

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 SAUMYA CONSULTANTS LIMITED. If you require any clarifications about the action to be taken, you may consult your Stock Broker or investment consultant or Manager/Registrar to the Offer. In case you have sold your shares in the company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER

By

Mr. Arun Kumar Agarwalla

being resident of A-004, 6A, Iron Side Road, Kolkata-700 019 Ph: (033) 2280-6128/6463, Fax: (033) 2248-9777

Mrs. Sudha Agarwalla

being resident of A-004, 6A, Iron Side Road, Kolkata-700 019 Ph: (033) 2280-6128/6463, Fax: (033) 2248-9777

and

M/s. A. K. Agarwalla (HUF)

having its registered address at A-004, 6A, Iron Side Road, Kolkata-700 019 Ph: (033) 2280-6128/6463, Fax: (033) 2248-9777

to the shareholders of

SAUMYA CONSULTANTS LIMITED

(Regd. Office: 402, Mangalam, 24/26, Hemanta Basu Sarani, Kolkata-700 001)

Ph: (033) 2243-6242/6243, Fax: (033) 2248-9777

for the purchase of 9,60,000 fully paid-up Equity Shares of Rs.10/- each of SCL, by tender, at a price of Rs.12/- per share of SCL representing 20% of its paid up equity and voting share capital. These shares will be acquired in cash, in accordance with regulation 20(1)(a) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof, from the existing equity shareholders of SCL.

Please Note:

1. This Offer is being made in compliance with Regulation 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof (hereinafter referred to as "Regulations").
2. The Offer is subject to receiving the necessary approval(s), if any, from the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders. In case of acceptances from Non-Resident shareholders, the Acquirers would after the closure of the Offer, make the requisite applications to RBI to obtain its approval for transfer of such shares of SCL to the Acquirers. There are no other statutory approvals required to acquire equity shares that are tendered pursuant to this Offer.
3. If there is any upward revision in the Offer Price/Size at any time up to seven working days prior to the date of closure of the Offer viz. August 11, 2004 or withdrawal of the Offer in terms of the regulation, the same would also be informed by way of a Public Announcement in the same newspapers where the original Public Announcement dated October 27, 2003 had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.
4. **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 closure of the Offer i.e. August 06, 2004.**
5. **If there is a competitive bid:**
 - **The Public Offer under all subsisting bids shall close on the same date.**
 - **As the Offer price can not be revised during 7 working days prior to the closing date of the Offers / bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer price of each bid and tender their acceptance accordingly.**
6. The Procedure for acceptance is set out in Para 8 of this Letter Of Offer. A Form of Acceptance and a Form of Withdrawal is enclosed with this Letter of Offer.
7. The Public Announcement, Corrigendum to Public Announcement, Letter of Offer & Form of Acceptance cum Acknowledgement would also be available at SEBI's website www.sebi.gov.in.

 <p><i>Your trust is our strength</i></p>	MANAGER TO THE OFFER:		REGISTRAR TO THE OFFER:
	Ashika Capital Limited Contact Person: Ms. Astha Singhania 7, B. B. Ganguly Street, 4 th Floor, Kolkata – 700 012. Tel: (033) 2221 5031/ 5032 /5112/5113 Fax: (033) 2215-9418. E-mail: ashika@cal2.vsnl.net.in		Niche Technologies Private Limited Contact Person: Mr. S. Abbas 71, B. R. B.B. Road, D-511, Bagree Market, Kolkata – 700 001 Ph: (033) 2235-7271 Fax: (033) 2215-6823 Email: nichetechpl@nichetechpl.com

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activity	Original Schedule Date / (Day)	Revised Schedule Date / (Day)
Date of Public Announcement	27/10/2003 (Monday)	27/10/2003 (Monday)
Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be sent)	27/10/2003 (Monday)	27/10/2003 (Monday)
Date by which the Letter of Offer will be despatched to shareholders	09/12/2003 (Tuesday)	10/07/2004 (Saturday)
Date of Opening of the Offer	15/12/2003 (Monday)	13/07/2004 (Tuesday)
Date of Closing of the Offer	13/01/2004 (Tuesday)	11/08/2004 (Wednesday)
Last Date for a Competitive Bid	17/11/2003 (Monday)	17/11/2003 (Monday)
Last date for revising the Offer Price / No.of Shares	02/01/2004 (Friday)	02/08/2004 (Monday)
Last Date for withdrawal of acceptance by shareholders who have accepted the Offer	08/01/2004 (Thursday)	06/08/2004 (Friday)
Date of communicating rejection / acceptance and payment of consideration for applications accepted.	11/02/2004 (Wednesday)	09/09/2004 (Thursday)

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DEFINITIONS/ABBREVIATIONS

Acquirers	Mr. Arun Kumar Agarwalla, Mrs. Sudha Agarwalla and M/s. A. K. Agarwalla (HUF)
Sellers	M/s. Jalan & Co., a member of the Calcutta Stock Exchange Association Ltd. having office at 1&2, Old Court House Corner, Kolkata – 700 001, carrying on the business of dealing in shares and stock broking, herein acting as constituted attorney of various companies and individuals.
SCL/Target Company	Saumya Consultants Limited
Manager to the Offer	Ashika Capital Limited.
Offer	Cash Offer being made by the Acquirers to acquire 9,60,000 fully paid up equity shares of SCL representing 20% of the paid up equity share capital & voting capital.
Persons eligible to participate in the Offer	All owners (registered and unregistered) of shares of SCL, except the parties to the Agreement and PACs.
Offer Period	October 22, 2003 to September 09, 2004
Offer Price	Rs.12/- payable in cash
PA	Public Announcement
LO	Letter of Offer.
Specified date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of SCL or the Records of the Depositories, to whom the Letter of Offer should be sent, i.e. October 27, 2003.
RBI	Reserve Bank of India
Registrar	Niche Technologies Pvt. Ltd.
SEBI	Securities & Exchange Board of India
Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent Amendments thereof.
CSE	The Calcutta Stock Exchange Association Limited

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF SCL TO TAKE AN INFORMED DECISION WITH REGARD TO THE

OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 7TH NOVEMBER 2003 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER.

2. DETAILS OF THE OFFER:

2.1. Background of the Offer:

- 2.1.1. This Offer is being made by the Acquirers in compliance with regulation 10 & 12 of the Regulations. The prime object of the Offer by the Acquirers is substantial acquisition of shares and voting rights accompanied with change in control / management of SCL.
- 2.1.2. The Acquirers have entered into an Agreement dated 22.10.2003, ("Agreement") with M/s. Jalan & Co., a member of the Calcutta Stock Exchange Association Ltd. having office at 1&2, Old Court House Corner, Kolkata – 700 001, carrying on the business of dealing in shares and stock broking, herein acting as constituted attorney of various companies and individuals as detailed below:

Sl. No.	Name of Sellers to the Agreement	Addresses	No. of Shares	%
1.	Addarsh Management Pvt. Ltd.	23A, N. S. Road, 1st Floor, Kolkata-700 001 Tel:033-22208382	40,000	0.83
2.	Orde Management Pvt. Ltd.	23A, N. S. Road, 1st Floor, Kolkata-700 001. Tel: 033-22204485	40,000	0.83
3.	Gunjan Marketing Pvt. Ltd.	23A, N. S. Road, 1st Floor, Kolkata-700 001 Tel: 033-22214304	40,000	0.83
4.	Garja Niketan Pvt. Ltd.	33/1B, P. K. Tagore Street, Kolkata-700 006 Tel:033-22259152	47,800	1.00
5.	Morgan Financial Services Pvt. Ltd.	23A, N. S. Road, 1st Floor, Kolkata-700 001 Tel:033-22204485	30,000	0.63

6.	Anug Tower Pvt. Ltd.	33/1B, P. K. Tagore Street, Kolkata-700006 Tel: 033-22259152	79,400	1.65
7.	Bhagat's Joshi (I) Ltd.	11, Shiv Thakur Lane, 1 st Floor, Kolkata-700 007 Tel:033-22482672	137,950	2.87
8.	Astrol Dealcom Pvt. Ltd.	138/4, Mahendra Bhattacharjee Road, Howrah Tel: 9830256705	112,500	2.34
9.	Classic Agencies Pvt. Ltd.	28D, N.C. Dutta Street, Kolkata-700006 Tel: 033-25548929	79,900	1.66
10.	Chandrakant Exports Pvt. Ltd.	2, Garstin Place, 5 th Floor, Kolkata-700001 Tel: 033-22434659	233,000	4.85
11.	Pace Properties Pvt. Ltd.	2, Garstin Place, 5 th Floor, Kolkata-700001 Tel: 033-22434659	235,100	4.90
12.	Sear's Merchandise Pvt. Ltd.	19, Piyary Das Lane, Kolkata-700006 Tel: 033-25303024	25,000	0.52
13.	MAC's Advisory Private Ltd.	52, Pathuria Ghat St., Kolkata-700006 Tel: 033-25554963	48,000	1.00
14.	Emary Suppliers Pvt. Ltd.	32, Ezra Street, Kolkata-700001 Tel: 033-22150406	45,000	0.94
15.	Travol Tie-up Pvt. Ltd.	89, N.S. Road, 3 rd Floor, Kolkata-700001 Tel: 033-22200247	94,200	1.96
16.	Alfa Tie-up Pvt. Ltd.	52 Weston Street, Kolkata- 700012 Tel: 033-22110369	59,500	1.24
17.	Rang-Vardhan Fabtrade Pvt. Ltd.	52 Weston Street, Kolkata- 700012 Tel: 033-22114203	50,000	1.04
18.	Ujjal Merchandise Pvt. Ltd.	2, N. C. Dutta Sarani, Ground Floor, Kolkata-700 001 Tel: 033-22207019	4,600	0.10
19.	Sanjeev Kumar Verma	2, N. C. Dutta Sarani, Gr. Flr. Kolkata-700 001 Tel: 033-22207019	14,300	0.30
20.	Manoj Lath	7/2, Babulal Lane, 2 nd Floor, Kolkata-700 007 Tel: 033-22380121	15,400	0.32
21.	Pradeep Kumar Jaiswal	C/o. Sachin Badani, 1/19C,	15,000	0.31

		Azadgarh, Kolkata-700 040 Tel: 033-24134027		
22.	Ravi Kant Gupta	23A, N. S. Road, 1st Floor, Kolkata-700 001 Tel: 033-22214304	10,000	0.21
23.	Sunil Jakhodia	7/2, Babulal Lane, 2 nd Floor, Kolkata-700 007 Tel: 033-22380121	12,200	0.25
24.	Om Prakash Gupta	C/o. Sachin Badani, 1/19C, Azadgarh Kolkata-700 040 Tel: 033-24134027	15,000	0.31
25.	Puspa Devi Soni	22, Strand Road, 1 st Floor, Kolkata-700 001 Tel:9830256704	16,000	0.33
26.	Manoj Kr. Jain	23A, N. S. Road, 1st Floor, Kolkata-700 001 Tel: 033-22214304	15,000	0.31
27.	Ajay Kumar Jaiswal	B-75, Bangur Avenue, Kolkata Tel: 033-31150052	13,000	0.27
28.	Madhusudan Singh	7/2, Babulal Lane, 2 nd Floor, Kolkata-700 007 Tel: 033-22390779	17,000	0.35
29.	Raju Chaurasia	27/26E, Baburam Ghosh Road, Kolkata-700 040 Tel: 9830623116	16,500	0.34
30.	Neelam Agrawal	49/49, P.G.M. Shah Road, Kolkata-700 033 Tel: 033-24723276	15,000	0.31
31.	Raj Kumar Soni	C/o. Utsav Merchants Pvt. Ltd. 33, C. R. Avenue, 9th Floor, Room No. 908B, Kolkata Tel: 033-31000268	17,500	0.36
32.	Satendra Bahadur Singh	7/2, Babulal lane, 2 nd Floor, Kolkata-700007 Tel: 033-22390779	20,000	0.42
33.	Rajendra Nath Dubey	A06, 24/1, Danesh Shaike Lane, Howrah-9 Tel: 9830256705	29,000	0.60
34.	Umesh Pandey	28D, N.C. Dutta Street, Kolkata-700006 Tel: 033-25548929	26,000	0.54
35.	Vivekanand pandey	28D, N.C. Dutta Street, Kolkata-700006	24,000	0.50

		Tel: 033-25548929		
36.	Sudha Parsuramka	49/49, P.G.M. Shah Road, Kolkata-700 033 Tel: 033-24723276	12,000	0.25
37.	Rohit Singh	23A, N.S. Road, 7 th Floor, R. N. 34A Kolkata-700001 Tel: 033-22212855	12,000	0.25
38.	Md. Aslam Ansari	7/2, Babulal Lane, 2 nd Floor, Kolkata-700007 Tel: 033-22390779	16,000	0.33
39.	Kailash jain	33, C. R. Avenue, 9th Floor, R.N.908 A Kolkata-700012 Tel:9831447350	22,000	0.46
40.	Manoj Kumar Madhecia	7/2, Babulal Lane, 2 nd Floor, Kolkata-700007 Tel: 033-22380121	25,000	0.52
41.	Awadhesh Bhagat	C/o. Sachin Badani, 1/19C, Azadgarh Kolkata-700040 Tel:033-24134027	20,500	0.43
42.	Asheesh Saurabh Kedia	33, C. R. Avenue, 9th Floor, R.N.908 A Kolkata-700012 Tel: 9831105250	15,000	0.31
43.	Balram Sonkar	23A, N.S. Road, 7 th Floor, R.NO. 29, Kolkata-700001 Tel: 033-22212855	20,000	0.42
44.	Gopalji Sonkar	33, C. R. Avenue, 9th Floor, R.N.908 A Kolkata-700012 Tel:9831105250	20,000	0.42
45.	Madanlal Gupta	23A, N.S. Road, 7 th Floor, R.NO. 29, Kolkata-700001 Tel: 9830256704	20,000	0.42
46.	Krishna Murari Agrawal	49/49, P.G.M. Shah Road, Kolkata-700 033 Tel: 033-24723276	11,000	0.23
47.	Ayush Modi	5/1, Clive Row, 1 st Floor, Kolkata-700001 Tel: 033-22203109	20,000	0.42
48.	Ravi Kumar Tripathi	28D, N.C. Dutta Street, Kolkata-700006 Tel.:033-25548929	20,000	0.42
49.	Arvind kumar Jaiswal	C/o. Rajeev Kumar 37, D. B. Nagar Rd.	20,000	0.42

		Hind Motor, Hooghly Tel: 033-26943239		
50.	Deependra Kumar Sonkar	27/26E, Baburam Ghosh Road, Kolkata-700040 Tel: 9831105250	20,000	0.42
51.	Arun Kumar Jaiswal	c/o. Rajeev Kumar 37, D. B. Nagar Rd. Hind Motor, Hooghly Tel: 033-26943239	20,000	0.42
52.	Anand Kumar Khaitan	c/o. Rajeev Kumar 37, D. B. Nagar Rd. Hind Motor, Hooghly Tel: 033-26551019	20,000	0.42
53.	Kailash Verma	37, K.K. Tagore Street, Kolkata-700007 Tel: 033-31150052	20,000	0.42
54.	Anand Kumar	28D, N.C. Dutta Street, Kolkata-700006 Tel: 033-25548929	20,000	0.42
55.	Amit Kumar Khaitan	7/2, Babulal Lane, 2 nd Floor, Kolkata-700007 Tel: 033-22380121	20,000	0.42
56.	Anil Kumar Tripathi	33, C. R. Avenue, 9th Floor, R.N.908 A Kolkata-700012 Tel: 9831275132	18,200	0.38
57.	Bipin Kumar Jaiswal	33, C. R. Avenue, 9th Floor, R.N.908 A Kolkata-700012 Tel: 033-31150052	12,800	0.27
58.	Chetna Agrawal	49/49, P.G.M. Shah Road, Kolkata-700 033 Tel: 033-24723276	18,200	0.38
59.	Faheem Ahmad Iraqui	13, Bonfield Lane, 2 nd Floor, Kolkata-700001 Tel: 9830750052	15,000	0.31
60.	Jitendra Kumar Jaiswal	13, Bonfield Lane, 2 nd Floor, Kolkata-700001 Tel: 9830256704	15,000	0.32
	TOTAL		2145550	44.70

(hereinafter collectively referred to as "Sellers") aggregating to a total of 21,45,550 (Twenty-One Lacs Forty-Five Thousand Five Hundred and Fifty only) fully paid-up equity shares of Rs.10/- each representing 44.70% of the paid-up equity and voting share capital of SCL at a price of Rs.2/- per share ("Negotiated Price") payable in cash ("The Acquisition"). None of the Sellers as stated above are the present promoters of the company. As per the available information, SCL is presently being professionally managed with no identified promoters. As per the public issue prospectus dated 01.07.1996, SCL was promoted by Mr. Subhas Kumar

Agarwalla, Mr. Sushil Kumar Agarwalla and Mr. B. K. Bhagat. As on the date of Public Announcement, the Acquirers & the Persons deemed to be Acting in Concert ("PACs") hold 7,15,000 equity shares of the SCL, representing 14.90% of its paid up equity share capital as detailed below: -

Name	Number of shares	Percent of paid up equity share capital	Address
Acquirers			
Arun Kumar Agarwalla	200000	4.17	A-004, 6A, Iron Side Road, Kolkata-700 019
Sudha Agarwalla	85000	1.77	
A. K. Agarwalla (HUF)	60000	1.25	
Sub total for Acquirers	345000	7.19	
Persons deemed to be acting in Concert			
Astha Agarwalla	180000	3.75	A-004, 6A, Iron Side Road, Kolkata-700 019
Sanchi Agarwalla	190000	3.96	
Sub total for the Persons deemed to be Acting In Concert*	370000	7.71	
TOTAL	715000	14.90	
* Persons Deemed to be Acting in Concert with the Acquirers as mentioned above are not participating in this offer.			

The Acquirers have not acquired any shares of the Target Company during the twelve months preceding the date of Public Announcement.

Some of the main features of the Agreement are mentioned below:

- a) That the Seller subject to the terms and conditions hereinafter have agreed to sell, transfer and assign 2145550 Equity Shares of M/s. Saumya Consultants Limited (hereinafter referred to as "Seller's Shares") to the Acquirers and/or their nominee(s) / associate(s) @ Rs.2/- (Rupees Two only) per share payable in cash.
- b) That the Sale of the "Seller's Shares" shall be completed on or before 21st February, 2004 or such later date as may be mutually agreed upon.
- c) That the Acquirers shall comply with all the requirements of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.
- d) That in case of non-compliance of any provisions of this Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997, the agreement for such sale shall not be acted upon by the Sellers or the Acquirers.

2.1.3. The proposed change in control is consequent to the Agreement whose salient features are described in 2.1.2. above.

- 2.1.4. The Acquirers will comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the share purchase agreement and its related conditions.
- 2.1.5. After the completion of all formalities related to the acquisition and after complying with formalities required by the Regulations, the Board of Directors may be reconstituted to include the representatives of the Acquirers on the Board of SCL.
- 2.1.6. The Acquirers, PACs, the Sellers and the Target Company have confirmed that they have not been prohibited by SEBI from dealing in securities, in terms of the direction issued u/s 11B of the SEBI Act or under any other regulations made under the SEBI Act.

2.2. Details of the proposed Offer:

- 2.2.1. The Public Announcement dated October 27, 2003 in respect of the Offer was made in the Business Standard – English (all editions), Dainik Vishwamitra– Hindi (all editions) and Kalantar-(Bengali) in compliance with Regulation 15(1) of the Regulations. The Corrigendum to Public Announcement dated July 10, 2004 also appeared in the same newspapers.
- 2.2.2. The Acquirers propose to acquire from the existing equity shareholders of SCL (other than the parties to the Agreement) 9,60,000 fully paid-up Equity Shares of Rs.10/- each of SCL, representing 20% of its paid up equity and voting share capital at a price of Rs.12/- per share (“Offer Price”) payable in cash.
- 2.2.3. There are no partly paid up equity shares of SCL.
- 2.2.4. The Offer is not subject to any minimum level of acceptances. The Acquirers will accept all equity shares of SCL in terms of this Offer upto a maximum of 9,60,000 equity shares.
- 2.2.5. Since the date of the PA to the date of this Letter of Offer, the Acquirers have not acquired any shares of SCL.
- 2.2.6. The Public Announcement made on October 27, 2003 and the Corrigendum to the Public Announcement dated July 10, 2004 is also available on the SEBI web-site at www.sebi.gov.in

2.3. Object of the Offer:

- a) The object of the Offer is substantial acquisition of shares and voting rights accompanied with change in control / management of SCL in accordance with Regulation 10 & 12 of the Regulations.
- b) The Acquirers propose to expand the fund based and investment related activities. The acquisition of SCL would facilitate such motive as SCL is already engaged in these activities. By virtue of this acquisition the Acquirers will get majority shareholding entitling them to exercise management control over the Target Company.

3. BACKGROUND OF THE ACQUIRERS:

3.1 The Acquirers:

- 3.1.1.** Mr. Arun Kumar Agarwalla, son of Late K. L. Agarwalla, aged about 43 years, residing at A-004, Windsor Palace, 6A, Iron Side Road, Kolkata-700 019, is having more than 20 years of experience in refractory industry. He has promoted Valley Magnesite Co. Ltd., manufacturer of basic refractories having its works at Chirkunda, Dhanbad. He is presently the Managing Director of SCL He was appointed as Managing Director of SCL on 31.07.2001. He has not participated in any matter(s) concerning or relating to the Offer including any preparatory steps leading to the Offer and will also abstain from all proceedings related to this offer as per Regulation 22(9) of the Regulations. His networth as on 31/03/2004 as certified by Mr. D. K. Jhawar (Membership No.59620), proprietor of D. K. Jhawar & Associates, Chartered Accountants, having office at Suite 311, 545 G. T. Road, Howrah-711101; Phone no:033-26607736 vide certificate dated 17.06.2004 is Rs.103.06 lacs.
- 3.1.2.** Mrs. Sudha Agarwalla, wife of Mr. Arun Kumar Agarwalla, aged about 39 years, residing at A-004, Windsor Palace, 6A, Iron Side Road, Kolkata-700 019, is having more than 4 years of experience in corporate finance and investment activities. Her networth as on 31/03/2004 as certified by Mr. D. K. Jhawar (Membership No.59620), proprietor of D. K. Jhawar & Associates, Chartered Accountants, having office at Suite 311, 545 G. T. Road, Howrah-711101; Phone no:033-26607736 vide certificate dated 17.06.2004 is Rs.92.37 lacs.
- 3.1.3.** M/s. A. K. Agarwalla (HUF) represented by its Karta Mr. Arun Kumar Agarwalla is having its registered address at A-004, Windsor Palace, 6A, Iron Side Road, Kolkata-700 019. Its networth as on 31/03/2004 as certified by Mr. D. K. Jhawar (Membership No.59620), proprietor of D. K. Jhawar & Associates, Chartered Accountants, having office at Suite 311, 545 G. T. Road, Howrah-711101; Phone no:033-26607736 vide certificate dated 17.06.2004 is Rs.57.66 lacs. It has its investments mainly in shares & securities. Its members are Mr. Arun Agarwalla, Mrs. Sudha Agarwalla, Ms. Astha Agarwalla, Ms. Sanchi Agarwalla and Master Gaurang Agarwalla.
- 3.1.4.** Mr. Arun Kumar Agarwalla is the husband of Mrs. Sudha Agarwalla and is the Karta of M/s. A. K. Agarwalla (HUF). Ms. Astha Agarwalla and Ms. Sanchi Agarwalla are daughters of Mr. Arun Agarwalla and Mrs. Sudha Agarwalla and are deemed to be acting in concert with the Acquirers.
- 3.1.5.** The Acquirers have not entered into any formal agreement with respect to the present acquisition and are acting together under an informal understanding.
- 3.1.6.** The Acquirers, till date have complied with the relevant provisions of Chapter II of the Regulations wherever applicable.
- 3.1.7.** For the purpose of this Offer there are no persons acting in concert as per the provisions of regulations 2(1) (e) of the Regulations.
- 3.1.8.** He also holds directorships in Valley Magnesite Co. Ltd. and Ganodaya Finlease Ltd. both listed at CSE and Singhal Towers Pvt. Ltd.
- 3.1.9.** Mrs. Sudha Agarwal is the Managing Director in Ganodaya Finlease Ltd. and holds directorship in Valley Magnesite Co. Ltd. both listed at CSE and Singhal Towers Pvt. Ltd.

3.1.10. Brief financials of the listed company in which the Acquirers have a controlling stake is given below:

- a) **Valley Magnesite Co. Ltd.**, incorporated on 3rd November, 1988 under the Companies Act 1956, is engaged in the business of manufacture of Magnesite and Chrome Magnesite Bricks.

Brief financials based on Audited Accounts for the last three years and unaudited financial results for the year ended 31.03.2004 are given below:

(Amount -Rs. in Lacs)

Particulars	31.03.2004	31.03.2003	31.03.2002	31.03.2001
Equity Share Capital	105.00	105.00	105.00	105.00
Reserves (excluding revaluation reserves)	161.45	179.89	239.91	237.63
Total Income	0.49	16.79	216.03	1218.72
Profit After Tax (PAT)	(18.44)	(45.72)	6.10	(2.53)
Earnings Per Share (EPS) in Rs.	Nil	Nil	0.58	Nil
Net Asset Value (NAV) per share in Rs.	25.85	27.13	32.85	32.63

Source: Audited financial statements / Certified results from Chartered Accountants
The Company is not a Sick Industrial Company.

- b) **Ganodaya Finlease Ltd.**, incorporated on 04.03.1986 under the Companies Act 1956, is engaged in the business of finance and investment.

Brief financials based on Audited Accounts for the last three years and unaudited financial results for the year ended 31.03.2004 are given below:

(Amount -Rs. in Lacs)

Particulars	31.03.2004	31.03.2003	31.03.2002	31.03.2001
Equity Share Capital	650.00	525.00	525.00	525.00
Reserves (excluding revaluation reserves)	81.86	65.39	47.57	25.51
Total Income	38.60	47.12	46.43	47.94
Profit After Tax (PAT)	16.47	17.93	22.06	20.91
Earnings Per Share (EPS) in Rs.	0.25	0.34	0.42	0.40
Net Asset Value (NAV) per share in Rs.	16.87	18.29	10.91	10.49

Source: Audited financial statements / Certified results from Chartered Accountants
The Company is not a Sick Industrial Company.

3.1.11. The Acquirers have also promoted an unlisted Company which is not participating in the proposed acquisition of shares in SCL, the particulars of which are given as under:

Singhal Towers Pvt. Ltd., incorporated on 7th May 1991 under the Companies Act 1956, is engaged in the business of real estate activities.

Brief financials based on Audited Accounts for the last three years are given below:

(Amount -Rs. In Lacs)

Particulars	31.03.2003	31.03.2002	31.03.2001
Equity Share Capital	9.89	9.89	9.89
Reserves (excluding revaluation reserves)	-	-	-

Total Income	1.34	1.67	0.39
Profit After Tax (PAT)	0.17	0.43	(0.19)
Earnings Per Share (EPS) in Rs.	1.73	4.30	Nil
Net Asset Value (NAV) per share in Rs. (Equity shares of Rs.100/- each)	97.95	95.39	91.09

Source: Audited financial statements / Certified results from Chartered Accountants

The Company is not a Sick Industrial Company.

3.2. Disclosures in terms of Regulations 16(ix) of the Regulations:

- 3.2.1** This offer has been made pursuant to Regulation 10 and 12 and other provisions of Chapter III and in compliance with the Regulations.
- 3.2.2** The acquisition is for substantial acquisition of shares and voting rights accompanied with change in control / management.
- 3.2.3** The Acquirers propose to expand the fund based and investment related activities. The acquisition of SCL would facilitate such motive as SCL is already engaged in these activities. By virtue of this acquisition the Acquirers will get majority shareholding entitling them to exercise management control over the Target Company.
- 3.2.4** The Acquirers do not have any plans to dispose off or otherwise encumber any assets of SCL in the next two years except in the ordinary course of business of SCL.
- 3.2.5** The Acquirers shall not sell, dispose of or otherwise encumber any substantial assets of SCL except with the prior approval of the shareholders.

4. Option in terms of Regulation 21(3)

If, pursuant to this Offer and any acquisition of shares by the Acquirers from the open market or through negotiations or otherwise made in compliance with the SEBI (SAST) Regulations 1997, the public shareholding is reduced to 10% or less of the paid up and voting share capital of SCL, then in accordance with Regulation 21(3) of the Regulations, the Acquirers will make an Offer to acquire the outstanding shares remaining with the public shareholders in accordance with the guidelines specified by SEBI in respect of delisting of securities as may be applicable from time to time.

5. BACKGROUND OF THE TARGET COMPANY – SCL

5.1. Brief History and Main Areas of Operations:

- 5.1.1** SCL having its registered office at 402, Mangalam, 24/26, Hemanta Basu Sarani, Kolkata-700 001 was incorporated under the Companies Act, 1956 on December 15, 1993. SCL came out with a public issue in the year 1996. As per the public issue prospectus, SCL was promoted by Mr. Subhas Kumar Agarwalla, Mr. Sushil Kumar Agarwalla and Mr. B. K. Bhagat. However, as per the disclosure of shareholding of the promoters and persons acting in concert as on 31.03.2004 as per regulation 8(3) of Regulations, the promoters have nil shareholding in SCL. As per the available information, SCL is being professionally managed with no identified promoters at present.

5.1.2. SCL is engaged in the business of dealing & investment in shares & securities and of providing short-term loans and advances. The company is registered with Reserve Bank of India (RBI) as Non-Banking Finance Company bearing no.B-05.06222 dated 04/03/2004. SCL has not raised any public deposits till date. As confirmed to us, the Acquirers do not require any specific approval from RBI for the purpose of change in control of SCL and no penal action has been taken against SCL till date by RBI.

5.2. The present paid-up and voting equity share capital of SCL is Rs.4,80,00,000/- comprising of 48,00,000 Equity Shares of Rs.10/- each fully paid-up. There are no partly paid-up shares. SCL has also not issued any preference shares. The equity share capital structure of SCL is as follows:

Paid-up Equity Shares	No. of Shares / Voting rights	% of Shares/Voting Rights
Fully Paid-up Equity Shares	48,00,000	100%
Partly Paid-up Equity Shares	Nil	Nil
Total paid-up Equity Shares	48,00,000	100%
Total Voting Rights	48,00,000	100%

The shares of SCL are listed on the Calcutta Stock Exchange Association Limited only.

5.3. As on the date there are no outstanding convertible instruments such as warrants/FCDs/PCDs etc.

5.4. The Board of Directors of SCL as on the date of the PA is as follows:

Sl. No.	Names of Directors	Designation	Residential Address	No. & % of shares of SCL held as on date of P.A. (i.e. 27.10.2003)	No. & % of shares sold through agreement dated 22.10.2003
1.	Arun Kumar Agarwalla	Managing Director	A-004, 6A, Iron Side Road, Kolkata-700 019	200000	NIL
2.	Anil Kumar Meharia	Director	2, Garstin Place, 5 th Floor, Kolkata-700 001	NIL	NIL
3.	Rajesh Routh	Director	88, College Road, Shalimar, Howrah-711103	NIL	NIL
4.	Sushil Agarwal	Director	23A, N. S. Road, 1 st Floor, Kolkata-700 001	NIL	NIL
5.	Subhash Agarwal	Director	14, G. C. Avenue, 2 nd Floor, Kolkata-700 013	NIL	NIL

5.5. Mr. Arun Kumar Agarwalla, the Managing Director of SCL is one of the Acquirers. He was appointed as Managing Director of SCL on 31.07.2001.

5.6. There has been no merger / demerger or spin off involving SCL during the last 3 years.

5.7. As per the available information we state that the sellers, promoters, other major shareholders & Target Company, wherever applicable have complied with the applicable provisions of Chapter II of the Regulations except the following delay as mentioned below in compliance of the provision of Chapter II by the Target Company:-

Sl. No.	Regulation/ Sub-Regulation	Due date for compliance	Actual date of compliance	Delay, if any, (in no. of days) Col.4 - Col.3
1.	8(3)	30/04/2000	03/05/2000	3 days

SEBI may initiate appropriate action against the Target Company for delay in compliance with the disclosure requirements specified in Chapter II of the Regulations.

5.8. As per the available information, we confirm that SCL has generally complied with the relevant provisions of the listing agreements and has addressed all investor's complaints as and when received and there are no pending complaints as on this date. We also confirm that no penal action has been taken by any Stock Exchange till date against SCL.

5.9. Financial Information:

The financial information of SCL for the last 4 years are as follows:

Profit & Loss Statement

(Rs. in Lacs)

For the Year Ended	31 st March 2004 (Unaudited)	31 st March, 2003 (Audited)	31 st March 2002 (Audited)	31 st March 2001 (Audited)
Income from Operations	54.76	106.53	74.94	86.42
Other Income	0.11	66.77*	39.16	15.35
Total Income	54.87	173.30	114.10	101.77
Total Expenditure	14.65	131.49	97.74	100.88
Profit before Interest, Depreciation and Tax	40.22	41.81	16.36	0.89
Depreciation	0.87	0.79	0.38	0.25
Interest	0.07	0.69	1.04	0.10
Profit before Tax	39.28	40.33	14.94	0.54
Provision for Tax (including deferred tax)	11.24	14.94	5.33	0.21
Profit after tax	28.04	25.39	9.61	0.33

*The other income consists mainly of Interest income of Rs.66.44 lacs for the financial year 2002-03.

Balance Sheet**(Rs. In lacs)**

As on	31 st March 2004 (Unaudited)	31 st March 2003 (Audited)	31 st March, 2002 (Audited)	31 st March 2001 (Audited)
Sources of funds				
Paid up share capital	480.00	480.00	480.00	480.00
Reserves & Surplus (excluding revaluation reserves)	694.55	666.51	640.97	631.57
Less: Total Miscellaneous Expenditure not written off (P&L A/c)	5.01	4.99	5.12	3.92
Net Worth	1169.54	1141.52	1115.85	1107.65
Secured loans	3.27	2.63	-	59.16
Unsecured loans	-	-	-	-
Total	1172.81	1144.15	1115.85	1166.81
Uses of funds				
Net Fixed Assets	7.54	8.31	8.42	0.87
Investments	631.97	509.24	598.77	563.79
Net Current Assets	533.30	626.60	508.66	602.15
Total	1172.81	1144.15	1115.85	1166.81

Other Financial Data

For the Year Ended	31 st March 2004 (Unaudited)	31 st March 2003 (Audited)	31 st March, 2002 (Audited)	31 st March 2001 (Audited)
Dividend	-	-	-	-
Earning Per Share (Rs.) *	0.58	0.53	0.20	0.01
Return on Network	2.40%	2.22%	0.86%	0.03%
Book Value Per Share (Rs.)**	24.37	23.78	23.25	23.08

*Profit after tax / number of outstanding equity shares at the close of the year/period.

**Excluding miscellaneous expenses not written off.

Source: Annual Reports / Unaudited financial statements certified by the Chartered Accountants

Note: Miscellaneous expense not written off has been deducted against network for calculating the book value per share and return on net worth.

5.10. Pre and Post-Offer Shareholding Pattern of SCL (based on Subscribed & paid up Equity and Voting Capital) is as under: -

Shareholders' Category	Share holding & voting rights Prior to the Agreement/ acquisition and Offer (A)		Shares / voting rights agreed to be acquired which triggered off the Regulation (B)		Shares / voting rights to be acquired In open Offer (assuming full acceptances) (C)		Share holding/ voting rights After Acquisition and Offer (A+B+C) (D)	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
1. Promoter Group								
a) Parties to Agreement	-	-	-	-	-	-	-	-
b) Promoter other than (a) above	-	-	-	-	-	-	-	-
TOTAL 1 (a + b)	-	-	-	-	-	-	-	-
2. Acquirers:								
a) Main Acquirers								
(i) Mr. Arun Kumar Agarwalla	200000	4.17	945550	19.70	360000	7.50	1505550	31.37
(ii) Mrs. Sudha Agarwalla	85000	1.77	600000	12.50	300000	6.25	985000	20.52
(iii) A. K. Agarwalla (HUF)	60000	1.25	600000	12.50	300000	6.25	960000	20.00
b) Persons deemed to be acting in concert								
(i) Astha Agarwalla	180000	3.75	-	-	-	-	180000	3.75
(ii) Sanchi Agarwalla	190000	3.96	-	-	-	-	190000	3.96
Total 2 (a+b)	715000	14.90	2145550	44.70	960000	20.00	3820550	79.60
3. Parties to the agreement (Other than 1(a) & 2)	2145550	44.70	(2145550)	(44.70)	-	-	-	-
4. Public Share Holding (other than 1 to 3)*								

a) Fls/MFs/Flls/ Banks, Fls	-	-	-	-	-	-	-	-
b) Others	1939450	40.40	-	-	(960000)	(20.00)	979450	20.40
Total 4(a+b)	1939450	40.40	-	-	(960000)	(20.00)	979450	20.40
GRANDTOTAL (1+2+3+4)	48,00,000	100.00	-	-	-	-	48,00,000	100.00

*The total number of shareholders in Public category is 1091.

5.11. There was no trading of the shares of SCL as on 27.10.2003 i.e. the date of Public Announcement at CSE.

6. OFFER PRICE & FINANCIAL ARRANGEMENTS:

6.1. Justification of Offer Price:

6.1.1. The Equity Shares of SCL are listed on CSE only.

6.1.2. The Annualised trading turnover during the preceding six calendar months ended September 2003, in CSE is as follows:

Name of Stock Exchange	Total no of shares traded during the 6 calendar months prior to the month in which PA was made	Total No. of listed Shares	Annualised Trading Turnover (in terms of % to total listed shares)
Calcutta Stock Exchange	3,23,650	48,00,000	6.74%

Source: As per information from CSE.

6.1.3. Although the annualised Trading Turnover (by number of shares) is more than 5% of the total number of listed shares of SCL at CSE, SEBI upon preliminary investigation into the trading in the scrip of SCL at CSE during the period May 2003 to October 2003, has observed that the scrip may not be considered as frequently traded scrip in terms of explanation to Regulation 20(5). Hence, the offer price has been justified by classifying the shares of Target Company as being infrequently traded in terms of explanation to Regulation 20(5) as follows. The offer price now will be Rs.12/- per share as against the price of Rs.3/- offered by the Acquirer in terms of Regulation 20(4) vide the Public Announcement dated 27.10.2003.

- The Negotiated price under the Agreement is Rs.2/- per fully paid up equity share.
- The Acquirer has not acquired any equity shares of SCL during the 26 weeks prior to the date of PA including by way of allotment in a public, rights or preferential issue.
- Other parameters for the year ended 31.03.2003 such as the Earning per Share and Return on Networth are Rs.0.53 and 2.22% respectively. The book value per equity share as on 31.03.2003 is Rs.23.78.
- The P/E multiple of the SCL considering the Offer Price of Rs.12/- per fully paid up equity shares is 22.64. The average industry P/E for the sector in which SCL operates is

7.0 (Source: Capital Market journal Vol. XIX/07, June 07-20, 2004, sector-Finance & Investment)

6.1.4. M/s. D. K. Jhavar & Associates, Chartered Accountants (Membership No.59620), have undertaken a valuation exercise to determine the value of the equity shares of SCL and furnished a report in this regard. The relevant extracts of the report dated 21.06.2004 is stated as under:-

The shares of SCL are to be valued in terms of Regulation 20(5). While a number of valuation methods are feasible, the following approach has been considered:

a) Net Asset Value:

The calculation has been done based on the latest Audited Balance Sheet of SCL for the year ended 31.03.2003, the NAV per share is Rs.23.78.

b) Profit Earning Capacity Value (PECV):

The profit after tax for the last 3 years (FY2001, FY2002 & FY2003) based on the audited Profit & Loss statement have been considered, the Average Profit for the last 3 years is Rs.11.78 lacs.

PECV per share of SCL as per erstwhile CCI guidelines works out to Rs.1.25.

c) Market based value: Average of the weekly high & low of the closing prices of the shares of SCL as quoted on CSE where the shares of the Company are most frequently traded during the 26 weeks is Rs.2.65.

d) Considering the Supreme Court decision in the Hindustan Lever Employees Union vs Hindustan Lever Limited, 1995 (83 Com. Case 30), wherein the honourable court had opined that the fair value of a listed company could be assessed based on the following weightages:

Market Based Value	: 2
Earnings Based Value	: 2
Net Asset Value	: 1

Given the NAV of Rs.23.78, PECV of Rs.1.25 as assessed above and the average market price for the last 26 weeks Rs.2.65, if one were to apply this approach, the share price based on the weighted average would be Rs.6.82 per share.

6.1.5. Based on the fair value of shares of Rs.6.82 per share as per Regulation 20(5) of the Regulations and on including the interest @10% p.a. on the offer price from 11.02.2004 (i.e. the last date as per the original schedule) till the date of actual payment of consideration for the shares to be tendered and accepted in the offer i.e.09.09.2004 viz. Rs.0.40, the share price comes to Rs.7.22 per share. Thus, in the opinion of the Manager to the Offer and the Acquirers, the Offer price of Rs.12/- per share is justified in terms of Regulation 20(11).

6.1.6. The Acquirers have not entered into any non-compete agreement.

6.1.7. The Acquirers would be responsible for ensuring compliance with the Regulations for the consequences arising out of the acquisition of shares, if any, made after the date of Public Announcement (i.e. 27.10.2003) in terms of Regulation 20(7) of the Regulations. However, no such acquisition shall be made by the Acquirers during 02/01/2004 to 13/01/2004.

6.1.8. It is ensured that the Offer Price shall not be less than the highest price paid by the Acquirers for any Acquisition of shares of SCL from the date of Public Announcement upto 7 working days prior to the closure of the Offer viz. January 02, 2004.

6.2. Financial arrangements:

6.2.1. The total Fund requirement for the Offer is Rs.1,15,20,000/- (One Hundred and Fifteen Lacs Twenty Thousand Only) assuming that the entire Offer is accepted.

6.2.2. The Acquirers have adequate financial resources and have made firm financial arrangement for the implementation of the Offer in full out of their own sources / networth and no borrowings from Banks/ FIs or Foreign sources is envisaged. Mr. D. K. Jhawar (Membership No.59620), proprietor of D. K. Jhawar & Associates, Chartered Accountants having office at Suite 311, 545 G. T. Road, Howrah-711 101 Phone no: 033-26607736 has certified vide its letter dated 21.06.2004 that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

6.2.3. In accordance with Regulation 28 of the Regulations, the Acquirers had initially created an Escrow Account in the form of fixed deposit of 7,50,000/- (Rupees Seven Lacs Fifty Thousand Only) being more than 25% of the total consideration payable as per original Offer Price, with Tamilnad Mercantile Bank Limited, 58D, N. S. Road, Kolkata-700 001. In view of the upward revision of the Offer Price from Rs.3/- per share to Rs.12/- per share, the Acquirers have deposited additional amount of Rs.21,50,000/- in the form of fixed deposit with Tamilnad Mercantile Bank Limited, 58D, N. S. Road, Kolkata-700 001 to increase value of Escrow Account to Rs.29,00,000/- (Rupees Twenty Nine Lacs Only), being more than 25% of the total consideration payable as per the revised Offer Price. A lien has been marked on this escrow account in favour of Ashika Capital Limited. The Manager to the Offer has been authorised to realise the value of the Escrow in terms of the Regulations.

6.2.4. The Manager to the Offer, Ashika Capital Limited has been duly authorised by the Acquirers to operate & realize the value of Escrow Account in terms of the Regulations.

6.2.5. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfil the offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER:

7.1. The LO together with the Form of Acceptance and Form of Withdrawal will be mailed to the shareholders of SCL (except the parties to the agreement) whose names appear on the register of the members of SCL and the beneficial owners of the shares of SCL, whose names appear on the beneficial records of the respective depositories, at the close of the business hours on 27/10/2003.

7.2. All the owners of the shares, registered or unregistered (except the parties to the agreement) are eligible to participate in the Offer as per the procedure set out in Para 8 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.

7.3. Accidental omission to despatch this LO or the non-receipt or delayed receipt of this LO will not invalidate the Offer in anyway.

7.4. Subject to the conditions governing this Offer, as mentioned in the Letter of Offer, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer which is conditional or incomplete is liable to be rejected without assigning any reason whatsoever.

7.5. Locked-in Shares:

There are no locked-in shares in SCL.

7.6. Eligibility for accepting the Offer:

The Offer is made to all the public shareholders (except the parties to the agreement) whose names appeared in the register of shareholders on 27.10.2003 and also to those beneficial owners ("Demat holders") of the equity shares of SCL, whose names appeared as beneficiaries on the records of the respective depository participants ("DP") at the close of the business hours on 27th October, 2003 and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

7.7. Statutory Approvals and conditions of the Offer:

- a) The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders, if any.
- b) As on the date of this PA, to the best of the knowledge of the Acquirers, there are no other statutory approvals and / or consents required. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.
- c) In case of delay in receipt of statutory approvals beyond 11th February 2004, SEBI has power to grant extension of time to Acquirers for payment of consideration to shareholders, subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the Regulations. Further, if the delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the regulations will become applicable.
- d) The Acquirers do not require any approval from its bankers / lending Institutions for the aforesaid Offer.

7.8. In case of delay due to non-receipt of the statutory approvals within time, SEBI has a power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest to the shareholders for delay in payment of consideration beyond September 09,2004

- 7.9. Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the closure of the Offer i.e. August 06, 2004.
- 7.10. The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER:

- 8.1. The Shareholder(s) of SCL who qualify and who wish to avail of this Offer will have to send their shares to the Registrar to the Offer as mentioned in the Form of Acceptance at the following address:

Niche Technologies Private Limited
 Contact Person: Mr. S. Abbas
 71, B. R. B.B. Road,
 D-511, Bagree Market,
 Kolkata – 700 001
 Ph: (033) 2235-7271
 Fax: (033) 2215-6823
 Email: nichetechpl@nichetechpl.com

Acceptances may be sent by Registered Post or by hand so as to reach the Registrar to the Offer on or before August 11, 2004. Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday – Friday	10.00 a.m. upto 5.00 p.m.	Hand Delivery
Saturday	10.00 a.m. upto 3.00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

- 8.2. Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent.

8.2.1. For Equity Shares held in physical form:

(i) Registered shareholders should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s).
- **Original share Certificates**

- **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 SCL and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this LO.

(ii) Unregistered owners should enclose:

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

8.2.2. For equity shares held in Demat Form:

Beneficial owners should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed & signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depositories.
- **Photocopy of the delivery instruction in “ Off-market” mode or counterfoil of the delivery instruction in “Off- market “ mode,** duly acknowledged by DP in favour of the special depository account (please see below) before the close of the business hours on August 11,2004.

8.3. The Registrar to the Offer, M/s. Niche Technologies Private Limited has opened a special depository account with Trans Scan Securities Private Limited. The details of the special depository account are as under:

DP Name	Trans Scan Securities Pvt. Ltd.
DP ID	IN 302496
Client ID	10019357
Account name	Niche Technologies Pvt. Ltd.-SCL-Open Offer Escrow A/c
Depository	National Securities Depository Limited

8.4. For each delivery instruction, the beneficial owner should submit a separate Form of acceptance. **In the case of Demat shares, the shareholders are advised to ensure that their shares are credited in favour of special depository account, before the closure**

of the Offer. The Form of acceptance of such Demat shares not credited in favour of the special depository Account before the closure of the Offer is liable to be rejected.

- 8.5.** The share Certificate(s), share transfer form, Form of Acceptance, Form of Withdrawal and other documents, if any should be sent only to the Registrar to the Offer, as mentioned above. **They should not be sent to the Manager to the Offer or the Acquirers or the Target Company.**
- 8.6.** In case of non-receipt of the Letter of Offer, the eligible persons may obtain a copy of the same from Registrar to the Offer or Manager to the Offer on providing suitable documentary evidence of acquisition of shares of SCL. The Public Announcement, Corrigendum to the Public Announcement, LO, Form of Acceptance Cum Acknowledgement and Form of Withdrawal will be available on SEBI website at www.sebi.gov.in, from the Offer opening date. The eligible persons can download these documents from the SEBI's website & apply using the same. Alternatively, they may send their consent to participate in the Offer, to the Registrar to the Offer, on a plain paper stating the name & address of the first holder, name(s) & address(s) of joint holders, if any, regd. folio no, share certificate no., distinctive nos., no. of the shares held, no. of the shares Offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before closure to the Offer i.e. August 11,2004. Unregistered owners should not sign the transfer deeds & the transfer deed should be valid. In case of beneficial owners, they may send their applications in writing to the Registrar to the Offer, on a plain paper stating their name, address, no of shares held, no. of shares offered, DP name, DP ID No., beneficiary account number, and a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market " mode, duly acknowledged by DP in favour of special depository account, so as to reach the Registrar to the Offer , on or before the closure of the Offer.
- 8.7.** Non resident shareholders should also enclose copy of permission received from RBI for the shares held by them in SCL and 'no-objection' certificate / tax clearance certificate from the Income Tax authorities under Income Tax Act, 1961, indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid 'no-objection' certificate is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the shareholder, on the entire consideration amount payable.
- 8.8.** The Acquirers shall complete all procedures relating to the Offer including payment of consideration to the shareholders by September 09, 2004. In case of delay due to non-receipt of the statutory approvals within time, SEBI has a power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest to the shareholders for delay in payment of consideration beyond September 09, 2004.
- 8.9.** Payment of consideration will be made by crossed account payee cheques /demand drafts / pay orders and will be sent by registered post, to those shareholders / unregistered owners & at their sole risk, whose shares/ share certificates & other documents are found in order & accepted by Acquirers in part or in full except in case of joint holders, cheques / demand drafts/ pay orders, in the name of first holder. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that same can be incorporated in the cheques / demand drafts / pay orders.

- 8.10.** Unaccepted share certificates, transfer forms & other documents, if any, will be returned by registered post at the shareholders/ unregistered owners sole risk to the sole / first shareholder. Shares held in Demat Form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owners.
- 8.11.** In case the shares tendered in the Offer are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be in accordance with Regulation 21(6) of the Regulations, on a proportionate basis. The marketable lot for both physical and demat shares is 1.
- 8.12.** The Registrar to the Offer will hold in trust the shares/ share certificates, shares lying in the credit of the special depository account, Form of Acceptance cum Acknowledgement, the transfer Form(s) and Form of Withdrawal, if any, on behalf of the shareholders of SCL who have accepted the Offer, till the Cheques/ demand draft / pay orders for the consideration and / or the unaccepted shares/ share certificates are despatched or credited back to the beneficial owners DP account.
- 8.13.** In case any person has lodged shares of SCL for transfer & such transfer has not yet been effected, the concerned person may apply as per the instructions in Para 8.4 above together with the acknowledgement of lodgment shares for transfer. Such persons should also instruct SCL to send the transferred share certificate(s) directly to the Registrar to the Offer. The applicant should ensure that the certificate(s) reached the Registrar to the Offer on or before the Offer closing date.
- 8.14.** In case any person has tendered his physical shares in SCL for dematerialisation & such dematerialisation has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by shareholders DP. Such shareholders should ensure the credit of the shares to the special depository account on or before the Offer closing date together with a copy of delivery instructions acknowledged by the DP in favour of Special depository account
- 8.15.** In case the shareholder has already sold his Shares, he may kindly forward this Offer document to the transferee or to the broker through whom the shares were sold.
- 8.16.** The shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of closure of the Offer, i.e. on or before 06.08.2004 in terms of Regulation 22(5A).
- 8.17.** The withdrawal option can be exercised by submitting the document as per the instruction below, so as to reach the Registrar to the Offer on or before 06.08.2004. The withdrawal option can be exercised by submitting the form of withdrawal. You may devise a suitable form of withdrawal.
- 8.18.** 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:

- a. In case of physical shares: Name, address, distinctive numbers, folio nos., number of shares tendered / withdrawn.
- b. In case of dematerialised shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of delivery instruction in “off market” mode or counterfoil of the delivery instruction in “off market” mode, duly acknowledged by the DP in favour of the Depository Escrow Account.

8.19. The shares withdrawn by the shareholders, if any would be returned by registered post, in case of physical shares.

9. DOCUMENTS FOR INSPECTION:

Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, M/s. Ashika Capital Limited at 7, B. B. Ganguly Street, 4th Floor, Kolkata – 700 012 on any working day between 10.00a.m to 2.00p.m during the period the Offer is open i.e., from 13/07/2004 to 11/08/2004.

- i)** Memorandum & Articles of Association of SCL along with Certificate of Incorporation.
- ii)** Letter dated 17.06.2004 from Mr. D. K. Jhawar (Membership No.59620), proprietor of D. K. Jhawar & Associates, Chartered Accountants, having office at Suite 311, 545 G. T. Road, Howrah-711101; Phone no:033-26607736 certifying the Networth of the Acquirers.
- iii)** Letter dated 21.06.2004 from Mr. D. K. Jhawar (Membership No.59620), proprietor of D. K. Jhawar & Associates, Chartered Accountants, having office at Suite 311, 545 G. T. Road, Howrah-711101; Phone no:033-26607736 certifying the adequacy of financial resources with Acquirers to fulfill the Open Offer obligations.
- iv)** Audited Annual Reports for the financial year ended March 31, 2001, March 31, 2002 & March 31, 2003 and certified statements by statutory auditors for unaudited financial results for the year 31.03.2004 of Saumya Consultants Limited.
- v)** Audited Annual Reports for the financial year ended March 31, 2001, March 31, 2002 & March 31, 2003 for Valley Magnesite Co. Ltd., Ganodaya Finlease Ltd. & Singhal Towers Pvt. Ltd. and certified statements by Chartered Accountants of unaudited financial results for the year 31.03.2004 for Valley Magnesite Co. Ltd. & Ganodaya Finlease Ltd.
- vi)** Letter of Tamilnad Mercantile Bank Limited, N.S. Road Branch, Kolkata 700 001, dated 22.10.2003 & 23.06.2004 confirming the amount kept in the Escrow Account and creation of Lien on the said Escrow account in favour of Ashika Capital Limited the Manager to the Offer to operate it.
- vii)** A copy of the confirmation received from depository Participant – Trans Scan Securities Pvt. Ltd. confirming opening of a special depository account for the purpose of the Offer.

- viii) A copy of the Public Announcement for the Offer dated October 27,2003 and Corrigendum to the Public Announcement dated July 10, 2004.
- ix) Copy of the Memorandum of Understanding between the Acquirers & the Manager to the Offer, dated October 22, 2003.
- x) Copy of Agreement entered into between the Acquires and M/s. Jalan & Co. dated 22.10.2003.
- xi) Copy of document appointing M/s. Jalan & Co. as the constituent attorney for various companies and individuals.
- xii) Copy of SEBI letter no. DCR/TO/HB/14576/04 dated July 06, 2004 issued in terms of proviso to the Regulation 18(2) of the Regulation.

10. DECLARATION BY THE ACQUIRERS:

The Acquirers, Mr. Arun Kumar Agarwalla, Mrs. Sudha Agarwalla and M/s. A. K. Agarwalla (HUF) accept full responsibility jointly and severally for the information contained in this Letter of Offer and are responsible for ensuring compliance with the Regulations. The information relating to SCL has been obtained from publicly available information & from the company.

The Manager to the Offer hereby states that the person signing this Letter of Offer is one of the Acquirers and he is duly and legally authorised by other Acquirers to sign on their behalf.

Sd/-
(Arun Kumar Agarwalla)

Place: Kolkata
Date: 10/07/2004

Attached: Form of Acceptance cum Acknowledgement & Form of Withdrawal

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

To,
M/s. Niche Technologies Pvt. Ltd.
71, B. R. B.B. Road,
D-511, Bagree Market,
Kolkata – 700 001

Date:

Dear Sir,

Sub: Open Offer for purchase of 9,60,000 equity shares of Saumya Consultants Limited representing 20% of its total paid up and voting share capital at an Offer Price of Rs.12/- per fully paid up equity share by Mr. Arun Kumar Agarwalla, Mrs. Sudha Agarwalla and M/s. A. K. Agarwalla (HUF).

I/We refer to the Letter of Offer dated 10/07/2004 for acquiring the equity shares held by me/us in Saumya Consultants Limited.

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

SHARES IN PHYSICAL FORM

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

Sr. No.	Ledger Folio No.	Certificate No(s).	Distinctive No(s).	No. of shares
Total number of equity shares				

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(s) gives the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirer(s) will pay the purchase consideration only after verification of the documents and signatures.

SHARES IN DEMATERIALISED FORM

I / We, holding Shares in the dematerialised form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my/our Shares as detailed below:

DP Name	DP ID	Client ID	No. of Shares	ISIN No.
				INE563C01015
Total number of shares				

I/We have done an off market transaction for crediting the Shares to the special account opened for the purposes of the Offer, for which necessary instructions have been given to my/our DP.

I/We note and understand that the Shares would reside in the depository account opened for the purpose of this Offer until the time the Acquirer accepts the Shares and makes the payment of purchase consideration as mentioned in the Letter of Offer.

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

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

I/We authorise the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

I / We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and Delivered

	Full Names (s) of the holders	Address	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings all must sign. Enclose duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s). A corporation must affix its common seal and enclose necessary certified corporate authorizations. Non-resident shareholders with repatriable benefits must enclose appropriate documentation.

Place:
Date:

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) may, at their option, provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Savings/Current/(Others; please specify) : _____
Name of the Bank Branch : _____
Account Number : _____

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

Acknowledgement slip

Ledger Folio No. _____ DP ID _____ Client
ID _____ Received from _____ an application for
sale of _____ Equity Share(s) of Saumya Consultants Limited together with _____ share certificate(s) bearing
Certificate Numbers _____ and _____ transfer deed(s)/ photocopy of "Off-market" delivery
instruction duly acknowledged by the DP.

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned above.

Date of receipt

Signature of the official

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

From:
Name:
Address:

OFFER	
Opens on	July 13, 2004
Closes on	August 11, 2004
Last date of Withdrawal	August 06, 2004

Tel. No.
Fax No.
E-mail:

To,
M/s. Niche Technologies Pvt. Ltd.
71, B. R. B.B. Road,
D-511, Bagree Market,
Kolkata – 700 001

Dear Sir,

Sub: Open Offer for purchase of 9,60,000 equity shares of Saumya Consultants Limited representing 20% of its total paid up and voting share capital at an Offer Price of Rs.12/- per fully paid up equity share by Mr. Arun Kumar Agarwalla, Mrs. Sudha Agarwalla and M/s. A. K. Agarwalla (HUF).

I/We refer to the Letter of Offer dated 10/07/2004 for acquiring the equity shares held by me/us in Saumya Consultants Limited.

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

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

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

I/We note that this Form of Withdrawal should reach the Registrar to the Offer before the last date of withdrawal i.e. August 06,2004.

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

I/We also note and understand that the Acquirer /PAC will return the original share certificate(s), share transfer deed(s) and shares only on completion of verification of the documents, signatures and beneficiary position as available from the depositories from time to time.

SHARE HELD IN PHYSICAL FORM

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger folio No.	Certificate No.	Distinctive No.		No. of Shares
			From	To	
Total number of shares					

SHARES HELD IN DEMAT FORM

I/We have tendered the shares in the offer which was done in an off market transaction for crediting the shares to the "Niche Technologies Pvt. Ltd.-SCL Open Offer Escrow A/C " as per the following particulars:

DP ID : IN302496
 DP Name : Trans Scan Securities Pvt. Ltd.
 Beneficiary ID Number : 10019357

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

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

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

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

In case of dematerialised shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,
 Signed and Delivered

	Full Names (s) of the holders	Address	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all shareholders must sign. A corporate body must sign under its official name. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance cum Acknowledgement. Applicants are requested to clearly mark the envelope with the words "Saumya Consultants Limited Open Offer" while sending the documents to the registrar to the offer. All future correspondence, if any, should be sent to the registrar to the offer, Niche Technologies Pvt. Ltd. (unit: Saumya Consultants Limited), at their aforesaid address.

Place:

Date:

----- TEAR HERE -----

ACKNOWLEDGEMENT RECEIPT

Received Form of Withdrawal from Mr./ Mrs./Ms. -----

Folio No.-----DP ID ----- Client ID NO. -----

Number of shares tendered -----

Number of share withdrawn -----

Stamp of Registrar

Signature of official

Date of Receipt