LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a shareholder(s) of Coimbatore Flavors and Fragrances Limited (hereinafter referred to as "CFFL" or the "Company" or the "Target Company"). If you require any clarification about the action to be taken, you may consult your Stockbroker or Investment Consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in CFFL, please hand over this Letter of Offer and the accompanying Form of Acceptance - cum - Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

Mr. Benny Abraham, son of (late) Mr. Veloor Cherian Abraham aged 50 years, residing at 671A, Okamattathil House, Koothattukulam, Muvattupuzha Ernakulam Dist., Kerala – 686 662. Tel No. 0485 - 2253201, Email Id. bennyacff@gmail.com

(hereinafter referred to as "The Acquirer")

MAKE A CASH OFFER AT RS. 3/- PER FULLY PAID UP EQUITY SHARE OF RS. 10/- EACH ("OFFER PRICE")

(The price is calculated as per the provisions of regulation 20 (5) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereto)

TO ACQUIRE 6,00,000 EQUITY SHARES

Representing 20% of the total issued, subscribed and paid up equity share capital and 20% of the voting rights of

COIMBATORE FLAVORS AND FRAGRANCES LIMITED

Registered Office: 5/82, Palani Gounden Pudur, K. Vadamadurai Post, Coimbatore – 641017, Tel. No.0422-2642076, Fax No.0422-2644096, Email: cffindia@vsnl.com, Website:www.cffindia.com.

Please Note:

1. This Offer is made pursuant to provisions of regulations 10 and 12 and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "Regulations") and subsequent amendments thereto.
2. The Offer is not conditional.
3. The Offer is not a competitive bid.
4. The Offer is subject to the Acquirer obtaining the approval of RBI under FEMA to acquire shares tendered and accepted under the Offer, if any, from all the non-resident Indian/ OCB shareholders of CFFL. As on the date of this Letter of Offer, the Offer is not subject to any statutory and regulatory approvals, however, it may be subject to statutory or regulatory approvals that may become applicable prior to completion of the Offer.
5. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same upto three working days prior to the date of the "Closure of the Offer". The request for such withdrawal should reach to the designated center before 4 p.m. on Saturday, January 29, 2011 by filing the Form of Withdrawal attached herewith.
6. Upward revision, if any, would be informed by way of Public Announcement on or before Wednesday, January 19, 2011 in respect of such changes in all the newspapers in which the original Public Announcement was made. The Acquirer shall pay the revised price for all the shares tendered at any time during the Offer and which are accepted by the Acquirer under the Offer.
7. If the aggregate of the valid response exceeds 6,00,000 shares, then, the Acquirer shall accept the shares equal to the Offer size i.e. 6,00,000 shares, on a proportionate basis, in consultation with the Manager to the Offer, in accordance with regulation 21(6) of the Regulations.
8. **"**If there is competitive bid:
   - The public Offer under all the subsisting bids shall close on the same date.
   - As the Offer Price in such circumstance cannot be revised during 7 working days prior to the closing date of the Offer/ bids, it would, therefore, be in the interest of shareholders to wait until the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly.
9. The procedure of acceptance of this Offer is set out in Section 8 of this Letter of Offer. A Form of Acceptance – cum - Acknowledgement and an Instrument of Transfer are enclosed with this Letter of Offer.
10. A Copy of the Public Announcement dated Tuesday, November 16, 2010 and a copy of this Letter of Offer (including Form of Acceptance - cum - Acknowledgement and Form of Withdrawal) is available on SEBI website at **http://www.sebi.gov.in.** Form of Acceptance – cum - Acknowledgement , Form of Withdrawal may be downloaded from the SEBI website and used as an application
11. The Acquirer shall make payment consideration to the shareholders latest by Saturday, February 12, 2011. The Offer may be withdrawn in terms of regulation 27 of the Regulations in the event the requisite statutory approvals, if any are refused. In the event of such withdrawal, the same would be notified in the form of a Public Announcement in the same newspapers where the original Public Announcement appeared

All further correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Vivro Financial Services Private Limited **SEBI Regn. No.: INM000010122** "Manu Mansion", 16/ 18, Shahid Bhagat Singh Road, Opp. Old Customs House, Fort, Mumbai – 400 023 Tel. No.: +91-22-22657364/ 22624656/ 22658397 Fax No.: +91-22-22658406 E-Mail ID: investors@vivro.net **Contact Person: Mr. Ashok Mehta**	**Integrated Enterprises (India) Limited** **SEBI Regn. No.: INR000000544** II Floor, "Kences Towers", No. 1 RamakrishnaStreet,North Usman Road, T Nagar, Chennai – 600 017 Tel. No.: 044-28140801, 802, 803 Fax No.: 044-28142479 E-mail ID : corpserv@iepindia.com Website : www.iepindia.com **Contact Person : Sriram S**
OFFER OPENS ON: Monday, January 10, 2011	**OFFER CLOSES ON : Saturday, January 29, 2011**

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER:

ACTIVITY	DAY & DATE
Public Announcement	Tuesday, November 16, 2010
Specified Date (for the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent)	Tuesday, November 30, 2010
Last Date for Competitive Bid	Tuesday, December 07, 2010
Day by which Letter of Offer to be dispatched to the Shareholders	Thursday, December 30, 2010
Date of Opening of the Offer	Monday, January 10, 2011
Last Date for Revising the Offer Price/No. of Shares	Wednesday, January 19, 2011
Last Date up to which the Shareholders may withdraw	Tuesday, January 25, 2011
Date of Closure of the Offer	Saturday, January 29, 2011
Date by which acceptance/ rejection would be communicated and the corresponding payment for the acquired shares and/ or the unaccepted shares/ share certificates will be dispatched/ credited.	Saturday, February 12, 2011

Risk Factors:

Given below are the risk factors related to the Target Company, proposed Offer and association with the Acquirer:

Risk Factors associated with the Target Company/ Industry:

1. The Acquirer makes no assurance with respect to the market price of the equity shares of the Target Company during/ after the Offer and disclaims any responsibility with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.

Risk Factors associated with the Open Offer:

1. Where the numbers of equity shares offered for sale by the shareholders are more than the equity shares agreed to be acquired by the Acquirer, the Acquirer shall accept the Offers received from the shareholders on a proportionate basis in consultation with the Manager to the Offer. Hence, there is no certainty that all equity shares tendered by the shareholders in the Offer will be accepted, in case there is oversubscription of the Offer.
2. In the event of regulatory approvals (if any) not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders whose equity shares have been accepted in the Offer as well as the return of the equity shares not accepted by the Acquirer may be delayed. Shareholders should note that after the last date for withdrawal of acceptances under the Offer i.e. Tuesday, January 25, 2011, shareholders who have lodged the equity shares will not be able to withdraw them even if the acceptance of equity shares under the Offer and dispatch of consideration gets delayed. The tendered equity shares and documents will be held by the Registrar to the Offer, until such time as the process of acceptance of tenders and the payment of consideration is completed.
3. The equity shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities and the shareholders will not be able to trade such equity shares. During such period there may be fluctuations in the market price of the equity shares. Accordingly, the Acquirer makes no assurance with respect to the market price of the equity shares both during the Offer period and upon the completion of the Offer and disclaim any responsibility with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
4. In the event of oversubscription of the Offer, the acceptance of the equity shares tendered will be on a proportionate basis and will be contingent on the level of subscription. However, in the event that the RBI approval is refused for one or more shareholders in respect of whom prior RBI approval is required, the basis of acceptance will be revised and additional equity shares will be accepted by the Acquirer from resident shareholders and such non-resident shareholders in respect of whom no prior RBI approval is required or non-resident shareholders in respect of whom RBI approval is received and consideration shall be paid for such accepted shares as per the provisions under regulation 22(12) of the Regulations.

Risk Factor Relating to the Transaction:

1. The Share Purchase Agreement Dated 12.11.2010 contains a Clause No.2.3 according to which, non compliance with any of the provisions of the (SEBI SAST) Regulations, 1997 by the company or the seller, during the course of this acquisition offer, this Agreement for sale of the Equity shares of Target Company shall not be acted upon either by the Seller or by the Acquirer.

Risk factors associated with the Acquirer:

1) The Offer to the shareholders of CFFL is for substantial acquisition of shares along with acquisition of control, and it is made in accordance with Regulation 10 and 12 of the SEBI (SAST) Regulations. Post this offer the Acquirer will have significant ownership of shares of CFFL and control over it

2) The Acquirer makes no commitment either relating to non- continuation of past financial trends or relating to better future financial performance of the Target Company

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1 DEFINITIONS / ABBREVIATIONS

Acquirer	Mr. Benny Abraham
ASE	The Ahmedabad Stock Exchange Limited
CSE	Cochin Stock Exchange Limited
CSX	Coimbatore Stock Exchange Limited
Company/ Target Company/ CFFL	Coimbatore Flavors and Fragrances Limited
Date of Closure of Offer	Saturday, January 29, 2011
Eligible Person(s) for the Offer	All owners (registered or unregistered) of the equity shares of CFFL (except the existing promoter and the Seller under the SPA and also the Acquirer) anytime before the Date of Closure of the Offer.
Escrow Bank	HDFC Bank Limited, HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400 013
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance/ FOA	Form of Acceptance – cum – Acknowledgement
FOW	Form of Withdrawal
Letter of Offer (LOO)	This Letter of Offer
Manager/ Manager to the Offer/ Merchant Banker/ Vivro	Vivro Financial Services Private Limited
MSE	Madras Stock Exchange Limited
Non-Resident Shareholders	Non-Resident Indians, OCBs holding equity shares of CFFL
Offer	Open Offer for the acquisition of 6,00,000 equity shares of Rs. 10/- each fully paid up, representing 20.00% of the total issued, subscribed and paid up equity share capital and 20.00% of the voting capital of CFFL at the Offer Price being made by the Acquirer to the shareholders of CFFL.
Offer Price	Rs.3 /- per equity share as determined pursuant to regulation 20(5) of the Takeover Regulations.
PA	Public Announcement dated Tuesday, November 16, 2010 which appeared in all the available editions of Financial Express , Jan Satta and regional edition of Makkal Kural.
Registrar / Registrar to the Offer	Integrated Enterprises (India) Ltd.
RBI	Reserve Bank of India
SEBI / Board	Securities and Exchange Board of India
Shares	Equity shares having face value of Rs. 10/- each of CFFL.
Seller	Mrs. S. Subashini having total 9,20,950 shares of CFFL representing 30.70% of the total paid up share capital of CFFL.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Share Purchase Agreement ("SPA") ("Agreement") ("Share Purchase Agreement")	Agreement to Purchase Shares entered into between the Acquirer and the Seller on November 12, 2010 to acquire 9,20,950 fully paid up equity shares of Rs. 10/- each representing**,** 30.70% of total paid up equity share capital and voting capital of CFFL by the Acquirer at a price of Rs. 3/- (Rupees Three only) per fully paid equity share payable in cash
Specified Date	Date for the purpose of determining the names of the shareholders, as appearing in the Register of Members of CFFL to whom the Letter of Offer will be sent i.e. Tuesday, November 30, 2010
Takeover Regulations/ Regulations/ Takeover code	Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

2 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR THE 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 COIMBATORE FLAVORS AND FRAGRANCES LIMITED, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER OR OF THE COMPANY WHOSE SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES HIS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER OF THE OFFER – VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS SUBMITTED DUE DILIGENCE CERTIFICATE DATED 27th NOVEMBER, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT HOWEVER ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3 DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 This Offer is being made by Mr. Benny Abraham (hereinafter referred to as "Acquirer") to the equity shareholders of Coimbatore Flavors and Fragrances Limited, a company incorporated under the Companies Act, 1956, having its Registered Office at 5/82, Palani Gounden Pudur, K. Vadamadurai Post, Coimbatore – 641017. The main object of the Offer is substantial acquisition of shares and voting rights, accompanied with the change in management and control of CFFL.

3.1.2 The Acquirer has on November 12, 2010, entered into a Share Purchase Agreement (hereinafter referred to as "Share Purchase Agreement" "SPA" or "Agreement") with Mrs. S. Subashini, w/o (late) Mr. V Sivaramakrishnan, aged 62, presently residing at Sivaram Enclave, 15/3A Arts College Road Lane, Coimbatore- 641018, (Tel. No.: 0422 - 2642076, Email ID: subashini66@rediffmail.com), promoter (hereinafter referred to as "Seller") of the Target Company, to acquire 9,20,950 (hereinafter referred to as the "Selling Shares") Equity Shares of CFFL constituting 30.70% of the present paid up and voting Capital of the Target Company at a price of Rs.3/- (Rupees Three only) per Equity Share for cash consideration (the Negotiated Price). Apart from the consideration @ Rs. 3/- per Equity Shares, mentioned at all prescribed places in the Offer Document, no other compensation, directly or indirectly is given or is being given to the seller (i.e. those selling shares under the Share Purchase Agreement) The Agreement also provides that the Acquirer will also be given control of CFFL. This Agreement has necessitated the Open Offer in terms of Regulation 10 and 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997. The Offer is subject to the provisions of the Companies Act 1956, SEBI (SAST) Regulations as amended and listing agreement of the Target Company with the Stock Exchanges and other applicable Laws and Regulations in force.

3.1.3 There are no persons acting in concert (PAC) with the Acquirer for the purpose of this Offer within the meaning of regulation 2(1)(e) of the Regulations. Mr. Benny Abraham is the sole acquirer.

3.1.4 The salient features of the SPA are as under:

- The sale and purchase of the Sale Shares shall be subject to compliance with the provisions of the SEBI (SAST) Regulations, 1997.
- The seller shall cause the company to comply with the provisions of the SEBI (SAST) Regulations, 1997.
- In case of non compliance with any of the provisions of the SEBI (SAST) Regulations, 1997 by the company or the Seller, this agreement for sale of the Sale Shares shall not be acted upon either by the Seller or by the Acquirer.
- Appropriate board resolutions shall be passed, including a board resolution taking on record the transfer in the beneficial ownership of the Transaction Shares from the Seller to the Buyer or to his nominee/s.
- Mr. C Sethuraman, one of the Promoters of the Target Company and holding 51,540 Equity shares, representing 1.72% of the total paid up capital shall cease to be the Promoter of the Company on completion of the open offer formalities.

3.1.5 Being party to the SPA, the Seller and the existing promoter but not forming part of Seller under the SPA shall not participate in this Offer being made by the Acquirer.

3.1.6 The Offer is being made in accordance with regulations 10 and 12 of the Regulations, pursuant to substantial acquisition of equity shares with change in management and control in the Target Company as a consequence of execution of the SPA referred to in paragraph 3.1.2 above.

3.1.7 The Acquirer has not acquired any further shares of CFFL after the date of PA i.e. Tuesday, November 16, 2010 till the date of this Letter of Offer.

3.1.8 The entire Shares proposed to be acquired under this Offer will be acquired by the Acquirer and no other persons/ entities propose to take part in the acquisition.

3.1.9 Upon fulfillment of all the obligations by the Acquirer under the SEBI (SAST) Regulations, 1997 as certified by the Merchant Banker, the board of directors of the Target Company shall transfer the securities acquired by the Acquirer and shall also allow such changes in the board of directors as would give the Acquirer representation on the board and control over the Company.

3.1.10 The Acquirer, the Seller and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B of the SEBI Act, 1992 and the subsequent amendments thereto or under any of the regulations made under the SEBI Act, 1992.

3.1.11 The Manager to the Offer, Vivro Financial Services Private Limited, does not hold any share in the Target Company. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of Closure of the Offer.

3.1.12 The equity shares of CFFL to be acquired, pursuant to the Offer shall be, free from all lien, charges, encumbrances and together with all rights attached thereto, including the rights to dividends or other distributions declared, made or paid.

3.2 **Details of the Proposed Offer:**

3.2.1 The PA dated November 16, 2010 was made by the Acquirer in the following newspapers, in accordance with regulation 15 (1) of the SEBI (SAST) Regulations, 1997:

Newspapers	Language	Editions
Financial Express	English	All Editions
Jan Sattta	Hindi	All Editions
Makkal Kural	Tamil	Regional Edition

The PA dated Tuesday, November 16, 2010 is also available on SEBI's website at **http://www.sebi.gov.in**

3.2.2 The Acquirer is making an Offer to the public shareholders of CFFL (except the existing promoter and the Seller under the SPA and also the Acquirer) to acquire up to 6,00,000 fully paid-up equity shares of Rs.10/- each of CFFL representing 20% of issued, subscribed and paid up share capital and 20% of the voting rights of CFFL, at a price of Rs. 3/- per fully paid-up equity share, payable in cash in terms of regulations 20 and 21 of the Regulations to those shareholders whose names appear on the Register of Members on the Specified Date i.e. Tuesday, November 30, 2010.

3.2.3 The Offer is being made in accordance with regulations 10 and 12 of the Regulations, pursuant to substantial acquisition of equity shares with change in management and control in the Target Company as a consequence of execution of the SPA referred to in paragraph 3.1.2 above.

3.2.4 The Offer is made at a cash price of Rs. 3/- per fully paid up equity share of CFFL. There is no differential pricing in the Offer. There are no partly paid up equity shares in the Target Company.

3.2.5 The Offer is not a competitive bid.

3.2.6 The Offer is not conditional on any minimum level of acceptance.

3.2.7 The Acquirer has not acquired any further equity shares of the Target Company after the date of PA i.e. Tuesday, November 16, 2010 till the date of this LOO.

3.2.8 The Offer is not as a result of any global acquisition resulting in indirect acquisition of CFFL.

3.2.9 The Offer is subject to the terms and conditions as set out herein under in the LOO.

3.2.10 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 8 of the LOO. The Offer may be withdrawn, in terms of regulation 27 of the Regulations, in the event the requisite statutory approval, if any, is refused. In the event of withdrawal, a PA will be published in the same newspapers in which the original PA was published, indicating reason for withdrawal of the Offer.

3.3 Object of the Acquisition/ Offer

3.3.1 The Offer has been made pursuant to regulation 10 and 12 of the SEBI (SAST) Regulations, 1997 and other provisions of Chapter III of the Regulations.

3.3.2 The main object of the Offer is to acquire substantial acquisition of shares and voting rights accompanied with the change in management and control of the company. The Acquirer is proposing to acquire control solely from the present promoter. Mr. C Sethuraman, one of the Promoters of the Target Company holding 51,540 Equity shares, representing 1.72% of the total paid up capital shall cease to be the Promoter of the Company on completion of the open offer formalities.

3.3.3 The Acquirer intends to expand IT related and trading business in the Target Company and thereby improve the operational performance of the Target Company. Depending on the requirements of the business and subject to the provisions of the Companies Act, 1956, Memorandum and Articles of Association of the company and all applicable laws, rules and regulations, the Acquirer will take appropriate business decisions from time to time in this regard. The Acquirer also intends to reap the benefits of listing on the Stock Exchanges available to the company through this acquisition.

3.3.4 The Acquirer does not have any plan to dispose off or otherwise encumber any assets of CFFL in the succeeding two years from the date of the Closure of the Offer, except in connection with restructuring or otherwise in the ordinary course of business with the prior approval of the shareholders of CFFL and in accordance with and subject to the applicable laws, permission and consents, if any.

4 BACKGROUND OF THE ACQUIRER

4.1 Mr. Benny Abraham

a. Mr. Benny Abraham, son of (late) Mr. Veloor Cherian Abraham aged 50 years, residing at 671A, Okamattathil House, Koothattukulam, Muvattupuzha Ernakulam Dist., Kerala – 686 662. Tel No. 0485–2253201, Email Id. bennyacff@gmail.com.
b. He is a Science graduate from Kerala University. He has about 25 years of experience in trade and business, mainly agro commodities, chemicals and civil contract works.
c. As on date Mr. Benny Abraham (Acquirer) is not a member of the Board of Directors in any listed or unlisted company. He is not a full time director in any company.
d. Mr. K.P. Sebastian, Partner, Sebastian & Paulose, Chartered Accountants (Membership No. 200553), Telephone No.0484 - 2362905, having their office at Door No. 38/1073, Behind Padma Theatre, Cochin – 682035 has certified vide his certificate dated October 13, 2010 that the net worth of Mr. Benny Abraham as on October 13, 2010 is Rs. 166 Lakhs and also certified that Mr. Benny Abraham has adequate financial resources to fulfill the obligations under this instant offer and that firm financial arrangements are made by him out of his personal savings and business income to meet the obligations under the acquisition.
e. The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirer since he does not hold any shares of CFFL except those agreed to be acquired in terms of Share Purchase Agreement.
f. He has not promoted any listed or unlisted company.

4.2 The Acquirer have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, and the subsequent amendments thereto or under any of the regulations made under the SEBI Act, 1992.

There are no legal cases pending against the Acquirer.

4.3 Mr. Benny Abraham is the Sole Acquirer. There is no Person Acting in Concert (PAC) with the Acquirer for the purpose of the open offer. Since Mr. Benny Abraham is the sole Acquirer, a separate agreement for acquiring 6,00,000 shares of Rs. 10/- each being 20% of the total paid up capital and 20% of the voting capital under the Offer is not required.

4.4 The Acquirer agrees and undertakes that he is solely responsible for the payment obligations under the Offer as well as under the SPA.

4.5 The Acquirer has not acquired any shares in the target company in past nor he has acquired any shares in the target company after the date of PA and up to the date of this Letter of Offer

4.6 **DISCLOSURE IN TERMS OF REGULATION 16(ix)**

a. The Acquirer is having experience in the areas of trade and business in agro commodities, Chemicals and civil contract works and by virtue of the above experience and acquisition, he intends to expand the business of the Target Company and derive the benefits of a listed company.

b. The Acquirer does not have any plans to sell, dispose off or otherwise encumber any significant assets of CFFL in the next two years, except in the ordinary course of business of CFFL. The Acquirer undertakes not to sell, dispose off or otherwise encumber any substantial assets of CFFL except with the prior approval of the shareholders and in accordance with and subject to the applicable laws, permissions and consents, if any.

4.7 **FUTURE PLANS/ STRATEGIES OF THE ACQUIRER WITH REGARD TO THE TARGET COMPANY:**

The Acquirer intends to invest in corporate opportunities and to provide extensive insight and support to the development of the existing/new business and assets of the Target Company. The Acquirer intends to suitably strengthen the Target Company with the requisite financials and human resources.

5 DELISTING OPTION TO THE ACQUIRER IN TERMS OF REGULATION 21 (2)

Assuming full acceptance of offer, the post offer voting capital with the public in Target Company would not be less than 25% of the voting capital of the company.

The Acquirer does not have any intention to delist the Target Company in the next one year.

6 BACKGROUND OF COIMBATORE FLAVORS AND FRAGRANCES LIMITED ("CFFL" or "Target Company")

[Note: The Information under this section is sourced from the Target Company and also from the public sources.]

Brief History and Location of the Company

6.1 CFFL was originally incorporated in the name of Indian Flavours and Fragrances Private Limited on October 10, 1985 under the Companies Act, 1956 as Private Limited Company with the Registrar of Companies, Tamil Nadu, Coimbatore. It subsequently got converted into a public limited company with effect from December 3, 1994. The name of the Company was changed to Coimbatore Flavors and Fragrances Limited and fresh certificate of incorporation was obtained from Registrar of Companies, Tamil Nadu on January 22, 1996. The CIN of the Company is L24244TZ1985PLC001679.

6.2 The registered office of CFFL is situated at 5/82, Palani Gounden Pudur, K. Vadamadurai Post, Coimbatore – 641017, Tel. No. 0422-2642076, Fax No. 0422-26440 96, Email:cffindia@vsnl.com, Website: www.cffindia. com. The registered office of the company was changed from 199, Tank Road, Sivananda Colony, Coimbatore to 5/82, Palani Goudan Pudur, K. Vadamadurai Post, Coimbatore – 641017 with effect from December 1, 1994.

6.3 <u>The main objects of the Company as per the Memorandum of Association are as under:</u>

1. To extract, manufacture and deal in floral concentrates and plant extracts and synthetics for the perfumery and flavour industry.

2. To carry on the business of running a computer centre.

3. To act as consultants and advisers to any person, firm, association, concern, company or corporation on problems of management, finance, industry, trade and commerce.

6.4 The Target Company is presently engaged in the business of producing and exporting perfumery raw materials and herbal extracts. The products of the Target Company include Concretes and Absolutes of Flowers Jasmine, Sambac and Tuberose, Herbal mosquito repellant and perfumed burning oil. The Target Company has obtained an ISO 9002 Certificate in 1994. The company is presently not carrying its core activity on a large scale and the manufacturing facility remains closed.

6.5 The Company came out with a maiden issue in October 1995 through prospectus, to part finance the expansion plan of the Company, to part finance the working capital requirements of the Company, to meet the issue expenses of the Company and to get the Company's shares listed in the recognized stock exchanges.

6.6 **Share Capital Structure of CFFL:**

The present Authorized Share Capital of the Company is Rs. 3,00,00,000 (Rupees Three Crores only) divided into 30,00,000 equity shares of Rs. 10/- each. The Issued, Subscribed and Paid Up Equity Share Capital of the Company is Rs. 3,00,00,000/- (Rupees Three Crore only) consisting of 30,00,000 (Thirty Lakhs only) equity shares of Rs.10/- each fully paid up.

Particulars	**No. of shares**	**Face Value**	**Voting rights [%]**
Fully Paid up Equity Shares	30,00,000	10	100
Partly Paid up Equity Shares	--	--	---
Total Paid up Equity Shares	30,00,000	10	100
Total voting rights in Target Company	30,00,000	10	100

6.7 **Capital build-up of CFFL since inception:**

Date of Allotment	Equity Shares		Face Value per shares (Rs.)	Cumulative Paid-up Equity Share Capital (Rs.)	Mode of Allotment	Identity of Allottees (Promoters / Ex. Promoters / Others)	Status of Compliance
	No. of shares	% to total share capital					
(Incorporation) 05-09-1985	202	0.06	100	20,200	On Incorporation	Subscribers to the MOA	Complied
10-11-1994	5	0.01	100	20,700	Cash Allotment on Private Placement Basis	Promoters/ their friends and relatives and Associates	Complied
207 shares were split into shares of Rs. 10/- each authorized by the shareholders in the Extraordinary General Meeting held on 3.12.1994. Subsequently the total shares were 2070.							
03-12-1994	1,50,000	5.00	10	15,20,700	Cash Allotment on Private Placement Basis	Promoters	Complied
04-12-1994	6,00,000	20.00	10	75,20,700	Cash Allotment on Private Placement Basis	Promoters/ their friends and relatives and Associates	Complied
17.03.1995	7,47,930	24.93	10	1,50,00,000	Cash Allotment on Private Placement Basis	Promoters/ their friends and relatives and Associates	Complied
10.10.1995	7,50,000	25.00	10	2,25,00,000	Cash Allotment on Private Placement Basis	Promoters	Complied
02-12-1995	7,50,000	25.00	10	3,00,00,000	Cash Allotment in Public issue	Public	Complied
Total	**30,00,000**	**100.00**		**3,00,00,000**			

6.8 The shares of CFFL are listed on the Ahmedabad Stock Exchange Limited, Chennai Stock Exchange Limited, Coimbatore Stock Exchange Limited and Cochin Stock Exchange Limited. The equity shares of CFFL are not frequently traded. CFFL has paid the listing fees to Madras Stock Exchange Limited up to 2010-11. The company has paid listing fees up to the year 2003 to Coimbatore Stock Exchange Limited, Cochin Stock Exchange Limited and Ahmedabad Stock Exchange Limited. CFFL is complying with the provisions of the listing agreement entered into with the Stock Exchanges. The Target Company has not been intimated in the past in regard with the suspension in the trading of its shares on the Stock Exchanges. As on the date of this offer no punitive action has been taken by the stock exchanges against the Target Company.

6.9 The Target Company has fully complied with the provisions of Regulation 6, 7 and 8 of Chapter II of SEBI (SAST), Regulations, 1997. The PromoterSeller/ has not made timely disclosures to the Target Company pertaining to provisions of Regulation 8(1) of Chapter-II of the SEBI (SAST), Regulations, 1997 on two occasions as appearing in Point 6.13 below. The target company had timely filed the disclosure pertaining to Regulation 8(3) as on 31.03.2010 with all the stock Exchanges except delay of 30 days in disclosing the information for the year 31-3-2003.

SEBI may initiate suitable action against Target Companyand /promoter/ seller for the non compliances made under the required provisions of Chapter II of the SEBI (SAST) Regulation, 1997.

6.10 CFFL has not entered into a tripartite agreement with the Depositories i.e. National Securities Depository Limited [NSDL] / Central Depository Services [India] Limited, [CDSL] for holding shares in demat mode.

6.11 The shares of CFFL are in physical form and the marketable lot is 100 shares. The Acquirer has entered into a Bi-partite agreement with Integrated Enterprises (India) Limited on November 1, 2010 to act as Registrar and Transfer Agent (R&T agent).

6.12 There are no partly paid up equity shares in CFFL. There are no outstanding instruments in the nature of warrants/ fully convertible debentures/ partly convertible debentures etc. which are convertible into equity shares at any later date. There are no shares under Lock-in period.

6.13 The Promoters/ Sellers and other major shareholders of the target company have complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations, 1997 except for the delay in complying under Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, 1997 by the Promoter and Seller, Mrs. Subashini for 38 days and 5 days respectively in filing the prescribed information for the years 2003 and 2005

SEBI may initiate suitable action against Target Company and / or the /promoter/ and seller Mrs. Subashini for the non compliances made under the required provisions of Chapter II of the SEBI (SAST) Regulation, 1997

6.14 A share valuation certificate dated October 20, 2010 has been obtained from Mr. K.P. Sebastian, (Membership No: 200553), Partner, Sebastian & Paulose., Chartered Accountants, having office at Door No. 38/1073, Behind Padma Theatre, Cochin- 682035 Telephone No. 0484-2362905. They have stated that based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employee Union v. Hindustan Lever Limited, (1995) (83 Comp Cases 30), the value of the equity shares of CFFL is Rs. 1.48/- per Equity Share.

6.15 CFFL has confirmed that it has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 and subsequent amendments thereto or under any other regulations made under the SEBI Act, 1992.

6.16 There was no merger/ de-merger, spin off during last 3 years involving the Target Company.

6.17 CFFL is not a sick company within the meaning of the provisions contained in section 3(1)(o) of the SICA.

6.18 **Details of the Board of Directors of CFFL as on the date of the PA:**

Name, designation and Address	No. of Shares held & % of the paid up capital	Date of appointment	Experience	Directorship in other Companies
Mrs. S. Subhashini **(Chairman & Managing Director)** **DIN -** 00279749 5/82, PG Pudur, K. Vadamadurai Post, Coimbatore – 641017	9,20,950 30.70%	October 10, 1985	Mrs. S Subhashini, aged 62 years, is a Science graduate. She has won awards from the Basic Chemicals, Pharmaceuticals and Chemicals Export Promotion Council and also from Coimbatore District SSI Association. Since 1979, she has been running the unit of Coimbatore Flavors and Fragrances.	NIL
Mr. C. Sethuraman **(Director)** **DIN -** 00279813 45/2, Arts College Road, Coimbatore – 641018	50,000 1.72%	November 10, 1994	Mr. C Sethuraman, aged 42 years, holds a master degree in Computer Science. He is a qualified lead Assessor. He has been instrumental in maintaining the high quality standards of CFFL.	NIL
Mr. T.P. Muralidharan **(Non Executive Independent Director)** **DIN -** 01571734 31/224A, Pushpanjali, Vytilla, Ernakulam, Kochi – 682019	Nil	September 14, 2010	Mr. T. P. Muralidharan, aged 58 years, is a commerce graduate. He has about 25 years experience in running companies in plantation, construction, real estate and trading sectors.	a. Gemini Solvents Pvt. Ltd. b. Corevalue Developers and Infracon Pvt. Ltd.
Mr. Premjith K.G **(Non Executive Independent Director)** **DIN-** 01559237 No. 7, Shanti Nagar, Rajagiri P.O. South Kalamassery, Kochi.	Nil	September 14, 2010	Mr. Premjith K.G, aged 47 years, is a civil engineer. He has more than 20 years experience in project management and execution.	M/s PCM Pvt. Ltd.

None of the Directors of CFFL represent the Acquirer.

6.15 In terms of regulation 22(9) there are no persons representing or having interest in the Acquirer, who are on the Board of Directors of the Target Company nor are they insider within the meaning of SEBI (Insider Trading Regulations) 1992.

6.16 **Brief Audited Financials of CFFL**

Audited financial details of CFFL for the last three financial years:

(a) Profit and Loss Statement

(Rs. in lakhs)

Profit & Loss Statement	31st March 2008 (Audited)	31st March 2009 (Audited)	31st March 2010 (Audited)	Half Year Ended September 30, 2010
Sales	12.42	26.04	17.06	13.57
Other Income	6.14	0.63	0.03	2.72
Increase/Decrease in stock	-6.42	-0.49	-0.06	-
Total Income	**12.14**	**26.18**	**17.03**	**16.29**
Expenses				
Raw Material consumed	4.75	21.83	17.25	14.96
Direct Expenses	0.65	0.94	0.91	0.23
Administration and Selling Expenses	6.20	5.43	4.78	2.48
Financials Charges	0.46	0.61	0.96	-
TOTAL	**12.06**	**28.81**	**23.90**	**17.67**
Profit/Loss Before Depreciation Interest and Tax (PBIDT)	**0.08**	**-2.63**	**-6.87**	**-1.38**
Depreciation	7.24	7.24	7.24	3.62
Profit/Loss Before Tax (PBT)	**-7.16**	**-9.87**	**-14.11**	**-5.00**
Less				
Provision for Taxes	0.00	0.00	0.00	-
Provision for fringe benefit tax	0.08	0.05	0.00	-
Taxation in respect of earlier years	0.00	0.00	0.00	-
Provision for deferred tax	0.00	0.00	0.00	-
Profit/ Loss After Tax (PAT)	**-7.24**	**-9.92**	**-14.11**	**-5.00**
Profit/ Deficit carried forward from PY	**-56.90**	**-64.14**	**-74.06**	**-88.17**
Net profit transferred to Balance sheet	**-64.14**	**-74.06**	**-88.17**	**-93.17**

(b) Balance Sheet Statement

(Rs. in lakhs)

Balance Sheet Statement	31st March 2008 (Audited)	31st March 2009 (Audited)	31st March 2010 (Audited)	Half Year Ended September 30, 2010
Paid up Equity Share Capital	300.00	300.00	300.00	300.00
Reserves & Surplus (excluding revaluation reserve)	0.00	0.00	0.00	0.00
Loan Funds	2.22	3.57	5.49	0.00
Total	**302.22**	**303.57**	**305.49**	**300.00**
Use of Funds:				
Net Fixed Assets	106.98	99.75	92.54	88.92
Investments	0.00	0.00	0.00	0.00
Net Current Asset	20.39	18.24	1.34	-5.53
Miscellaneous Expenses	110.71	111.52	123.44	123.44

Profit and Loss account	64.14	74.06	88.17	93.17
Total	**302.22**	**303.57**	**305.49**	**300.00**
Net worth	**125.15**	**114.42**	**88.39**	**83.39**

(c) Other Financial Data

Other Financial Data	31st March 2008	31st March 2009	31st March 2010	Half Year Ended September 30, 2010
	(Audited)	(Audited)	(Audited)	(Certified)
Dividend (%)	Nil	Nil	Nil	Nil
EPS (Rs.)	(0.23)	(0.33)	(0.47)	(0.17)
Return on Net worth (%)	Nil	Nil	Nil	Nil
Book Value Per Share (Rs.)	4.17	3.81	2.95	2.78

(**Source:** Based on the Audited Balance Sheet of CFFL for the year ended March 31, 2008, March 31, 2009, and March 31, 2010 and Certified Financial statement for Half year ended September 30, 2010)

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The formulas are

EPS = Profit after Tax / outstanding equity shares
Book Value per share = Net worth/ outstanding equity shares
Return on Net worth (%) = (Profit After Tax / Net worth)*100

Note: 1. There is no change in the accounting policy in last 3 financial years:

2. **A. Significant accounting policies of CFFL:**

(a) Accounts
Accounts are maintained on accrual basis and on the basis of historical cost convention. The accounts have been prepared on a going concern basis.

(b) Fixed Assets
Fixed Assets are stated at cost of acquisition or construction. They are stated at historical cost, less accumulated depreciation.

(c) Depreciation
Depreciation on Fixed Assets has been provided on the straight line method in accordance with the Companies Act, 1956, at the rates and in the manner specified in Schedule XIV of this Act, 1956. For Income Tax purposes, the value of assets and depreciation rates and claims for revenue expenses are on the basis of Income Tax Act.

(d) Inventories
Inventories are valued at cost or net realizable value whichever is less.

(e) **Accounting for Taxes on Income**
The company has applied AS 22 ‘Accounting for Taxes on Income’ for the period April 2009 to March 2010 and the Company has significantly large unabsorbed depreciation and carried forward loss. In view of the long term requirement for set off of the unabsorbed depreciation and carried forward loss, the deferred tax has not been considered as an asset.

(f) Retirement benefits
Company is not liable under the payment of Gratuity Act. No employee had leave at Credit on March 31, 2010 necessitating any provision under the head “Terminal Benefits”

(g) **<u>Revenue Recognition</u>**

In case of sales made to customers outside India, income is accounted on the basis of exchange rate as on the date of transaction. Adjustments are made for any variations in the sale proceeds on conversion into Indian currency, upon actual receipt. Expenditure in Foreign Currency is accounted at the conversion rate prevalent, when such expenditure is incurred. Difference in Exchange has been shown separately in the accounts.

(h) **<u>Intangible assets</u>**

In respect of intangible assets, the same will be written off in the year in which sufficient profits are earned as required under AS 26.

(B) Contingent Liabilities

Provision for contingent liabilities is not made and would be accounted in the year in which the liability is recognized or acknowledged as debts.

6.17 Comparison and reasons for fall/rise in total income and Profit after Tax:

Financial Year 2008-09 vis-à-vis Financial Year 2007-08

The total income of the Target Company during the financial year 2008-09 was Rs. 26.19 lakhs as compared to Rs. 12.14 lakhs during the financial year 2007-08. The Profit/ (Loss) After Tax for the financial year 2008-09 was Rs. (9.87) lakhs as compared to Profit/ (Loss) After Tax of Rs. (7.15) lakhs for the financial 2007-08.

Financial Year 2009-10 vis-à-vis Financial Year 2008-09

The total income of the Target Company during the financial year 2009-10 was Rs. 17.04 lakhs as compared to Rs. 26.19 lakhs during the financial year 2008-09. The Profit/ (Loss) After Tax for the financial year 2009-10 was Rs. (14.11) lakhs as compared to Profit/ (Loss) After Tax Rs. (9.87) lakhs for the financial 2008-09.

6.18 Pre and Post- Offer Share Holding Pattern of CFFL as on the date of LOO:

Shareholders' Category	**Shareholding and voting rights prior to the SPA/ acquisition and Offer**		**Shares / voting rights agreed to be acquired which triggered off the Regulations**		**Shares/ voting rights to be acquired in Offer (assuming full acceptances)**		**Share holding / voting rights after the acquisition and Offer.**	
	(A)		**(B)**		**(C)**		**D = A+B+C**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
1. <u>Promoter Group</u> **a) Parties to SPA, Mrs. S. Subashini**	**920,950**	**30.7**	**920,950**	**30.7**	Nil	Nil	Nil Nil	Nil
b) Promoters other than 'a' above								
Mr. C Sethuraman	51,540	1.72						
(Note-1)	**51,540**	**1.72**						
Total (1) (a+ b)	**972,490**	**32.42**	**920,950**	**30.7**	**Nil**	**Nil**	**Nil**	**Nil**
2 <u>(a). Main Acquirer:</u> Mr. Benny Abraham	Nil	Nil	920,950	30.7	6,00,000	20	1,520,950	50.7
Total	**Nil**	**Nil**	**920,950**	**30.7**	**600,000**	**20**	**1,520,950**	**50.7**
2 (b) PACs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (2) (a+ b)	**Nil**	**Nil**	**920,950**	**30.7**	**600,000**	**20**	**1,520,950**	**50.7**

3. <u>Parties to SPA other than 1 (a) and 2 above</u>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4. <u>Public (other than parties to SPA,</u>								
a) Bodies Corporate	102,500	3.42						
b) Individuals	1,925,010	64.16						
Total	**2,027,510**	**67.58**						
c) Others	Nil	Nil						
d) Mr. C Sethuraman	Nil	Nil			51,540	1.72	51,540	1.72
Total (4) (a + b+c+d)	**2,027,510**	**67.58**	**Nil**	**Nil**	**(600,000)**	**-20**	**1,427,510**	**47.58**
Grand Total (1+2+3+4)	**3,000,000**	**100**	**Nil**	**Nil**	**Nil**	**Nil**	**3,000,000**	**100**

Note 1-Promoter other than the parties to SPA shall continue with the shareholding post the Offer under the public category.

6.19 Change in shareholding of the promoters as and when it happened

Date of Transaction	Identity of Allottee(s)/ Acquirer(s)/ Seller(s)	Mode of Allotment/Acquisition /Sold	Allotted Shareholding of the allottee(s)/ Acquirer(s)/ Seller(s) before the instant allotment/ Purchase/ Sale	% of Allotted Shareholding sale of the allottee(s)/ Acquirer(s)/ Seller(s) before the instant allotment/ Purchase/ Sale	No. of shares allotted/acquired/ sold	% of total voting capital of Target Company of the shares allotted/ acquired/ sold	Shareholding of the allottee(s) after the instant allotment/ purchase/ sale	% of allotted Shareholding of the allottee(s) after the instant allotment/ purchase/ sale	Shareholding of the Promoter Group before the instant allotment/ purchase/sale	% Shareholding of the Promoter Group before the instant allotment/ purchase/sale	Shareholding of the Promoter Group after the instant allotment/ purchase/sale	% Shareholding of the Promoter Group after the instant allotment/ purchase/sale	Status of compliance with applicable regulations including SAST (if yes, mention how compliance was achieved; if not explain why not)
	Since February 20, 1997 till March 31, 2002, there was no change in promoter holding								961,350	31.67	961,350	31.67	N.A
11-Mar-03	Mrs. S Subashini	Acquisition - Off Market	911,350	30.00	1,000	0.03	912,350	30.41	961,350	32.05	962,350	32.08	N.A
20-Jan-04	Mrs. S Subashini	Acquisition - Off Market	912,350	30.41	3,000	0.10	915,350	30.51	962,350	32.08	965,350	32.18	N.A
12-Dec-04	Mrs. S Subashini	Acquisition - Off Market	915,350	30.51	1,000	0.03	916,350	30.55	965,350	32.18	966,350	32.21	N.A
19-Nov-06	Mrs. S Subashini	Acquisition - Off Market	916,350	30.55	500	0.02	916,850	30.56	966,350	32.21	966,850	32.23	N.A
	Mrs. S Subashini	Acquisition - Off Market	916,850	30.56	2,600	0.09	919,450	30.65					
30-Jan-08	Mr. C. Sethuraman	Acquisition - Off Market	50,000	1.67	510	0.02	50,510	1.68	966,850	32.23	969,960	32.33	N.A
10-July10	Mrs. S Subashini	Acquisition - Off Market	919,450	30.65	1500	0.05	920950	30.70	969,960	32.33	971460	32.38	N.A
9-Aug-10	Mr. C. Sethuraman	Acquisition - Off Market	50,510	1.67	1,030	0.034	51,540	1.72	971,460	32.38	972,490	32.42	N.A

There are 3852 Equity Shareholders under Public category.

6.20 The Status of compliance with the Listing requirements:

CFFL has paid the listing fees in arrears from the year 2001-02 to 2010-11 to MSE and now complying with the listing agreement requirements. The Company is complying with Clause 49 of the Listing Agreement on corporate Governance. However the Company has paid the listing fees till 2003 to Ahmedabad Stock Exchange Limited, Cochin Stock Exchange Limited and Coimbatore Stock Exchange Limited.

6.21 There is no pending litigation by and / or against the CFFL.

6.22 Compliance Officer:

Mr C. Sethuraman
Director
5/82, Palani Gounden Pudur,
K. Vadamadurai Post,
Coimbatore – 641017
Tel. No.0422-2642076
Fax No.0422-2644096

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The equity shares of CFFL are listed on ASE, MSE, CSE and CSX.

7.1.2 The shares of CFFL are infrequently traded on ASE, MSE, CSE and CSX within the meaning of explanation (i) of Regulation 20(5) of the Regulations.

7.1.3 The Offer Price of Rs. 3/- per fully paid up equity share is justified in terms of regulation 20(5) of the Regulations as it is higher of the following facts:

a.	Negotiated Price per share under the Share Purchase Agreement (Rs.)		3.00
b.	Highest Price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of PA		NA
c.	Other Parameters with reference to the Target Company		March 31, 2010 (Audited)
	(i)	Return on Net worth (%)	NA
	(ii)	Book Value per share (Rs.)	2.95
	(iii)	Earnings Per Share (Rs.)	(0.47)
	(iv)	Price / Earnings Ratio	-
	(v)	Industry Average PE Multiple*	36.3

(Source: Capital Market- October 18, 2010 – October 31, 2010, Personal Care-Indian)
(*Source: Audited financials for the year ended 31st March, 2010*)
The Industry PE is not strictly comparable as the Industry segment covered by the Capital Market consist of companies, which have varied and different businesses compared to CFFL and also vary widely in terms of financial parameters with CFFL. (Since the value per share under PECV is Nil, the fair value is limited to half of the NAV as per CCI Guidelines).

7.1.4 A share valuation certificate dated October 20, 2010 has been obtained from Mr. K.P. Sebastian, (Membership No: 200553), Partner, Sebastian & Paulose., Chartered Accountants, having office at Door No. 38/1073, Behind Padma Theatre, Cochin- 682035 Telephone No. 0484-2362905. They have stated that based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employee Union v. Hindustan Lever Limited, (1995) (83 Comp Cases 30), the value of the equity shares of CFFL is Rs. 1.48/- per Equity Share.

7.1.5 The Offer Price of Rs. 3/- per equity share offered by the Acquirer to the shareholders of CFFL under the proposed Offer is justified in terms of regulation 20(5) read with regulation 20(11). In the opinion of the Manager to the Offer, the Offer Price is justified.

7.1.6 If the Acquirer acquire equity shares in the open market or through negotiations, after the date of PA and upto seven working days prior to the Date of Closure of the Offer at a price higher than the Offer Price stated herein, the highest price paid for such acquisition shall be payable for all equity shares tendered and accepted under this Offer as per regulation 20(7) of the Takeover Regulations.

7.1.7 There is no non-compete agreement hence no non-compete fee has been paid.

7.1.8 The Acquirer have not acquired any equity shares of CFFL from the date of PA upto the date of the LOO.

7.2 Financial Arrangements:

7.2.1 The maximum purchase consideration payable by the Acquirer in case of full acceptance of offer i.e. 6,00,000 fully paid up equity shares is Rs. 18,00,000/- (Rupees Eighteen Lakhs Only) at a price of Rs. 3/- (Rupees Three only) per equity share (the "Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter.

7.2.2 The Acquirer have created an Escrow Account in the name and style of **"CFFL – Open Offer – Escrow Account"** with HDFC Bank Limited at its branch office at 115, Dr. Radhakrishna Salai, 9th Floor, Mylapore, Chennai - 600004 and has deposited Rs.5,00,000/- (Rupees Five Lakhs only) being more than 25% of the total consideration payable under the Offer. The Acquirer has arranged a lien on the cash deposit in favour of the Manager to the Offer. The Manager to the Offer is authorised to realise the value of the escrow in terms of the Regulation.

7.2.3 The Acquirer has adequate financial resources to meet the financial requirements of the Offer. The Acquirer has made firm financial arrangements in terms of regulation 16 (xiv) for the resources required to complete the Offer in terms of the Regulations. No borrowings from Banks/ Financial Institutions are being made for the purpose. The funds to be utilized shall be domestic and no foreign funds shall be utilised.

7.2.4 Mr. K.P. Sebastian, Partner, Sebastian & Paulose, Chartered Accountants (Membership No. 200553), having their office at Door No. 38/1073, Behind Padma Theatre, Cochin – 682035 has certified vide his certificate dated October 13, 2010 that the net worth of Mr. Benny Abraham as on October 13, 2010 is Rs. 166 Lakhs and also certified that Mr. Benny Abraham has sufficient means to fulfill his part of the obligations under this instant offer.

7.2.5 Based on the above certificate, the Manager to the Offer, Vivro Financial Services Pvt. Ltd. has satisfied itself that the Acquirer have sufficient funds to meet the obligations under the SPA and the Offer.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 Statutory Approvals

a) There are no Non Resident Shareholders in the Company. No approval is therefore required from RBI under the FEMA, 1999.

b) No approval from any Bank/ Financial Institution is required for the purpose of this Offer, to the best of the knowledge of the Acquirer.

c) No other statutory approvals are required to the best of the knowledge of the Acquirer to acquire the shares of the Target Company that may be tendered pursuant to the Offer.

d) If any other statutory approvals become applicable at a later date, the Offer would be subject to such statutory approvals.

e) Barring unforeseen circumstances, the Acquirer would endeavour to obtain all the approvals within a period of 15 days from the date of Closure of the Offer. In case of delay in receipt of any statutory approval, if any, SEBI has power to grant extension of time to the Acquirer for the payment of the consideration to the tendering shareholders subject to the Acquirer agreeing to pay interest as directed by SEBI under regulation 22(12) of the Regulations. If the delay occurs due to willful default of the Acquirer in obtaining the requisite approval, if any, regulation 22(13) of the Regulations will become applicable under which amount lying in the escrow account shall be liable to be forfeited apart from the penalty as provided in the Regulations.

f) Locked-in Shares:

There are no locked-in shares in CFFL.

8.2 Other Terms of the Offer

8.2.1 This is not a conditional Offer and there is no stipulation as to the minimum level of acceptance.

8.2.2 The Offer will be made to the shareholders of CFFL and the Letter of Offer ("LOO") together with the Form of Acceptance cum Acknowledgement ("FOA"), Form of Withdrawal ("FOW") and Transfer Deed will be mailed to those shareholders of CFFL (except the existing promoter and the Seller under the SPA and also the Acquirer) whose names appear on the register of members of CFFL at the closure of business hours on Tuesday, November 30, 2010 (the "Specified Date").

8.2.3. Accidental omission to dispatch the LOO to any member entitled to this Offer or non-receipt of the LOO by any member entitled to this Offer shall not invalidate the Offer in any manner whatsoever.

8.2.4 The Acquirer can revise the price upwards up to 7 working days prior to the date of Closure of the Offer i.e. Saturday, January 29, 2011 and revision, if any, in the Offer Price would appear in the same newspapers where the original PA was published and same price would be paid to all the shareholders who tender their shares in the Offer

Procedure for acceptance and settlement

8.2.5 The Acquirer has appointed Integrated Enterprises (India) Limited as Registrar to the Offer. Shareholders who are holding shares and wish to tender their shares may send the FOA together with the Original Share Certificate(s) and Transfer Deed(s) duly signed to the Registrar to the Offer at the following address in an envelope either by hand delivery during normal business hours Monday to Friday 11.00 a.m. to 4.00 p.m. (excluding Bank Holidays), by Registered Post or by the Courier on or before the Closure of the Offer i.e. Saturday, January 29, 2011 in accordance with the instructions specified in the LOO and the FOA.

Sr. No.	**Collection Centre**	**Address of Collection Centre**	**Contact Person/ e-mail ID**	**Telephone No./ Fax No.**	**Mode of Delivery**
1.	Chennai	II Floor, "Kences Towers", No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017	Contact Person: Sriram S Email ID: corpserv@iepindia.com	Tel: 044-28140801,802,803, Fax Number: 044-28142479	Courier / Post / Hand-Delivery

8.2.6 All owners of shares registered or unregistered (except the existing promoter and the Seller under the SPA and also the Acquirer) who own the shares at any time prior to the Closure of the Offer are eligible to participate in the Offer. Unregistered owners/ shareholders who have not received LOO can send their application in writing, on a plain paper stating the name, address, number of shares held, number of shares offered to, distinctive numbers, folio no., together with documents stated at Para 8.2.5 above so as to reach the Registrar to the Offer on or before Saturday, January 29, 2011 i.e. before the Closure of the Offer. No indemnity is required from the unregistered owners. Where the transfer deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/ limited companies, certified copy of the Memorandum and Articles of Association and copy of the Board Resolution authorizing the signatory, shall also be sent.

8.2.7 In case of non-receipt of the LOO, the eligible persons may send their consent, to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, along with the document as mentioned above, so as to reach the Registrar to the Offer on or before the closure, i.e. Saturday, January 29, 2011. Such shareholders may also download the FOA from the website of SEBI i.e. http://www.sebi.gov.in which will be made available from the date of opening of the Offer i.e. Monday, January 10, 2001

8.2.8 **The shareholders or Beneficial Owners should not send the FOA, original share certificate and Transfer Deed either to the Acquirer/ Target Company.**

8.2.9 The Registrar to the Offer will hold in trust the shares, FOA, if any, and the transfer form(s) on behalf of the shareholders of CFFL, who have accepted the Offer, until the cheques / drafts for the consideration and/ or the unaccepted shares / share certificates are dispatched/ returned.

8.2.10 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners' sole risk to the sole/ first shareholder as appearing in the Register of Members of CFFL.

8.2.11 Shares tendered by the shareholders in the Offer shall be free from lien, charges and encumbrances of any kind whatsoever. Shares, if any, that are subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these shares are not received together with the shares tendered under the Offer. The LOO in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

8.2.12 In terms of regulation 21(6) where the number of shares tendered in the Offer are more than the shares agreed to be acquired by the Acquirer, the Acquirer shall accept all valid application received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking due care to ensure that the basis of acceptance, is decided in a fair and equitable manner.

8.2.13 While tendering shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of CFFL. In case of previous RBI approvals not being submitted, the Acquirer reserves the right to reject the Offer. While tendering shares under the Offer, NRI/ OCBs/ foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

8.2.14 Applications which are complete in all respects and which reach to the Registrar to the Offer on or before the date of Closure of the Offer i.e. Saturday, January 29, 2011would be approved and accepted by the Acquirer. The intimation regarding acceptance of applications and payment of consideration will be dispatched to the shareholders by Registered/ Speed Post at the shareholder's sole risk. In case of joint holder(s) the Cheque/ Demand Draft will be drawn in the name of the First Holder and in case of unregistered owners of shares the consideration will be paid to the person whose name is stated in the contract note.

8.2.15 The payment consideration for the applications so accepted in the Offer, shall be given within 15 days from the date of the Closure of the Offer. Credit for the consideration will be paid to the shareholders who have tendered shares in the Offer by ECS (Electronic Clearing Services), Direct Credit ("DC"), or Crossed Account Payee Cheques/ Pay orders/ Demand Drafts, National Electronic Funds Transfer("NEFT") and Real Time Gross Settlement ("RTGS")

8.2.16 In accordance with regulation 22(5)(A) of the Regulations, shareholders who have tendered requisite documents in terms of PA and LOO shall have the option to withdraw acceptance tendered up to 3 working days prior to the Closure of the Offer. The withdrawal option can be exercised by submitting the FOW (separately enclosed with the LOO which will be mailed to the shareholders of CFFL as on the Specified Date being Tuesday, November 30, 2010) together with the copy of acknowledgment received from the Registrar to the Offer while tendering the acceptance together with the following details:

➢ In case of physical shares: name, address, distinctive no., folio no., no. of shares tendered/ withdrawn.

a) The withdrawal of shares will be available only for the shares certificates/ shares that have been received by the Registrar to the Offer.
b) The intimation of returned shares to the shareholders will be at the address as per the records of CFFL.
c) The FOW should be sent to the Registrar to the Offer only, at the collection center mentioned in section 8.2.5 above.
d) In case of partial withdrawal of shares tendered in physical form, if the original shares certificates are required to be split, the same will be returned on receipt of shares certificate from CFFL.
e) Partial withdrawal of tendered shares can be done only by the registered shareholders. In case of partial withdrawal, the earlier FOA will stand revised to that effect.
f) Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners' sole risk to the sole/ first shareholder.
g) The Registrar to the Offer will hold in trust the shares/ share certificates, FOA, the transfer form(s) and FOW if any, on behalf of the shareholders of the CFFL, who have accepted the Offer, until the Cheques / Demand drafts / pay orders for the consideration and / or the unaccepted shares / share certificates, are dispatched/ returned.
h) In case any person has lodged shares for transfer and such transfer has not yet been effected, the concerned person may apply together with acknowledgement of the lodgment of shares for transfer. Such person should also instruct CFFL and its Registrar and Transfer Agent to send the transferred shares certificate(s) directly to the collection center located at the centres mentioned above in para 8.2.5. The applicant should ensure that the certificate(s) reach the designated collection center not later than 4 PM on Saturday, January 29, 2011.

In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making an application on the plain paper along with the details mentioned above.

Payment of Consideration through Electronic Mode

We shall give credit of consideration for Equity Shares tendered in the offer, if any, to the shareholders within 15 days from the date of the closure of the offer. Credit for the consideration will be paid to the shareholders who have tendered shares in the open offer by ECS, Direct Credit or crossed account payee cheques/ pay orders/demand drafts.

The payment of consideration, if any, would be done through various modes as given hereunder:

1. ECS – Payment of consideration would be done through ECS for applicants having an account at any of the following sixty eight centres:

1. Ahmedabad	2. Nashik	3. Sholapur	4. Gorakhpur
5. Bangalore	6. Panaji	7. Ranchi	8. Jammu
9. Bhubaneshwar	10. Surat	11. Tirupati (non-MICR)	12. Indore
13. Kolkata	14. Trichy	15. Dhanbad (non-MICR)	16. Pune
17. Chandigarh	18. Trichur	19. Nellore (non- MICR)	20. Salem
21. Chennai	22. Jodhpur	23. Kakin (non- MICR)	24. Jamshedpur
25. Guwahati	26. Gwalior	27. Agra	28. Visakhapatnam
29. Hyderabad	30. Jabalpur	31. Allahabad	32. Mangalore
33. Jaipur	34. Raipur	35. Jalandhar	36. Coimbatore
37. Kanpur	38. Calicut	39. Lucknow	40. Rajkot
41. Mumbai	42. Siliguri (non- MICR)	43. Ludhiana	44. Kochi/ Ernakulam
45. Nagpur	46. Pondicherry	47. Varanasi	48. Bhopal
49. New Delhi	50. Hubli	51. Kolhapur	52. Madurai
53. Patna	54. Shimla (non- MICR)	55. Aurangabad	56. Amritsar
57Thiruvananthapuram	58. Tirupur	59. Mysore	60. Haldia (non- MICR)
61. Baroda	62. Burdwan (non-MICR)	63. Erode	64. Vijaywada
65. Dehradun	66. Durgapur (non- MICR)	67. Udaipur	68. Bhilwara

This mode of payment of consideration would be subject to availability of complete bank account details in the FOA. The payment of consideration is mandatory for applicants having a bank account at any of the above mentioned sixty eight centres except where the applicant, being eligible, opts to receive refund through other modes as specified in the FOA.

2. Direct Credit – Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the FOA.

3. RTGS – Applicants having a bank account at any of the abovementioned sixty eight centres and whose payment consideration exceeds Rs. 1 lac, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive consideration through RTGS are required to provide the IFSC code in the FOA. In the event the same is not provided, payment consideration shall be made through other electronic modes or by cheques, pay orders or demand drafts payable.

4. NEFT (National Electronic Fund Transfer) – Payment of consideration shall be undertaken through NEFT wherever the shareholders bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. The process flow in respect of consideration by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those applicants whose payment consideration is not credited by ECS/Direct credit due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post/Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered. In case of payment consideration is rejected through the ECS/Direct credit facility, the registrar

would endeavor to dispatch the payment consideration within 3 working days of such rejection.

9. Payment of Consideration

a) The payment of consideration shall be made to those shareholders whose equity share certificates and/ or other documents are found valid and in order by the Acquirer, and the same shall be paid through a crossed account payee cheque/ demand draft/ pay order or by ECS/ DC/ NEFT/ RTGS on the request of the shareholders. The intimation regarding the acquisition (in part or full) or rejection of the shares tendered by the shareholders in acceptance of this Offer and the corresponding payment for the acquired shares and/ or share certificates for the rejected shares will be dispatched to the shareholders by registered post or by ordinary post as the case may be, at the shareholders'/ unregistered owner's sole risk within 15 days from the date of Closure of the Offer i.e. Saturday, January 29, 2011

b) All cheques/ demand drafts will be drawn in the name of the first holder, in case of joint holder(s). It will be desirable if the shareholders provide bank account details in the FOA for incorporation in the cheque/ demand draft.

c) However, if the Acquirer are unable to make the payment to the shareholders within 15 days due to non-receipt of any statutory approval to which the Offer may be subject, SEBI may, if it is satisfied that non receipt of requisite statutory approval was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to payment of interest to the shareholders at such rate for delay beyond 15 days, as may be specified by the Board.

10. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection by the shareholders of CFFL at the office of the Manager to the Offer i.e. Vivro Financial Services Pvt. Ltd., from 10.30 a.m. to 3.00 p.m. on any working day except Sundays, and Public / Bank Holidays until the closure of the offer i.e., Saturday, January 29, 2011.

1) Certificate of Incorporation and the Memorandum of Association and Articles of Association of CFFL.

2) Copy of the Share Purchase Agreement dated November 12, 2010.

3) Published Copy of Public Announcement of Offer dated November 16, 2010.

4) The Audited accounts of the Target Company for the period ended 31st March 2008, 31st March, 2009 and 31st March, 2010 and certified Financial Statement for the half year ended September 30, 2010.

5) Net worth Certificate of Mr. Benny Abraham, issued by Mr. K.P. Sebastian, Partner, Sebastian & Paulose, Chartered Accountants (Membership No. 200553), Telephone No. 0484 - 2362905, having their office at Door No. 38/1073, Behind Padma Theatre, Cochin – 682035, dated October 13, 2010 and adequacy certificate dated October 13, 2010 certifying that sufficient resources are available with Mr. Benny Abraham to meet its obligations under the Offer.

6) Letter from the Acquirer dated October 3, 2010 regarding appointment of Vivro Financial Services Private Limited as Manager to the Offer.

7) Statement from the Escrow Bank confirming cash deposit in of Rs. 5,00,000/- and a lien marked in favour of the Manager to the Offer.

8) Share valuation certificate dated October 20, 2010 obtained from Mr. K.P. Sebastian, Partner, Sebastian & Paulose, Chartered Accountants (Membership No. 200553), Telephone No. 2362905, having their office at Door No. 38/1073, Behind Padma Theatre, Cochin – 682035 stating the value of per equity share of CFFL is Rs. 1.48/-.

9) Copy of SEBI letter No.CFD/DCR/TO/SS/OW/30560/10 dated December 21, 2010_ issued in terms of proviso to the regulation 18(2) of the Regulations

10) Due Diligence Certificate given by Vivro Financial Services Private Limited, Manager to the Offer dated

November 27, 2010.

11) Copy of the agreement dated November 1, 2010 between Integrated Enterprises (India) Limited and The Acquirer for their appointment as Registrar to the Offer.

12) Copy of the Escrow Agreement dated November 10, 2010 between Mr. Benny Abraham, HDFC Bank Limited and Vivro Financial Services Private Limited.

11. DECLARATION BY THE ACQUIRER

11.1 The Acquirer, Mr. Benny Abraham accepts full responsibility for the information contained in this Letter of Offer.

11.2 The Acquirer would be responsible for ensuring compliance with the SEBI (SAST) Regulations, 1997. The information relating to the Target Company has been obtained from publicly available information and from the Company.

Sd/-

Mr. Benny Abraham

The person signing the Letter of Offer is duly and legally authorised person.

Place: Coimbatore

Date: December 27 , 2010

Attached: **1. Form of Acceptance – cum – Acknowledgement**

2. Form of Withdrawal – cum- Acknowledgement

3. Transfer Deed

F O R M O F A C C E P T A N C E - C U M - A C K N O W L E D G E M E N T

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(*Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Registrar to the Offer i.e. Integrated Enterprises (India) Limited at the address as mentioned in the Letter of Offer)*

(All terms and expression used herein shall have the same meaning as described thereto in Letter of Offer and please read the instructions mentioned below before filling in this form of acceptance.)

From:___________________________________

Name:___________________________________

Address:________________________________

____

____

OFFER	
Opens on:	**Monday, January 10, 2011**
Last date of withdrawal:	**Tuesday, January 25, 2011**
Closes on:	**Saturday, January 29, 2011**

Tel No: (_____) ___________ Fax No.: (_____) _____________E-mail: __________________

To,
Integrated Enterprises (India) Limited
II Floor, "Kences Towers",
No.1 Ramakrishna Street,
North Usman Road, T Nagar,
Chennai – 600 017

Dear Sir/ Madam

Re: Open Offer to acquire 6,00,000 equity shares of Rs. 10/- each, representing 20% of the total issued, subscribed and paid up equity share capital and voting equity share capital of Coimbatore Flavors and Fragrances Limited ("Target Company"/ CFFL) at price of Rs. 3/- (Rupees Three only) per equity share ("Offer Price") payable in cash by Mr. Benny Abraham (referred to as the Acquirer).

1. I/ We refer to the Letter of Offer dated December 27, 2010 constituting an Offer for acquiring the equity shares held by me/ us in **Coimbatore Flavors and Fragrances Limited.**

2. I/ We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

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

Sr. No.	**Folio No.**	**Certificate No.**	**Distinctive No.(s) From**	**To**	**No. of Shares**
Total Number of shares					

--- Tear along this line---

Acknowledgment Slip: Coimbatore Flavors and Fragrances Limited – Open Offer (to be filled in by the shareholders)

Received from Mr./Ms./M/s____

Form of Acceptance cum Acknowledgement for CFFL Offer as per details below: -

Physical Shares: Folio No. __________ No. of Certificates Enclosed ______ Certificate No.__________ Total No. of Shares Enclosed __________Total No. of Shares Enclosed ________________________________

(Delete whichever is not applicable)

Date of Receipt: _____________ Stamp of collection center: Signature of Official:

Enclosures (Please tick as appropriate, if applicable)

Please use additional sheet and authenticate the same in case of insufficient space.

☐ Power of Attorney	☐ Corporate authorization in case of companies along with Board Resolution and specimen signatures of authorized signatories
☐ Death Certificate/ Succession Certificate	☐ others(Please specify) __________
☐ No objection Certificate and Tax Clearance Certificate under Income-Tax Act, 1961, for NRIs/ OCBs/ Foreign Shareholders as applicable	

4. I/ We confirm that the equity shares of Coimbatore Flavors and Fragrances Limited which are being tendered herewith by me/ us under this Offer are free from liens, charges and encumbrances of any kind whatsoever.
5. I/ We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/ us by the Registrar to the Offer until the time the Acquirer make payment of the purchase consideration as mentioned in the Letter of Offer.
6. I/ We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.
7. I/ We authorize the Acquirer to send by registered post/ speed post/ UCP the draft/ cheque, in settlement of the amount to the sole/ first holder at the address mentioned above.
8. I/ We authorize the Acquirer to accept the equity shares so offered or such lesser number of equity shares which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/ We further authorize the Acquirer to return to me/ us, equity share certificate(s) which is not found valid.
9. My/ Our execution of this Form of Acceptance shall constitute my/ our warranty that the equity shares comprised in this application are owned by me/ us and are transferred by me/ us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I/ We will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I/ We agree that the Acquirer may pay the Offer Price only after due verification of the documents and signatures and on obtaining the necessary approvals as mentioned in the said letter of offer.

--- Tear along this line ---

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

Integrated Enterprise (India) Ltd.,
(Unit: Coimbatore Flavors and Fragrances Ltd.)
Contact person: Sriram S
II Floor, "Kences Towers", No. 1 Ramakrishna Street,
North Usman Road, T Nagar, Chennai – 600 017
Telephone number : 044-28140801, 802, 803
Fax number : 044-28142479
E-mail ID : corpserv@iepindia.com
Website : www.iepindia.com
SEBI Registration Number : INR000000544

10. I/ We undertake to execute such further documents and give further assurance as may be required or expedient to give effect to my/our agreeing to sell the said equity shares.
11. So as to avoid fraudulent encashment in transit, Shareholder(s) should provide details of bank account of the first/sole shareholder and the cheque or demand draft will be drawn accordingly.
Please indicate the preferred mode of receiving the payment consideration. (Please tick)
1) Electronic Mode: --------------------------- 2) Physical Mode: -----------------------------

Sr. No Particulars required Details

Name of Bank	Branch	City	Type of Account	Account Number
MICR Code		IFSC Code (for RTGS/ NEFT transfers)		

The Permanent Account No.(PAN No.) Allotted under the Income Tax Act 1961 is as under: -

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN No.			

Yours faithfully,
Signed and delivered

	FULL NAME (S) OF THE HOLDER	SIGNATURE (S)
First / Sole Holder		
1st Shareholder		
2nd Shareholder		
3rd Shareholder		

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

Place: ___________________

Date ________________

12. I/ We irrevocably authorize the Acquirer or the Manager to the Offer to send by registered post the draft / cheque, in settlement of purchase at my own risk and any excess share certificate, if any, to the Sole/first holder at the address mentioned below:

NAME AND COMPLETE ADDRESS OF THE SOLE/FIRST HOLDER (IN CASE OF MEMBER(S)), ADDRESS as Registered with the Company.

Name: ____

Address: ____

Place: ___________________

Date: ___________________

Tele No: __________________

INSTRUCTIONS

1. **Shareholders should enclose the following:**

   Registered Shareholders should enclose

   i) **Form of Acceptance-cum-Acknowledgment** duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Share certificates.

   ii) **Original Share certificate(s).**

   iii) **Valid transfer deed(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 CFFL and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, wherever required, (thumb impressions, signature difference, etc.) should be done.

   If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid transfer deed from a registered shareholder, then the Offer will be deemed to have been accepted by such shareholders.

   The details of buyer should be left blank failing which the same will be invalid under the Offer. All other requirements for valid transfer will be preconditions for valid acceptance.

   II. **Unregistered owners should enclose**

   i. **Form of Acceptance-cum-Acknowledgment** duly completed and signed in accordance with the instructions contained therein.

   ii. Original Share certificate(s).

   iii. Original broker contract note.

   iv. **Valid Share transfer deed(s)** as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.

2. The Share certificate(s), share transfer form(s) and the Form of Acceptance-cum-Acknowledgment should be sent only to the Registrar to the Offer and not to the Manager to the Offer or Acquirer or COIMBATORE FLAVORS AND FRAGRANCES LIMITED.

3. The Form of Acceptance-cum-Acknowledgment and other related documents should be submitted at the collection center of Integrated Enterprises (India) Limited as stated in the Letter of Offer.

4. It is mandatory for shareholders to indicate the bank account details at the appropriate place in the Form of Acceptance-cum-Acknowledgment and the consideration would be credited to the bank account of the sole/ first shareholder. The payment would be made at par to all the shareholders.

5. **Rejection of Shares**

   If the shares are rejected for any of the following reasons, the shares will be returned to the holder(s) along with all the documents received from them at the time of submission. Please Note that the following list is not exhaustive.

a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of COIMBATORE FLAVORS AND FRAGRANCES LIMITED.

b. The Transfer deed is not complete or that the signatures do not match with the specimen recorded with COIMBATORE FLAVORS AND FRAGRANCES LIMITED.

c. The number of shares mentioned in the Form of Acceptance-cum-Acknowledgment does not tally with the actual physical share certificate(s) submitted.

6. All documents/ remittances sent by or to shareholders will be at their own risk. Shareholders of Coimbatore Flavors and Fragrances Limited are advised to adequately safeguard their interests in this regard.

7. Neither The Acquirer, the Manager to the Offer, the Registrar to the Offer or Coimbatore Flavors and Fragrances Limited will be liable for any delay/ loss in transit resulting in delayed receipt/non-receipt by the Registrar of your Form of Acceptance-cum-Acknowledgment or submission of original physical Share certificate(s) due to inaccurate/ incomplete particulars/ instructions on your part, or for any other reason.

Applicants who cannot hand deliver their documents at the collection Center, may send their documents only by registered post, at their own risk, to the Registrar to the Offer at II Floor, "Kences Towers", No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, so as to reach the Registrars to the Offer on or before the last date of acceptance i.e. Saturday, January 29, 2011

8. Please read the enclosed Letter of Offer before filling up the form of Acceptance.

9. The Form of Acceptance should be filled up in English only.

10. Signature(s) other than in English, Hindi and thumb impression must be attested by notary public under his official seal.

11. Mode of tendering the Equity shares pursuant to the Offer

(i) The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholders of CFFL.

(ii) Shareholders of CFFL to whom the Offer is being made, are free to Offer his/ her/ their shareholding in CFFL for sale to the Acquirer, in whole or part, while tendering his/ her/ their equity shares in the Offer.

All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your Reference Folio No./ Name of the Sole/Joint applicant

Integrated Enterprises (India) Ltd.,
(Unit: Coimbatore Flavors and Fragrances Ltd.)
Contact person: Sriram S
II Floor, "Kences Towers",
No.1 Ramakrishna Street,
North Usman Road, T Nagar,
Chennai – 600 017
Tel: : 044-28140801, 802, 803
Fax: 044-28142479
Emailcorpserv@iepindia.com
Website : www.iepindia.com
SEBI Registration Number : INR000000544

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(*Please send this Form of Withdrawal with enclosures to Registrar to the Offer Integrated Enterprises (India) Limited at the address as mentioned in the Letter of Offer)*

THIS FORM SHOULD BE USED BY THE SHAREHOLDERS ONLY FOR EXERCISING THE WITHDRAWL OPTION AS PROVIDED IN THE LETTER OF OFFER

Offer	
Opens on:	**Monday, January 10, 2011**
Last date of Withdrawal	**Tuesday, January 25, 2011**
Closes on:	**Saturday, January 29, 2011**

To,

Integrated Enterprises (India) Limited
II Floor, "Kences Towers",
No.1 Ramakrishna Street,
North Usman Road, T Nagar,
Chennai – 600 017

Dear Sir/Madam,

Sub: **Open Offer to acquire 6,00,000 equity shares of Rs.10/- each, representing 20% of the total issued subscribed and paid up equity share capital and 20% of the total voting equity share capital of Coimbatore Flavors and Fragrances Limited ("Target Company"/ "CFFL ") at price of Rs. 3/- (Rupees Three only) per Equity share ("Offer Price") payable in cash by Mr. Benny Abraham (referred to as the Acquirer) - withdrawal of shares tendered in the Offer.**

I/ We refer to the Letter of Offer dated December 27, 2010 for acquiring the Shares held by me/us in **COIMBATORE FLAVORS AND FRAGRANCES LIMITED.** I/ we, the undersigned, have read the Letter of Offer understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.

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

I/ We hereby consent unconditionally and irrevocably to withdraw my/ our Shares from the Offer and

I/ We further authorize the Acquirer to return to me/ us, tendered Share certificate(s)/ Share(s) at my/ our sole risk.

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

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

I/ We note that the Acquirer/ Registrar to the Offer shall not be liable for any postal delay/ loss in transit of the shares.

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

---TEAR ALONG THIS LINE---

Acknowledgment Slip: Coimbatore Flavors and Fragrances Limited – Open Offer (to be filled in by the shareholders)

Received from Mr./Ms./M/s --- -------Form of Acceptance cum Acknowledgement for CFFL Offer as per details below:

Physical Shares: Folio No.	No. of Certificates Enclosed	Certificate No.	Total
No. of Shares Enclosed			
Total No. of Shares Enclosed			
(Delete whichever is not applicable)			
Date of Receipt :	Stamp of collection center:	Signature of Official:	

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

Folio no.	**Certificate No.**	**Distinctive Nos.**		**No. of Shares**
		From	**To**	
Tendered				
Withdrawn				
Total No. of equity shares				

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

Yours faithfully,
Signed & Delivered

Full Name(s) of the holders	**Address**	**Signature**
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all shareholders must sign. A corporation must affix its common seal necessary Board Resolution should be attached.

Place: _______________________

Date: _______________________

-- Tear along this line ---

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

Integrated Enterprises (India) Ltd.,
(Unit: Coimbatore Flavors and Fragrances Ltd.)
Contact person: Sriram S
II Floor, "Kences Towers",
No.1 Ramakrishna Street,
North Usman Road, T Nagar,
Chennai – 600 017
Tel: 044-28140801, 802, 803
Fax: corpserv@iepindia.com
Website : www.iepindia.com
SEBI Registration Number : INR000000544

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection center mentioned In the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. Tuesday, January 25, 2011.

2. Shareholders should enclose the following:

i. Registered Shareholders should enclose.

a. Duly signed and completed Form of Withdrawal
b. Acknowledgement slip in original/ copy of the submitted Form of acceptance- cum-Acknowledgement in case delivered by Registered A.D.
c. In case of partial withdrawal, valid share transfer form(s) for the remaining Shares (i.e. Shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Coimbatore Flavors and Fragrances Limited and duly witnessed at the appropriate place.

ii. Unregistered owners should enclose.

a. Duly signed and completed Form of Withdrawal.
b. Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

3. The withdrawal of Shares will be available only for the Share certificates/ the Shares that have been received by the Registrar to the Offer.
4. The intimation of returned Shares to the shareholders will be at the address as per the records of the Target Company.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original Share certificates are required to be split, the same will be returned on receipt of Share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.
7. The Form of Withdrawal and other related documents should be submitted at the collection center of Integrated Enterprises (India) Limited as stated in the Letter of Otter.

Applicants who cannot hand deliver their documents at the collection center, may send their documents by Registered Post, or courier at their own risk, to the Registrar to the Offer at Integrated Enterprises (India) Limited, II Floor, "Kences Towers", No.1 Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017, so as to reach the Registrars to the Offer on or before the last date of acceptance i.e. Saturday, January 29, 2011

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