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 United Van Der Horst Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or MB / Registrar to the offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.

CASH OFFER

Pursuant to Regulations 10 and 12 and applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and amendments thereto **("the Regulations")**.

BY

Mr. Ushpal Singh Sabharwal, Mr. Inderpal Singh Sabharwal, Mr. Jagmeet Singh Sabharwal and Mr. Dilprit Singh Sabharwal ("Acquirers") (**all Residing at :** 1302 Ocean View, Union Park, Pali Hill, Khar (W), Mumbai 500 052
Tel No. : 022-26480822 **Fax No. :** 022-26054746)

TO THE EXISTING SHAREHOLDERS OF UNITED VAN DER HORST LIMITED (hereinafter referred as "UVDHL" or "the Company" or "Target Company")

(**Registered Office**: E-29/30, MIDC Industrial Area, Taloja, Navi Mumbai, Dist. Raigad 410208, Maharashtra.
Tel No.: 022-27412728 **Fax No.:** 022-27412725 **E-mail**:uvdhlrecon.vsnl.net)

TO ACQUIRE

Upto 7,99,100 Fully Paid-up Equity Shares of Rs. 10/- each, representing in aggregate upto 20% of the Issued and Subscribed Equity Share Capital (and representing 20.01% of the voting capital) for cash, at a price of Rs. 15.00 per Fully Paid-up Equity Share.

1. The acceptance of shares from Non-Resident shareholders is subject to the approval of the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA"). The application to the RBI will be made at the appropriate time. Besides the said approval, to the best of knowledge and belief of the Acquirers as on the date of the Public Announcement, no other statutory approvals are required to acquire shares tendered pursuant to this Offer.
2. **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement /Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer i.e. on or before Wednesday, 21st September 2005.**
3. Should the Acquirers decide to revise the Offer Price upward, such upward revision, will be made in accordance with Regulation 26 of the Regulations not later than Thursday, 15th September, 2005 i.e. 7 (seven) working days prior to the offer closing date. If the Offer Price is revised upward, such revised price will be payable to all the shareholders who have accepted this Offer and submitted their shares at any time during the period between the offer opening date and the offer closing date to the extent their shares have been verified and accepted by the Acquirers. Any such upward revision will be announced in the same newspapers in which the Public Announcement has appeared.
4. **There was no competitive bid.**
   As the offer price cannot be revised during seven working days prior to the closing date of the Offer, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price and tender their acceptance accordingly.
5. This Offer is not conditional upon any minimum level of acceptance.
6. The Acquirers reserve the right to withdraw the Offer in terms of Regulation 27 of the Regulations. In the event of such withdrawal, the same would be notified by way of a Public Announcement in the same newspapers where the Public Announcement appeared.
7. **A copy of the Public Announcement and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) is also available on SEBI's website: www.sebi.gov.in**

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
LKP SHARES AND SECURITIES LIMITED 112-A, EMBASSY CENTRE NARIMAN POINT, MUMBAI 400 021 Tel: (022) 22874785/86 Fax: (022) 22874787 Contact Person : Mrs. Bhairavi S. Nachane E-mail : bhairavi_nachane@lkpsec.com	INTIME SPECTRUM REGISTRY LIMITED **INTIME SPECTRUM REGISTRY LIMITED** C-13, PANNALAL SILK MILLS COMPOUND L.B.S. MARG, BHANDUP (W), MUMBAI: 400 078 Tel: (022) 5555 5491 - 94 Fax: (022) 5555 5499 Contact Person : Mr. Vishwas A. E-mail : uvdhoffer@intimespectrum.com
OFFER OPENS ON : MONDAY, 5TH SEPTEMBER, 2005	**OFFER CLOSES ON : SATURDAY, 24TH SEPTEMBER, 2005**

THE SCHEDULE OF ACTIVITIES IS AS PER THE FOLLOWING TABLE

Activity	Day	Date
Public Announcement (PA)	Friday,	15th July, 2005
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer (LOF) will be sent).	Friday,	15th July, 2005
Last date for announcement of competitive bid	Friday,	5th August, 2005
Date by which LOF will be despatched to shareholders	Tuesday,	30th August, 2005
Date of opening of the Offer	Monday,	5th September, 2005
Last date for revising the Offer Price /Number of Shares	Thursday,	15th September, 2005
Last date for withdrawal of acceptance by the shareholders	Wednesday,	21st September, 2005
Offer Closing date	Saturday,	24th September, 2005
Date by which rejection/acceptance would be intimated and date of payment of consideration for applications accepted.	Saturday,	8th October, 2005

Risk Factors:

Relating to the transaction:

1. As per Regulation 22(16) of the Regulations, in case of non-compliance of any provision of the Regulations by the Acquirers and the Sellers, the SPA 1 and SPA 2 shall not be acted upon by the parties.

Relating to the proposed Offer:

1. Acquirers require approval from RBI for acquisition / transfer of equity shares that are tendered in the Open Offer by Non-Residents.
2. If the aggregate of valid responses exceeds the offer size, then the Acquirers will accept the valid applications on a proportionate basis in accordance with Regulation 21(6) of the Regulations.

Probable risk involved in associating with the Acquirers:

1. The Acquirers cannot give any assurance regarding any improvement in the financial performance of the Company, consequent to the completion of the Offer.

TABLE OF CONTENTS

Disclosure by Manager to the Offer with respect to the following Regulations:

1. **Regulation 24(1)(e):** LKP Shares and Securities Ltd., does not hold any shares in UVDHL.
2. **Regulation 24(5A):** LKP Shares and Securities Ltd. will not deal in shares of UVDHL during the period commencing from Tuesday 12th July, 2005 upto 15 days after closure of the Offer.

ABBREVIATIONS /DEFINITIONS

Acquirers	Mr. Ushpal Singh Sabharwal, Mr. Inderpal Singh Sabharwal, Mr. Jagmeet Singh Sabharwal and Mr. Dilprit Singh Sabharwal
UVDHL/ Target Company/ the Company	United Van Der Horst Limited
BSE	Bombay Stock Exchange Limited
Buyers	Mr. Ushpal Singh Sabharwal, Mr. Inderpal Singh Sabharwal, Mr. Jagmeet Singh Sabharwal and Mr. Dilprit Singh Sabharwal
CDSL	Central Depository Securities Limited
Eligible Persons	All owners of shares of UVDHL, registered or unregistered (other than Acquirers and Sellers) who own shares at any time prior to the closure of the Offer. Shareholders holding partly-paid shares are not eligible to tender partly-paid shares under this Offer.
Form of Acceptance	Form of Acceptance-cum-acknowledgement.
LOF	Letter of Offer
Manager/Manager to the Offer/ LKPSS	LKP Shares and Securities Limited
NSDL	National Securities Depository Limited
NRI	Non-resident Indian
OCB	Overseas Corporate Body
Offer	Cash Open Offer made by the Acquirers on 15th July, 2005
Offer Price	Rs. 15.00 per equity share of UVDHL.
Public Announcement /PA	Public Announcement of the Offer dated 14th July, 2005 made by the Acquirers to shareholders of UVDHL published on 15th July, 2005.
RBI	Reserve Bank of India
Registrar to the Offer	Intime Spectrum Registry Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations, 1997 or "the Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and amendments thereof.
Sellers	Herbertsons Ltd., and V.D.H. Europe B.V.
Seller No.1	Herbertsons Ltd.
Seller No.2	V.D.H. Europe, B.V.
SPA 1	Share Purchase Agreement dated 12th July, 2005 between the Buyers & Herbertsons Ltd., Seller No.1
SPA 2	Share Purchase Agreement dated 12th July, 2005 between Buyers and V.D.H. Europe, B.V., Seller No.2
Specified Date	Friday, 15th July, 2005.

Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of fully paid equity shares of the Target Company (except the Acquirers` and Sellers) are eligible to participate in the Offer anytime before the closure of the Offer.

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF UNITED VAN DER HORST LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS 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 ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER LKP SHARES AND SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED TUESDAY, JULY 26, 2005 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 ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCE AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1 The Offer is being made in compliance with Regulations 10 and 12 of the Regulations for substantial acquisition of shares and change in control of UVDHL.

2.1.2 The Acquirers are Mr. Ushpal Singh Sabharwal, Mr. Inderpal Singh Sabharwal, Mr. Jagmeet Singh Sabharwal and Mr. Dilprit Singh Sabharwal all residing at 1302, Ocean View, Union Park, Pali Hill, Khar (W), Mumbai - 400 052. Telephone No. 022-26480822, Fax No. 022-26054746.

2.1.3 The Acquirers have entered into two Share Purchase Agreements ("SPA") on 12th July 2005, and the same has triggered the open offer. Given below are the details of the SPA:

(i) With Herbertsons Ltd., a UB Group company (hereinafter referred to as "Seller 1"), incorporated under the Companies Act, 1956, having its registered office at Ewart House, 1st floor, 22, Homi Mody Street, Mumbai - 400 023. (Telephone No. 022-22652588, Fax No. 022-22657910) and

(ii) With V.D.H. Europe B.V. (hereinafter referred to as "Seller 2"), having its registered office at Gildenstraat 10, 3861RG Nijkerk Gld, The Netherlands (Telephone No. 0031-33-2452846, Fax No. 0031-33-2456774).

2.1.4 In terms of Share Purchase Agreement with Seller 1 (hereinafter referred to as "SPA 1"), the Acquirers have agreed to purchase and Seller 1 has agreed to sell 8,82,880 equity shares (hereinafter referred to as "sale shares 1"), of Rs. 10 each, fully paid up, representing 22.10% of the paid up capital and 22.11% of the voting capital of United Van Der Horst Limited (hereinafter referred to as the "Target Company" or "the Company" or "UVDHL"), a company incorporated under the Companies Act, 1956 and having its Registered Office at E, 29/30, MIDC Industrial Area, Taloja, Dist. Raigad - 410208, Maharashtra, for cash, at a price of Rs. 8.75 per share, aggregating Rs. 77,25,200.

In terms of Share Purchase Agreement with Seller 2 (hereinafter referred to as "SPA 2"), the Acquirers have agreed to purchase and the Seller 2 has agreed to sell 13,12,370 equity shares (hereinafter referred to as "sale shares 2"), of Rs. 10 each, fully paid up, representing 32.85% of the paid up capital and 32.86% of the voting capital of UVDHL for cash at a price of Rs. 3.43 per share aggregating Rs. 45,01,429.10 provided that the purchase price is not less than US$ 100,000.

2.1.5 Seller 1 and Seller 2 have been jointly referred to as "Sellers" and their respective shares have jointly been referred to as "sale shares". The total sale shares being acquired by the Acquirers in terms of the two SPA's aggregate 21,95,250 representing 54.94% of the paid up capital and 54.96% of the voting capital, and the aggregate consideration payable in cash, by the Acquirers to the Sellers will amount to Rs. 1,22,26,629.10. The highest price paid for acquisition of "sale shares" is Rs. 8.75 per share while the average price paid is Rs. 5.57 per share.

2.1.6 The salient features of the SPA are:

(i) Upon the execution of SPA 1 and SPA 2, the parties have agreed to enter into an Escrow Agreement with a mutually acceptable Escrow Agent with whom :

(a) The Acquirers shall deposit the purchase price with the Escrow Agent.

(b) The Sellers shall deliver to the Escrow Agent:

- The original share certificates and duly executed transfer deeds for the same.
- Certified true copies of the Board resolutions of the Sellers authorising the respective signatories to sign the respective transfer forms.
- Undated letters of resignation of all the Directors of the company.
- Letters intimating bank branches as regards cancellation of existing authorised signatories and induction of new signatories as nominated by the Acquirers.

(ii) On the completion date, persons as the Acquirers may nominate, shall be appointed Directors. The Completion date being such date within 7 (seven) days after the receipt of the final report of the Manager to the Offer issued in compliance of Regulation 24(7) of the Regulations.

(iii) The Escrow Agent will release the purchase price to the Sellers and the properties listed in item (i) (b) above to the Acquirers on the closing date.

(iv) In case of non-compliance of any provision of the Regulations by the Acquirers and the Sellers, the SPA 1 and SPA 2 shall not be acted upon by the parties.

(v) The Sellers shall not directly or indirectly in any manner whatsoever, for a period of 5 years from the date of the respective SPAs, compete with the business of UVDHL in India.

(vi) Seller 2 and the Acquirers shall comply with the applicable provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations issued thereunder.

Apart from the above, there was a one-time settlement of debt with UTI and the Acquirers have agreed to bring a deposit of Rs. 9 lacs into UVDHL through their group company if there arises a claim from a Bank for settlement of dues. No approval was required to be taken from UTI, in relation to the Offer.

2.1.7 The Acquirers do not hold any shares in UVDHL.

2.1.8 Based on the information available from the Target Company, Sellers and Acquirers neither of them, nor the companies where the Acquirers are Directors, have been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the Regulations made under the SEBI Act, 1992.

2.1.9 In compliance with the terms of the SPA, a meeting of the Board of Directors of the Company will be held after completion of all formalities pertaining to this Offer, at which, persons as the Acquirers may nominate shall be appointed Directors and the resignation of present Directors of UVDHL will take effect. The Proposed Board of Directors may include some or all of the Acquirers, namely; Mr. Ushpal Singh Sabharwal, Mr. Inderpal Singh Sabharwal, Mr. Jagmeet Singh Sabharwal and Mr. Dilprit Singh Sabharwal.

2.1.10 No approval is required from the lenders of funds to UVDHL with respect to the Open Offer.

2.1.11 The offer is not as a result of global acquisition resulting in indirect acquisition of UVDHL.

2.2 Details of the proposed offer

2.2.1 The Public Announcement dated 14th July, 2005 in accordance with Regulation 15(1) of the Regulations, was made in the following newspapers published on 15th July 2005.

Newspaper	Language	Editions
The Financial Express (all editions)	English	Ahmedabad, Bangalore, Chennai, Chandigarh, Kochi/ Mumbai, New Delhi, Kolkata.
Jansatta (all editions)	Hindi	New Delhi, Kolkata
Mumbai Tarun Bharat	Marathi	Mumbai

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

2.2.2 The Acquirers are making the Offer in terms of Regulations 10 & 12 of the Regulations.

2.2.3 The present offer is being made to all the shareholders of the Target Company (except the Acquirers and Sellers) to acquire 799,100 (Seven lac ninety nine thousand one hundred) fully paid up equity shares of UVDHL of face value of Rs. 10 each representing 20% of the issued and subscribed equity share capital and 20.01% of the voting capital in terms of Regulation 21(1) of the Regulations at a price of Rs. 15 per equity share ("offer price") paid in cash in terms of Regulation 20 ("the offer") of the Regulations. The equity shares to be acquired pursuant to this Offer will be free from all liens, charges and encumbrances.

2.2.4 The Offer is not subject to any minimum level of acceptances. The Acquirers will acquire all the fully paid-up equity shares of UVDHL that are validly tendered and accepted in terms of this Offer upto 7,99,100 fully paid up equity shares.

2.2.5 There are 1400 equity shares of the Company that are partly paid. As per the Articles of Association of the Company, partly paid equity shares do not carry voting rights. The Acquirers have made an offer to acquire 7,99,100 fully paid-up equity shares of Rs. 10 each, comprising 20% of the issued and subscribed equity share capital and representing 20.01% of the voting capital consequent to entering into SPA 1 & SPA 2 to acquire 21,95,250 fully paid-up equity shares of Rs. 10/- each. Since the said 1400 partly paid equity shares do not carry voting rights and because the Acquirers have not acquired any partly paid-up shares, the Acquirers have not offered to acquire partly paid shares in this Offer. Hence, partly paid-up shares are not eligible to be tendered in this Offer. Therefore shareholders holding partly paid equity shares will not be eligible to tender partly paid shares in the Open Offer.

2.2.6 The Acquirers have not acquired any shares of UVDHL after the date of PA till the date of this Letter of Offer.

2.2.7 Competitive Bid:

There was no competitive bid to acquire shares of UVDHL consequent to the PA published on 15th July, 2005.

2.3 Object of the Offer

2.3.1 The Acquirers visualise that on acquiring substantial shares and taking over the control of UVDHL, they would be in a position to grow the business of UVDHL through leveraging the technical skill the Acquirers possess together with financial support since the Acquirers plan to infuse fresh funds into UVDHL.

2.3.2 The Acquirers are not in a similar line of business as UVDHL but there is a synergy in the business, as the Acquirers are in the business of manufacturing of seals in polymers and the clients include manufacturers of hydraulic cylinders, gear box, motors, transmission, rolling mills, nuclear/thermal power plants and railways and UVDHL's business includes re-conditioning and re-standardising of precision components in the said industries. The Acquirers aspire to take control of the management of UVDHL and improve the financial position of UVDHL. There is no change envisaged in the position of the Acquirers in terms of market position etc.

3. BACKGROUND OF THE ACQUIRERS

3.1 Mr. Ushpal Singh Sabharwal

3.1.1 Mr. Ushpal Singh Sabharwal aged 63 years resides at 1302 Ocean View, Pali Hill, Union Park Khar, Mumbai 400 052. Telephone No: 022-26480822, Fax No: 022-26054746.

3.1.2 He is a Commerce Graduate, having an experience of about 38 years in all aspects of business like conception of projects, establishing manufacturing units and managing the business operations. He is the father of the other Acquirers. He promoted Spare-Age (India) Pvt. Ltd. ("Spare-Age"), a company incorporated under the Companies Act, 1956 on 4th April, 1967. Spare-Age is a manufacturer of oil seals in Polymers.

3.1.3 Mr. S. S. Chaudhary, Proprietor, M/s. S. S. Chaudhary & Co. Chartered Accountants, (Membership No. 16531) having office at 2/0, Vijay Chambers, 2nd Floor, Tribhuvan Road, Mumbai 400 004 (Tel No: 022-23867649, Fax No.: 022-56368217) has certified vide letter dated 12th July, 2005 that as on 31st March 2005, the Networth of Mr. Ushpal Singh Sabharwal is over Rs. 290.60 lacs.

3.1.4 Chapter II of the Regulations are not applicable to Mr. Ushpal Singh Sabharwal as he does not hold any shares in UVDHL.

3.1.5 Mr. Ushpal Singh Sabharwal is the Chairman and Managing Director of Spare-Age. Besides Spare-Age, he is not on the Board of Directors of any other company whether listed or unlisted.

3.1.6 Mr. Ushpal Singh Sabharwal does not hold any shares in UVDHL neither has he made any acquisitions in UVDHL in any other manner.

3.2 Mr. Inderpal Singh Sabharwal

3.2.1 Mr. Inderpal Singh Sabharwal aged 35 years resides at 1302 Ocean View, Pali Hill, Union Park Khar, Mumbai 400 052. Telephone No: 022-26480822, Fax No: 022-26054746.

3.2.2 Mr. Inderpal Singh Sabharwal is the son of Mr. Ushpal Singh Sabharwal.

3.2.3 He is a Commerce Graduate, having business experience of 15 years in the area of sales and presently looks after the sales function in Spare-Age.

3.2.4 Mr. S. S. Chaudhary, Proprietor, M/s. S. S. Chaudhary & Co. Chartered Accountants, (Membership No. 16531) having office at 2/0, Vijay Chambers, 2nd Floor, Tribhuvan Road, Mumbai 400 004 (Tel No: 022- 23867649, Fax No.: 022-56368217) has certified vide letter dated 12th July, 2005 that as on 31st March 2005, the Networth of Mr. Inderpal Singh Sabharwal is Rs. 58.15 lacs.

3.2.5 Chapter II compliances of the Regulations are not applicable to Mr. Inderpal Singh Sabharwal as he does not hold any shares in UVDHL.

3.2.6 Mr. Inderpal Singh Sabharwal is not on the Board of Directors of any listed company.

3.2.7 Mr. Inderpal Singh Sabharwal is a Whole Time Director of Spare-Age.

3.2.8 Mr. Inderpal Singh Sabharwal does not hold any shares in UVDHL, neither has he made any acquisitions in UVDHL in any other manner.

3.3 Mr. Jagmeet Singh Sabharwal

3.3.1 Mr. Jagmeet Singh Sabharwal aged 32 years resides at 1302 Ocean View, Pali Hill, Union Park Khar, Mumbai 400 052. Telephone No: 022-26480822, Fax No: 022-26054746.

3.3.2 Mr. Jagmeet Singh Sabharwal is the son of Mr. Ushpal Singh Sabharwal.

3.3.3 He is a Commerce Graduate, having business experience of 12 years in the area of factory operations and presently looks after the technical and manufacturing areas of business in Spare-Age.

3.3.4 Mr. S. S. Chaudhary, Proprietor, M/s. S. S. Chaudhary & Co. Chartered Accountants, (Membership No. 16531) having office at 2/0, Vijay Chambers, 2nd Floor, Tribhuvan Road, Mumbai 400 004 (Tel No: 022- 23867649, Fax No.: 022-56368217) has certified vide letter dated 12th July, 2005 that as on 31st March 2005, the Networth of Mr. Jagmeet Singh Sabharwal is Rs. 47.44 lacs.

3.3.5 Chapter II compliances of the Regulations are not applicable to Mr. Jagmeet Singh Sabharwal as he does not hold any shares in UVDHL.

3.3.6 Mr. Jagmeet Singh Sabharwal is not on the Board of Directors of any listed company.

3.3.7 Mr Jagmeet Singh Sabharwal is a Whole Time Director of Spare-Age.

3.3.8 Mr. Jagmeet Singh Sabharwal does not hold any shares in UVDHL, neither has he made any acquisitions in UVDHL in any other manner.

3.4 Dilprit Singh Sabharwal

3.4.1 Mr. Dilprit Singh Sabharwal aged 26 years resides at 1302 Ocean View, Pali Hill, Union Park Khar, Mumbai 400 052. Telephone No: 022-26480822, Fax No: 022-26054746.

3.4.2 Mr. Dilprit Singh Sabharwal is the son of Mr. Ushpal Singh Sabharwal.

3.4.3 He is a Diploma holder in Polymer Technology and is also an MBA, having business experience of 4 years in general administration and is presently responsible for new projects.

3.4.4 Mr. S. S. Chaudhary, Proprietor, M/s. S. S. Chaudhary & Co. Chartered Accountants, (Membership No. 16531) having office at 2/0, Vijay Chambers, 2nd Floor, Tribhuvan Road, Mumbai 400 004 (Tel No: 022- 23867649, Fax No.: 022-56368217) has certified vide letter dated 12th July, 2005 that as on 31st March 2005, the Networth of Mr. Dilprit Singh Sabharwal is Rs. 77.92 lacs.

3.4.5 Chapter II compliances of the Regulations are not applicable to Mr. Dilprit Singh Sabharwal as he does not hold any shares in UVDHL.

3.4.6 Mr. Dilprit Singh Sabharwal is not on the Board of Directors of any listed company.

3.4.7 He is a whole time Director of Spare-Age.

3.4.8 Mr. Dilprit Singh Sabharwal does not hold any shares in UVDHL neither has he made any acquisitions in any other manner.

3.5 The Acquirers have not entered into any agreement between themselves with regard to the acquisition of shares tendered through this Offer by the shareholders of UVDHL.

3.6 All the four Acquirers are equal partners in "Sabharwal Investments", a partnership firm which receives rental income on its property. Spare-Age and Sabharwal Investments do not hold any shares in UVDHL and neither of these two entities is an NBFC.

3.7 None of the Acquirers nor any company, in which the Acquirers are Directors, have been prohibited by SEBI from dealing in securities, under directions issued pursuant to Section 11B of the SEBI Act, 1992 or under any of the Regulations made under the SEBI Act, 1992.

3.8 Brief particulars of entities promoted by Acquirers:

3.8.1 Name of the Company : Spare-Age (India) Pvt. Limited

Date of Incorporation : 4th April 1967 at Mumbai.

Name of the Acquirers who are Promoters : Mr. Ushpal Singh Sabharwal

Nature of Business : Manufacturer of oil seals in polymers.

Financial Information as per Audited Accounts

(Rs. in Lacs)

For the Years Ended		**31-03-2005**	**31-03-2004**	**31-03-2003**
Equity Share Capital	Rs. in lacs	49.56	29.00	29.00
Reserves (excluding revaluation reserves)	Rs. in Lacs	145.76	92.05	49.88
Total	Rs. in Lacs	195.32	121.05	78.88
Total Income	Rs. in lacs	1530.56	1027.31	706.21
Profit/(Loss) After Tax	Rs. in lacs	53.70	42.17	26.44
Earning Per Share *	Rs.	108.36	145.41	125.90
Book Value per share *	Rs.	394.11	417.41	375.62

* Face Value of Rs. 100 each

3.8.2 Name of the Partnership Firm: Sabharwal Investments

Names of the Acquirers who are Partners: Mr. Ushpal Singh Sabharwal, Mr. Inderpal Singh Sabharwal, Mr. Jagmeet Singh Sabharwal and Mr. Dilprit Singh Sabharwal are all equal partners in the firm.

Nature of Business: Income from rent received on its property

Financial Information as per Audited Accounts

(Rs. in Lacs)

For the Years Ended		**31-03-2005**	**31-03-2004**	**31-03-2003**
Partners Capital	Rs. in lacs	3.65	3.61	3.88
Total Income	Rs. in lacs	0.40	0.13	0.33
Profit/(Loss) After Tax	Rs. in lacs	0.13	0.03	0.06
Earning Per Share	Rs.	N.A.	N.A.	N.A.
Book Value per share	Rs.	N.A.	N.A.	N.A.

3.9 Disclosure in terms of Regulation 16(ix)

3.9.1 As explained in detail in paras 2.1.3 & 2.1.4 of this LOF, the Acquirers have entered into two SPA's for the purchase of the "sale shares". This acquisition is thus a substantial acquisition of shares along with the voting rights in UVDHL that will enable Acquirers to gain control of the Company. As a result, the provisions of Regulations 10 & 12 of the Regulations are attracted. The Acquirers are making this offer in compliance with Regulations 10 & 12 of the Regulations for the purpose of substantial acquisition of equity shares and voting rights and the resultant change in control / management of UVDHL in terms of the SPA.

3.9.2 The Acquirers visualize that on acquiring substantial shares and taking control of UVDHL, they would be in a position to grow the business of UVDHL through input of better managerial skills, technical skills and financial assistance. The Acquirers plan to revive UVDHL by infusing fresh funds into it.

3.9.3 The Acquirers currently do not have any plans to dispose off or otherwise encumber any assets of UVDHL in the next two years except in the ordinary course of business of UVDHL. The Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of UVDHL except with the prior approval of the shareholders.

3.10 Future plans/strategies of the Acquirers with regard to the Target Company

The Acquirers shall endeavor to make best efforts to rehabilitate UVDHL by arranging for funds in the Company including by way of inter-corporate deposits. The Acquirers will make efforts to aggressively increase the capacity utilization, aggressively market the Company's products and improve the financial condition of UVDHL, control the requirement of working capital and propose to incur expenditure for maintenance of Company's plant and machinery.

4. OPTION IN TERMS OF REGULATION 21(3)

BSE has informed UVDHL, vide its letter dated 24th August, 2005 that the level of non-promoter shareholding as at the time of initial listing of UVDHL was 25%, which is required to be maintained for continous listing. Pursuant to the said Offer, (assuming full acceptances in the Offer), the public shareholding will not fall below the limit specified for the purpose of listing on a continuous basis in terms of listing agreement with BSE.

5. BACKGROUND OF THE TARGET COMPANY

5.1 United Van Der Horst Limited was incorporated as a Public Limited Company on 22nd July, 1987 under the Companies Act, 1956. Its Registered Office is at E-29/30, MIDC Industrial Area, Taloja, Dist. Raigad, Navi Mumbai - 410208, Maharashtra. Telephone No: 022-27412728 Fax No.: 022-27412725 E-mail: uvdhlrecon@vsnl.net.

5.2 UVDHL was promoted by The UB Group and VDH Europe B.V. of the Netherlands. The Company operates in the area of re-conditioning and re-standardising of high precision critical components for industries such as marine, oil field, power plant, railways, petrochemicals, processing industries, mining, etc. The Company has been awarded API 6A Certificate issued by the American Petroleum Institute because of commitment to modern quality systems, sound engineering and operating practices.

5.3 The Company has its plant located at E, 29/30, MIDC Industrial Area, Taloja, Dist. Raigad, Navi Mumbai 410208, Maharashtra. The Company is situated in well developed MIDC area on Old Agra Road. The plant is constructed on a total area of 14,450 sq. meter plot. Area of building constructed is 59,288 sq. ft with "B" class of construction. The Company is well connected by road and all civic amenities are available. The Company is having HT Electric supply of 600 KVA and sufficient water is available from MIDC. The total number of permanent employees are 31.

5.4 UVDHL has issued and subscribed equity capital of Rs. 399.55 lacs, comprising of 39,95,500 equity shares of Rs. 10 each. 1400 equity shares are partly paid on which unpaid allotment money amounts to Rs. 7,000. Thus, the paid up capital is Rs. 3,99,48,000 comprising of 39,94,100 equity shares of Rs. 10 each fully paid and 1,400 equity shares of Rs. 10 each having a paid up value of Rs. 5 per share. As per the Articles of Association of UVDHL, partly paid shares do not carry voting rights.

5.5 The Share Capital structure of UVDHL is mentioned below:

Paid up Equity Shares of UVDHL	**No. of Shares / voting rights**	**% of shares w.r.t. total equity capital**	**% of shares w.r.t. voting capital**
Fully paid up equity shares	3994100	99.96%	100%
Partly paid up equity shares	1400	0.04%	0.04%
Total equity shares	3995500	100%	N.A.
Total voting rights in Target company #	3994100	99.96%	100%

1400 equity shares being partly paid not entitled to voting rights.

5.6 Details of share capital history of UVDHL are as follows:

Date of allotment	**No. and % of shares issued**	**Cumulative paid up capital (Rs.)**	**Mode of allotment**	**Identity of allottees (promoters / ex-promoters / others)**	**Status of compliance**
07-07-1987	7 (100%)	70	Subscription during formation of the Company.	Non-Promoters	Capital issued prior to the Public Issue
22-06-1988	5,500 (100%)	55,070	Subscription during the formation of the Company	Non-Promoters	Capital issued prior to the Public Issue
8-12-1989	24,94,493	2,49,92,500	Initial Public Offering	Promoters: 14,46,250 Public: 10,48,243	Complied with CCI Guidelines
05-05-1992	14,95,500	3,99,47,500	Rights Issue	Promoters: 11,58,314 Public: 3,37,186	Complied with CCI Guidelines
2004-2005	-	3,99,48,000	Received Allotment Money	-	-
Total	**39,95,500**	**3,99,48,000***			

*** Note: Please refer para 5.4 for explanation on issued share capital and paid-up share capital.**

5.7 UVDHL is listed only on Bombay Stock Exchange Limited ("BSE"). UVDHL has confirmed that the equity shares of the Company have not been suspended for trading from BSE from the time the shares have been listed on the Stock Exchange.

5.8 All the issued and subscribed equity shares of UVDHL have been listed on BSE and are presently traded in 'Z' category since it has a negative networth and shares were held in physical form. UVDHL has obtained permission for dematerialisation from NSDL while permission from CDSL is still awaited.

5.9 There are no outstanding convertible instruments such as warrants/FCDs/ PCDs. etc. The Company has 1,400 equity shares of Rs. 10/- each, being partly paid having a paid up value of Rs. 5/- per share. As per the Articles of Association of the Company these partly paid shares have no voting rights.

5.10 The requirements of Chapter II of the Regulations have been complied by United Breweries (Holdings) Limited, one of the Promoters of UVDHL. However, there have been delays in compliance of the requirements of Chapter II of the Regulations by Other Promoters, Sellers, Major Shareholders & Target Company for some years. The position of compliances is as follows:

(i) Herbertsons Limited (the Promoter who is also a Seller and who is also a major shareholder of UVDHL): There was a delay in compliance of Regulations 6(1) and 6(3) of Chapter II of the Regulations by 2072 days and delays in compliance with Regulations 8(1) and 8(2) of Chapter II of the Regulations by 1706, 1341, 975, 610 and 245 days for the years ended 31st March 1998, 1999, 2000, 2001 and 2002 respectively.

(ii) V.D.H. Europe, B.V. (the Promoter who is also a Seller & Major Shareholder of UVDHL): There was a delay in compliance with Regulations 6(1) and 6(3) of Chapter II of the Regulations by 2166 days and there was a delay in compliance of Regulations 8(1) and 8(2) of Chapter II of the Regulations by 1800, 1435, 1069, 704 and 339 days for the years ended 31st March 1998, 1999, 2000, 2001 and 2002 respectively.

(iii) UVDHL: There was a delay in compliance of Regulations 6(2) and 6(4) of Chapter II of the Regulations by 2137 days and a delay in compliance with Regulation 8(3) of Chapter II of the Regulations by 1792, 1427, 1062, 697 and 332 days for the years ended 31st March 1998, 1999, 2000, 2001 and 2002 respectively. UVDHL has complied with the provisions of Regulation 8(3) of Chapter II of the Regulations for the years ended 31st March 2003, 2004 and 2005.

(iv) The Promoters who are also Major Shareholders and Sellers have complied with the provisions of Chapter II of the Regulations after taking benefit of the Amnesty Scheme introduced by SEBI in 2002. UVDHL also has participated and regularized their non-compliance of the provisions of Chapter II of the Regulations, in the Amnesty Scheme introduced by SEBI in 2002.

5.11 The shares of UVDHL are listed on BSE. UVDHL has been complying with the listing requirements of BSE. However, it has received a letter from BSE regarding non-submission of "Secretarial Audit Report" as per Regulation 55 A of SEBI (Depositories and Participants) Regulations, 1996 & subsequent circulars thereto. UVDHL has complied with the said Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 & subsequent circulars thereto, vide its letter dated 19th April, 2005 addressed to BSE. UVDHL has confirmed to LKPSS vide its letter dated 12th July, 2005 that no punitive action has been taken against UVDHL by BSE.

5.12 As on the date of the PA the composition of the Board of Directors of UVDHL is as follows:

Name & Address of Directors	**Qualification**	**Experience**	**Date of appointment**	**Designation**
Mr. P. K. Daruwalla Sundew 1002, Raheja Vihar, Powai, Andheri (E) Mumbai	C.A.	45 years experience in Finance, Accounts and Management	01.12.1998	Chairman
Mr. Anup Singh Chhaprifarm, P.O. Maruti, Gurgaon 122 015, Haryana	C. Eng. F.I. Mech.E. (London) F.I. E. (India)	45 years in production and Management	10.03.1993	Director
Mr. Ami Raghunathan 604 II-B, Wallace Apartments, Naushir Bharucha Marg, Mumbai 400 007	C.A.	30 years experience in Finance, Accounts and Management	20.09.2003	Director
Mr. Kwan Chee Seng, 2, Jalan Seruling, Singapore 576855	-	30 years experience in managing his business	04.03.2005	Director
Dr. Janakiram Chellappan Flat No. PH-2, 13th Floor, Plot No. 292-95, A Wing, Maruti Paradise, CHD Sector 15, CBD Belapur, Navi Mumbai 410 614	Mechanical Engineer, Doctorate in Social Science	37 years experience in Production & Marketing	09.02.2000	Managing Director

5.13 There has been no merger/de-merger or spin off during the last three years involving UVDHL. The Company's name has not been changed since inception as well as since listing of the shares.

5.14 The brief audited financial details of UVDHL for the preceding three years are mentioned below:

(Rupees in lacs)

Profit & Loss Statement for Years Ended 31st March	**2005**	**2004**	**2003**
Income from Operations	276.69	164.97	273.93
Other Income	0.94	4.90	2.43
Total Income	277.63	169.87	276.36
Total Expenditure	230.80	219.82	241.29
Profit /(Loss) Before Depreciation Interest and Tax	**46.83**	**(49.95)**	**35.07**
Depreciation	42.71	42.91	41.69
Interest	8.82	7.60	8.08
Profit / (Loss) Before Tax	**(4.70)**	**(100.46)**	**(14.70)**
Less: Deferred Tax	10.56	5.66	3.04
Profit/(Loss) After Tax	**5.86**	**(94.80)**	**(11.66)**

(Rupees in lacs)

Balance Sheet Statement as at 31st March	**2005**	**2004**	**2003**
Sources of funds			
Issued, Subscribed & Paid up share capital	399.55	399.55	399.55
Less: unpaid allotment money	(0.07)	(0.075)	(0.075)
Total paid-up capital	399.48	399.47	399.47
Less: Brought forward losses	655.88	662.00	567.02
Networth	(256.4)	(262.53)	(167.55)
Secured loans	506.03	513.93	502.09
Unsecured loans	19.00	15.00	20.00
Total	**268.63**	**266.40**	**354.54**
Uses of funds			
Net fixed assets	221.18	263.66	303.36
Investments	-	-	-
Net current assets	80.47	46.32	100.42
Deferred Tax Liability	(33.02)	(43.58)	(49.24)
Total	**268.63**	**266.40**	**354.54**

Other Financial Data for years ended 31st March		**2005**	**2004**	**2003**
Dividend	%	Nil	Nil	Nil
Earning Per Share	Rs.	0.15	-2.37	-0.29
Return on Networth	%	Note 1	Note 1	Note 1
Book Value Per Share	Rs.	-6.42	-6.57	-4.19

Note 1: Return on Networth is not meaningful since the networth has been fully eroded and is negative.

There has been a fall in the total income from the year ended 31st March 2003 to 31st March 2004, due to the following factors:

(i) The Company operates in the refurbishing, restandardising & reconditioning industry, which is segmented in Service Industry and UVDHL provides service of repair & maintenance. Thus, the business is highly dependant on the overall functioning and performance of its workmen. The decline in sales in the year ended 31st March 2004 compared to sales in year ended 31st March 2003, has been mainly because of non-co-operation from its workmen and some of the workers refrained to report for work.

(ii) The major customers of repair and reconditioning industries are Shipping Companies, Oilfield Companies, Steel, Mining etc., where mainly the customers have been companies controlled by the Government. It has been perceived by the Management that economic environment was sluggish in the year 2003, as a result of which lower budgets were allocated in the sector of repairs & maintenance thereby affecting the overall performance of the activities of UVDHL.

5.15 At the meeting of the Board of Directors held on 28th June 2001, the Directors have declared the Company as Sick industrial company within the meaning of clause (O) of the sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985 because the Company's Networth has been fully eroded. The Company being in the service industry, it is not required to seek registration with The Board for Industrial and Financial Reconstruction.

5.16 (i) Pre and Post- Offer share holding pattern of UVDHL on the basis of issued, and subscribed equity share capital as on 15th July, 2005 is as follows:

Shareholders Category	Shareholding & voting rights prior to the agreement/ acquisition and Offer		Shares / Voting rights agreed to be acquired which triggered off the Regulations		Shares / Voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the acquisition and offer i.e.	
	A		B		C		(A) + (B) + (C) = (D)	
	No.	%	No.	%	No.	%	No.	%
(1) <u>Promoter Group</u>								
a. Parties to agreements: Sellers:								
1] Herbertsons Limited	9,79,406	24.51	-	-	-	-	**Refer Note 1**	**Refer Note 1**
2] V.D.H Europe B.V.	13,12,370	32.85	-	-	-	-	-	-
b. Promoters other than (a) above:								
1] United Breweries (Holdings) Limited	2,84,288	7.12	-	-	-	-	**Refer Note 1**	**Refer Note 1**
Total 1 (a+b)	**25,76,064**	**64.48**	**-**	**-**	**-**	**-**	**-**	**-**
(2) <u>Acquirers</u>								
a. Main Acquirers								
1] Mr. U. S. Sabharwal	-	-						
2] Mr. I. S. Sabharwal	-	-						
3] Mr. J. S. Sabharwal	-	-	21,95,250	54.94	7,99,100	20.00	29,94,350	74.94
4] Mr. D. S. Sabharwal	-	-						
Total 2 (a)	**-**	**-**	**21,95,250**	**54.94**	**7,99,100**	**20.00**	**29,94,350**	**74.94**
(3) <u>Parties to agreement other than (1) (a) & (2)</u>								
None	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(4) <u>Public (other than parties to agreement, acquirers)</u>								
a. FIs/ MFs/ FIIs /Banks:								
i. Mutual Fund & UTI	1,71,000	4.28	-	-	-	-	-	-
ii. Bank of India	900	0.02	-	-	-	-	-	-
iii. ICICI Bank	1,46,000	3.65	-	-	-	-	10,01,150	25.06
b. Others:							**Refer**	**Refer**
1 Private & Corporate Bodies	68,059	1.70	-	-	-	-	**Notes 1 and 2**	**Notes 1 and 2**
2 NRIs/OCBs	-	-	-	-	-	-		
3 Indian Public (No. of shareholders = 6,606)	10,33,477	25.87	-	-	-	-		
Total (4) (a+b)	**14,19,436**	**35.52**	**-**	**-**	**-**	**-**	**10,01,150**	**25.06**
GRAND TOTAL (1+2+3+4)	**39,95,500**	**100**	**21,95,250**	**54.94**	**7,99,100**	**20.00**	**39,95,500**	**100**

Note 1: Pursuant to the Public Offer, the residual shares with Herbertsons Limited (Seller No.1) and United Breweries (Holdings) Ltd. (Promoter Group Company) would no longer be treated as shares of the Promoter Group but would be classified in the Public Shareholdings. Hence, post-offer, shares held by them have been reflected in the “Public” Category.

Note 2 : The Post-Offer Shareholding of Public would depend on the response and acceptance of the present public in this Open Offer.

Note 3 : Shareholders holding partly-paid shares are not eligible to participate in the Offer.

(ii) Pre and Post-Offer share holding pattern of UVDHL on the basis of voting equity share capital as on 15th July, 2005 is as follows :

Shareholders Category	Shareholding & voting rights prior to the agreement/ acquisition and Offer		Shares / Voting rights agreed to be acquired which triggered off the Regulations		Shares / Voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the acquisition and offer i.e.	
	A		B		C		(A) + (B) + (C) = (D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								
a. Parties to agreement, if any								
Sellers :								
1] Herbertsons Limited	9,79,406	24.52	-	-	-	-	**Refer Note 1**	**Refer Note 1**
2] V.D.H Europe B.V.	13,12,370	32.86	-	-	-	-	-	-
b. Promoters other than (a) above:								
1] United Breweries (Holdings) Limited	2,84,288	7.12	-	-	-	-	**Refer Note 1**	**Refer Note 1**
Total 1 (a+b)	**25,76,064**	**64.50**	**-**	**-**	**-**	**-**	**-**	**-**
(2) Acquirers								
a. Main Acquirer:								
1] Mr. U. S. Sabharwal	-	-						
2] Mr. I. S. Sabharwal	-	-	21,95,250	54.96	7,99,100	20.01	29,94,350	74.97
3] Mr. J. S. Sabharwal	-	-						
4] Mr. D. S. Sabharwal	-	-						
Total 2(a)	-	**-**	**21,95,250**	**54.96**	**7,99,100**	**20.01**	**29,94,350**	**74.97**
(3) Parties to agreement other than(1) (a) & (2)								
None	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A
(4) Public (other than parties to agreement & Acquirers)								
a. FIs/ MFs/FIIs/Banks/Fis:								
i. Mutual Fund & UTI	1,71,000	4.28	-	-	-	-		
ii. Bank of India	900	0.02	-	-	-	-		
iii. ICICI Bank	1,46,000	3.66	-	-	-	-	9,99,750	25.03
b. Others							**Refer Notes**	**Refer Notes**
1. Private & Corporate Bodies	68,059	1.70	-	-	-	-	**1 and 2**	**1 and 2**
2. NRIs/OCBs	-	-	-	-	-	-		
3. Indian Public (No of Shareholders= 6,606)	10,32,077	25.84	-	-	-	-	-	-
Total (4) (a+b)	**14,18,036**	**35.50**	**-**	**-**	**-**	**-**	**9,99,750**	**25.03**
GRAND TOTAL (1+2+3+4)	**39,94,100**	**100**	**21,95,250**	**54.96**	**7,99,100**	**20.01**	**39,94,100**	**100**

Note 1: Pursuant to the Public Offer, the residual shares with Herbertsons Limited (Seller No.1) and United Breweries (Holdings) Ltd (Promoter Group Company) would no longer be treated as shares of the Promoter Group but would be classified in the Public Shareholdings. Hence, post-offer, shares held by them have been reflected in the "Public" Category.

Note 2 : The Post-Offer Shareholding of Public would depend on the response and acceptance of the present public in this Open Offer.

Note 3 : Shareholders holding partly-paid shares are not eligible to participate in the Offer.

5.17 The details of the change in shareholding of the Promoters in UVDHL is as under:

Details of Shareholding of Promoters	No. of Shares	Cumulative	Status of Compliances
Shareholding of Promoters as of date of listing of shares through Initial Public Offering in 1989	14,46,250	14,46,250	Complied with
Shares bought through Rights Issue in the year 1992	11,58,314	26,04,564	Complied with
Shares Sold in April 2005	4,500	26,00,064	Not Applicable
Shares sold in May 2005	5,500	25,94,564	Not Applicable
Shares sold in June 2005	18,500	25,76,064	Not Applicable

5.18 The Company has duly complied with the various requirements of Clause 49 of the Listing Agreement regarding Corporate Governance, except the following:

Particulars of Clause of Listing Agreement	Particulars of Non-Compliance
49I, Board of Directors	The required number of Independent Directors is not complied with.
49II, Audit Committee	The required number of Independent Directors is not complied with.
49VII	Information regarding disclosure of shareholders would be complied in the Annual Report for the year ended 31st March 2005.
49 VII	Report on Corporate Governance would be included in the Annual Report for the year ended 31st March, 2005.

Note: As per the information received from UVDHL, since the Company has a negative networth and was incurring losses, it has been difficult for the Company to induct Independent Directors as per requirement of Clauses no. 49I and 49II of the Listing Agreement. Hence, it has not been able to comply with the said requirements.

5.19 Details regarding the pending litigations against UVDHL as per Company's letter dated 19th July, 2005 are mentioned below in the following table:

Sr. No.	Details of Litigations	Name of the Court & Place of Litigation	Ref. No. of the case	Date of Institution	Principal Parties thereto	Current Status	Claim/Relief sought for
1.	Civil Suit	Civil Judge, S. D. Jamnagar	40/98	01.05.1998	Shree Digvijay Cement Co.	Abeyance, No Change	Rs. 22.68 Lacs
2.	Labour Court – Removal of goods	Labour Court, Thane	ULP/800/2000	14-11-2000	Mazdoor Congress (Union)	No arguments (for removal of goods)	-
3.	Labour Court- Dismissal of 3 workmen	Labour Court, Thane	ULP/ID/102/02	01-11-2002	Mazdoor Congress (Union)	Hearings in Progress	Reinstatement of 3 Workers.
4.	Dismissal of 1 Worker	Labour Court, Thane	IDA/42/2003	27-07-2003	Mazdoor Congress (Union)	Hearings in Progress	Reinstatement of 1 Worker
5.	Illegal Strike	Labour Court, Thane	ULP/21/2000	14-11-2000	Mazdoor Congress (Union)	Hearings in Progress	To declare the strike illegal
6.	Closure	Labour Court, Thane	ULP/13/04	28-01-2004	Shramik Seva & Workers of UVDHL	Hearings in Progress.	Closure compensation to be paid.

5.20 The Compliance Officer of UVDHL is Mr. Shrikant W. Hawaldar, Finance Controller & Company Secretary, United Van Der Horst Limited, E-29/30, MIDC Taloja, Dist. Raigad, Navi Mumbai 410208, Maharashtra. Telephone No: 022-27412728. Fax No.: 022-27412725. E-mail: uvdhlrecon@vsnl.net

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer price

6.1.1 The Shares of UVDHL are listed on BSE and are being traded in physical mode in the 'Z' category. The shares of UVDHL are not listed on any other Exchange except BSE. The shares are not traded under permitted category in any stock exchange.

6.1.2 Based on the available information, the equity shares of UVDHL are frequently traded on the BSE within the meaning of Regulation 20(5) of the Regulations in relation to the six calendar months prior to the month in which the PA is made. (Source: www.bseindia.com). The details are mentioned herebelow:

Name of stock exchange	Total no. of shares traded during the 6 calender months prior to the month in which PA was made	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	1,72,000	39,95,500	8.61%

(Source : Official quotations from the website of BSE viz: www.bseindia.com).

6.1.3 The weekly high and low of the closing prices of shares of UVDHL on BSE during the 26 weeks preceding the date of Public Announcement are given below:

Week No.	Week Ending	Weekly High (Rs.)	Weekly Low (Rs.)	Average (Rs.)	Weekly Volume (No. of Shares)
1	19-01-05	4.91	3.60	4.26	10600
2	26-01-05	0	0	0	0
3	02-02-05	3.80	3.80	3.80	200
4	09-02-05	4.59	3.80	4.20	5,400
5	16-02-05	7.35	5.04	6.20	4,100
6	23-02-05	7.89	6.50	7.20	15,500
7	02-03-05	6.94	6.25	6.60	6,200
8	09-03-05	9.87	7.43	8.65	8,400
9	16-03-05	14.05	10.80	12.43	3,900
10	23-03-05	13.65	12.64	13.15	15,300
11	30-03-05	13.88	12.55	13.22	2,200
12	06-04-05	13.95	13.17	13.56	4,600
13	13-04-05	14.03	13.30	13.67	7,700
14	20-04-05	13.01	12.42	12.72	4,800
15	27-04-05	14.80	12.85	13.83	5,700
16	04-05-05	14.09	13.50	13.80	2,200
17	11-05-05	14.00	13.33	13.67	3,100
18	18-05-05	14.45	13.31	13.88	3,800
19	25-05-05	16.01	13.97	14.99	2,600
20	01-06-05	20.40	16.81	18.61	9,800
21	08-06-05	27.15	21.40	24.28	11,600
22	15-06-05	28.50	24.45	26.48	18,200
23	22-06-05	23.25	20.00	21.63	1,100
24	29-06-05	19.05	16.35	17.70	500
25	06-07-05	15.55	14.05	14.80	6,400
26	13-07-05	16.50	14.30	15.40	12,700
Average of 26 Weeks = Rs. 13.15					

(Source: Derived from data available from the official website of BSE: www.bseindia.com)

6.1.4 The average of daily high and low of the prices of shares on BSE, during the two weeks preceding the date of Public Announcement are given below:

Day No.	Dates	High (Rs.)	Low (Rs.)	Average (Rs.)	No. of Shares
1	30-06-05	15.55	15.55	15.55	700
2	01-07-05	14.80	14.80	14.80	700
3	04-07-05	15.50	14.10	14.80	1800
4	05-07-05	14.45	13.55	14.00	2800
5	06-07-05	14.75	14.50	14.63	400
6	07-07-05	15.45	14.05	14.75	4400
7	08-07-05	15.20	14.00	14.60	4300
8	11-07-05	15.00	15.00	15.00	600
9	12-07-05	15.75	15.55	15.65	1400
10	13-07-05	16.50	15.60	16.05	2000
Average of 2 weeks = Rs. 14.98					

(Source: Derived from data available from the official website of BSE: www.bseindia.com)

6.1.5 The Offer Price of Rs. 15 is determined in terms of Regulation 20(4) of the Regulations, applicable to "frequently traded" shares taking into account the following factors:

a.	(i)	Negotiated Price for the proposed acquisition of the sale shares 1 from Seller 1 in terms of SPA 1 as explained in 2.1.3 & 2.1.4 above.	Rs. 8.75 per share
	(ii)	Negotiated price for the proposed acquisition of the sale shares 2 from Seller 2 in terms of SPA 2, as explained in 2.1.3 and 2.1.4 above.	Rs. 3.43 per share
b.		Price paid by the Acquirers for acquisition, if any including by way of allotment in a public or rights or preferential issue during the 26 week period prior to the date of this PA.	Not Applicable
c.		The average of the weekly high and low closing prices quoted on BSE during the 26 weeks preceding the date of this PA.	Rs. 13.15
d.		The average of daily high and low prices quoted on BSE during the 2 weeks preceding the date of this PA	Rs. 14.98

In the opinion of the Acquirers and the Managers to the Offer, the Offer Price of Rs. 15 per fully paid equity share, being higher than all the above parameters, is determined and justified in terms of Regulation 20(4).

6.1.6 Non-compete Fee:

The Acquirers have not entered into any agreement for payment of non-compete fee and have not made any non-compete payment of fees.

6.1.7 The Acquirers shall not acquire any shares in UVDHL during the Offer Period except in compliance with the Regulations and the details of such acquisitions shall be disclosed to the Stock Exchange and to the Manager within 24 hours thereof in terms of Regulation 22(17) of the Regulations. However, considering the post-offer shareholding of the Acquirers being 74.97% of the voting capital of UVDHL (on an assumption of full acceptance of 20.01% in the Offer), the Acquirers can acquire only such number of shares that will not violate the minimum requirement of public shareholding clause of BSE. As per BSE's letter dated 24th August, 2005, the minimum requirement of public shareholding, for UVDHL to remain listed on BSE on a continuous basis is 25%.

6.1.8 If the Acquirers acquire shares after the original PA & upto seven working days prior to closure of the offer at a price higher than the Offer Price, then the highest price paid for such acquisitions shall be payable for all the acceptances received under the Offer. Any such revision in the Offer Price shall be notified by advertisement in the same newspapers in which the PA has appeared.

6.2 Financial arrangements:

6.2.1 The maximum amount of funds required to make payment of consideration for the shares tendered during the Open Offer (assuming full acceptances) would be Rs. 1,19,86,500 (Rupees One Crore Nineteen Lakhs Eighty six Thousand Five Hundred Only).

6.2.2 In accordance with Regulation 28(1) of the Regulations, the Acquirers have created an Escrow Account in the form of a Fixed Deposit dated 14th July, 2005 with State Bank of India, Dalamal House, Nariman Point, Mumbai: 400 0021, for 105 days, for a sum of Rs. 30,00,000/- (Rs. Thirty Lakhs Only) being over 25% of the total consideration payable in terms of the Offer (assuming full acceptance by the Shareholders) for 7,99,100 fully paid-up equity shares of UVDHL of Rs. 10 each at a price of Rs. 15.00 per share.

6.2.3 The Acquirers have empowered the Manager to the Offer to realise the value of the Escrow Account in terms of Regulation 28(5) of the Regulations. The State Bank of India, Nariman Point, Mumbai has confirmed that a lien has been marked on the said fixed deposit for Rs. 30.00 Lakhs in favour of the Manager to the Offer vide its confirmation on the Term Deposit Receipt dated 14th July, 2005.

6.2.4 In terms of Regulation 16(xiv) of the Regulations it is confirmed that the Acquirers have made firm financial arrangements to meet their Offer obligations in full. The financial obligations of the Acquirers under the Offer will be fulfilled through internal resources of the Acquirers and no further borrowings from Banks or FI's or NRIs or otherwise is envisaged.

6.2.5 Mr. S. S. Chaudhary, Proprietor of M/s. S. S. Chaudhary & Co. Chartered Accountants, (Membership No. 16531) having office at 2/0, Vijay Chambers, 2nd Floor, Tribhuvan Road, Mumbai 400004. Tel. No.: 022-23867649, Fax No.: 022-56368217 has certified vide certificate dated 12th July, 2005, that on the basis of necessary information and explanation given by the Acquirers and on the verification of assets, liabilities and the requirement of funds, the Acquirers have adequate resources and immediate access to liquid assets to meet the financial requirements of the Open Offer.

6.2.6 The Acquirers, in compliance of Regulation 22(11) of the Regulations have made firm financial arrangements to fulfill the obligations of the Offer.

6.2.7 The Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer and confirms that firm arrangements for funds and money for payment through verifiable means are already in place to fulfil the Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational terms and conditions:

7.1.1 The Offer is being made in compliance with the provisions of Regulations 10 and 12 and other applicable provisions of the Regulations for the purpose of substantial acquisition of equity shares accompanied with change in control and Management of UVDHL.

7.1.2 The acceptance of the Offer is entirely at the discretion of the equity shareholders of UVDHL and each shareholder (except Acquirers and Sellers) of UVDHL holding fully paid-up equity shares to whom this Offer is being made is free to offer his shareholding in UVDHL, in whole or in part while accepting the Offer.

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

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

7.1.5 The acceptance of the Offer must be unconditional and should be sent in the attached Form of Acceptance alongwith the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at any of the collection centres mentioned in para 8.1 under "Procedure for Acceptance and Settlement" on or before Saturday, 24th September, 2005. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.

7.1.6 As already mentioned elsewhere in the Letter of Offer, the Offer is not subject to any minimum level of acceptance and Acquirers will acquire all the equity shares of UVDHL that are validly tendered in terms of this Offer upto a maximum of 7,99,100 fully paid-up equity shares. Thus, the Acquirers will proceed with the Offer even if they are unable to obtain acceptance to the full extent of the equity shares of UVDHL for which this Offer is made.

7.1.7 The shares tendered under this Offer should be free from any charge, lien or encumbrance of any kind whatsoever.

7.1.8 The Acquirers will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The equity shareholders of UVDHL are advised to adequately safeguard their interest in this regard.

7.1.9 Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer i.e. upto Wednesday 21st September, 2005.

7.1.10 If the aggregate of the valid responses to the Offer exceeds 7,99,100 fully paid up equity shares, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations. Your attention is invited to the disclosure made in para 7.6 of this Letter of Offer.

7.1.11 The Acquirers reserve the right to withdraw the Offer pursuant to Regulation 27 of the Regulations. Any such withdrawal will be notified in the form of an Announcement in the same newspapers in which the Public Announcement had appeared.

7.2 There are no shares of UVDHL that are "locked-in" as per SEBI guidelines.

7.3 **Eligibility for accepting the Offer:** The Offer is made to all the equity shareholders (except Acquirers and Sellers) of UVDHL whether registered or not who own the fully paid shares anytime prior to the closure of the offer. However, the Letter of Offer is being mailed to those shareholders whose names appear on the Register of Members of UVDHL or on the beneficial record of the respective depositories, at the close of business hours on the Specified Date i.e. Friday, 15th July, 2005. Shareholders (except Acquirers and Sellers) holding fully paid shares of UVDHL are eligible to tender their shares in terms of this Offer.

7.4 Statutory Approvals:

7.4.1 The Offer is subject to the Acquirers obtaining the approval of RBI under the FEMA, for acquiring and transferring the equity shares of non-resident shareholders tendered in this Offer. The application to RBI would be made after closure of the Offer.

7.4.2 In case the RBI's approval for acquisition of shares from non-resident shareholders is unduly delayed, Acquirers reserve the right to proceed with payment to the resident shareholders whose shares have been accepted by Acquirers in terms of this Offer, pending payment to the non-resident shareholders, subject to entire amount payable to non-resident shareholders being deposited in an Escrow Account whose value can be realised by the Manager as per the Regulations.

7.4.3 To the best of knowledge and belief of the Acquirers, as of the date of this Letter of Offer, there are no further statutory approvals required to implement the Offer other than those indicated above.

7.4.4 In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of the time required for payment under the Offer provided that the Acquirers agree to pay interest in accordance with Regulation 22(12) of the Regulations. Further, if the delay occurs due to the wilful default or neglect or inaction of Acquirers in obtaining the requisite approvals, the amount lying in the Escrow Account shall be liable to be forfeited and dealt in the manner provided in Regulation 28(12)(e) of the Regulations, apart from the Acquirers being liable for penalty as provided in the Regulations.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1 Shareholders of UVDHL, who qualify and wish to avail this Offer should forward their shares alongwith Form of Acceptance and other relevant documents mentioned below to the Registrar to the Offer at Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 by Registered Post at the applicants sole risk on or before the Offer closing date in accordance with the procedures as specified in this Letter of Offer and the Form of Acceptance cum

Acknowledgement. **The relevant documents should NOT be sent to the Sellers, Acquirers, UVDHL or the Managers to the Offer.**

The relevant documents can also be hand delivered on all working days i.e. from Monday to Friday and on Saturday, 24th September, 2005 being the date of closing of the offer between 10.00 a.m. and 4.00 p.m. to the Registrar's office at:

Name and Address of Collection Centres	Contact Person & Contact Numbers	Mode of Delivery
Intime Spectrum Registry Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078.	Mr. Vishwas A. Tel No.: 022-5555 5491-94 Fax: 022-5555 5499 e-mail: uvdhoffer@intimespectrum.com	Hand Delivery/ Registered Post
Intime Spectrum Registry Ltd. 203, Davar House, 197/199 D. N. Road, Mumbai 400 001.	Mr. Vivek Limaye Tel No.: 022- 2569 4127 Fax No.: 022- 2567 2693 e-mail: vivek.limaye@intimespectrum.com	Hand Delivery

Delivery made by Registered Post would be received on all days except Saturdays, Sundays and Public Holidays.

8.2 **<u>For equity shares held in physical form,</u>** Shareholders should send all the relevant documents mentioned below:

8.2.1 Form of acceptance duly completed (in English) and signed (by all the shareholders in the same order in which shares are held as per the Register of Members of UVDHL in case the shares are in joint names) as per the specimen signature(s) lodged with UVDHL and witnessed.

8.2.2 Original Share Certificate(s)

8.2.3 Valid Share Transfer Deed(s) duly signed as transferors (by all shareholders in the same order in which shares are held as per the Register of Members of UVDHL in case the shares are in joint names) as per the specimen signature(s) lodged with UVDHL and duly witnessed at the appropriate place. The Transfer Deed should be left blank, excepting the signature as mentioned above. Attestation, where required (thumb impression, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public office and authorised to use the seal of his office of a member of a recognised Stock Exchange under their seal of office and membership number or manager of the transferor's bank.

8.2.4 Incase the shares stand in the name of a sole shareholder, who is deceased, then the Form of Acceptance must be signed by the legal representative(s) of the deceased and submitted alongwith the probate /letter of administration/ succession certificate in original or a certified or attested true copy, while accepting this Offer. The original will be returned on scrutiny.

8.2.5 Incase of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates and the duly completed transfer deed, the Offer shall be deemed to be accepted. Notwithstanding that the signature(s) of the transferor(s) has /have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with UVDHL or are not in the same order, such shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such shares.

8.2.6 Duly attested power of attorney, if any person other than the shareholder has signed the acceptance form and transfer deed(s).

8.2.7 In case of companies, the necessary corporate authorisations including the following:

a. Board resolution authorising such acceptance /power to sell the shares.

b. Board resolution authorising execution of transfer documents.

c. Signature(s) of the Authorised Signatories duly attested.

8.3 **<u>For Equity Shares held in dematerialised Form:</u>**

8.3.1 Registrar to the Offer has opened a Special Depository Escrow Account (hereinafter referred to as "Special Depository Escrow Account") with National Securities Depository Limited ("NSDL"), named as **"ISRL - UVDHL Open Offer Escrow A/c."**

8.3.2 Beneficial owners should send Form of Acceptance duly completed (in English) and signed (by all the shareholders in the same order in which shares are held as per the Register of Members of UVDHL in case the Shares are in joint names) as per the specimen signature(s) lodged with UVDHL and witnessed to the Registrars to the Offer.

8.3.3 Alongwith the Form of Acceptance, Shareholders should also send a photocopy of the Delivery instruction in Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the relevant Depository Participant (DP) in favour of "ISRL - UVDHL Open Offer Escrow A/c" filled in as per the instructions given hereunder:

- DP Name : HDFC Bank Ltd.
- Client ID Number : 19083586
- DP ID Number : IN301549
- Depository : NSDL

8.3.4 For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.

8.3.5 The Beneficial Owners who held shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the Special Depository Escrow Account.

8.3.6 Beneficial owners having their beneficiary account in CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the Special depository account with NSDL.

8.3.7 Incase of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirers may deem the Offer to have been accepted by the beneficial owner.

8.3.8 Shareholders should ensure that the credit for the delivered shares should be received in the Special Depository Escrow Account on or before the Closure of the Offer i.e. Saturday, 24th September, 2005. In order to ensure this, beneficial owners are advised to tender the delivery instructions at least 2 working days prior to closure of the Offer.

8.4 Unregistered owners should enclose:

8.4.1 Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by the person accepting the Offer.

8.4.2 Original share certificate(s)

8.4.3 Valid transfer deed(s). The details of buyer should be left blank failing which the same will be considered invalid under the Offer.

8.4.4 Original contract note issued by the broker of a recognised stock exchange, through whom the shares were acquired.

8.4.5 No indemnity is required from unregistered owners.

8.5 Unregistered owners who have tendered their Shares for registration should enclose:

8.5.1 Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by the person accepting the Offer.

8.5.2 Share transfer deed(s) duly executed by the unregistered owner.

8.5.3 Owners who have lodged their shares for transfer with UVDHL must also send the acknowledgement, if any, received from UVDHL towards such lodging of shares.

8.6 The equity shares of UVDHL are currently traded only in physical mode and the trading lot of the shares is 100. However, the Company has already initiated the process for dematerializing its shares. It has received approval and an ISIN number from NSDL for dematerializing the shares, while it is awaiting approval from Central Depository Securities Ltd. ("CDSL"). Incase the shares are permitted for trading in dematerialized form at the BSE, during the offer period, the trading lot may get reduced to 1 (one).

8.7 The shareholders holding shares in physical form, who have sent their shares for dematerialisation need to ensure that the process of getting the equity shares dematerialised is completed well in time so that the credit in the Escrow Account should be received on or before the date of closure of the Offer, i.e. Saturday, 24th September, 2005 or else the Acquirers reserve the right to reject such equity shares.

Shareholders who have sent their Equity Share Certificates for dematerialisation should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole / joint Shareholders whose name appears on the Equity Share Certificate and in the same order in which their name(s) appears in the Register of Members and as per the specimen signature lodged with UVDHL.
- A copy of the dematerialisation request form duly acknowledged by the Shareholder's depository participant.

8.8 Unregistered owners, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI's website (www.sebi.gov.in).

8.9 Non-Resident Shareholders:

8.9.1 Non-Resident Shareholders may tender their Shares in accordance with the Procedure mentioned at 8.2 or 8.3 (as applicable) above. In case the RBI approvals are not submitted, the Acquirers reserve the right to reject such equity shares.

8.9.2 Non-Resident Shareholders should also enclose a copy of any permission received from RBI in relation to the Shares held by them in UVDHL and No Objection Certificate (NOC) or Tax Clearance Certificate indicating the amount of tax to be deducted by the Acquirers before remitting the consideration from Income-tax authorities under the Income-tax Act, 1961. In case the aforesaid NOC or Tax clearance Certificate is not submitted, the Acquirers 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. In case the RBI permission is not submitted, the Acquirers reserve the right to reject such equity shares tendered.

8.10 The above documents should not be sent to the Sellers or to the Acquirers or to UVDHL or to the Manager to the Offer. The same should be sent to the Registrar to the Offer only at collection centres given above in 8.1.

8.11 Procedure for acceptance of the Offer by Shareholders who do not receive the Letter of Offer:

8.11.1 In case of non-receipt of the Letter of Offer, shareholders may obtain a copy of the same by writing to the Registrar to the Offer at either of the collection centres mentioned at 8.1 marking the envelope **"UVDHL-Open Offer"**. Alternatively, eligible shareholders may send their acceptance to the Registrar to the Offer, on a plain paper stating their name, address, folio nos., distinctive nos. no. of Shares held, No. of Shares tendered, (alongwith documents as mentioned at 8.2 if shares are in physical form) and DP name, DP ID, beneficiary account number (alongwith documents as mentioned at 8.3 if shares are in dematerialised form) so as to reach the Registrar to the Offer on or before the closure of the Offer i.e. Saturday, 24th September, 2005.

8.11.2 Shareholders whose names do not appear on the Register of Members of the Company on the specified date are also eligible to participate in the Offer. Unregistered Shareholders can send in writing to the Registrar to the Offer on plain paper their name, address, number of shares held, number of shares tendered, distinctive nos., folio number, together with the original share certificate(s), valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired the shares. No indemnity is required in this regard.

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

8.13 In case of dematerialised shares, the shares would reside in the Special Depository Escrow Account as mentioned in 8.3.1. The Registrar to the Offer will debit the Special Depository Escrow Account to the extent of payment of consideration made by the Acquirers and give instructions for credit of the beneficial account of Acquirers.

8.14 Barring un-forseen circumstances and factors beyond their control, the Acquirers intend to complete all formalities pertaining to the Offer, including despatch of consideration to the shareholders who have accepted the Offer, by Saturday, 8th October, 2005.

8.15 In case of physical shares, to the extent the equity shares are not accepted under the Offer, the rejected Share Certificates, transfer deed(s) and other documents, if any, will be returned by Registered Post by the Registrar to the Offer to the shareholders /unregistered owners sole risk by Saturday, 8th October, 2005. For the physical shares accepted under the Offer, the Registrar to the Offer shall take action for transferring the shares to the Acquirers after the consideration cheques are released to the shareholders concerned.

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

8.17 Payment of Consideration:

Payment of consideration to those shareholders whose share certificates and other documents are found in order and accepted by Acquirers will be made by crossed account payee cheque/demand draft. Such payment will be despatched together with the intimation regarding the acquisition (in part or full) to the shareholders by Registered Post in case of consideration amount exceeding Rs. 1,500/- (Under Certificate of Posting otherwise). All cheques and demand drafts will be drawn in the name of the first holder, in case of joint registered holders. In case of unregistered shareholders, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide their bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque/demand draft.

8.18 In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered in the Offer, can do so up to three working days prior to the date of Closure of Offer. The withdrawal option can be exercised by submitting the document as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before Wednesday, 21st September, 2005.

8.18.1 The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed herewith.

8.18.2 The Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer at para 8.1 as per the mode of delivery indicated therein on or before the last date of withdrawal.

8.18.3 Shareholders should enclose the following:

<u>For Equity Shares held in Physical Form:</u>

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal
- Copy of the Form of Acceptance-cum-Acknowledgement /Plain Paper application submitted and the Acknowledgement slip in original.
- In case of partial withdrawal, Valid Share Transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with UVDHL and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal
- Copy of the Form of Acceptance-cum-Acknowledgement/Plain Paper application submitted and the Acknowledgement slip in original.

<u>For Equity Shares in Demat form:</u>

Beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal
- Copy of the Form of Acceptance-cum-Acknowledgement /Plain Paper application submitted and the Acknowledgement slip in original.
- Photocopy of the delivery instruction slip in "Off-Market" mode or counterfoil of the delivery instruction slip in "Off-Market" mode, duly acknowledged by the DP.

8.18.4 The withdrawal of equity shares will be available only for the Share Certificates/Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account.

8.18.5 The intimation of returned shares to the Shareholders will be sent at the address as per the records of UVDHL/ Depository as the case may be.

8.18.6 The Form of Withdrawal alongwith enclosures should be sent to the Registrar to the Offer at any of the collection centres mentioned in 8.1 only.

8.18.7 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 UVDHL. The facility of partial withdrawal is available only to Registered Shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

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

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

- In case of physical shares: Name, Address, Distinctive Nos., Certificate Nos., Folio Number, Number of Shares tendered and withdrawn.

- In case of dematerialised shares: Name, Address, Number of Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of delivery instructions slip in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Escrow Account.

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

8.18.11 The physical shares withdrawn by the shareholders would be returned by registered post.

9. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of UVDHL at the Office of LKP Shares and Securities Limited at 112-A, Embassy Centre, Nariman Point, Mumbai 400 021 on all working days except Sundays and bank holidays till the Offer closing date (i.e, Saturday, 24th September 2005). Timings for working days are as under:

Monday to Friday: From 10.00 a.m. to 2.00 p.m.

9.1 Memorandum of Understanding dated 12th July, 2005 between Acquirers and LKP Shares and Securities Limited.

9.2 Letter dated 12th July 2005 issued by the Acquirers appointing Intime Spectrum Registry Limited as the Registrar to the Open Offer to the shareholders of UVDHL.

9.3 Certificate of Incorporation, Memorandum and Articles of Association of United Van Der Horst Limited.

9.4 Certificates dated 12th July, 2005 from Mr. S. S. Chaudhary, Proprietor of M/s. S. S. Chaudhary & Co., Chartered Accountants, (Membership No. 16531) certifying the Networth of Mr. Ushpal Singh Sabharwal, Mr. Inderpal Singh Sabharwal, Mr. Jagmeet Singh Sabharwal and Mr. Dilprit Singh Sabhrwal.

9.5 Certificate dated 12th July 2005 from Mr. Mr. S. S. Chaudhary, Proprietor of M/s. S. S. Chaudhary & Co., Chartered Accountants, (Membership No. 16531) certifying access to liquid funds and adequacy of financial resources with Acquirers to fulfil the Open Offer obligations.

9.6 Audited Accounts of United Van Der horst Limited for the financial years ended 31st March 2003, 31st March 2004 and 31st March 2005.

9.7 Audited Accounts of Spare-Age (India) Limited. being company promoted by Acquirers for the years ended 31st March 2003, 31st March 2004 and 31st March 2005.

9.8 Audited Accounts of Sabharwal Investments, being a partnership firm of the Acquirers, for the years ended 31st March 2003, 31st March 2004 and 31st March 2005.

9.9 Share Purchase Agreement dated 12th July, 2005 between the Acquirers and Herbertsons Limited (Seller No.1).

9.10 Share Purchase Agreement dated 12th July, 2005 between the Acquirers and V.D.H Europe B.V. (Seller No.2)

9.11 Term Deposit Receipt dated 14th July, 2005 of State bank of India, Nariman Point Branch, Mumbai for Rs. 30,00,000/- being over 25% of the total consideration kept in the Escrow Account with a lien in favour of Managers to the Offer.

9.12 Share price quotations and volume data downloaded from BSE's website (www.bseindia.com).

9.13 Copy of the documents executed with Depository Participant for opening a Special Depository Escrow Account for the purpose of the Offer.

9.14 A copy of the Public Announcement dated 14th July, 2005 published on Friday, 15th July, 2005.

9.15 Copy of letter bearing reference number CFD/DCR/AG/47664/05 dated August 23, 2005 received from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

9.16 Letter dated 24th August, 2005 from BSE disclosing the minimum public shareholding required for UVDHL to remain listed on BSE on a continuous basis.

10. DECLARATION BY THE ACQUIRERS:

10.1 In terms of Regulation 22(6) of the Regulations, the Acquirers accept full responsibility for the information contained in the Letter of Offer, Form of Acceptance & Form of Withdrawal and also for the respective obligations of Acquirers as laid down in the Regulations.

10.2 Acquirers are severally and jointly responsible for ensuring compliance with the Regulations. All information contained in this document is as on date of the Public Announcement, unless stated otherwise.

10.3 The Manager to the Offer hereby states that the person signing this Letter of Offer is Mr. Ushpal Singh Sabharwal, one of the Acquirers, and he is duly and legally authorized by other Acquirers to sign the Letter of Offer.

Signed:

Mr. Ushpal Singh Sabharwal for self and on behalf of all the Acquirers.

Place : Mumbai
Date : 29th August, 2005

Attached: i) Form of Acceptance-cum-Acknowledgement ii) Form of Withdrawal

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to the Registrars to the Offer at its address given overleaf)

PLEASE READ THE "PROCEDURE FOR THE ACCEPTANCE AND SETTLEMENT" STARTING ON PAGE 16 OF THIS LETTER OF OFFER BEFORE FILLING THIS FORM

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

From:

Name:

Address:

OFFER	
Opens On	**Monday, 5th September, 2005**
Closes On	**Saturday, 24th September, 2005**

Tel. No.:________________ Fax No.: ______________ Email ID:_________________

To,

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai 400 078
Tel No.: (022) 5555 5491-94 **Fax:** (022) 5555 5499
Contact Person: Mr. Vishwas A. **e-mail:** uvdhoffer@intimespectrum.com

Dear Sir,

Sub: Open Offer for acquisition of 7,99,100 fully paid-up equity shares of Rs. 10/- each representing 20% of issued and subscribed equity share capital and representing 20.01% of voting equity capital, from the shareholders of United Van Der Horst Limited ("UVDHL"), for cash at a price of Rs. 15.00 per share by Mr. Ushpal Singh Sabharwal, Mr. Inderpal Singh Sabharwal. Mr. Jagmeet Singh Sabharwal and Mr. Dilprit Singh Sabharwal ("Acquirers").

I/We refer to the Letter of Offer dated 29th August, 2005 for acquiring the equity shares held by me/us in UVDHL. I/We the undersigned have read the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures mentioned therein.

For 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:

Ledger Folio No. _________________ No. of Share Certificate(s) __________________ No. of Equity Shares __________________

Sr. No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
		From	To	
(In case of insufficient space, please use additional sheet and authenticate the same)			Total Number of Equity Shares	

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 Acquirers give the purchase consideration as mentioned in the Letter of Offer.

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

For Shares held in Demat Form:

I/We hold shares in demat form and accept the Offer and enclose photocopy of the Delivery Instruction duly acknowledged by my/our DP in respect of my/our equity shares as detailed below:

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

— — — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — — —

ACKNOWLEDGEMENT RECEIPT FOR THE ACQUIRERS

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078
Tel No.: (022) 5555 5491-94 Fax: (022) 5555 5499
Contact Person: Mr. Vishwas A. e-mail: uvdhoffer@intimespectrum.com

Received from Mr/Ms. ____ Form of Acceptance cum Acknowledgement, as per details below:

Folio No. ______________ Number of Certificates enclosed __________ Certificate No. __________ Total No. of Shares enclosed __________

Copy of Delivery instruction to DP ____________ Number of shares ____________

Stamp of collection centre, Signature of Official, & Date of Receipt

 # (Delete whichever is not applicable)

I/We have done an off market transaction for crediting the shares to the Escrow Account opened with NSDL named **ISRL - UVDHL - Open Offer Escrow Account** whose particulars are :

DP Name – HDFC Bank Ltd. **Client ID: 19083586** **DP ID : IN301549**

If my/our shares are held in a beneficiary account with CDSL, I/We enclose a copy of the "Inter Depository Instructions" for the transfer of my/our shares to the Depository Escrow Account.

I/we note and understand that the shares would lie in the Special Depository Escrow Account until the time the Acquirers make payment of the purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the equity shares of UVDHL which are being tendered herewith by me/us under this offer, are free from liens, charges, encumbrances of any kind whatsoever.

I/We authorise the Acquirers:

1. To accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer
2. To return to me/us, the equity share(s) that are found invalid/not accepted, specifying the reason thereof.

I/We authorise the Registrar to the Offer to send by Registered Post or Under Postal Certificate the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned below.

Yours faithfully,

Signed & Delivered :

	1st Shareholder	2nd Shareholder	3rd Shareholder
Full Name			
Address of 1st shareholder			
PAN/GIR No. allotted under the Income Tax Act 1961			
Signature			

Note: In case of joint holdings all must sign. A corporation must affix its common seal and attach herewith the necessary Board Resolution.

Place : ____ Date : ____________________________________

So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of Bank Account of the First/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank, Branch Address	Account No.	Savings/Current/NRE/NRO/Others (Please tick)

Details of Collection Centres

Address	Phone / Fax Nos.	Contact Person / E-mail ID
Intime Spectrum Registry Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg Bhandup (W), Mumbai 400 078.	022 - 5555 5491-94 Fax : 022 -5555 5499	Mr. Vishwas A. uvdhoffer@intimespectrum.com
Intime Spectrum Registry Ltd. 203, Davar House, 197/199 D. N. Road, Mumbai 400 001.	022 - 2269 4127 Fax : 022 - 2567 2693	Mr. Vivek Limaye vivek.limaye@intimespectrum.com

— — — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — — —

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

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai 400 078
Tel No.: (022) 5555 5491-94 **Fax:** (022) 5555 5499
Contact Person: Mr. Vishwas A.
E-mail: uvdhoffer@intimespectrum.com

PLEASE USE THIS FORM ONLY IF YOU HAVE TENDERED THE SHARES AND WISH TO WITHDRAW YOUR APPLICATION

FORM OF WITHDRAWAL

You have an OPTION TO WITHDRAW the acceptance tendered in response to the Offer any time upto three working days prior to the date of closure of the Offer i.e. on or before Wednesday, 21st September, 2005. In case you wish to withdraw your acceptance, please use this form.

OFFER SCHEDULE	
Offer Opens On	Monday, 5th September, 2005
Last Date of withdrawal	Wednesday, 21st September, 2005
Offer Closes On	Saturday, 24th September, 2005

From:

Name:

Address:

Tel. No.:__________________________ Fax No.: __________________ Email ID:_________________________

To,

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai 400 078
Tel No.: (022) 5555 5491-94 **Fax:** (022) 5555 5499
Contact Person: Mr. Vishwas A. **e-mail:** uvdhoffer@intimespectrum.com

Dear Sir,

Sub: Open Offer for acquisition of 7,99,100 fully paid up equity shares of Rs. 10/- each representing 20% of issued and subscribed equity share capital (and representing 20.01% of the voting capital) from the shareholders of United Van Der Horst Limited ("UVDHL"), for cash at a price of Rs. 15.00 per share by Mr. Uspal Singh Sabharwal, Mr. Inderpal Singh Sabharwal, Mr. Jagmeet Singh Sabharwal and Mr. Dilprit Singh Sabharwal ("Acquirers").

I/We refer to the Letter of Offer dated 29th August, 2005 for acquiring the above-mentioned shares.

I/We, the undersigned, have read the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in para 8.18 of the Letter of Offer & unconditionally agree to the terms and conditions mentioned herein.

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

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

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer on or before the last date of withdrawal (i.e. Wednesday, 21st September , 2005)

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

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

For Shares in Physical Form:

The particulars of the tendered share(s) that I/We wish to withdraw are detailed below:

Ledger Folio No.____________________ No. of Share Certificate(s) _______________________________

— — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — —

ACKNOWLEDGEMENT SLIP

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078
Tel No.: (022) 5555 5491-94 Fax: (022) 5555 5499
Contact Person: Mr. Vishwas A. e-mail: uvdhoffer@intimespectrum.com

Folio No. ____________________

Stamp of collection centre Signature of Official Date of Receipt

Received from Mr/Ms. ____

Form of withdrawal dated ____________________ # Number of Certificates ______________ representing ______________

equity shares # Copy of Delivery instruction to DP for ________________ Equity Shares

 # (Delete whichever is not applicable)

Sr. No.	Certificate Nos.	Distinctive No (s)		No. of Equity Shares
	Tendered	From	To	
1				
2				
3				
			Total Shares Tendered	

	Withdrawn			
1				
2				
3				
			Total Shares withdrawn	

(Incase of insufficient space, please use additional sheet and authenticate the same.)

For Shares in Dematerialised Form:

I/We hold the following shares in dematerialised form and had tendered the Shares in the Offer and had done an off-market transaction for crediting the shares to the **"ISRL - UVDHL - Open Offer Escrow Account**" as per the following particulars:

DP Name - HDFC Bank Ltd. **Client ID: 19083586** **DP ID: IN301549**

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP. The particulars of the account from which my/our equity shares have been tendered are as detailed below:

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

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

In case of dematerialised equity shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

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

Yours faithfully,

Signed & Delivered by

	1st Shareholder	2nd Shareholder	3rd Shareholder
Full Name			
Address of 1st shareholder			
Signature			
Verified and Attested (by DP in case of Demat Shares and by Bank in case of Physical Shares)			

Note: In case of joint holdings all must sign. A corporation must affix its common seal and attach herewith the necessary Board Resolution.

Place : ____ Date : _____________________________________

— — — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — — — —

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

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai 400 078
Tel No.: (022) 5555 5491-94 **Fax:** (022) 5555 5499
Contact Person: Mr. Vishwas A.
E-mail: uvdhoffer@intimespectrum.com