with the High Court of Chennai. The petition filed at Delhi is for amount Rs.5.83 Lacs and the petition filed at Chennai is for Rs.4.36 Lacs. Both the matters are currently pending.

The Target Company had recently filed two civil suits in the City Civil Court, at Ahmedabad against its employees. The suits were filed to restrain the employees from joining the competition / rival companies and also to restrain them from disclosing the technology of the Target Company to their new employer who would be regarded as a competitor of the Target Company.

6.18 Key financials of SIL Limited are as follows:

INCOME STATEMENT	**Six months ended**	**Year ended**		
(Rs. in lacs)	**30-Sep-07**	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**
	Certified	**Audited**	**Audited**	**Audited**
Income from operations	1,740.39	3,511.51	5,951.32	5,843.93
Other Income	71.94	210.88	149.65	100.92
Total Income	**1,812.33**	**3,722.39**	**6,100.97**	**5,944.85**
Total Expenses	1,475.21	3,210.43	5,556.41	5,325.43
PBIDT	**337.12**	**511.96**	**544.56**	**619.42**
Depreciation & Amortization	34.66	185.72	256.93	283.53
Interest	2.89	9.80	32.09	27.26
Extraordinary items		92.01	-	-
PBT	**299.57**	**224.43**	**255.53**	**308.64**

Provision for taxation	104.84	82.06	94.47	102.60
Profit after tax	**194.73**	**142.37**	**161.06**	**206.04**
Prior period items	-	(9.10)	(13.99)	(4.65)
Net profit	**194.73**	**151.47**	**175.05**	**210.69**

BALANCE SHEET	**As on**			
(Rs. in lacs)	**30-Sep-07**	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**
	Certified	**Audited**	**Audited**	**Audited**
SOURCE OF FUNDS				
Share capital				
Equity Share capital	208.80	208.80	208.80	208.80
Reserves and surplus	2,357.40	2,162.68	2,064.95	1,949.42
Net worth	2,566.20	2,371.48	2,273.75	2,158.22
Secured loans	-	225.56	122.58	-
Unsecured loans	-	-	35.38	479.11
Deferred tax liability (net)	4.20	4.71	129.66	178.00
Total	**2,570.40**	**2,601.75**	**2,561.37**	**2,815.33**
APPLICATION OF FUNDS				
Net Fixed Assets	661.94	545.00	1,137.55	1,229.48
Capital work in progress	-	3.33	-	51.70
Investments	3.89	3.89	3.89	3.89
Net current assets	1,904.57	2,049.53	1,419.93	1,530.26
Total	**2,570.40**	**2,601.75**	**2,561.37**	**2,815.33**

OTHER FINANCIAL DATA	**Six months ended**	**Year ended**		
	30-Sep-07	**31-Mar-07**	**31-Mar-06**	**31-Mar-05**
Dividend (% of face value)	-	22%	25%	30%
Earnings per equity share (Rs.)	9.33	7.25	8.38	10.09
Return on Net worth (%)	7.59%	6.39%	7.70%	9.76%
Book Value per equity share (Rs.)	122.90	113.58	108.90	103.36

Note:
(1) Dividend (%) = Dividend paid per equity share / No. of equity shares outstanding at year-end/ Par value per equity share
(2) Earnings per share = Profit after tax (prior to any adjustments) / No. of equity shares outstanding at the end of the year
(3) Return on Net worth (%) = Profit after tax (prior to any adjustments) / Net worth at year-end
(4) Book Value per equity share = Net worth / No. of equity shares outstanding at year end
(5) The results for the six months ended September 30, 2007 are as certified by the statutory auditors of SIL.
NM = Not meaningful or not applicable
(Source: Annual Report, statutory auditors certificate dated April 04, 2008)

6.19 SIL has the following contingent liabilities:

Claims against SIL not acknowledged as debts

Particulars	**Year ended**	
(Rs. in lacs)	**March 31, 2007**	**March 31, 2006**
Claims against SIL not acknowledged as debts	50.73	43.23
Guarantees issued by banks on behalf of SIL	4.35	8.35
Guarantee given by SIL in favour of Housing Development Finance Corporation Ltd. for housing loans to its employees	0.10	0.71
Disputed claims made by workers for re-instatement	50.04	46.31

Disputed sales tax payments	10.04	10.04
Bonds executed by SIL in favour of Central Excise / Custom authorities	93.26	93.26
Income Tax	228.13	226.18

(Source: Auditors Report for FY2007)

6.20 Comparison of Results

During the six months period ended September 30, 2007, the net profit after tax increased to Rs.194.73 lacs as compared to Rs.46.87 lacs last year.

Results for financial year 2007 compared to financial year 2006:
During the year, net income from operations fell by 41% to Rs.3,511.51 lacs as compared to Rs.5,951.32 lacs in 2005-06. In financial year 2006-07, SIL had taken strategic decision to divest its P.S. Plate business and focus on core activities like manufacture of Textile/Graphics consumables and printing machines. The major reason for reduction in sales and gross margin was divestment of P.S. Plate business of SIL.

Results for financial year 2006 compared to financial year 2005:
During the year, net income from operations rose to Rs.5,951.32 lacs as compared to Rs.5,843.93 lacs in 2004-05.

6.21 The shareholding and voting pattern of SIL prior to and following the Global Acquisition and the Offer, is as under:

	Shareholders category	**Shareholding and Voting rights as on the date of the Public Announcement (January 16, 2008)** **(A)**	**Shares/ Voting rights agreed to be acquired which triggered off the SEBI Takeover Code** **(B)**	**Shares / Voting rights to be acquired in the Offer (Assuming full acceptances)** **(C)**	**Shareholding / Voting rights after the Offer** **(D)= (A)+(B)+(C)**
1	**Promoters**				
a	Parties to the agreement	NIL	NA	NIL	NIL
b	PAC - SPBV	10,64,889 51.00%	NA	4,17,604 20.00%	14,82,493 71.00%
c	Promoters other than 1a and 1b above	2,96,579 14.20%	NA	NIL	Refer Note
	Total 1 (a+b+c)	**13,61,468 65.20%**	**NA**	**NIL**	**Refer Note**
2	**Acquirer**				
	SPGBV	-	NA	NIL	NIL
	Total 2	**NIL**	**NA**	**NIL**	**NIL**
3	**Parties to agreement other than 1(a) & 2**	**NIL**	**NA**	**NIL**	**NIL**
4	**Public***				
a	Mutual Funds/UTI	200 0.01%	NA	NIL	
b	Financial Institutions	3,801 0.18%	NA	NIL	
c	Insurance Companies	11,300 0.54%	NA	NIL	6,05,523 29.00%
d	Private Corporate Bodies	62,247 2.98%	NA	NIL	
e	Indian Public (Including NRI's/OCB's, clearing members, directors and their relatives)	6,49,000 31.08%	NA	NIL	
	Total 4 (a)+(b)+(c)+(d)+(e)	**7,26,548 34.80%**	**NA**	**NIL**	6,05,523 29.00%
	Grand Total (1+2+3+4)	**20,88,016 100.00%**	**NA**	**-**	**20,88,016 100.00%**

* Total number of Public shareholders as on January 16, 2008 was 7,155.

Note:
The Offer is being made to all shareholders (including the Indian Promoters) other than the Acquirer and the PAC. The residual shareholding of Indian Promoters i.e. Promoter other than (a) and (b), after the Offer, would depend on the number of Shares, if any, tendered by them and accepted in the Offer. Such residual shareholding, if any, will be re-classified as part of public shareholding, post completion of the Offer.

6.22 The compliance officer of SIL is Vishal Shah, Company Secretary. His contact details are as follows: C/o Stovec Industries Limited, N.I.D.C., Near Lambha Village, Post Narol, Ahmedabad – 382 405, Gujarat; Tel: +91-79-30412300; Fax: +91-79-25710406/415; email:investorawareness@stovec.com.

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The equity shares of SIL are listed on BSE and ASE. The annualised trading turnover during the preceding six months ended December 31, 2007 in each of the stock exchanges on which the Shares are listed is as below:

Name of Stock Exchange	Total number of Shares traded during the preceding six calendar months ended December 31, 2007	Total number of listed Shares	Annualised trading turnover (in terms of % of total listed Shares)	Trading Status in terms of the SEBI Takeover Code
BSE	5,71,771	20,88,016	54.77%	Frequently Traded
ASE	NIL	20,88,016	-	Infrequently Traded

(Source: BSE website http://www.bseindia.com, trading details from ASE)

7.1.2 The Shares are frequently traded on BSE and infrequently traded on ASE within the meaning of explanation (i) to Regulation 20 (5) of SEBI Takeover Code. The Shares are most frequently traded on BSE.

7.1.3 The Offer Price of Rs.225.75 per Share is justified in terms of Regulations 20(4) of the SEBI Takeover Code as it is highest of the following 4 parameters (a through d):

a) The negotiated price for Target Company shares : Not applicable
b) The highest price paid by the Acquirer or the PAC for any acquisition, including by way of allotment in a public or rights or preferential issue during 26 weeks period prior to the date of the PA : Not applicable

c) The average of the weekly high and low of the closing prices of the Shares of SIL during the 26 weeks preceding the PA, on BSE

Week #	Week Ended	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume (Shares)
1	Tuesday, January 15, 2008	211.00	224.00	217.50	12599
2	Tuesday, January 08, 2008	220.10	233.95	227.03	12474
3	Tuesday, January 01, 2008	209.35	234.60	221.98	13466
4	Monday, December 24, 2007	205.65	212.00	208.83	4006
5	Tuesday, December 18, 2007	208.30	229.65	218.98	16426
6	Tuesday, December 11, 2007	196.70	227.55	212.13	28110
7	Tuesday, December 04, 2007	191.85	203.05	197.45	4109
8	Tuesday, November 27, 2007	194.40	208.95	201.68	4538
9	Tuesday, November 20, 2007	200.25	208.45	204.35	8245
10	Tuesday, November 13, 2007	200.55	212.80	206.68	5751
11	Tuesday, November 06, 2007	199.20	212.05	205.63	7302
12	Tuesday, October 30, 2007	202.70	239.95	221.33	17521
13	Tuesday, October 23, 2007	192.95	209.40	201.18	7488
14	Tuesday, October 16, 2007	198.60	215.45	207.03	12959
15	Tuesday, October 09, 2007	212.35	234.30	223.33	10494
16	Monday, October 01, 2007	239.05	249.35	244.20	23915

Week #	Week Ended	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume (Shares)
17	Tuesday, September 25, 2007	232.45	265.35	248.90	46078
18	Tuesday, September 18, 2007	219.95	228.20	224.08	17243
19	Tuesday, September 11, 2007	210.90	238.70	224.80	65309
20	Tuesday, September 04, 2007	168.05	239.15	203.60	101254
21	Tuesday, August 28, 2007	165.75	172.45	169.10	23691
22	Tuesday, August 21, 2007	146.10	172.20	159.15	35950
23	Tuesday, August 14, 2007	151.25	153.40	152.33	14257
24	Tuesday, August 07, 2007	123.55	153.25	138.40	48066
25	Tuesday, July 31, 2007	109.90	131.85	120.88	16007
26	Tuesday, July 24, 2007	111.10	118.10	114.60	3736
		26 weeks average		**199.04**	

(Source: www.bseindia.com)

d) The average of the daily high and low of prices of Shares of SIL, on BSE, during the 2 weeks preceding the date of PA

Day #	Date	High (Rs.)	Low (Rs.)	Avg. (Rs.)	Volume (Shares)
1	Tuesday, January 15, 2008	231.75	205.00	218.38	1370
2	Monday, January 14, 2008	218.85	210.00	214.43	287
3	Friday, January 11, 2008	220.00	206.00	213.00	1442
4	Thursday, January 10, 2008	238.95	220.00	229.48	7693
5	Wednesday, January 09, 2008	259.00	210.00	234.50	1807
6	Tuesday, January 08, 2008	227.05	210.00	218.53	1827
7	Monday, January 07, 2008	240.00	212.25	226.13	2424
8	Friday, January 04, 2008	240.00	225.30	232.65	2440
9	Thursday, January 03, 2008	244.50	225.10	234.80	3662
10	Wednesday, January 02, 2008	250.00	220.00	235.00	2121
		2 weeks average		**225.69**	

(Source: www.bseindia.com)

e) Further, based on the available information, the Shares are deemed to be infrequently traded on ASE as per explanation to Regulation 20(5) of the SEBI Takeover Code. Therefore, the parameters of Regulation 20(5) of the SEBI Takeover Code have also been considered. The Offer Price of Rs.225.75 per equity share is also justified in terms of Regulation 20(5) of the SEBI Takeover Code based on the following financial parameters of SIL:

Period Ended	March 31, 2007	March 31, 2006
- Return on Net Worth	6.39%	7.70%
- Earnings per Share (Rs.)	7.25	8.38
- Book Value per Share (Rs.)	113.58	108.90
- Offer Price / Earnings Ratio (x)	31.14	26.94
- Industry P/E ratio (x) *	17.9	

*Source: Capital Markets Vol. XX/21 dated December 17-30, 2007 Industry: Textile Machinery

7.1.4 In the opinion of the Manager to the Offer and the Acquirer and the PAC, the Offer Price is justified.

7.1.5 If the Acquirer and the PAC acquire Shares after the date of the Public Announcement up to seven 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.

7.2 Financial Arrangements

7.2.1 The total financial resources required for this Offer, assuming full acceptance of the Offer Size at the Offer Price will be Rs.9,42,74,103/- (Rupees Nine Crores Forty Two Lacs Seventy Four Thousand One Hundred and Three only) ("Maximum Consideration").

7.2.2 In accordance with Regulation 28 of the SEBI Takeover Code, an escrow account has been created by the Acquirer in the form of a cash deposit in an account with HDFC Bank Limited, Fort Branch, Mumbai – 400 023 ("Bank"), an amount of Rs.2,58,97,500/-. (Rupees Two Crores Fifty Eight Lacs Ninety Seven Thousand Five Hundred only) in cash (the "Cash Deposit" / "Escrow Account"). The Cash Deposit represents more than 25% of the Maximum Consideration in accordance with the SEBI Takeover Code. The Manager to the Offer is authorised to realise the value of the Escrow Account in terms of the SEBI Takeover Code.

7.2.3 The Acquirer and the PAC have made firm financial arrangements for the Maximum Consideration by way of internal financial resources. The financial obligations under the Offer would be met out of the current cash balances available with the Acquirer and the PAC. KPMG Accountants NV, the statutory auditors of SPGBV and SPBV, (signing through Mr. E. T. M. Slutter RA, Director, Dutch Certified Auditors NIVRA membership number 13671, contact no. +31 26 389 9899, fax no. +31 26 381 7588) have confirmed vide their letter dated January 11, 2008, to the effect that as at January 10, 2008, SPGBV and SPBV have, severally and jointly, sufficient means to fulfill the estimated financial outlay required for the Offer. Based on this certificate from KPMG Accountants NV, the Manager to the Offer confirms that adequate funds are available with the Acquirer and the PAC through verifiable means to implement this Offer in full.

8 TERMS AND CONDITIONS OF THE OFFER

8.1.1. The Offer is not conditional on any minimum level of acceptance by the shareholders of the Target Company. During the Offer period, the Acquirer and the PAC may purchase additional Shares in accordance with the SEBI Takeover Code.

8.1.2. This Offer is subject to the Acquirer and the PAC obtaining the approval of the RBI under the Foreign Exchange Management Act, 1999, as amended from time to time, for the acquisition / transfer of Shares tendered pursuant to this Offer. The Acquirer and the PAC will make the requisite application to RBI to obtain their approvals for the acquisition / transfer of Shares validly tendered pursuant to this Offer.

8.1.3. As of the date of the PA, other than the above, no statutory approvals are required to acquire the equity shares 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. In terms of Regulation 27 of the SEBI Takeover Code, the Acquirer and the PAC will not proceed with the Offer in the event that such statutory approvals that are required are refused.

8.1.4. It may be noted that in case of non-receipt of any of the statutory approvals stated as above, within a reasonable time, the SEBI, if satisfied that the non receipt of the statutory approvals was not due to willful default or negligence on the part of the Acquirer and the PAC, has a power to grant an extension of time to the Acquirer and the PAC for payment of consideration to shareholders and the Acquirer and the PAC shall pay interest for the delay, to the shareholders who have accepted the Offer, at such rates as may be specified by SEBI under Regulation 22(12) of the SEBI Takeover Code. Further, if the delay occurs due to willful default of the Acquirer and the PAC in obtaining the requisite statutory approvals, Regulation 22(13) of the SEBI Takeover Code shall be applicable. The Acquirer and the PAC shall complete all procedures relating to the Offer within a period of 15 days from the Offer Closing Date.

8.1.5. Other Terms

8.1.5.1. The Offer is being made to the shareholders of SIL and the Letter of Offer, together with the Form of Acceptance-cum-Acknowledgement and the Form of Withdrawal, will be mailed to the shareholders of SIL (other than the Acquirer or the PAC) whose names appear on the register of members of the Target Company, and to the beneficial owners of the equity shares of the Target Company whose names appear on the beneficial records of the respective depositories, at the close of business hours on February 01, 2008 (the "Specified Date"). All the shareholders (other than the Acquirer or the PAC) who own the shares of the Target Company anytime before June 02, 2008 (the "Offer Closing Date") are eligible to participate in the Offer.

8.1.5.2. All eligible owners of Shares, registered or unregistered (including the beneficial owners) who wish to avail of and accept the Offer can submit the Form of Acceptance along with all the relevant documents at any of the collection centres mentioned below in accordance with the procedure as set out in the Letter of Offer. No indemnity is required from unregistered equity shareholders.

8.1.5.3. Accidental omission to dispatch this Letter of Offer or the non-receipt or delayed receipt of this Letter of Offer will not invalidate the Offer in any way.

8.1.5.4. Any Shares that are the subject matter of litigation or are held in abeyance due to pending court cases, attachment / restriction from Court/ Forum/ ITO / relevant statutory authorities, etc., 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 of the Court / forum / ITO / relevant statutory authorities etc permitting transfer of 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 relevant statutory authorities for further action at their end.

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

8.1.5.6. Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.

8.1.5.7. The Acquirer and the PAC will acquire the Shares, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8.1.5.8. The instructions and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Shareholders of SIL who wish to tender their Shares under this Offer should enclose the following documents duly completed so that the same are received by the Registrar to the Offer at any of their collection centres (as mentioned below) on or before close of business hours on the Offer Closing Date:

9.1.1 For Shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the Share certificates,
- Original Share certificate(s),
- Valid share transfer deed / 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 SIL and duly witnessed at the appropriate place. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate/ Notary Public/ Bank Manager under their Official Seal.

In case of non receipt of the aforesaid documents, but receipt of the original Share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

Unregistered owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein,
- Original Share certificate(s),
- Original broker contract note,
- Valid share transfer deed(s) as received from market. **The details of buyer should be left blank failing which, the same will be invalid under the Offer**. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

The details of the buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for acceptance.

9.1.2 For Shares held in demat form:

Beneficial owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by DP in favour of the special depository account (please see below) before the close of business hours on Offer Closing Date.

The Registrar to the Offer has opened a special depository account, details of which are as follows:

DP Name	Stock Holding Corporation of India Limited
DP ID / Client ID	1601010000360167
Account name	SIL Open Offer Escrow Account
Depository	Central Depository Services (India) Limited

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. **Beneficial owners having their beneficiary accounts with NSDL have to use inter-depository delivery instruction slip for the purposes of crediting their Shares in favour of the special depository account with CDSL.** In case of non receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to be accepted. The Forms of Acceptance of such demat shares not credited in favor of the special depository account, before the Offer Closing Date will be rejected.

9.1.3 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form of Acceptance is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):

- Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s)
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance
- In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions)

9.2 The Share certificate(s), share transfer form, Form of Acceptance and other documents, if any should be sent only to the Registrar to the Offer, at the collection centres mentioned below. **They should not be sent to the Manager to the Offer or the Acquirer or the PAC or the Target Company.** The above-mentioned documents can be sent to the collection centres (as mentioned in paragraph 9.4 below) by hand delivery on all days except Sundays and public holidays.

9.3 The minimum marketable lot for the purposes of acceptance, for both physical and demat shares, would be one Share.

9.4 All owners of Shares, registered or unregistered who wish to avail of and accept the Offer can ‘hand deliver’ the Form of Acceptance along with all the relevant documents at any of the below mentioned collection centres of the Registrar to the Offer in accordance with the procedure as set out in this Letter of Offer. All centres mentioned herein below would be open during the Offer period on all working days (except Sundays and Bank Holidays) during business hours as shown below. Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects; otherwise the same are liable to be rejected.

No.	Collection Centre	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of delivery
1	Mumbai	Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078	Awani Thakkar	Awani.punjani@intimespectrum.com	022-25960320	022-25960328/29	Hand Delivery & Registered Post
2	Mumbai	Intime Spectrum Registry Limited, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001	Vivek Limaye	Vivek.limaye@intimespectrum.com	022-22694127	-	Hand Delivery
3	Ahmedabad	Intime Spectrum Registry Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hitesh Patel	ahmedabad@intimespectrum.com	079-2646 5179	079-2646 5179 (Telefax)	Hand Delivery
4	New Delhi	Intime Spectrum Registry Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028	Swapan Naskar	delhi@intimespectrum.com	011-41410592/93/94	011-41410591	Hand Delivery
5	Kolkata	Intime Spectrum Registry Limited, 59C,Chowringhee Road,3rd Floor, Kolkata -700020	S. P. Guha	kolkata@intimespectrum.com	033-22890539 / 40	033-22890539/40	Hand Delivery

Working Hours: Monday to Friday 10 AM to 5 PM, Saturday 10 AM to 1 PM; Holidays: Sundays and Bank Holidays

Shareholders who cannot hand deliver their documents at the collection centres referred to above may send the same by registered post, at their own risk, to the Registrar to the Offer at their office at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078, and not to any other collection centre so that the same are received on or before the close of business hours on the Offer Closing Date.

9.5 In case of non-receipt of the Letter of Offer / Form of Acceptance / Form of Withdrawal eligible shareholders and unregistered owners (including beneficial owners) may download the same from SEBI's website http://www.sebi.gov.in or obtain a copy of the same by writing to the Registrar to the Offer at the collection centres set out in paragraph above clearly marking the envelope "SIL - Open Offer" by providing suitable documentary evidence of the acquisition of the Shares or make the acceptance on plain paper. Shareholders holding Shares in physical form should state their name, address, folio number, number of Shares held, distinctive numbers, number of Shares offered, bank particulars along with original Share Certificate(s), duly signed & witnessed transfer form(s). Beneficial owners should state their name, address, DP name, DP ID, beneficiary account number, number of Shares held, number of Shares offered, bank particulars, photocopy of the delivery instructions in "Off-market" mode or a counterfoil of the delivery instructions in "Off-market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant, to the collection centres on or before the close of business on the Offer Closing Date. The acceptance should be signed by all the shareholders as per the registration details available with SIL / Depositories and should be sent to the Registrar to the Offer in an envelope clearly marked "SIL - Open Offer".

9.6 In case any person has submitted Shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by shareholder's DP. Such shareholders should ensure that the process of getting the Shares dematerialised is completed well in time so that the credit of the Shares to the special depository account is completed on or before the close of business hours on the Offer Closing Date, failing which such an acceptance would be rejected. A copy of delivery instructions acknowledged by the DP in favour of the special depository account should be forwarded to the collection centre where the Form of Acceptance and other documents were tendered, before the Offer Closing Date.

9.7 In case any person has lodged Shares for transfer and such transfer has not yet been effected, the concerned person may apply as per instructions to be contained in the Letter of Offer, together with the acknowledgement of the lodgement of Shares for transfer. Such persons should also instruct the Target Company and/or its registrar & transfer agents – Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078 to send the transferred equity share certificate(s) directly to the collection centre located at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078. The person should ensure that the equity share certificate(s) reach the designated collection centre on or before the close of business hours on the Offer Closing Date. No indemnity is required from unregistered equity shareholders.

9.8 While tendering Shares under the Offer, shareholders are requested to give their Permanent Account No. ("PAN") and attach a photo copy of the PAN card. The Acquirer and the PAC reserve the right to reject such tenders from shareholders, where the details of PAN and a photo copy of the PAN card is not submitted.

9.9 While tendering Shares under the Offer, NRIs/ OCBs/ foreign and other non resident shareholders will be also required to submit the RBI approvals, if any (specific or general) that they would have obtained for acquiring Shares. In case the RBI approvals are not submitted, the Acquirer and the PAC reserve the right to reject the Shares tendered. As per the extant provisions of the Income Tax Act, 1961 ("Income Tax Act"), no deduction of tax at source shall be made before remitting the consideration for Shares tendered under the Offer by FIIs as defined in the Income Tax Act for Shares held under "Investment / Capital Account" by FIIs. This exemption is not available for payment of consideration in respect of Shares held by FIIs under their "Trade Accounts". However, while tendering their Shares under the Offer, NRIs, OCBs and other non resident shareholders will be required to submit a No Objection Certificate ("NOC") / Tax Clearance Certificate ("TCC") indicating the amount of tax to be deducted by the Acquirer and the PAC before remitting the consideration, from Income Tax authorities under the Income Tax Act. In case the aforesaid NOC / TCC is not submitted, the Acquirer and the PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders, on the entire consideration amount payable to such shareholders. The Acquirer and the PAC also reserve the right to reject such tenders from non-resident shareholders, where the aforesaid NOC / TCC is not submitted.

9.10 If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirer and the PAC shall accept the valid acceptances received on a proportionate basis from each shareholder as per Regulation 21(6) of the SEBI Takeover Code. The Shares are compulsorily traded in dematerialised form and the minimum marketable lot for the purposes of acceptance, for both physical and demat will be one Share.

9.11 Payment of consideration will be made by crossed account payee cheque/demand draft / pay order and sent by Registered Post / speed post, to those shareholders/unregistered owners and at their risk, whose Shares/ Share certificates and other documents are found in order and accepted by the Acquirer and the PAC in part or in full. The decision regarding the acquisition (in full or part), or rejection of, the Shares offered for sale by the shareholders of SIL pursuant to the Offer and (i) any corresponding payment for the acquired Shares and / or; (ii) share certificates for any rejected Shares or Shares withdrawn, will be communicated and despatched to the shareholders by registered post or by ordinary post as the case may be, at the shareholders sole risk. Shares held in dematerialised form to the extent not acquired or Shares withdrawn will be credited back to their beneficiary account with their respective depository participants as per the details furnished by their beneficial owners in the Form of Acceptance. Payment of consideration will be made by crossed account payee cheques/ demand drafts and sent by registered post and / or speed post 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 the Acquirer and the PAC, at the shareholders sole risk. In case of joint holders cheques/demand drafts will be drawn in the name of the first holder/ unregistered owner. The payment would be made at par to all the shareholders. **It is advised that shareholders provide bank details in the Form of Acceptance, so that same can be incorporated in the cheque/demand draft/pay order.**

9.12 In terms In terms of Regulation 22(5A) of the SEBI Takeover Code, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents, including the Form of Withdrawal, as per the instructions to be contained in the Letter of Offer, so as to reach the Registrar to the Offer at the collection centre where the original tender was submitted, on or before the Last date for withdrawing acceptance from the Offer.

a) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer, duly signed by all the registered holders as per their specimen signature recorded with SIL for shareholders in case of physical holdings/ with the Depository in case of electronic holdings, so as to reach the Registrar to the Offer at the collection centre where the original tender was submitted, on or before Wednesday, May 28, 2008. The signature of the beneficial holders on the Form of Withdrawal should be attested by the Depository Participant.

b) The withdrawal option can be exercised by submitting the Form of Withdrawal attached to this Letter of Offer, duly completed together with Acknowledgement slip in original / copy of the submitted Form of Acceptance in case delivered by Registered A.D.

c) In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an acceptance on plain paper along with the following details:
   i. In case of physical shares: Name, address, distinctive numbers, folio number and number of Shares tendered, number of Shares withdrawn.
   ii. In case of dematerialised shares: Name, address, number of Shares tendered, number of Shares withdrawn, DP name, DP ID, Beneficiary Account no., and a photocopy of 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 special depository account.

d) Shareholders who have tendered Shares in physical form and wish to partially withdraw their tenders, should also enclose valid share transfer form(s) for the remaining Shares (i.e. Shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with SIL and duly witnessed at the appropriate place.

e) 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 account.

f) The intimation of returned Shares to the shareholders will be at the address as per the records of SIL or the Depositories as the case may be.

g) 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 SIL.

h) Partial withdrawal of tendered Shares can be done only by the registered shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

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

9.13 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post / Speed Post at the shareholders’/unregistered owners’ 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 DP as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.

9.14 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 and the transfer form(s), if any, on behalf of the shareholders who have accepted the Offer, till the Acquirer and the PAC completes the Offer obligations in accordance with the SEBI Takeover Code.

9.15 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

9.16 Ambit Corporate Finance Private Limited, the Manager to the Offer does not hold any Shares of the Target Company.

10 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of SIL at the office of the Manager to the Offer at Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and public holidays, from the Offer Opening Date until the Offer Closing Date:

1. Copy of Articles of Incorporation and Articles of Association of SPGBV and SPBV;
2. Copy of the Certificate of Incorporation, and Memorandum and Articles of Association of the Target Company;
3. Copy of KPMG Accountants NV letter dated December 21, 2007 confirming that SPBV was until November 13, 2007, a 100% subsidiary of Stork N.V. and that SPBV was exempted by the Dutch Law to audit and publish their financial statements;
4. Copy of the certificate dated May 06, 2008 and May 05, 2008, issued by KPMG Accountants NV for the financial statements for the period from September 21, 2007 to December 31, 2007 for SPGBV and for the financial years ended December 31, 2007, December 31, 2006 and December 31, 2005 for SPBV respectively;
5. Copy of management certificate dated May 06, 2008, for the financial statements of SPBV, for the financial years ended December 31, 2006 and December 31, 2005;
6. Annual reports of the Target Company for the financial years ended March 31, 2007, March 31, 2006 and March 31, 2005 and certified results for the 6 months period ended September 30, 2007;
7. Copy of the certificate dated January 11, 2008, issued by KPMG Accountants NV confirming the firm arrangements made by SPGBV and SPBV for meeting its obligations under the SEBI Takeover Code;
8. Copy of the published Public Announcement, dated January 16, 2008 together with copies of all Corrigenda to the Public Announcement;
9. Copy of the agreement dated January 12, 2008 between the escrow banker, SPGBV and the Manager to the Offer, authorising the Manager to the Offer to realize the value of the 100% cash deposit, in terms of the SEBI Takeover Code;
10. Letter from HDFC Bank Limited, confirming the amount kept in an escrow account;
11. SEBI observation letter no CFD/DCR/MM/TO/124230/08 dated April 29, 2008;
12. A copy of the agreement entered into by the Registrar to the Offer with depository participant for opening a special depository account for the purposes of the Offer.

11 DECLARATION BY THE ACQUIRER AND THE PAC

The Acquirer and the PAC represented by their respective Board of Directors accept responsibility for the information contained in this Letter of Offer, Form of Acceptance and Form of Withdrawal (other than information in relation to the Target Company, which has been compiled from publicly available sources or received from the Target Company) and for their obligations under the SEBI Takeover Code. The Acquirer and the PAC are severally and jointly responsible for fulfilment of their obligations in terms of the SEBI Takeover Code.

On behalf of the Acquirer and the PAC:

-sd-
Name: Aschwin Hollander
Designation: Chief Financial Officer of the Stork Prints Group

Place: Zeist
Date: May 07, 2008

-sd-
Name: Dirk Wim Joustra
Designation: Chief Executive Officer of the Stork Prints Group

Place: Boxmeer
Date: May 07, 2008

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Intime Spectrum Registry Limited at any of the collection centers as per the mode of delivery mentioned in the Letter of Offer)

OPEN OFFER TO THE SHAREHOLDERS OF STOVEC INDUSTRIES LIMITED	
OPENS ON	WEDNESDAY, MAY 14, 2008
LAST DATE OF WITHDRAWL	WEDNESDAY, MAY 28, 2008
CLOSES ON	MONDAY, JUNE 02, 2008

***to be filled in by the shareholder*)**

Folio No. / DP ID **Client ID** **No. of Shares held**

From

Name:

Address:

Tel. No.: **Fax. No.:**

To**,**
Stork Prints Group BV / Stork Prints BV
C/o Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
L B S Marg, Bhandup (W),
Mumbai -400 078

Dear Sirs,

Sub: Offer to acquire 4,17,604 Shares of Re. 10/- each, representing 20% of paid-up and voting equity share capital of Stovec Industries Limited ("SIL" / "Target Company") by Stork Prints Group B.V. ("SPGBV" or the "Acquirer") and Stork Prints B.V. ("SPBV", the "Person Acting in Concert" or the "PAC") at a price of Rs.225.75 (Rupees Two Hundred Twenty Five and Seventy Five Paise Only) per fully paid up equity share ("Offer Price") payable in cash.

I/We refer to the Letter of Offer dated May 07, 2008 for acquiring the equity shares held by me/us in Stovec Industries Limited.
I/We, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We, accept the Offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
				Total	

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

SHARES HELD IN DEMAT FORM

I/We, holding Shares in demat form, accept the Offer and enclose a photocopy of the Delivery Instructions duly acknowledged by my/ our DP in respect of my/our Shares as detailed below.

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

I/We have done an "Off-market" transaction for crediting the Shares to the special depository account with **STOCK HOLDING CORPORATION OF INDIA LIMITED** opened by the Registrar to the Offer with CDSL styled **"SIL OPEN OFFER ESCROW ACCOUNT"** whose particulars are:

DP Name: STOCK HOLDING CORPORATION OF INDIA	DP ID / Client ID: 1601010000360167

Shareholders having their beneficiary account with NSDL will have to use inter-depository slip for the purpose of crediting their Shares in favour of the special depository account opened with CDSL.

--- **Tear along this line** ---

Acknowledgement Slip: Stovec Industries Limited – Open Offer

(to be filled by the shareholder) (subject to verification)

Folio No./DP ID **Client ID** **Sr. No.**

Received from Mr./Ms./M/s.____

Form of Acceptance along with:

(Please √ whichever is applicable)

☐ Physical Shares: No. of Shares ______________ No. of certificates enclosed___________

☐ Demat Shares: Copy of the delivery instruction for ____________ number of shares

Signature of Official __________________________ Date of Receipt _____________________

STAMP OF COLLECTION CENTRE

Payments for accepted Shares/credits for unaccepted Shares will be dispatched /credited by June 17, 2008, subject to receipt of regulatory approvals, if any needed.

Enclosures (Please √ as appropriate, if applicable)

☐ POWER OF ATTORNEY	☐ Previous RBI approvals for holding the shares of SIL hereby tendered in the Offer.
☐ No Objection Certificate & Tax Clearance Certificate under Income Tax Act, 1961, for NRIs/OCBs/foreign and other non resident shareholders as applicable	☐ Corporate authorisation in case of companies along with Board Resolution and specimen signatures of authorised signatories, copy of Memorandum and Articles of Association ☐ Death Certificate/ Succession Certificate
☐ Others (please specify): _____________	☐ Photo copy of the PAN of all the holders

For NRIs/OCBs/foreign and other non resident shareholders: I/We confirm that the Shares of Stovec Industries Limited are held by me/us on ☐ Investment/Capital Account OR ☐ Trade Account. **(Please √ whichever is applicable in your case)**

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

I/We note and understand that the original Share certificate(s) and valid Share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the time the purchase consideration as mentioned in the Letter of Offer and/or the unaccepted Shares/ Share certificates are dispatched or credited back to the beneficial owners' DP accounts.

I/We also note and understand that the purchase consideration will be paid only after verification of the documents and signatures.

I/We authorise the Acquirer to send by registered post / speed post the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

I/We note and understand that the Shares would lie in the special depository account until the time payment of purchase consideration as mentioned in the Letter of Offer is made.

I/We authorise the Acquirer to accept the Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorise the Acquirer to return to me/us, equity share certificate(s) in respect of which the Offer is not found valid/not accepted.

So as to avoid fraudulent encashment in transit, shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. In case of shares tendered under demat / electronic form, bank account details will be obtained from the depository and accordingly payment will be issued.

Name of the Bank	______________	Branch	______________	City	______________
Account Number		Savings / Current / Others (please specify)			

Yours faithfully,

Signed and Delivered

	FULL NAME(S) OF THE HOLDER	PAN	SIGNATURE(S)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed

Place: Date:

-- **Tear along this line** --

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your Reference Folio No./DPID/Client ID:

Intime Spectrum Registry Limited
(Unit: Stovec Industries Limited – Open Offer)
C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400 078
Tel: +91-22- 25960320 Fax: +91-22- 25960328 / 25960329
Contact Person: Ms. Awani Thakkar
Email: silopenoffer@intimespectrum.com

INSTRUCTIONS

1. In the case of dematerialised Shares, the shareholders are advised to ensure that their Shares are credited in favour of the special depository account, before the Offer Closing Date i.e. June 02, 2008. The Form of Acceptance-cum-Acknowledgement of such demat Shares not credited in favour of the special depository account, before the Offer Closing Date will be rejected.
2. **Shareholders should enclose the following :**

   I. For equity shares held in physical form:-

   - **Registered shareholders should enclose**
     - **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the Share certificates.
     - **Original Share Certificate(s)**.
     - **Valid transfer deed(s) / 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 Stovec Industries Limited and duly witnessed at the appropriate place. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate/Notary Public/ Bank Manager under their Official Seal. The details of the buyer should be left blank failing which the same will be invalid under the Offer. The details of the buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance. Shareholders holding physical Shares can also contact the Registrar to the Offer at any of their collection centres at the address given in the Letter of Offer to obtain a blank share transfer deed.

     In case of non receipt of the aforesaid documents, but receipt of the original Share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.
   - **Unregistered owners**
     - **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein.
     - **Original Share Certificate(s)**.
     - **Original broker contract note**.
     - **Valid Share transfer deed(s)** as received from market. The details of buyer should be left blank failing which, the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

     All other requirements for valid transfer will be preconditions for valid acceptance.

   II. For equity shares held in demat form:-

   Beneficial owners should enclose
     - **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
     - **Photocopy of the delivery instruction** in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP in favour of special depository account as per the instruction in the Letter of Offer.

   In case of non receipt of the aforesaid documents, but receipt of the credit in the escrow depository account, the Offer shall be deemed to be accepted
3. The Share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the **Registrar to the Offer** and not to the Manager to the Offer or the Acquirer or PAC or SIL.
4. Shareholders having their beneficiary account with NSDL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their Shares in favour of the special depository account with CDSL.
5. Shareholders tendering Shares in the Offer are required to give their Permanent Account No. at the box provided and attach a photo copy of the PAN. The Acquirer also reserves the right to reject such tenders from shareholders, where the details of PAN and a photo copy of the PAN is not submitted.
6. While tendering Shares under the Offer, NRIs/ OCBs/ foreign and other non resident shareholders will be also required to submit the RBI approvals, if any (specific or general) that they would have obtained for acquiring Shares. In case the RBI approvals are not submitted, the Acquirer reserves the right to reject the Shares tendered.
7. Non resident shareholders should enclose No Objection Certificate/Tax Clearance Certificate from the Income Tax Authorities under Income Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of the shareholder on the entire consideration amount payable. The Acquirer also reserves the right to reject such tenders from non-resident shareholders, where the aforesaid No-Objection Certificate/ Tax Clearance Certificate is not submitted.
8. Shareholders are advised to indicate the bank account details at the appropriate place in the Form of Acceptance-cum-Acknowledgement and the consideration cheque would be made to the bank account of the sole/ first shareholder. The payment would be made at par to all the shareholders.
9. Rejection of Shares

   If the Shares are rejected for any of the following reasons, the Shares will be returned to the sole / first named holder(s) along with all the documents received from them at the time of submission. Please note that the following list is not exhaustive.
   a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of SIL;
   b. The transfer deed is not complete or valid ;
   c. The relevant documents, as applicable, mentioned above at 2 and in addition at 5, 6 and 7 are not submitted with the Form of Acceptance-cum-Acknowledgement. The Acquirer also reserves the right to reject such tenders from shareholders, where the relevant documents are not submitted.
10. All documents / remittances sent by or to shareholders will be at their own risk. Shareholders of SIL are advised to adequately safeguard their interests in this regard. Shares held in demat 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.
11. Neither the Acquirer, the PAC, the Manager to the Offer, the Registrar to the Offer or SIL will be liable for any delay/loss in transit resulting in delayed receipt/ non-receipt by the Registrar to the Offer of your Form of Acceptance-cum-Acknowledgement or for the failure to deposit your Shares to the special depository account or submission of original physical Share certificates due to inaccurate/incomplete particulars/instructions on your part, or for any other reason.
12. Applicants who cannot hand deliver their documents at the collection centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078 so as to reach the Registrar to the Offer before the close of business hours on the Offer Closing Date.
13. The Form of Acceptance-cum-Acknowledgement and the related documents should be submitted by way of hand delivery at any of their collection centres of Intime Spectrum Registry Limited which are as follows: **(a) Mumbai: Intime Spectrum Registry Limited**, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078., Tel No.: 022-25960320 , Fax No022-25960328 -329; **Intime Spectrum Registry Limited**, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001, Tel No.: 022-22694127, Fax No022-25960328 -329 **(b) Ahmedabad: Intime Spectrum Registry Limited**, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009 , Telefax No: 079-2646 5179, **(c) New Delhi: Intime Spectrum Registry Limited**, A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110 028, Tel No.: 011-41410592/ 93/ 94, Fax No.: 011-41410591, **(d) Kolkata: Intime Spectrum Registry Limited**, 59C,Chowringhee Road,3rd Floor, Kolkata -700020, Tel No.: 033-22890539 / 40, Fax No.: 033-22890539/40.

FORM OF WITHDRAWAL
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to Intime Spectrum Registry Limited at the collection centre where the original Form of Acceptance was tendered)

to be filled in by the shareholder)

From:

Name:

Address:

Tel. No.: **Fax. No.:**

OPEN OFFER TO THE SHAREHOLDERS OF STOVEC INDUSTRIES LIMITED	
OPENS ON	WEDNESDAY, MAY 14, 2008
LAST DATE OF WITHDRAWL	WEDNESDAY, MAY 28, 2008
CLOSES ON	MONDAY, JUNE 02, 2008

To,
Stork Prints Group BV / Stork Prints BV
C/o Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
L B S Marg, Bhandup (W),
Mumbai -400 078

Dear Sirs,

Sub: Offer to acquire 4,17,604 Shares of Re. 10/- each, representing 20% of paid-up and voting equity share capital of Stovec Industries Limited ("SIL" / "Target Company") by Stork Prints Group B.V. ("SPGBV" or the "Acquirer") and Stork Prints B.V. ("SPBV", the "Person Acting in Concert" or the "PAC") at a price of Rs.225.75 (Rupees Two Hundred Twenty Five and Seventy Five Paise Only) per fully paid up equity share ("Offer Price") payable in cash - Withdrawal of shares tendered under the Offer

I/We refer to the Letter of Offer dated May 07, 2008 for acquiring the equity shares held by me/us in **Stovec Industries Limited.**
I/We, the undersigned, have read the Letter of Offer, understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.
I/We have also read the procedure for withdrawal of Shares tendered by me/us in the Offer as mentioned in 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 Shares from the Offer and I/we further authorise the Acquirer to return to me/us, tendered Share certificate(s)/Share(s) at my/our sole risk.
I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the 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 the collection center where the Form of Acceptance was tendered 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 Shares held in physical form and also for the non-receipt of Shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars /instructions.
I/We also note and understand that the Acquirer shall return original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position data as available from the Depository from time to time, respectively. The particulars of tendered original share certificate(s), which I / we wish to withdraw are detailed below:

Sr. No.	Folio No.	Certificate No. Tendered	Distinctive Nos.		No. of Shares
			From	To	
			Withdrawn		
				Total	

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We holding the following Shares in dematerialised form, have tendered the Shares in the Offer and had done an "Off-market" transaction for crediting the Shares to the special depository account with **STOCK HOLDING CORPORATION OF INDIA LIMITED** at CDSL styled "**SIL OPEN OFFER ESCROW ACCOUNT**" whose particulars are:

DP Name: STOCK HOLDING CORPORATION OF INDIA	DP ID / Client ID: 1601010000360167

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by the Depository Participant.

--- **Tear along this line** ---

Acknowledgement Slip: Stovec Industries Limited – Open Offer

(to be filled by the shareholder) (subject to verification) **Sr. No.**

Received from Mr./Ms./M/s.______________ ____

Physical Shares: Folio No. _______________ / Demat Shares: Client ID ____________________; DP ID ________________________

Form of Withdrawal for withdrawal of:

☐ Physical Shares: No. of Shares tendered - _______ No. of Shares withdrawn-___________

☐ Demat Shares: No. of Shares tendered - _________ No. of Shares withdrawn-___________

(Please √ whichever is applicable)

Signature of Official _____________________Date of Receipt__________________________________

STAMP OF COLLECTION CENTRE

The particulars of the account from which my/our Shares have been tendered and the Shares withdrawn are as detailed below:

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

I/We note that the Shares will be credited back only to that depository account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.
I/We confirm that the particulars given above are true and correct.
In case of dematerialised Shares, I/we confirm that the signatures 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) OF THE HOLDER	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 Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

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

Place: Date:

INSTRUCTIONS

1. **Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection center where the original Form of Acceptance was tendered on or before the last date of withdrawal i.e., Wednesday, May 28, 2008.**
2. Shareholders should enclose the following:-

   I. For Shares held in demat form:-

   Beneficial owners should enclose
   - **Duly signed and completed Form of Withdrawal.**
   - **Acknowledgement slip in original/ Copy** of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
   - **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. For Shares held in physical form:-

   ○ **Registered Shareholders should enclose:**
   - **Duly signed and completed Form of Withdrawal.**
   - **Acknowledgement slip in original/ Copy** of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

   In case of partial withdrawal, valid share transfer deed(s) for the remaining equity shares (i.e. shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with **Stovec Industries Limited** and duly witnessed at the appropriate place. Further the transfer deed should be valid for transfer.

   Shareholders holding physical Shares can also contact the Registrar to the Offer at any of their collection centres at the address given in the Letter of Offer to obtain a blank share transfer deed.

   ○ **Unregistered owners should enclose:**
   - **Duly signed and completed Form of Withdrawal.**
   - **Acknowledgement slip in original/ Copy** of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
3. The withdrawal of equity shares will be available only for the equity share certificates/the equity shares that have been received by the Registrar to the Offer/ special depository escrow account.
4. The intimation of returned equity 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 should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of equity 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.
7. Shareholders holding equity shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
8. The Form of Withdrawal and other related documents should be submitted at the collection center where the original Form of Acceptance was tendered.
9. Collection centres of Intime Spectrum Registry Limited which are as follows: **(a) Mumbai: Intime Spectrum Registry Limited**, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400 078., Tel No.: 022-25960320 , Fax No022-25960328 -329; **Intime Spectrum Registry Limited**, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001, Tel No.: 022-22694127, Fax No022-25960328 -329 **(b) Ahmedabad: Intime Spectrum Registry Limited**, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009 , Telefax No: 079-2646 5179, **(c) New Delhi: Intime Spectrum Registry Limited**, A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110 028, Tel No.: 011-41410592/ 93/ 94, Fax No.: 011-41410591, **(d) Kolkata: Intime Spectrum Registry Limited**, 59C,Chowringhee Road,3rd Floor, Kolkata -700020, Tel No.: 033-22890539 / 40, Fax No.: 033-22890539/40.

-- **Tear along this line** ---

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your Reference Folio No./DPID/Client ID

Intime Spectrum Registry Limited
(Unit: Stovec Industries Limited – Open Offer)
C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400 078
Tel: +91-22- 25960320 Fax: +91-22- 25960328 / 25960329
Contact Person: Ms. Awani Thakkar
Email: silopenoffer@intimespectrum.com