

## LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of Continental Valves Limited ("CVL / Target Company"). If you require any clarifications about the action to be taken, you may consult your stockbroker or your investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in the Target Company, 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 affected.

#### CASH OFFER

Pursuant to regulation 11(1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

By

**Mrs. Rashmi Chowdhary ("Acquirer")**

residing at

10F, Alipore Park Place, Kolkata – 700 027

Ph: +91-33-2283 4467

to the shareholders of  
**Continental Valves Limited**

**Registered office:** Poddar Point (10<sup>th</sup> Floor), 113, Park Street, Kolkata- 700 016

Ph: + 91-33- 2229 5542; Fax: +91-33-2226-0437

To acquire 162,873 fully paid up Equity Shares of Rs. 10/- each representing 20% of the current voting capital of Continental Valves Limited **at a price of Rs.8/- (Rupees Eight only) (the "Offer Price") per fully paid-up Equity Share payable in cash.**

#### Please Note:

1. This Offer is being made pursuant to and in accordance with regulation 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof (the "SAST Regulations / Regulations").
2. This Offer is neither conditional nor subject to any minimum level of acceptance by shareholders of the Target Company.
3. There are no statutory approvals required to acquire the equity shares that are validly tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer shall not proceed with the Offer in the event any statutory approval is not obtained.
4. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, shall have the option to withdraw their acceptance on or before Friday, May 22, 2009, i.e., 3 (three) working days prior to the date of closure of the Offer i.e. Wednesday, May 27, 2009.
5. If there is any upward revision in the Offer Price by the Acquirer prior to or on the last date for revising the Offer Price viz., Monday, May 18, 2009, you will be informed by way of another Public Announcement in the same newspapers in which the first Public Announcement was published. The Acquirer shall pay such revised price for all shares validly tendered any time during the Offer and accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 27 of the Regulations, the same would be communicated by a Public Announcement in the same newspapers in which the Public Announcement appeared.
6. **This is not a competitive bid.**
7. **If there is a competitive bid(s):**
  - a. **The public offers under all the subsisting bids shall close on the same date;**
  - b. **As the Offer Price cannot be revised during 7 (seven) working days prior to the closing date of the offers/ bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**
8. No competitive bid has been announced till the date of this Letter of Offer.
9. A copy of the Public Announcement and the Letter of Offer (including the Form of Acceptance-cum-Acknowledgement and the Form of Withdrawal) will also be available on the website of Securities and Exchange Board of India ("SEBI") (<http://www.sebi.gov.in>).

#### Manager to the Offer



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

**Contact Person: Mr. Manav Goenka**

**Offer Opens on : Friday, May 08, 2009**

#### Registrar to the Offer



**NICHE TECHNOLOGIES PRIVATE LIMITED**  
D-511, 5<sup>th</sup> Floor, Bagree Market  
71, B R B B Road, Kolkata- 700001  
Tel : +91 33 2234 3576/2235 7271/7270  
Fax: +91 33 2215 6823  
E-mail: nichetechpl@nichetechpl.com  
**Contact Person: Mr. Shoab Abbas**

**Offer Closes on: Wednesday, May 27, 2009**

## SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

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

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

## RISK FACTORS

### RISK RELATED TO THE OFFER

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer.

- a. The Offer involves an offer to acquire 20% of the current Voting Capital of the Target Company. In the case of oversubscription in the Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- b. In the event that (a) a statutory and regulatory approval, if applicable, is not received in a timely manner, (b) there is any litigation leading to a "stay" of the Offer, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of the Target Company whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed.
- c. The shareholders who have lodged their shares would not be able to withdraw them after the last date of withdrawal i.e. Friday, May 22, 2009 even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, in the designated escrow account, till such time as the process of acceptance of tendered shares and the payment of consideration is completed.
- d. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement or the Letter of Offer or in the advertisement or any materials issued by, or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

### RISK FACTORS ASSOCIATED WITH THE ACQUIRER

1. The Acquirer along with the Promoter group is already in control of the Target Company and is making the Offer in terms of Regulation 11(1) of the SEBI (SAST) Regulations for substantial acquisition of shares without change of control.
2. There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

## TABLE OF CONTENTS

1	DEFINITIONS.....	4
2	DISCLAIMER CLAUSE.....	5
3	DETAILS OF THE OFFER.....	5
4	BACK GROUND OF THE ACQUIRER.....	6
5	DISCLOSURE IN TERMS OF REGULATION 21(2) OF THE REGULATIONS.....	7
6	BACK GROUND OF THE TARGET COMPANY.....	7
7	OFFER PRICE AND FINANCIAL ARRANGEMENTS.....	11
8	TERMS AND CONDITIONS OF THE OFFER.....	13
9	PROCEDURE FOR ACCEPTANCE AND SETTLEMENT.....	13
10	DOCUMENTS FOR INSPECTION.....	17
11	DECLARATION BY THE ACQUIRER.....	17

## 1 DEFINITIONS

Acquirer	Mrs. Rashmi Chowdhary, resident of 10F, Alipore Park Place, Kolkata – 700 027. Tel,: 033-22834467
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Continental Valves Limited/ CVL/Target Company	A Company incorporated under the Companies Act, 1956 and having its registered office at Poddar Point (10th Floor), 113, Park Street, Kolkata- 700 016, Ph: +91-33-2229 5542; Fax: +91-33-2226-0437.
CSE	Calcutta Stock Exchange Association Limited
Date of closure of Offer	Wednesday, May 27, 2009
DP	Depository Participant
DSE	Delhi Stock Exchange Limited
ECS	Electronic Clearing System
Eligible Person(s) / Eligible Shareholder(s) for the Offer	All shareholders / beneficial owners (registered or otherwise) of the shares of the Target Company except the Acquirer, Promoter group, and any persons acting in concert.
Form of Acceptance/FOA	Form of Acceptance cum Acknowledgement
FOW	Form of Withdrawal
IFSC	Indian Financial System Code
Letter of Offer/LOO	This Letter of Offer dated April 23, 2009
MICR	Magnetic Ink Character Recognition
Microsec/MCL/Manager to the offer/MB/Merchant Banker	Microsec Capital Limited, the Merchant Banker appointed by the Acquirer pursuant to regulation 13 of the SAST Regulations, having registered office at 53 Syed Amir Ali Avenue, 1st floor, Kolkata – 700 019
NEFT	National Electronic Fund Transfer
Offer	Open Offer for acquisition of 162,873 equity shares of the Target Company, representing 20% of its current voting capital at the Offer Price payable in cash.
Offer Price	Rs 8/- (Rupees Eight only) per equity share.
Offer Period	20 (twenty) days period from the date of opening of offer on Friday, May 08, 2009 to closing of offer on Wednesday, May 27, 2009
Public Announcement/PA	Public Announcement of the Offer made by the Acquirer <ul style="list-style-type: none"> <li>• In all editions of Business Standard (English) on March 17, 2009;</li> <li>• in all editions of Business Standard (Hindi) on March 17, 2009;</li> <li>• in Kolkata edition of Dainik Statesman (Bengali) on March 17, 2009.</li> </ul>
Registrar/ Registrar to the Offer/	Niche Technologies Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at D-511, 5th Floor, Bagree Market, 71, B R B B Road, Kolkata- 700001, West Bengal, India
Regulations / SAST Regulations/ Takeover Code	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.
RTGS	Real Time Gross Settlement
SEBI	Securities & Exchange Board of India
SEBI Act	Securities & Exchange Board of India Act 1992
Seller	Industrial Development Bank of India Limited
Share(s)	Fully Paid up equity shares of face value of Rs 10/- each of Continental Valves Limited
Specified Date	Date for the purpose of determining the names of shareholders as on such date to whom the Letter of Offer will be sent
Target Company	Continental Valves Limited
Voting Capital /Paid-up capital of Target Company	Equity share capital of Continental Valves Limited is Rs. 82.22 Lacs consisting of 814,362 equity shares of Rs. 10 each fully paid up and Rs. 0.78 Lacs on account of forfeited shares.

**Note:** All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the Regulations unless specified.

## 2 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF CONTINENTAL VALVES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT 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 DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, MICROSEC CAPITAL LIMITED, THE MANAGER TO THE OFFER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 27, 2009 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT 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 Mrs. Rashmi Chowdhary, a resident of 10F, Alipore Park Place, Kolkata – 700 027, Telephone no. 033-22834467, is making an Open Offer pursuant to and in compliance with regulation 11(1) SEBI (SAST) Regulations, 1997.

3.1.2 The Acquirer has acquired 195,182 equity shares representing 23.97% of total paid up/voting share capital of Continental Valves Limited from Industrial Development Bank of India Limited (IDBI) at a price of Rs. 8/- (Rupees Eight) per share ('Negotiated Price') in cash on March 12, 2009 through off market transaction and that resulted in the triggering of the SEBI SAST Regulations, 1997. IDBI was holding 195,182 equity shares in the Target Company only as a financial investor. These shares were allotted to IDBI during the Initial Public Offering of the Target Company in the year 1987. The shares held by IDBI have always been shown under the "public category" in the filings made to the stock exchanges by the Target Company and IDBI is not a part of the promoter group.

The Acquirer undertakes that she will not exercise the voting rights, which have been vested by virtue of the acquisition referenced in per para 3.1.2, till the completion of all the formalities under the SEBI (SAST) Regulations.

3.1.3 The Acquirer, Mrs. Rashmi Chowdhary, is the wife of Mr. Umesh Chowdhary, a Promoter- Director of the Target Company and she belongs to the promoter group of the Target Company. Prior to the acquisition referred to in para 3.1.2, the promoter group held 360,500 equity shares representing 44.27% of the total paid up/voting share capital of the Target Company. The Acquirer did not hold any shares of the Target Company prior to the acquisition. After the acquisition referred to in para 3.1.2, the promoter group holds 555,682 equity shares representing 68.24% of the total paid up/voting share capital of the Target Company as on the date of the Public Announcement.

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

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

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

3.1.7 As on date of the PA, Microsec Capital Limited, Manager to the Offer does not hold any shares of the Target Company.

### 3.2 Details of the Offer

3.2.1 The Public Announcement was made in the following newspapers, in accordance with regulation 15 of the SEBI (SAST) Regulations.

Name of the Newspaper	Edition	Date
Business Standard (English)	All Editions	March 17, 2009
Business Standard (Hindi)	All Editions	March 17, 2009
Dainik Statesman (Bengali)	Kolkata - Edition	March 17, 2009

3.2.2 A copy of the Public Announcement for the Open Offer is also available on the SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in))

- 3.2.3 The Acquirer is making an offer to acquire 162,873 Equity shares of Rs.10/- each representing 20% of the current issued, subscribed and fully paid-up equity capital of Target Company, in terms of regulation 21(1) of the Regulations, at a price of Rs. 8/- (Rupees Eight Only) per fully paid up Equity Share for cash.
- 3.2.4 There are no partly paid –up shares of the Target Company.
- 3.2.5 This is not a competitive bid and there have been no competitive bid(s) as on the date of this letter of offer.
- 3.2.6 This Offer is neither conditional nor subject to any minimum level of acceptance.
- 3.2.7 The Acquirer will acquire all the shares that are validly tendered in accordance with the terms of the offer up to 162,873 Equity shares at the offer price.
- 3.2.8 The equity shares of the Target Company tendered will be acquired by the Acquirer fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof
- 3.2.9 In the event the equity shares tendered in the offer by the shareholders of CVL are more than the equity shares to be acquired under the offer, the acquisition of equity shares from each shareholder will be on the proportionate basis, irrespective of whether the equity shares are held in physical or dematerialised form.
- 3.2.10 The Acquirer has not acquired any shares of the Target Company from the date of the PA up to the date of this letter of Offer.

### 3.3 Reason for the acquisition/ offer

- 3.3.1 The consolidation of shareholding by the Promoter Group is the reason and rationale for the acquisition.
- 3.3.2 The Offer to the public shareholders of CVL is for acquiring 20.00% of the voting share capital of Target Company.
- 3.3.3 The Promoter group proposes to continue the existing line of business of the Target Company. However, depending on the requirements and expediency of the business situation and subject to the provisions of the Companies Act, 1956, Articles of Association of CVL and all applicable laws, rules and regulations, the Board of Directors of CVL will take appropriate business decisions from time to time in order to improve the performance of the Target Company. The Promoter group may diversify its business activities in future with prior approval of shareholders.
- 3.3.4 The Acquirer does not have any intention to change the Board of Directors of the Target Company except in the ordinary course of business and subject to applicable law.

## 4 BACK GROUND OF THE ACQUIRER

- 4.1.1 Mrs. Rashmi Chowdhary is wife of Mr. Umesh Chowdhary, Director of the Target Company, residing at 10F, Alipore Park Place , Kolkata – 700 027. Telephone no. 033-22834467.
- 4.1.2 Mrs. Namita Lakhotia, Membership no. 064406, partner of R. K. Lakhotia & Associates, Chartered Accountants (157, N. S. Road, Room No. 113A, Kolkata- 700 001) has certified vide their letter dated March 04, 2009 that the net worth of Mrs. Rashmi Chowdhary as on 31.12.2008 is Rs. 7319 Lacs.
- 4.1.3 She does not hold any position as Director in any listed company.
- 4.1.4 She does not hold any position as full time Director in any company.
- 4.1.5 Except as stated in para 3.1.2 above, the Acquirer and the promoter group have not acquired any shares / voting rights of the Target Company during the twelve (12) month period prior to the date of the PA.
- 4.1.6 Mrs. Rashmi Chowdhary has complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations in a timely manner.

### 4.2 Disclosure under Regulation 16 (ix)

- 4.2.1 The Promoter group does not have any plans to dispose off or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company.
- 4.2.2 Other than in the ordinary course of business, the Promoter group undertakes that it will not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company. Notwithstanding the immediately preceding sentence, the Board of Directors of the Target Company will take appropriate decisions in these matters as per the requirements of business and in line with the business opportunities from time to time.

## 5 DISCLOSURE IN TERMS OF REGULATION 21(2) OF THE REGULATIONS

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

Pursuant to the successful closure of the Offer, and assuming full acceptances, the public shareholding of the Target Company is expected to fall below 25 % of the voting capital of the Target Company. The Acquirer and other promoters will, in accordance with Regulation 21(2) of the SEBI (SAST) Regulations 1997, take necessary actions in compliance of the laws to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the stock exchanges within the specified time and in accordance with the prescribed procedure under amended clause 40A (viii) of the Listing Agreement. The Acquirer and the other promoters have the following options to raise the level of public shareholding in terms of clause 40A (viii) of the Listing Agreement- (a) issuance of shares to public through prospectus; (b) offer for sale of shares held by promoters to public through prospectus; (c) sale of shares held by promoters through the secondary market; (d) any other method which does not adversely affect the interest of minority shareholders.

## 6 BACK GROUND OF THE TARGET COMPANY

- 6.1 Continental Valves Limited is a public limited company having its registered office at Poddar Point (10th Floor), 113, Park Street, Kolkata- 700 016, Ph: +91-33- 2229 5542; Fax: +91-33-2226-0437. The corporate office is situated at 2 & 10, Rozka Meo Industrial Area, Sohna 122 103, District Gurgaon, Haryana, Ph: +91-124- 236 2311, Fax: +91-124- 236 2580.
- 6.2 The Target Company was incorporated as “Continental Valve Limited” on May 13, 1982. Subsequently the name of the Target Company was changed to Continental Valves Limited vide fresh certificate of incorporation dated April 8, 2005.
- 6.3 CVL is engaged in the manufacturing and selling of various types of control valves & spares. The manufacturing unit of the Target Company is located at 2 & 10, Rozka Meo Industrial Area, Sohna 122 103, Dist – Gurgaon (Haryana), India.
- 6.4 The Target Company was originally promoted by Mr. Pradeep Kumar Daga. The present promoters took over the management of the Target Company in 1989.
- 6.5 The authorized share capital of CVL is Rs. 100 Lacs divided into 900,000 equity shares of Rs. 10 each and 10,000 unclassified shares of Rs. 100 each. The total current issued, subscribed and paid-up equity share capital of CVL is Rs. 82.22 Lacs consisting of 814,362 equity shares of Rs. 10 each fully paid up aggregating Rs. 81.44 lacs and Rs. 0.78 lacs on account of forfeited shares. There are no partly paid up equity shares in the Target Company.

<b>Paid Up Equity Shares</b>	<b>No. of Shares/ Voting Rights</b>	<b>% of shares/voting rights</b>
Fully Paid up Equity Shares	814,362	100%
Partly Paid Up Equity Shares	Nil	Nil
Total paid Up Equity Shares	814,362	100%
<b>Total Voting Rights in the Target Company</b>	<b>814,362</b>	<b>100%</b>

6.6 The share capital of CVL has been built up as under:

Date of Allotment	Number of Shares issued	Amount paid up per share (Rs.)	% of shares issued	Cumulative paid up share Capital (Shares)	Cumulative Paid-up Capital	Mode of Allotment	Identity of Allottees	Status of Compliance
8-Jun-82	70	10	0.01%	70	700	On Incorporation	Ex-promoters/ their relatives on a preferential basis	As per Note
23-Sep-83	105,000	5	12.89%	105,070	525,700	Cash		
29-Sep-83	50,000	5	6.14%	155,070	775,700	Cash		
7-Nov-83	60,000	5	7.37%	215,070	1,075,700	Cash		
9-Nov-83	22,000	5	2.70%	237,070	1,185,700	Cash		
21-Nov-83	50,000	5	6.14%	287,070	1,435,700	Cash		
29-Nov-83	20,000	5	2.46%	307,070	1,535,700	Cash		
20-Dec-83	28,000	5	3.44%	335,070	1,675,700	Cash		
5-Mar-84	430	5	0.05%	335,500	1,677,850	Cash		
31-Jul-84	First call of Rs. 2.50 per shares received on 335,430 Equity Shares				2,516,425	Cash		
25-Jan-85	Final call of Rs. 2.5 per shares received on 335,430 Equity Shares				3,355,000	Cash	N.A	
18-Jun-86	94,500	5	11.60%	430,000	3,827,500	Cash	Ex-promoters/ their relatives on a preferential basis	
5-Jul-86	Final call of Rs. 5 per shares received on 94,500 Equity Shares				4,300,000	Cash	N.A	
31-Mar-87	400,000	10	49.12%	830,000	8,300,000	Cash	Initial Public Offering	
23-Jun-88	(15,738)	10	-1.93%	814,262	8,142,620	Cash	Forfeiture	
29-Dec-88	100	10	0.01%	814,362	8,143,620	Cash	Hema Venkateshwaran	
<b>Total</b>	<b>814,362</b>							

**Note:** It is relevant to note that the Target Company has become a listed company only in the year 1987. The capital build up has been prepared based upon the minute's book maintained by the Target Company.

- 6.7 The Target Company does not have any outstanding convertible instruments to be exercised at a later date and none of the shares of the company are partly paid up carrying voting right.
- 6.8 The Equity shares of the Target Company are currently listed on The Calcutta Stock Exchange Association Limited (CSE) and Delhi Stock Exchange Limited (DSE). The shares of the target company which were also listed on the Bombay Stock Exchange (BSE) were delisted by issuing a public announcement on the 20<sup>th</sup> April 2004, w.e.f. that date, for non-compliance of clauses of the listing agreement by BSE.
- 6.9 CVL does not have any shares which are not listed on the Stock Exchange.
- 6.10 The Target Company has complied with the provisions of Chapter II of SAST Regulations. (Details of compliances are attached as Annexure –A)
- 6.11 The promoter group of the Target Company has complied with the applicable provisions of Chapter II of SEBI (SAST) Regulation 1997. (Details of compliances are attached as Annexure –B)
- 6.12 There has been no merger, de-merger and spin off in the last three years in the Target Company.
- 6.13 The Target Company does not have any subsidiary.



- 6.14 The Board of Target Company as on the date of PA, comprises of 4 (four) Directors. The details of the Board of Directors of the CVL are as below:

Name & Designation	Date of Appointment	Qualification	Experience	Residential Address
Mr. J P Chowdhary Director	January 5, 1990	B.Com	Mr. Chowdhary has 46 years of experience in manufacturing sector.	10F, Alipore Park Place , Kolkata – 700 027
Prof. N.K. Barat Director	April 4, 1990	MSC & ICWA	Prof. Barat is a fellow member of Production Management U.S.A	8-C, Mahesh Choudhary Lane, Kolkata – 700 025
Mr. N.K. Mittal Director	October 30, 1998	M.Com	Mr. Mittal has vast knowledge of Income Tax, Excise and other Commercial matters.	Flat No. 66, Sital Sadan, 33 Tallygunge Circular Road, Kolkata – 700 053
Mr. Umesh Chowdhary Director	January 31, 2000	B.Com	Mr. Chowdhary has 17 years of experience in manufacturing sector.	10F, Alipore Park Place , Kolkata – 700 027

- 6.15 Brief financial details of Continental Valves Limited for the last three financial years and for the nine month period ended December 31, 2008 are as below:

**Profit & Loss Account**

(Rs. in Lacs)

Particulars	31-Mar-06	31-Mar-07	31-Mar-08	31-Dec-08
Income from Operations	131.84	151.77	149.16	114.15
Other Income	0.82	1.69	4.02	2.88
<b>Total Income</b>	<b>132.66</b>	<b>153.46</b>	<b>153.17</b>	<b>117.03</b>
<b>Total Expenditure</b>	<b>124.77</b>	<b>136.48</b>	<b>134.12</b>	<b>100.98</b>
<b>Profit before Interest, Depreciation and Tax</b>	<b>7.88</b>	<b>16.98</b>	<b>19.05</b>	<b>16.05</b>
Depreciation	4.39	4.31	3.95	3.27
Interest	1.26	-	0.05	1.67
<b>Profit before Tax</b>	<b>2.23</b>	<b>12.67</b>	<b>15.05</b>	<b>11.11</b>
Provision for Tax	1.13	2.34	3.14	2.50
<b>Profit after tax</b>	<b>1.10</b>	<b>10.33</b>	<b>11.91</b>	<b>8.61</b>

**Balance Sheet Statement**

(Rs. in Lacs)

Particulars	31-Mar-06	31-Mar-07	31-Mar-08	31-Dec-08
<b>Sources of funds</b>				
Paid up share capital	82.22	82.22	82.22	82.22
Profit & Loss Account	(10.85)	(0.52)	11.39	20.00
<b>Net Worth</b>	<b>71.37</b>	<b>81.70</b>	<b>93.61</b>	<b>102.22</b>
Secured Loan	-	-	39.12	-
Unsecured Loan	43.09	32.59	21.30	5.60
<b>Total</b>	<b>114.46</b>	<b>114.29</b>	<b>154.03</b>	<b>107.82</b>
<b>Uses of funds</b>				
Net Fixed Assets	42.05	37.17	40.03	33.90
Net Current Assets	72.40	77.12	114.00	73.92
<b>Total</b>	<b>114.46</b>	<b>114.29</b>	<b>154.03</b>	<b>107.82</b>

## Other Financial Data

Particulars	31-Mar-06	31-Mar-07	31-Mar-08	31-Dec-08
Dividend (%)	NIL	NIL	NIL	NIL
Earnings per share (Rs)	0.13	1.27	1.46	1.41*
Return on Net Worth (%)	1.54%	12.65%	12.72%	8.42%
Book Value per Share (Rs.)	8.76	10.03	11.49	12.55

\* Annualized

**Source:** Audited annual accounts. The unaudited accounts for the nine months ended December 31, 2008 have been certified by the statutory auditors.

**Note:**

- i) Earning per share computed as the PAT/Number of Outstanding shares as at the end of the year/period
- ii) Return on Networth calculated as PAT/Networth at the end of the year/period
- iii) Book value per share computed as the Networth/ Number of Outstanding shares as at the end of the year/period

### 6.16 Reasons for fall/rise in the total income and PAT in the past:

#### FY 2008 compared to FY 2007

Total Income marginally decreased by 0.19% from Rs. 153.46 Lacs in FY 2007 to Rs. 153.17 Lacs in FY 2008. However, PAT increased from Rs. 10.33 Lacs in FY 2007 to Rs. 11.91 Lacs in FY 2008. Although there was a marginal decline in sales, there was an increase in service charges received by the Target Company in FY 2008.

#### FY 2007 compared to FY 2006

Total Income increased from Rs. 132.66 Lacs in FY 2006 to Rs. 153.46 Lacs in FY 2007, registering a growth of 15.68%. PAT increased from Rs. 1.10 Lacs in FY 2006 to Rs. 10.33 Lacs in FY 2007. The increase in PAT was due to a rise in sales and a reduction in the cost of raw material consumed.

6.17 As on the date of this letter of offer, shareholding in the Target Company before and after the Offer (assuming full acceptances in the Offer) is given in the table below:

Shareholders' Category	Shareholding & voting rights prior to the agreement/ acquisition and offer		Shares /voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer.	
	(A)		(B)		(C)		(A) + (B) + (C) = (D)	
	No.	%	No.	%	No.	%	No.	%
<b>(1) Promoter Group</b>								
1.Acquirer	-	0.00%	195,182	23.97%	162,873	20.00%	358,055	43.97%
2.Promoters other than (a) above	360,500	44.27%	Nil	Nil	Nil	Nil	360,500	44.27%
<b>Total 1(a+b)</b>	<b>360,500</b>	<b>44.27%</b>	<b>195,182</b>	<b>23.97%</b>	<b>162,873</b>	<b>20.00%</b>	<b>718,555</b>	<b>88.24%</b>
<b>(2) Acquirer</b>								
Acquirer	SAME AS ABOVE							
<b>Total 2</b>	SAME AS ABOVE							
<b>(3) Parties to agreement other than(1)&amp; (2)</b>	N.A							
<b>(4) Public (other than parties to agreement, acquirers &amp; PACs)</b>								
a) FIs/ MFs/ Banks/ SFIs	195,182	23.97%	NIL	NIL	Nil	Nil	Nil	Nil
b) Others	258,680	31.76%	NIL	NIL	Nil	Nil	95,807	11.76%
<b>Total (4)(a+b)</b>	<b>453,862</b>	<b>55.73%</b>	<b>NIL</b>	<b>NIL</b>	<b>Nil</b>	<b>Nil</b>	<b>95,807</b>	<b>11.76%</b>
<b>GRAND TOTAL (1+2+3+4)</b>	<b>814,362</b>	<b>100.00%</b>	<b>195,182</b>	<b>23.97%</b>	<b>162,873</b>	<b>20.00%</b>	<b>814,362</b>	<b>100.00%</b>

- 6.18 As on March 31, 2009, there are 352 shareholders in the public category holding 258,680 shares of the Target Company.
- 6.19 The Acquirer has not acquired any share of the target company from the date of PA till the date of this letter of offer
- 6.20 Details about the numbers of shares held and percentage holding of promoters and promoter group in the Target Company as at March 31 of every year since 1997 are given below:

Date	Shareholding	% age holding	Remark
31.03.1997	360,500	44.27%	
31.03.1998	360,500	44.27%	
31.03.1999	360,500	44.27%	
31.03.2000	360,500	44.27%	
31.03.2001	360,500	44.27%	
31.03.2002	360,500	44.27%	
31.03.2003	360,500	44.27%	
31.03.2004	360,500	44.27%	
31.03.2005	360,500	44.27%	
31.03.2006	360,500	44.27%	
31.03.2007	360,500	44.27%	
31.03.2008	360,500	44.27%	<i>*Refer to Note given below</i>
12.03.2009	555,682	68.24%	Mrs. Rashmi Chowdhary has acquired 195,182 equity shares representing 23.97% from Industrial Development Bank of India Limited which has triggered the present Open Offer.

**\*Note:** Titagarh Industries Limited (TIL) a promoter group company is holding 202,500 equity shares representing 24.87% of the equity share capital of the Target Company since 1989 and there is no change therein. Titagarh Industries Limited was incorporated on August 7, 1981 and has been promoted by Mr. J.P. Chowdhary & Mr. Umesh Chowdhary, who are also the promoters of Continental Valves Limited. Moreover, Titagarh Industries Limited has also been shown as a group company (related party) in the annual reports of the Target Company and the Target Company has also been shown as a group company in the annual report of Titagarh Industries Limited.

However, the shareholding of TIL in the Target Company was being inadvertently shown by the Target Company under Regulation 8(3) of the SAST Regulations of March 31, 1997 till March 31, 2007 as a part of the holding of body corporate under public category. Since March 2008, shareholding of TIL has been correctly shown under the promoter group, resulting in increase of the holding of the promoter group from 19.40% to 44.27% as on 31<sup>st</sup> March 2008 without any acquisition during the period. Moreover, Titagarh Industries Limited has always been a part of the promoter group of the Target Company and the inclusion of the shareholding of TIL in the "Promoter Group Category" has not resulted in any change of control or a change from single to joint control.

6.21 Status of Corporate Governance compliances by CVL: - Provisions of Clause 49 of the Listing agreement are not applicable to the Company as its Present paid up share capital is Rs. 82.22 Lacs only. As per Circular No SEBI/CFD/DIL/CG/1/2004/12/10 dated October 29, 2004, issued by SEBI, the provisions under Clause 49 of the Listing Agreement is not applicable to the Target Company since the Paid up Capital is less than Rs. 300 Lacs and Net Worth has been less than Rs. 2500 Lacs at any time in the history of the Target Company.

6.22 There are no litigation matters pending against the Target Company as on date of the Public Announcement.

#### 6.23 Compliance Officer

**Ms. Manisha Saboo**  
**Continental Valves Limited**  
 Poddar Point (10<sup>th</sup> Floor),  
 113, Park Street, Kolkata- 700 016  
 Ph: + 91-33- 2229 5542;  
 Fax: +91-33-2226-0437

## 7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 7.1 Justification of offer price

7.1.1 The equity shares of CVL are currently listed on the Calcutta Stock Exchange Association Limited (CSE) and Delhi Stock Exchange Limited (DSE). Based on the information available, the equity shares of the Target Company are infrequently traded on the exchange within the meaning of explanation (i) to regulation 20(5) of the SAST Regulations.

7.1.2 The Acquirer has made a public announcement on March 17, 2009. The annualized trading turnover based on the trading volume in the shares of the target company on CSE & DSE during September 01, 2008 to February 28, 2009 (being 6 calendar month prior to the month of PA) is as under:

Name of Stock Exchange	Total no. of shares traded during the 6 calendar month prior to the month in which PA was made	Total No. of shares listed	Annualized Trading turnover (in terms of % to total listed share)
CSE	NIL	814,362	NIL
DSE	NIL	814,362	NIL

**Source: Official data obtained from the Stock Exchanges**

The Offer Price of Rs. 8/- per share is justified in terms of Regulations 20 (5) of the SEBI (SAST) Regulations in view of the following:

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

# Annualized

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

- 7.1.3 Mr. Raj Kumar Lakhota, Membership no. 061096, partner of R. K. Lakhota & Associates, Chartered Accountants (157, N. S. Road, Room No. 113A, Kolkata- 700 001) has certified vide certificate dated April 09, 2009 that the Fair Value per share of CVL, considering the Supreme Court's decision in the Hindustan Lever Employee Union vs. Hindustan Lever Limited, (1995) (83 Com Case 30) wherein the Honorable Court had opined on the Fair Value for a listed company, is Rs. 6.75.
- 7.1.4 In the opinions of the Manager to the Offer and the Acquirer, the offer price is justified as per the Regulation 20 (11).
- 7.1.5 There is no non-compete agreement.
- 7.1.6 If the Acquirer acquires any shares of the Target Company after the date of the PA and up to 7 working days prior to the closure of the offer at a price higher than the offer price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the offer. Further, the Acquirer shall not acquire any shares of the Target Company during the last seven working days prior to the closure of the offer, except those accepted in the offer.
- 7.2 Financial Arrangements:**
- 7.2.1 The maximum consideration payable by the Acquirer assuming full acceptance in the Offer would be Rs. 1,302,984 (Rupees Thirteen Lacs Two Thousand Nine Hundred and Eighty Four only) ("**Maximum Consideration**"). Mrs. Namita Lakhota, Membership no. 064406, partner of R. K. Lakhota & Associates, Chartered Accountants (157, N. S. Road, Room No. 113A, Kolkata- 700 001) ("**Chartered Accountants**") has certified vide their letter dated March 04, 2009 that the net worth of Mrs. Rashmi Chowdhary as on 31.12.2008 is Rs. 7319 Lacs.
- 7.2.2 In accordance with regulation 28 of the Regulations, an escrow account has been created in the form of cash deposit for an amount of Rs. 3,50,000 (Rupees Three Lacs and Fifty Thousand only) ("Cash Deposit") placed with HDFC Bank Limited, Central Plaza Branch, 2/6 Sarat Bose Road, Kolkata- 700 020 ("**Escrow Bank**") for the performance of the Acquirer's obligations under the Regulations. The cash deposit is in excess of 25% of the maximum consideration payable under the offer. The Manager to the Offer is empowered to realize the value of the aforesaid escrow account and instruct the escrow bank to issue cheques/demand drafts in terms of the SAST Regulations.
- 7.2.3 The Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to implement this offer in full.

## 8 TERMS AND CONDITIONS OF THE OFFER

- 8.1 All owners of equity shares (except the Acquirer and the Promoter Group), registered or unregistered, are eligible to participate in the Offer anytime before closure of the Offer.
- 8.2 The Letter of Offer, specifying the detailed terms and conditions, together with the Form of Acceptance-cum-Acknowledgement ('Form of Acceptance'), Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form) will be mailed to the shareholders of CVL whose names appear on the register of members of CVL and to the beneficial owners of the equity shares of CVL whose names appear as beneficiaries on the records of the Depository, at the close of business hours on Monday, April 13, 2009 (the 'Specified Date'). Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the open offer in any manner whatsoever. A copy of the Letter of Offer (including Form of Acceptance) will be available on SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.
- 8.3 There shall be no discrimination in acceptance of locked-in and non-locked in shares. None of the shares of the Target Company are subject to any lock-in. However, the equity shares of the Target Company tendered will be acquired by the Acquirer fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- 8.4 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of the Offer.
- 8.5 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Target Company. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
- 8.6 The Acquirer is permitted to revise the Offer Price of shares / No. of equity shares upwards, such upward revision will be made in accordance with regulation 26 of the Regulations, not later than Monday, May 18, 2009, which is 7 (Seven) working days prior to the date of closure of the Offer. If the Offer Price is revised upward, such revised price will be payable to all shareholders who have accepted the Offer and submitted their equity shares at any time during the offer period to the extent that their shares have been verified and accepted by the Acquirer. The same would be informed by way of Public Announcement in the same newspapers where original Public Announcement was published.
- 8.7 The Acquirer and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or any other regulation made under the SEBI Act.
- 8.8 **Statutory approvals and other approvals required for the offer**
  - 8.8.1 As on the date of the PA, to the best of the knowledge of the Acquirer, there are no statutory approvals required to acquire the equity shares that are validly tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer shall not proceed with the Offer in the event any statutory approval indicated herein is not obtained in terms of regulation 27 of the Regulations.
  - 8.8.2 It may be noted that in case of non-receipt of any statutory approval within time, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the shareholders under the Offer provided that the Acquirer agrees to pay interest for the delay, in accordance with Regulation 22(12) of the SAST Regulations.

## 9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 9.1 The Letter of Offer, specifying the detailed terms and conditions, together with the Form of Acceptance-cum-Acknowledgement ('Form of Acceptance'), Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form) will be mailed to the shareholders of CVL whose names appear on the register of members of CVL and to the beneficial owners of the equity shares of CVL whose names appear as beneficiaries on the records of the Depository, at the close of business hours on Monday, April 13, 2009 (the 'Specified Date').
- 9.2 Shareholders of the Target Company who wish to avail of and accept the offer shall send/ deliver the Form of Acceptance along with all the relevant documents to the Registrar to the offer **Niche Technologies Private Limited** at D-511, 5<sup>th</sup> Floor, Bagree Market, 71, B R B B Road, Kolkata- 700001 whether by hand delivery on weekdays (Monday to Friday between 10 a.m to 5 p.m) or by registered post, so as to reach on or before the closure of the Offer, i.e. Wednesday, May 27, 2009 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.
- 9.3 Shareholders who hold equity shares of CVL in physical form and wish to tender their equity shares pursuant to the Offer will be required to submit the Form of Acceptance, Original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer, so as to reach on or before the closure of the Offer, i.e. Wednesday, May 27, 2009.

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

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

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

- 9.5 Unregistered owners or shareholders who have not received the Letter of Offer may send their consent, to the Registrar to the Offer, on a plain paper stating the name, address, folio number, distinctive numbers, number of shares held, number of shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer, or in the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in 'off-market' mode or counterfoil of the delivery instruction in the 'off-market' mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer. No indemnity is required from the unregistered owners.
- 9.6 Shareholders of CVL who have sent their equity shares for transfer should submit Form of Acceptance duly completed and signed, copy of the letter sent to CVL (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialisation should submit their form of acceptance as applicable along with the copy of the demat request form (DRF) duly acknowledged by their DP. However, they have to ensure that the corresponding credit of the dematerialized shares is received in the escrow depository account on or before closure of the Offer.
- 9.7 **THE SHARES AND THE OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT DIRECTLY TO THE ACQUIRER OR THE TARGET COMPANY OR THE MANAGER TO THE OFFER**
- 9.8 The Registrar to the Offer will hold in trust the equity shares and share certificate(s), equity shares lying in credit of the special depository account, Form of Acceptance and the transfer deed(s) on behalf of the shareholders of CVL who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted equity shares / share certificates are dispatched/ returned.
- 9.9 **Mode of making payment**

The payment of consideration, if any, would be done through any of the following modes:

- a) Electronic Clearing System (ECS) – Payment of consideration would be done through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneswar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, odhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non- MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of considerations would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of consideration through ECS is mandatory for shareholders having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive payment through direct credit or RTGS.

- b) Direct Credit – Shareholders having bank accounts with the Escrow Banker(s), in this case being, HDFC Bank Limited, shall be eligible to receive considerations through direct credit. Charges, if any, levied by the Escrow Bank(s) for the same would be borne by the Acquirer and PAC.
- c) RTGS – Shareholders having a bank account at any of the abovementioned 68 centres and whose consideration amount exceeds Rs. One Lac, have the option to receive payment through RTGS. Such eligible shareholders who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Acceptance-cum-acknowledgement form. In the event the same is not provided, payment shall be made through ECS. Charges, if any, levied by the Escrow Bank(s) for the same would be borne by the Acquirer and PAC. Charges, if any, levied by the shareholders's bank receiving the credit would be borne by the shareholder.
- d) National Electronic Fund Transfer (NEFT) – 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. Wherever the shareholder have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the shareholders through this method. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.
- e) For all other shareholders, including those who have not updated their bank particulars with the MICR code, the payments will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for payments of Rs. 1,500 and above. Such payments will be made by cheques, pay orders or demand drafts drawn on HDFC Bank Limited and payable at par.
- 9.10 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the Shareholder's / unregistered owner's sole risk to the sole / first Shareholder. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective depository participants when transferred by the Registrar to the Offer.
- 9.11 In accordance with the regulation 22(5A) of the Regulations, shareholders who have tendered the requisite documents in terms of the Public Announcement and Letter of Offer shall have the option to withdraw acceptances tendered up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer on or before Friday, May 22, 2009.
- The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed herewith.
  - The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal.
  - Shareholders should enclose the following: -
- For Equity Shares held in demat form beneficial owners should enclose:**
- Duly signed and completed Form of Withdrawal.
  - Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.
  - Photocopy of the delivery instruction slip in "Off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP.
- For Equity Shares held in physical form Registered shareholders should enclose:**
- Duly signed and completed Form of Withdrawal.
  - Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.
  - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with CVL and duly witnessed at the appropriate place.
- Unregistered owners should enclose:**
- Duly signed and completed Form of Withdrawal.
  - Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.
  - The withdrawal of Equity Shares will be available only for the Share certificates/ Equity Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account.
  - The intimation of returned Equity Shares to the shareholders will be sent at the address as per the records of CVL/ Depository as the case may be.
  - The Form of Withdrawal along with enclosure should be sent to the Registrar to the Offer only.

- In case of partial withdrawal of Equity Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from CVL. The facility of partial withdrawal is available only to Registered shareholders.
  - Shareholders holding Equity Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
  - In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:
  - In case of physical Equity Shares: name, address, Distinctive Nos., Certificate Numbers., Folio Number, number of Equity Shares tendered
  - In case of dematerialized Equity Shares: name, address, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of delivery instructions slip in "off market" mode or counterfoil of the delivery instruction slip in "off market" mode, duly acknowledged by the DP, in favour of the Special Depository Escrow Account.
- 9.12 Any shares that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of the Target Company may be precluded from transferring the Shares during pendency of the said litigation are liable to be rejected unless directions / orders regarding the free transferability of such shares are received
- 9.13 While tendering the shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the shares of the Target Company and a No Objection Certificate/ Tax Clearance Certificate from the Income-Tax authorities under the Income-tax Act, 1961, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. In case the previous RBI approvals are not submitted, the Acquirer reserve the right to reject such shares tendered. In case the aforesaid No Objection Certificate/ Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the currently prevailing rate as advised by their tax advisors on the entire consideration amount payable to such NRI / OCB /Non-domestic companies / other persons who are not resident in India.
- 9.14 In case the number of shares tendered by the shareholders are more than the shares agreed to be acquired under the Offer, the Acquirer shall accept the offers received from the shareholders on a proportionate basis as per regulation 21(6) of the Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in nonmarketable lots. Provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.
- 9.15 Schedule of the major activities of the open offer are as under:

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

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

- 9.16 Financial data contained in this Letter of Offer has been rounded off to the nearest Lac except wherein stated.



## 10 DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at Azimganj House, 2nd Floor 7, Camac Street, Kolkata- 700 017 from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

- a) Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- b) Certificate from Mrs. Namita Lakhotia, Membership no. 064406, partner of R. K. Lakhotia & Associates having office at 157, N. S. Road, Room No. 113A, Kolkata- 700 001 certifying the net worth of Mrs. Rashmi Chowdhary
- c) Audited Reports of Target Company for the years ended March 31, 2006, 2007 and 2008 and the certified figures for the nine month period ended December 31, 2008.
- d) Published copy of the Public Announcement.
- e) Copy of letter from HDFC Bank Limited confirming the cash deposit in the escrow account for an amount in excess of 25% of the total consideration.

## 11 DECLARATION BY THE ACQUIRER

The Acquirer accepts full responsibility for the information contained in this Letter of Offer, including the Form of Acceptance and Form of Withdrawal and also for the obligations of the Acquirer as laid down in terms of the SEBI (SAST) Regulations.

### **Rashmi Chowdhary**

Date: April 23, 2009

Place: Kolkata

Encl.:

- 1) Form of Acceptance-cum-Acknowledgement
- 2) Form of Withdrawal
- 3) Transfer Deed for shareholders holding Equity Shares in Physical Form

**STATUS OF COMPLIANCE WITH THE PROVISIONS OF CHAPTER II OF THE TAKEOVER REGULATIONS BY THE TARGET COMPANY**

<b>Sl. No.</b>	<b>Regulation/Sub-regulation</b>	<b>Due Date for compliance as mentioned in the Regulation</b>	<b>Actual date of compliance</b>	<b>Delay, if any (in no. of days) Col. 4- Col. 3</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	6(2)	20-May-97	28-April-97	N.A
2	6(4)	20-May-97	28-April-97	N.A
3	8(3)	30-Apr-97	28-April-97	N.A
4	8(3)	30-Apr-98	27-April-98	N.A
5	8(3)	30-Apr-99	27-April-99	N.A
6	8(3)	30-Apr-00	25-April-00	N.A
7	8(3)	30-Apr-01	30-Apr-01	N.A
8	8(3)	30-Apr-02	29-Apr-02	N.A
9	8(3)	30-Apr-03	30-Apr-03	N.A
10	8(3)	30-Apr-04	29-Apr-04	N.A
11	8(3)	30-Apr-05	14-Apr-05	N.A
12	8(3)	30-Apr-06	17-Apr-06	N.A
13	8(3)	30-Apr-07	11-Apr-07	N.A
14	8(3)	30-Apr-08	25-Apr-08	N.A
15	7(3)	19-Mar-09	13-Mar-09	N.A

## STATUS OF COMPLIANCE WITH THE PROVISIONS OF CHAPTER II OF THE TAKEOVER REGULATIONS BY THE PROMOTER GROUP

Sl. No.	Regulation/Sub-regulation	Due Date for compliance as mentioned in the Regulation	Actual date of compliance	Delay, if any (in no. of days) Col. 4- Col. 3
1	2	3	4	5
1	6(1)	20-Apr-97	11-Apr-97	N.A
2	6(3)	20-Apr-97	11-Apr-97	N.A
3	8(1)	21-Apr-98	10-Apr-98	N.A
4	8(2)	21-Apr-98	10-Apr-98	N.A
5	8(1)	21-Apr-99	9-Apr-99	N.A
6	8(2)	21-Apr-99	9-Apr-99	N.A
7	8(1)	21-Apr-00	10-Apr-00	N.A
8	8(2)	21-Apr-00	10-Apr-00	N.A
9	8(1)	21-Apr-01	9-Apr-01	N.A
10	8(2)	21-Apr-01	10-Apr-01	N.A
11	8(1)	21-Apr-02	12-Apr-02	N.A
12	8(2)	21-Apr-02	12-Apr-02	N.A
13	8(1)	21-Apr-03	10-Apr-03	N.A
14	8(2)	21-Apr-03	10-Apr-03	N.A
15	8(1)	21-Apr-04	9-Apr-04	N.A
16	8(2)	21-Apr-04	9-Apr-04	N.A
17	8(1)	21-Apr-05	12-Apr-05	N.A
18	8(2)	21-Apr-05	12-Apr-05	N.A
19	8(1)	21-Apr-06	10-Apr-06	N.A
20	8(2)	21-Apr-06	10-Apr-06	N.A
21	8(1)	21-Apr-07	11-Apr-07	N.A
22	8(2)	21-Apr-07	10-Apr-07	N.A
23	8(1)	21-Apr-08	14-Apr-08	N.A
24	8(2)	21-Apr-08	12-Apr-08	N.A
25	7(1)	12-Mar-09	12-Mar-09	N.A