**LETTER OF OFFER**

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

This Letter of Offer is sent to you as an Eligible Shareholder (as defined below) of DISA India Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager/the Registrar to the Offer (as defined below). In case you have recently sold your equity shares in DISA India Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement and the Transfer Deed to the member of the stock exchange through whom the said sale was effected.

**OPEN OFFER ("OFFER") by**

**NACIRON A/S ("ACQUIRER")**

A limited liability company incorporated under the laws of the Kingdom of Denmark

**Registered Office:** Christian IX's Gade 7, III, DK-1111, Copenhagen K, Denmark

**Telephone Number**: (+45) 3336 7300 and **Fax Number**: (+45) 3336 7301

**Along with**

**DISA Holding AG ("PAC 1")**

A limited liability company incorporated under the laws of Switzerland

**Registered Office:** Kasernenstrasse 1, 8184 Bachenbulach, Switzerland.

**Telephone Number:** (+41) 44 8154000 and **Fax Number:** (+41) 44 815 4011

**And**

**DISA Holding A/S ("PAC2")**

A limited liability company incorporated under the laws of the Kingdom of Denmark

**Registered Office:** Højagervej 8, Høje Taastrup, DK-2630 Taastrup, Denmark.

**Telephone Number:** (+45) 4450 5050 and **Fax Number:** (+45) 4450 5050

**TO ACQUIRE**

a maximum of 377,552 fully paid-up equity shares of Rs. 10 each of the Target Company, that will represent 25% (twenty five percent) of the paid up equity and voting capital (i.e. all of the Equity Shares of the Target Company that are not held by the PACs), as at the tenth working day from the closure of the Tendering Period from the public shareholders of

**DISA India Limited** ("**Target Company**")

A public limited company incorporated under the Companies Act, 1956

**Registered Office:** 5th Floor, Kushal Garden Arcade, 1A, Peenya Industrial Area, 2nd Phase, Bangalore, 560058

**Telephone Number:** (+91) 80 40201403/04 and **Fax Number:** (+91) 80 40201403/04

**At a price of Rs.** INR 3,513.01 **per Equity Share ("Offer Price") payable in cash**

as per the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof ("**SEBI (SAST) Regulations**").

**Note:**

1. The Offer is being made pursuant to and in compliance with the provisions of Regulations 3(1), 4 and 5(1) read with Regulations 13(2)(e) of the SEBI (SAST) Regulations.
2. The Offer is not conditional as to the minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There are no competing offers to this Offer under Regulation 20 of the SEBI (SAST) Regulations.
4. In the event of withdrawal of the Offer, a public announcement will be made within two (2) Working Days of such withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) has been published and such public announcement will also be sent to the Stock Exchange, SEBI and the Target Company at its registered office.
5. To the best knowledge and belief of the Acquirer and PACs, as of the date of this Letter of Offer, there are no statutory approvals required to implement the Offer. If any statutory approvals become applicable at a later date before the closure of the Tendering Period, the Offer will be subject to such other statutory approvals. NRI and erstwhile-OCB shareholders, if any, must obtain all requisite approvals required for tendering the Equity Shares held by them pursuant to the Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and any other documents required to accept the Offer.
6. The Offer is subject to revision, if any, pursuant to the SEBI (SAST) Regulations at the discretion of the Acquirer and the PACs at any time prior to three (3) Working Days before the commencement of the Tendering Period, i.e. up to 20 April, 2015, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PACs shall: (a) make corresponding increases to the escrow amounts and guarantee arrangements, as more particularly set out in paragraph V (B) (Financial Arrangements) of this Letter of Offer; (b) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (c) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchange and the Target Company at its registered office of such revision. Such revised offer price will be payable for all the Equity Shares validly tendered at any time during the Tendering Period of the Offer.
7. As described in the Public Announcement issued on 19 December 2014, the Offer Price shall be the Base Offer Price paid together with interest computed at the rate of 10% per annum on the Base Offer Price from 18 December 2014 until 5 March 2015 in terms of Regulation 8(12) of the SEBI (SAST) Regulations and the Offer Price includes such interest.
8. A copy of the Public Announcement, Detailed Public Statement and Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) will be available on the website of the Securities and Exchange Board of India: www.sebi.gov.in.

| MANAGER TO THE OFFER | | REGISTRAR TO THE OFFER | |
|---|---|---|---|
| | **ICICI Securities Limited**<br>108, ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai - 400 020, (Tel: +91 22 2288 2460/2288 2470, Fax: +91 22 2282 6580)<br>E-mail: disa.openoffer@icicisecurities.com<br>Website: www.icicisecurities.com<br>Contact Person: Ms. Payal Kulkarni<br>SEBI Registration Number: INM000011179 | | **Integrated Enterprises (India) Ltd**<br>30, Ramana Residency, 1A, Peenya Industrial Area, Ground Floor, Peenya 2nd Phase, IV Cross, Sampige Road, Bangalore - 560 003; (Tel: +91 80 23460815/816, Fax: + 91 80 23460819<br>Email: giri@integratedindia.in<br>Website: www.integratedinida.in<br>Contact Person: S. Giridhar<br>SEBI Registration:INR000000544 |
| **OFFER OPENS ON:** 24 April 2015 | | **OFFER CLOSES ON:** 11 May 2015 | |

**The schedule of activities for this Offer is as follows:**

| Activity | Day and Date |
|---|---|
| Date of issue of the Public Announcement | Thursday, 19 December 2014 |
| Date of Completion of Primary Acquisition | Thursday, 26 February 2015 |
| Date of publication of the Detailed Public Statement | Thursday, 5 March 2015 |
| Draft Letter of Offer to be submitted to SEBI | Friday, 13 March 2015 |
| Last date for a competing offer | Friday, 27 March 2015 |
| Final date for receipt of comments from SEBI on the draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer) | Tuesday, 7 April 2015 |
| Identified Date* | Thursday, 9 April 2015 |
| Last date for dispatch of the Letter of Offer to the Eligible Shareholders of the Target Company | Friday, 17 April 2015 |
| Last date for upward revision of the Offer Price and/or the Offer Size | Monday, 20 April 2015 |
| Last date by which a committee of independent directors of the Target Company is required to publish its recommendation to the Eligible Shareholders for the Offer | Wednesday, 22 April 2015 |
| Publication of advertisement containing announcement of the schedule of activities of the Offer, status of statutory and other approvals and other amendments | Thursday, 23 April 2015 |
| Commencement of the Tendering Period (Offer opening date) | Friday, 24 April 2015 |
| Closure of the Tendering Period (Offer closing date) | Monday, 11 May 2015 |
| Last date for issue of post-offer advertisement | Monday, 18 May 2015 |
| Last date of payment of consideration to the Eligible Shareholders whose equity shares have been accepted | Monday, 25 May 2015 |
| Last date for submission of the final report with SEBI | Monday, 1 June 2015 |

**The Identified Date is only for the purpose of determining the names of the Eligible Shareholders as on such date to whom the Letter of Offer will be sent and is the date falling on the tenth (10th) Working Day prior to the commencement of the Tendering Period. All the Eligible Shareholders (registered or unregistered) are eligible to participate in the Offer at any time prior to the closure of the Tendering Period (as defined below).*

**NOTE:** Duly signed Acceptance-cum-Acknowledgement and the Transfer Deed(s), together with the share certificate(s), if applicable, should be dispatched by registered post/courier or hand delivered to the Registrar to the Offer or their collection centres on or before closure of the Tendering Period, i.e. before 11 May 2015.

## I. Risks to the Offer

1. As on the date of this Letter of Offer, to the best knowledge of the Acquirer and the PACs, there are no statutory approvals pending for the Acquirer and the PACs to implement the Offer. However, in case of any statutory approval being required by the Acquirer or the PACs at a later date before the closure of the Tendering Period (as defined below), this Offer shall be subject to such approvals and the Acquirer and the PACs shall make the necessary applications for the approval. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

2. If any of the public shareholders of the Target Company that are not resident in India (such as Non Resident Indians ("**NRIs**") and erstwhile Overseas Corporate Bodies ("**OCBs**")) require any approvals/ exemptions from the Reserve Bank of India, the Foreign Investment Promotion Board or any regulatory body for the transfer any Equity Shares to the Acquirer or the PACs, they shall be required to submit such approval/ exemption along with the other documents required to be tendered to accept this Offer. If such approval/exemption is not submitted, the Acquirer and the PACs reserve the right to reject the Equity Shares tendered by such non-resident shareholders.

3. Shareholders who have tendered their Equity Shares in Offer shall not be entitled to withdraw it during the Tendering Period, even if the acceptance of shares and payment of consideration gets delayed for any reason. Till the process of acceptance of tenders and payment of consideration is completed, the Equity Shares tendered in the Offer shall be in possession of the Registrar to the Offer. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the shareholders who have tendered their Equity Shares in this Offer. It is understood that the Eligible Shareholders (as defined below) will be solely responsible for their decisions regarding their participation in this Offer.

4. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, the PAC or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

5. The Acquirer and PACs are responsible only for the statements and the contents specified in the Public Announcement, Detail Public Statement and Letter of Offer or any of the advertisement or any material information issued by or at the instance of the Acquirer, PACs or the Manager to the Offer. Any person relying on any other source of information would be doing it on its own risk.

6. The Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the PAC do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

## II. Risks involved in associating with the Acquirer / PACs:

1. The Acquirer along with PACs intends to acquire 377,552 (three hundred seventy seven thousand five hundred and fifty two) fully paid up Equity Shares, representing 25% (twenty five per cent) of total equity and voting share capital of the Target Company, at a price of INR 3,513.01 (Rupees three thousand five hundred and thirteen and one paise) per Equity Share, payable in cash in accordance with the SEBI (SAST) Regulations. The Target Company did not have any partly paid-up equity shares as on the date of issuance of the Public Announcement. The Equity Shares and documents tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the shareholders will not be able to trade such Equity Shares. Post this Offer, the Acquirer, through the PACs, will have significant equity ownership of the Target Company pursuant to Regulation 3(1), Regulation 4, and Regulation 5(1) of the SEBI (SAST) Regulations. Neither the Acquirer nor the PACs make any assurances with respect to the market price of the Equity Shares during the Offer Period and upon the completion of the Offer or the financial performance of the Target Company.

2. The Acquirer, the PACs or the Manager to the Offer have no assurances, and are not providing any assurances, in relation to (a) the financial performance of the Target Company, or (b) the continuance of any past trends of financial performance of the Target Company, (c) the price of the Equity Shares of the Target Company before, during or after the Offer, or (d) their investment and/or divestment decisions relating to their shareholding in the Target Company. The Acquirer and the PACs expressly disclaim all responsibility in respect of any decision by an Eligible Shareholder to participate in or refrain from participating in the Offer.

3. Under clause 40A of the Listing Agreement read with Rule 19A of Securities Contract (Regulation) Rules, 1957, as amended ("**SCRR**"), the Target Company is required to maintain at least 25% (twenty five per cent) public shareholding on a continuous basis for listing. Pursuant to this Offer, it is possible that the public shareholding in the Target Company will reduce below the minimum level required under the Listing Agreement read with rule 19A of the SCRR. Therefore, the Acquirer and the PACs hereby undertake to take such steps as may be necessary to ensure compliance with applicable laws, including, if so required, to reduce their shareholding in the Target Company, within the period specified in the SCRR and SEBI (SAST) Regulations, such that the Target Company complies with the minimum public shareholding requirements prescribed in the Listing Agreement read with rule 19A of the SCRR.

4. Norican Group ApS (formerly named Hamlet Holding II ApS) (an affiliate of Mid-Europa Partners) ("**Norican ApS**"), a part of the promoter group of the Target Company prior to the Primary Acquisition, made an open offer to the public shareholders of the Target Company in September 2009 in terms of the Takeover Regulations, 1997. In respect of that offer, there arose a dispute between SEBI and Norican ApS on the calculation of the offer price for the shares tendered by the public shareholders of the Target Company as per the Takeover Regulations, 1997. SEBI required Norican ApS to increase the offer price by way of a letter dated 6 February 2009. Norican ApS disputed this price increase and appealed SEBI's letter before the SAT. SAT in its order dated 5 August 2009 decided in favour of Norican ApS, and Norican ApS made the open offer in September 2009. SEBI appealed SAT's order before the Supreme Court of India, and this matter is currently sub-judice. The Supreme Court passed an interim order, inter-alia, allowing Norican ApS to complete the open offer as per the price originally contemplated by it, subject to the final determination of the appeal by the Supreme Court. If the Supreme Court finds in favour of SEBI, then Norican ApS and the PACs will be required to (a) pay the public shareholders that had tendered their shares in the previous open offer the amounts representing the difference in the price calculation and any interest or

penalties, or (b) take any other action, in each case, as may be directed by the Supreme Court. The Acquirer (pursuant to the Primary Acquisition) has indirectly acquired Norican ApS and the PACs, and will ensure that the terms of any Supreme Court decision on this dispute are complied with by its relevant subsidiaries. Please note that the Acquirer and the PACs have no assurances in respect of the outcome of this dispute, and the Acquirer and the PACs do not provide any assurances to the Eligible Shareholders in respect of the previous open offer. This Offer is being made by the Acquirer and the PACs independent in all respects of the offer made by Norican ApS in respect of the Target Company in September 2009.

***The risk factors set forth above: (a) are indicative only, (b) are limited to the Offer and (c) are not intended to provide any analysis of all risks as perceived in relation to the Offer or in association with the Acquirer and PACs and are not exhaustive. The risk factors set out above do not relate to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute an analysis of the risks involved in participation in the Offer by an Eligible Shareholder. The Eligible Shareholders are advised to consult their stockbroker, tax advisor and/or investment consultant, if any, for understanding of the further risks associated with respect to their participation in the Offer.***

**Currency of representation**

In this Letter of Offer, all references to (a) "**Rupees**" or "**Rs.**" or "**INR**" are to Indian Rupees, which represents the official currency of Republic of India, (b) "**Euro**"/"**EUR**"/"**€**" are to Euro, the official currency of the Institutions of the European Union, (c) "**Danish Krone**"/ "**DKK**" are to Danish Krone, the official currency of the Kingdom of Denmark, Greenland and the Faroe Islands, and (d) "**Swiss Francs**"/ "**CHF**" are to Swiss Francs, the currency and legal tender of Switzerland. In this Letter of Offer, any discrepancy in any table of aggregate sums could be due to rounding off and/or regrouping

All data presented in Euro in this Letter of Offer have been converted into Indian Rupees for the purposes of convenience only.

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## Key Definitions

| Term | Description |
| --- | --- |
| Acquirer | Naciron A/S |
| Altor Group | Has the meaning given to it in Paragraph III.A.4 |
| Bank Guarantee | Has the meaning given to it in Paragraph V.B.3 |
| Base Offer Price | Offer price of INR 3440.43 (Rupees three thousand four hundred and forty and forty three paise) per Equity Share, as disclosed in the Public Announcement |
| Board | The Board of Directors |
| Book Value per share | Net worth/Number of Equity Shares |
| BSE | BSE Limited |
| CIN | Corporate Identity Number |
| CHF | Swiss Franc |
| CDSL | Central Depository Services Limited |
| Depositories | Collectively NSDL and CDSL |
| DIN | Director Identification Number |
| DKK | Danish Krone |
| DP | Depository Participant |
| Detailed Public Statement | Detail Public Statement dated 5 March 2015 issued on behalf of the Acquirer and PACs. |
| Draft Letter of Offer | The draft Letter of Offer filed with SEBI in accordance with Regulation 16(1) of the SEBI (SAST) Regulations. |
| Eligible Shareholders | All owners (registered or unregistered), including the beneficial owners, of Equity Shares of the Target Company (other than the Acquirer and the PACs). |
| Escrow Account | Has the meaning given to it in Paragraph V.B.4 |
| Escrow Agreement | Has the meaning given to it in Paragraph V.B.4 |
| Escrow Bank | Has the meaning given to it in Paragraph V.B.4 |
| Equity Shares | Fully paid-up equity shares of Target Company having face value of INR 10 each. |

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|---|---|
| IFSC | Indian Financial System Code |
| Identified Date | Date for the purpose of determining the names of the Eligible Shareholders as on such date to whom the Letter of Offer would be sent. |
| Letter of Offer | This Letter of Offer dated 20 April 2015, which is being dispatched to the Eligible Shareholders in accordance with Regulation 18(2) of the SEBI (SAST) Regulations. |
| Listing Agreement | Means the agreement entered into between the Target Company and the BSE, in respect of the listing of the Equity Shares. |
| MICR | Magnetic Ink Character Recognition |
| Manager to the Offer | ICICI Securities Limited, SEBI Registered Category I Merchant Banker appointed by the Acquirer and PACs as the manager to the offer pursuant to the SEBI (SAST) Regulations having its corporate office at 108, ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai - 400 020, (Tel: +91 22 2288 2460/2288 2470, Fax: +91 22 2282 6580) |
| Maximum Consideration | The maximum consideration payable under the Offer, assuming full acceptance of the Offer, i.e. INR 1,326,343,951.52 (Rupees one billion, three hundred and twenty six million, three hundred forty three thousand nine hundred and fifty one and fifty two paise) |
| Mm/Millions | 1,000,000 |
| NECS | National Electronic Clearance Service |
| NEFT | National Electronic Fund Transfer |
| NRI | Non Resident Indian |
| NSDL | National Securities Depository Limited |
| Norican | Norican Holdings ApS |
| Norican ApS | Norican Group ApS |
| OCBs | Erstwhile Overseas Corporate Bodies |
| Offer Escrow Demat Account | Has the meaning given to it in Paragraph VII.A.1 |
| Offer Period | The period starting from 19 December, 2014 (being the date of issuance of the Public Announcement), until the date on which payment of consideration to public shareholders who have validly tendered their Equity Shares in the Offer is completed, or the date on which the Offer is withdrawn, as the case may be |
| Offer Price | INR 3513.01 (Rupees three thousand five hundred and thirteen and one paise) per Equity Share payable in cash |

| | |
|---|---|
| Offer | The Acquirer along with PACs intends to acquire 377,552 (three hundred seventy seven thousand five hundred and fifty two) fully paid up Equity Shares of INR 10/- each representing 25% (twenty five per cent) of total equity and voting share capital of the Target Company, at a price of INR 3513.01 (Rupees three thousand five hundred and thirteen and one paise) per Equity Share, payable in cash by the Acquirer and the PACs. |
| Overseas Tax | Has the meaning given to it in Paragraph VII.B.25 |
| PACs | DISA Holding AG or DISA Holding A/S |
| PAC 1 | DISA Holding AG |
| PAC 2 | DISA Holding A/S |
| PAN | Permanent Account Number |
| Primary Acquisition | Has the meaning given to it in Paragraph I.A.3 |
| Public Announcement | Public Announcement issued on 19 December 2014 on behalf of the Acquirer and PACs. |
| RBI | Reserve Bank of India |
| RTGS | Real Time Gross Settlement |
| Registrar to the Offer | Integrated Enterprises (India) Ltd having its registered office at 30, Ramana Residency, 1A, Peenya Industrial Area, Ground Floor, Peenya 2nd Phase, IV Cross, Sampige Road, Bangalore - 560 003 |
| SAT | Securities Appellate Tribunal |
| SCRR | Securities Contract (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 |
| SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof |
| Stock Exchange | BSE |
| TRC | Tax Residency Certificate |
| Takeover Regulations, 1997 | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. |
| Target Company | DISA India Limited |
| Tendering Period | Period starting on 24 April 2015 and ending on 11 May 2015 |

| | |
|---|---|
| Valuation Report | Has the meaning given to it in Paragraph II.B.V |
| WTC | Withholding Tax Certificate |
| Working Days | Any working day of SEBI. |

*All capitalized terms used but not defined in this Letter of Offer shall have the same meaning as given to them under the SEBI (SAST) Regulations.*

## I. 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 SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE ELIGIBLE SHAREHOLDERS OF DISA INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PACS OR THE TARGET COMPANY WHOSE EQUITY SHARES/CONTROL HAS BEEN ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PACs DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, ICICI SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 13 MARCH 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."**

## II. DETAILS OF THE OFFER

### A. Background of the Offer

1. This Offer is a mandatory open offer being made by the Acquirer (being Naciron A/S), and the PACs to the Eligible Shareholders of the Target Company, pursuant to Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations.

2. PAC 1 and PAC 2 collectively hold 75% (seventy five per cent) of the fully paid-up equity capital and voting rights in the Target Company, of which PAC 1 holds 54.22% (fifty four point two two per cent) and PAC 2 holds 20.78% (twenty point seven eight per cent). PAC 1 and PAC 2 indirectly owned and controlled 100% (one hundred per cent) by Norican Holdings ApS, a company registered under the laws of the Kingdom of Denmark ("**Norican**").

3. On 18 December 2014, the Acquirer entered into a Sale and Purchase Agreement to acquire 100% of the ownership of Norican from its erstwhile shareholders ("**Primary Acquisition**"). The erstwhile shareholders of Norican were entities that were directly or indirectly owned and controlled by a fund managed and advised by Mid Europa Partners, an independent private equity firm focused on investments in Central and Eastern Europe. The Primary Acquisition was subject to receipt of merger control clearance in Germany from the German Federal Cartel Office, which was obtained on 14 January 2015.

4. The Acquirer completed the Primary Acquisition on 26 February 2015, pursuant to which the Acquirer indirectly acquired PAC 1 and PAC 2. Consequently, the Acquirer acquired indirect control over 75% (seventy five per cent) of the paid up equity capital and voting rights in the Target Company, which are currently held by the PACs. Therefore, this Offer is being made by the Acquirer and the PACs in accordance with Regulations 3(1), 4 and 5(1) of the SEBI (SAST) Regulations.

5. There is no formal agreement between the Acquirer and the PACs with regard to this Offer. However, the Acquirer (on account of the completion of the Primary Acquisition) owns and controls 100% of the PACs. Therefore, it is intended that any Equity Shares tendered by the Eligible Shareholders during the Tendering Period shall be acquired by the Acquirer and the PACs.

6. The Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations and is not a competitive bid in accordance with the terms of Regulation 20 of the SEBI (SAST) Regulations.

7. As a result of the Primary Acquisition, the Acquirer through the PACs has acquired substantial shares or voting rights and control over the Target Company. The Acquirer and the PACs intend to continue with the existing line of business of the Target Company and expand it with sound management and financial support. The Acquirer and the PACs have not changed the composition of the Board after the completion of the Primary Acquisition.

8. The Manager to the Offer, ICICI Securities Limited, does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period. The Maager to the Offer is not an associate of the Acquirer or the PACs.

9. Neither the Acquirer nor the PACs have been prohibited by SEBI from dealing in the securities,

in terms of direction issued under Section 11B of SEBI Act, 1992 (as amended from time to time) or under any other Regulations made under the SEBI Act.

10. As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of the Target Company is required to, upon receipt of the Detailed Public Statement, constitute a committee of independent directors to provide its reasoned recommendations on the Offer to the Eligible Shareholders. As per Regulation 26(7) read with Regulation 26(6) of the SEBI (SAST) Regulations, the written reasoned recommendations of the committee of independent directors is required to be published by the Target Company at least (2) two Working Days prior to the commencement of the Tendering Period in the same newspapers where the Detailed Public Statement was published and simultaneously, a copy of such recommendations needs to be sent to SEBI, the BSE and to the Manager to the Offer.

**B. Details of the Offer**

1. The Public Announcement announcing the Offer was made on 19 December 2014, in compliance with Regulation 3(1), Regulation 4, Regulation 5(1) and Regulation 13(2)(e) of the SEBI (SAST) Regulations, on account of the Acquirer entering into the SPA for the indirect acquisition of Equity Shares, voting rights of and control over the Target Company. The thresholds specified under Regulation 5(2) of the SEBI (SAST) Regulations are not applicable.

2. The Detailed Public Statement in respect of the Offer was published on 5 March 2015 in the following newspapers:

| Newspaper | Language | Editions |
|---|---|---|
| Financial Express | English | All Editions |
| Jansatta | Hindi | All Editions |
| Hosa Digantha | Kannada | Bangalore Edition |
| Mumbai Lakshadeep | Marathi | Mumbai Edition |

3. Copy of the Public Announcement and the Detailed Public Statement have been submitted to the Stock Exchange and Target Company (The Public Announcement and the Detailed Public Statement are available at the SEBI website: www.sebi.gov.in)

4. The Offer is being made by the Acquirer and the PACs to all Eligible Shareholders for the acquisition of up to 377,552 (three hundred seventy seven thousand five hundred and fifty two) fully paid-up Equity Shares of the Target Company, representing 25% (twenty five per cent) of the total paid up Equity Shares of the Target Company as of the 10th (tenth) Working Day from the closure of the Tendering Period (i.e. all of the Equity Shares of the Target Company that are not held by the PACs), at the Offer Price, payable in cash, subject to the terms and conditions mentioned in the Public Announcement, the Detailed Public Statement and this Letter of Offer. The date of opening of the Tendering Period for the Offer is 24 April 2015.

5. The Equity Shares are infrequently traded as per Regulation 2(1)(j) of the SEBI (SAST) Regulations. The Offer Price (i.e. the price per Offer Share) has been determined by the

Acquirer and the PACs together with the Manager to the Offer in accordance with the provisions of the SEBI (SAST) Regulations taking into account the valuation report dated 18 December 2014 issued by Haribhakti & Co LLP., Chartered Accountants (Firm Registration No. 103523W) ("**Valuation Report**"), and has been enhanced by an amount determined at the rate of 10% (ten per cent) per annum on the Base Offer Price for the period between the date on which the Primary Acquisition was contracted (i.e. 18 December 2014) and the date of the Detailed Public Statement (i.e. 5 March 2015), in accordance with Regulation 8(3) read with Regulation 8(12) of the SEBI (SAST) Regulations. The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations subject to the terms and conditions mentioned in the Public Announcement, the Detailed Public Statement and this Letter of Offer.

6. There are no (i) partly paid-up equity shares and (ii) outstanding convertible instruments (warrants/fully convertibles debentures/partly convertible debentures) issued by the Target Company.

7. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations. All Equity Shares validly tendered by the Eligible Shareholders pursuant to the Offer will be accepted at the Offer Price by the Acquirer, in accordance with the terms and conditions contained in the Public Announcement, the Detailed Public Statement and the Letter of Offer.

8. This Offer is not a competing offer under Regulation 20 of the SEBI (SAST) Regulations. To the best of the knowledge of the Acquirer, the PACs and the Target Company, there has been no competing offer as on the date of this Letter of Offer.

9. The Acquirer and the PACs may withdraw the Offer in accordance with the conditions specified in this Letter of Offer. In the event of such withdrawal, the Acquirer and the PACs shall notify the withdrawal in accordance with Regulation 23 of the SEBI (SAST) Regulations (a) by way of a public announcement in the same newspapers in which the Detailed Public Statement was published, and (b) simultaneously send a notification in writing to SEBI, BSE and the Target Company (at its registered office).

10. There is no agreement executed by the Acquirer and the PACs with any person or entity, in connection with this Offer. The entire shares proposed to be acquired under this Offer will be acquired by the Acquirer and the PACs and no other person or entity proposes to take part in the acquisition.

11. In the event of any further acquisition of Equity Shares during the Offer Period by the Acquirer or the PACs, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall be revised to the highest price paid or payable for any such acquisition.

12. The Offer Price is subject to revisions pursuant to the SEBI (SAST) Regulations, if any, or at the discretion of the Acquirer and the PACs at any time prior to 3 (three) Working Days before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.

13. The Equity Shares of the Target Company are listed on the BSE. Under clause 40A of the Listing Agreement read with rule 19A of the SCRR, the Target Company is required to maintain at least 25% (twenty five per cent) public shareholding on a continuous basis for listing. Pursuant to this Offer, it is possible that the public shareholding in the Target

Company will reduce below the minimum level required under the Listing Agreement read with rule 19A of the SCRR. Therefore, the Acquirer and the PACs hereby undertake to take such steps as may be necessary to ensure compliance with applicable laws, including, if so required, to reduce their shareholding in the Target Company, within the period specified in the SCRR and SEBI (SAST) Regulations, such that the Target Company complies with the minimum public shareholding requirements prescribed in the Listing Agreement read with rule 19A of the SCRR.

**C. Object of the Offer**

1. The Offer is being made pursuant to the Primary Acquisition – i.e. the acquisition of 100% ownership of Norican by the Acquirer from its existing shareholders. The Primary Acquisition has resulted in an indirect acquisition of the Target Company and this Offer is being made in compliance with Regulations 3(1), 4 and 5(1) of SEBI (SAST) Regulations.

2. The Acquirer believes the Primary Acquisition was an attractive opportunity to acquire one of the world leaders in metallic parts enhancement, supplying into an end-market with strong volume trends driven by emerging markets, technology shifts, and automation trends. Going forward, the Acquirer intends to work together with management and employees of the Target Company to seek to build on and accelerate its current strategy – including, (a) optimization of its manufacturing and sales network and strengthening of business in India and the rest of Asia, and (b) acceleration of its product development and to pursue organic as well as acquisitive growth.

3. After the completion of the Offer, the Acquirer intends to review the Target Company's business affairs and financial position from time to time. Based on such evaluation and review, as well as the general economic and industry conditions existing at the time, the Acquirer and the PACs may evaluate options for realigning the business strategy or operations of the Target Company, or explore options for consolidation of its shareholding in the Target Company.

4. The Acquirer and the PACs reserve the right to seek reconstitution of the Board of the Target Company, in accordance with the provisions of the SEBI (SAST) Regulations and the Companies Act, 2013.

5. As of date of this Letter of Offer, the Acquirer and the PACs do not intend to dispose or otherwise encumber any assets of the Target Company in the next two years except (a) in the ordinary course of business of the Target Company, or (b) to the extent required for the purpose of restructuring and/or streamlining of operations, assets, investments, liabilities or otherwise of the Target Company by way of arrangement/reconstruction, restructuring, mergers /demergers, at a later date. Such decisions will be governed by the provisions of applicable law and regulations. Save as otherwise provided in the Letter of Offer, the Board of the Target Company will take appropriate decisions in these matters as per the requirements of business and in line with the opportunities or changes in the economic scenario, from time to time.

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

## III. BACKGROUND OF THE ACQUIRER AND THE PACS

**A. Information about the Acquirer: Naciron A/S**

1. The Acquirer is a limited liability company which was incorporated on 11 December 2014 under the laws of the Kingdom of Denmark under the name of "Naciron A/S", and is registered with the Danish Business Authority having CVR number 36458771. There has been no change in the name of the Acquirer since incorporation.

2. The registered office of the Acquirer is situated at Christian IX's Gade 7, III, DK-1111, Copenhagen K, Denmark, Telephone: (+45) 3336 7300, Fax: (+45) 3336 7301.

3. The shares of the Acquirer are not listed on any stock exchanges in India or abroad.

4. The Acquirer is a wholly owned subsidiary of Naciron Holding A/S, which is indirectly owned and controlled by Altor Fund IV (No.1) AB and Altor Fund IV (No.2) AB, which are private equity funds advised and managed by Altor Fund Manager AB ("**Altor Group**"). The ultimate beneficial owners of Altor Fund IV (No.1) AB and Altor Fund IV (No.2) AB are various investors, none of whom individually hold or control more than 25% (twenty five per cent) shares in either Altor Fund IV (No.1) AB or Altor Fund IV (No.2) AB.

5. The Acquirer was incorporated as an investment holding company for the purpose of the Primary Acquisition. As on date of this Letter of Offer, the Acquirer has been in existence for about 4 months and its first financials are yet to be prepared. The Acquirer does not have any contingent liabilities.

6. Pursuant to the completion of the Primary Acquisition under the SPA on 26 February 2015, PAC 1 and PAC 2 have become indirect wholly owned subsidiaries of the Acquirer. PAC 1 and PAC 2 collectively hold 75% (seventy five per cent) of the Equity Shares as on the date of this Letter of Offer. Therefore, the Acquirer indirectly holds and controls 1,132,653 (one million one hundred thirty two thousand six hundred and fifty three) Equity Shares, representing 75% (seventy five per cent) of the voting capital of the Target Company.

7. As of the date of this Letter of Offer, the directors and employees of the Acquirer do not have any interest in the Target Company.

8. There are no directors appointed by the Acquirer on the Board of the Target Company. The existing Board of the Target Company continues as is without change.

9. The provisions of Chapter V of the SEBI (SAST) Regulations are not applicable to the Acquirer as it does not directly hold any shares in the Target Company.

10. The details of the directors of the Acquirer are as follows:

| Name | DIN | Date of Appointment | Qualifications | Experience |
|---|---|---|---|---|
| Daniel Reimann | N.A. | 11 December 2014 | B.Sc. in Economics and Business Administration and M.Sc. in Finance and Accounting from Copenhagen Business School, Denmark. | 7 years of experience in investment banking and private equity |
| Thomas Kvorning | N.A. | 11 December 2014 | B.Sc. in Business Administration and M.Sc. in Finance from Aarhus University, | Over 10 years of experience in investment banking |

| | | | | |
|---|---|---|---|---|
| | | | Denmark. | and private equity. |
| Soren Johansen | N.A. | 11 December 2014 | M.Sc. in Law from Copenhagen University, Denmark; INSEAD Executive Leadership Programme | Over 20 years of experience as an attorney, involving a multitude of board positions |

**B. Information about the persons acting in concert – DISA Holding AG**

1. PAC 1 is a limited liability company which was incorporated on 20 November 1995 under the laws of Switzerland under the name of "Georg Fischer DISA Holding AG". Its name was changed to "DISA Holding AG" on 25 January 2001. PAC 1 is registered with the Trade Register of the canton of Schaffhausen, Switzerland with CH-020.3.006.680-3.

2. The registered office of PAC 1 is situated at Kasernenstrasse 1, 8184 Bachenbülach, Switzerland, Telephone: (+41) 44 815 4000, Fax: (+41) 44 815 4011.

3. The shares of PAC 1 are not listed on any stock exchanges in India or abroad. The fully subscribed and paid up share capital of PAC 1, as of the date of this Letter of Offer, comprises of 15,500 shares of CHF 1,000 (Swiss Francs one thousand only) each, aggregating to a share capital of CHF 15,500,000 (Swiss Francs fifteen million five hundred thousand only).

4. PAC 1 is a wholly owned subsidiary of DISA Holding A/S (i.e. PAC 2) and as on the date of this Letter of Offer, is indirectly owned and controlled by the Acquirer on account of the completion of the Primary Acquisition.

5. PAC 1 is engaged in the business of (a) investing in other companies that are involved in the field of development, construction, production and sale of equipment, machines and systems for the industry, particularly the foundry industry, (b) acquiring, managing and applying patents, trademarks and technical knowhow for the purpose of its business and (c) acquiring, managing and selling plots.

6. As of the date of the Letter of Offer, the directors and employees of PAC 1 do not have any interest in the Target Company.

7. There are no directors appointed by PAC 1 on the Board of the Target Company. The existing Board of the Target Company continues as is without change.

8. The details of the directors of PAC 1 are as follows:

| Name | DIN | Date of Appointment | Qualifications | Experience |
|---|---|---|---|---|
| Ian B. Bird | NA | 9 March 2012 | JD, Sturm College of Law, University of Denver, M.A, International Studies, Korbel Graduate School | He has been the Senior Vice President, General Counsel and Corporate Secretary of the DISA Group since its formation in September 2008 and held the same positions in the Wheelabrator Group from 2003 to 2008. Previously, he was Deputy General Counsel – International and Corporate Development at the Coors Brewing |

| | | | | |
|---|---|---|---|---|
| | | | of International Studies, University of Denver, B.A. History, Michigan State University | Company (1997 to 2003); and Vice President and General Counsel for CH2M Hill Capital Services, Inc. (1995 to 1997). |
| Erich Brunner | NA | 5 May 2005 | Master of Economics, University of Applied Science, Winterthur, Switzerland, courses at London Business School Development in 2007 | He has been serving as the President, Wheelabrator Wheel & Air Technology Centers, since May 2013. Before that, he was the Executive Vice President, Asia Pacific at Norican (2009 to 2013), Business Unit “Wheel & Air” manager at DISA group (2004 to 2009), and Managing Director of a DISA entity in Switzerland as part of the Business Units “Wheel & Air” and “Moulding” (1998 to 2004). He also had an expat assignment in Hong Kong as Marketing & Sales responsible for greater China at SULZER Ltd. from 1995 to 1997, preceded by a marketing and agency manager position at the company headquarters in Switzerland since 1992. |
| Andrew Matsuyama | NA | 9 March 2012 | Certified Public Accountant, Colorado U.S.A, B.S.B.A. Colorado State University | He has been on the executive board of Norican Holdings ApS and the Executive Vice President and CFO of Norican Group since its inception in September 2008. He joined the Company in 2003 as the Director of Financial Planning and Analysis and became the Wheelabrator Group CFO in 2006. Prior to this, he was a member of the management team that established Protiviti’s Denver office and a Manager of the Assurance and Business Advisory at Arthur Andersen LLP (1995-2002). |
| Gerhrd Moers | NA | 9 March 2012 | Graduate with a diploma in utility engineering (with specific emphasis on environmental engineering) from FH Cologne University of Applied Sciences. | He has previously worked as a trainee for BLASTRAC, a member of USF Surface Preparation Group, as Sales- and Service engineer with company BLASTRAC post completion of the training. He was responsible for sales and service of the BLASTRAC business between1987 to 1991 and from 1991 to 2000, as head of the German branch. Since 2000, he was the Managing Director of USF Oberflächentechnik and with transfer of its operating shotblast business to Wheelabrator Group GmbH, he became the Managing Director at Wheelabrator Group GmbH. After the merger of this group with the DISA Group, he also became responsible for the Technology Center Switzerland and since 2009, he have been the Managing Director of DISA Industrie AG. |
| Peter | NA | 9 March | Studied IT and economics in a | He has held various accounting positions in the past, with Schmitz Cargobull (as the chief |

| | | | | |
|---|---|---|---|---|
| Wittkamps | | 2012 | private academy and graduated as "Informatik-Betriebswirt (VWA)" | accountant) and the Schlick Group (which is now named Wheelabrator Group GmbH). In 2006, he became the Finance Director for Wheelabrator Group, Germany. After the group's merger with DISA Group, he was appointed as Finance Director for DISA Holding AG and was responsible for Finance of a DISA subsidiary in Czech Republic. He also supports the chief operating officer and President of Wheelabrator in regards to Financial activities for North America and Europe since 2014. |

9. The key financial information of PAC 1: (a) as derived from its audited financial statements for 12 month periods ended 31 December 2011, 31 December 2012 and 31 December 2013; and (b) based on the financials for the 12 month period ended 31 December 2014 subject to limited review by BDO Ltd. are in the table below. These financial statements have been prepared in accordance with the International Standard on Review Engagements, Engagements to Review Historical Financial Statements and additional requirements under applicable audit legislations in Denmark.

(*In millions except EPS*)

| **DISA Holding AG (PAC 1)** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Profit & Loss statement (mn)** | **2011 Audited** | | **2012 Audited** | | **2013 Audited** | | **2014 Limited review** | |
| | **Euro** | **INR** | **Euro** | **INR** | **Euro** | **INR** | **Euro** | **INR** |
| **Income from operations** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Other income** | 0.00 | 0.00 | 3.40 | 239.32 | 1.08 | 76.02 | -0.04 | -2.82 |
| **Total income** | **0.00** | **0.00** | **3.40** | **239.32** | **1.08** | **76.02** | **-0.04** | **-2.82** |
| **Total expenditure** | -0.03 | -2.11 | -0.02 | -1.41 | -0.03 | -2.11 | -0.02 | -1.41 |
| **Profit before Depreciation Interest and Tax** | **-0.03** | **-2.11** | **3.38** | **237.91** | **1.05** | **73.91** | **-0.06** | **-4.22** |
| **Depreciation** | 0.00 | 0.00 | -0.28 | -19.71 | -0.12 | -8.45 | 0.00 | 0.00 |
| **Interest** | 0.70 | 49.27 | 0.02 | 1.41 | -0.06 | -4.22 | -0.21 | -14.78 |
| **Profit before tax** | **0.67** | **47.16** | **3.12** | **219.61** | **0.87** | **61.24** | **-0.27** | **-19.00** |
| **Provision for Tax** | -0.06 | -4.22 | -0.01 | -0.70 | -0.01 | -0.70 | -0.02 | -1.41 |
| **Profit after tax** | **0.61** | **42.94** | **3.11** | **218.91** | **0.86** | **60.53** | **-0.28** | **-19.71** |
| | | | | | | | | |
| **Balance sheet statement (mn)** | **2011 Audited** | | **2012 Audited** | | **2013 Audited** | | **2014 Limited Review** | |

| Sources of funds | Euro | INR | Euro | INR | Euro | INR | Euro | INR |
|---|---|---|---|---|---|---|---|---|
| Paid up share capital | 14.99 | 1,055.1 | 17.50 | 1,231.8 | 18.36 | 1,292.3 | 14.17 | 997.4 |
| Reserves and surplus | 14.24 | 1,002.3 | 7.28 | 512.4 | 7.28 | 512.4 | 7.28 | 512.4 |
| **Networth** | **29.24** | **2,058.15** | **24.78** | **1,744.21** | **25.64** | **1,804.75** | **21.45** | **1,509.82** |
| Secured loans | 5.06 | 356.2 | 2.31 | 162.6 | 2.35 | 165.4 | 1.16 | 81.7 |
| Unsecured loans | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 |
| **Total** | **34.29** | **2,413.6** | **27.10** | **1,907.5** | **27.99** | **1,970.2** | **22.61** | **1,591.5** |
| **Uses of funds** | | | | | | | | |
| net fixed assets | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 |
| Investments | 32.88 | 2,314.4 | 17.72 | 1,247.3 | 17.60 | 1,238.8 | 17.60 | 1,238.8 |
| Net current assets | 1.41 | 99.2 | 9.38 | 660.2 | 10.39 | 731.3 | 5.02 | 353.3 |
| Total misc. Expenditure not written off | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 |
| **Total** | **34.29** | **2,413.6** | **27.10** | **1,907.5** | **27.99** | **1,970.2** | **22.61** | **1,591.5** |

| Other financial data | 2011 | | 2012 | | 2013 | | 2014 | |
|---|---|---|---|---|---|---|---|---|
| | **Euro** | **Rs.** | **Euro** | **Rs.** | **Euro** | **Rs.** | **Euro** | **Rs.** |
| **Dividend %** | N/A | | N/A | | N/A | | N/A | |
| **EPS** | 39.1 | 2752.17 | 200.94 | 14143.76 | 55.37 | 3897.38 | N/A | N/A |

**The financial statements of PAC 1 are prepared in Swiss Francs (CHF). These have been converted into Euros and Rs. for the purpose of disclosure in this Letter of Offer, and for ease of reference. The conversion rates for conversion from CHF to Euro and from Euro to Rs. have been taken as of 26 February 2015 (the date of completion of the Primary Acquisition). These rates are Euro 1 = 1.0774 CHF (source: http://www.oanda.com) and Euro 1 = Rs. 70.388 (source: http://www.rbi.org.in).*

10. PAC 1 is an investment holding company, with the main purpose of holding of investments in other companies. For this reason, no accounting consolidation has taken place at PAC 1 level.

11. PAC 1 does not have any contingent liabilities.

12. The status of compliance of PAC 1 with Chapter II of the SEBI (SAST) Regulations 1997, and Chapter V of the SEBI (SAST) Regulations, for the ten years preceding the year in which the Public Announcement was issued is as follows:

| Sl. No. | 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 | Status of compliance with SEBI (SAST) Regulations | Remarks |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |

| Sl. No. | 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 | Status of compliance with SEBI (SAST) Regulations | Remarks |
|---|---|---|---|---|---|---|
| 1 | 7(3) | 15 March 2004 | 5 March 2004 | Nil | Complied | Upon acquisition of 16,060 shares aggregating to 1.06% of the share capital of the Target Company from other shareholders on 5 March 2004 |
| 2 | 7(3) | 5 May 2004 | 27 April 2004 | Nil | Complied | Upon acquisition of 25,537 shares aggregating to 1.69% of the share capital of the Target Company from other shareholders on 27 April 2004 |
| 3 | 7(2) | 1 July 2004 | 29 June 2004 | Nil | Complied | Upon acquisition of 15,000 shares Company from other shareholders on 29 June 2004 |
| 4 | 7(1A) | 5 July 2004 | 1 July 2004 | Nil | Complied | Upon acquisition of 10,000 shares aggregating to 0.66% of the share capital of the Target Company from other shareholders on 1 July 2004 |
| 5 | 7(1A) | 7 July 2004 | 5 July 2004 | Nil | Complied | Upon acquisition of 8,000 shares aggregating to 0.53% of the share capital of the Target Company from other shareholders on 5 July 2004 |
| 6 | 7(1A) | 22 Oct 2004 | 20 Oct 2004 (Date of the Share Certificate – i.e. assumed date of compliance) | Nil | Delayed. Consent from SEBI obtained for such delay. Substantial compliance. | Upon acquisition of 2,60,000 shares aggregating to 17.22% of the share capital of the Target Company due to consolidation within group companies. |
| 7 | 7(1A) | 30 January 2005 | 21 March 2005 | 51 | Delayed. Consent from SEBI obtained for such delay. Substantial compliance. | Upon acquisition of 8,500 shares aggregating to 0.56% of the share capital of the Target Company from other shareholders on 28 January 2005. |
| 8 | 3(4) | 18 May 2007 | 28 May 2007 | Nil | Complied | Upon inter-se promoter transfer of 1,26,000 shares to DISA Holding A/S, aggregating to 8.34% of the share capital of the Target Company, on 27 April 2007. |
| 9 | 8(1) & (2) | 21 April 2004 | 6 April 2004 | Nil | Complied | N/A |
| 10 | 8(2) | 12 May 2004 | 7 May 2004 | Nil | Complied | Record Date – 21 April 2004 |

| Sl. No. | 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 | Status of compliance with SEBI (SAST) Regulations | Remarks |
|---|---|---|---|---|---|---|
| 11 | 8(1) & (2) | 21 April 2005 | 6 April 2005 | Nil | Complied | N/A |
| 12 | 8(2) | 12 July 2005 | 9 July 2005 | Nil | Complied | Record Date – 21 June 2005 |
| 13 | 8(1) & (2) | 21 April 2006 | 6 April 2006 | Nil | Complied | N/A |
| 14 | 8(2) | 23 May 2006 | 11 May 2006 | Nil | Complied | Record Date – 2 May 2006 |
| 15 | 8(1) & (2) | 21 April 2007 | 9 April 2007 | Nil | Complied | N/A |
| 16 | 8(2) | 9 May 2007 | 30 April 2007 | Nil | Complied | Record Date – 18 April 2007 |
| 17 | 8(1) & (2) | 21 April 2008 | 8 April 2008 | Nil | Complied | N/A |
| 18 | 8(2) | 14 May 2008 | 25 April 2008 | Nil | Complied | Record Date – 23 April 2008 |
| 19 | 8(1) & (2) | 21 April 2009 | 11 April 2009 | Nil | Complied | N/A |
| 20 | 8(2) | 15 May 2009 | 25 April 2009 | Nil | Complied | Record Date – 24 April 2009 |
| 21 | 8(1) & (2) | 21 April 2010 | 15 April 2010 | Nil | Complied | N/A |
| 22 | 8(2) | 21 May 2010 | 30 April 2010 | Nil | Complied | Record Date – 30 April 2010 |
| 23 | 8(1) & (2) | 21 April 2011 | 15 April 2011 | Nil | Complied | N/A |
| 24 | 8(2) | 27 May 2011 | 7 May 2011 | Nil | Complied | Record Date – 6 May 2011 |
| 25 | 30(1) | 7 April 2012 | 6 April 2012 | Nil | Complied | N/A |
| 26 | 30(2) | 7 April 2012 | 6 April 2012 | Nil | Complied | N/A |
| 27 | 30(1) | 7 April 2013 | 5 April 2013 | Nil | Complied | N/A |
| 28 | 30(2) | 7 April 2013 | 5 April 2013 | Nil | Complied | N/A |
| 29 | 30(1) | 7 April 2014 | 1 April 2014 | Nil | Complied | N/A |

**C. Information about the persons acting in concert – DISA Holding A/S**

1. PAC 2 is a limited liability company which was incorporated on 15 December 2004 under the laws of the Kingdom of Denmark under the name of “KR 416 A/S”. Its name was changed to “DISA Holding A/S” on 24 May 2005. PAC 2 is registered in Denmark with the Danish Business Authority under the CVR number 28301901.

2. The registered office of PAC 2 is situated at Højagervej 8, Høje Taastrup, DK-2630 Taastrup, Denmark, Tel: (+45) 4450 5050, Fax: (+45) 4494 1578.

3. The shares of PAC 2 are not listed on any stock exchanges in India or abroad. The fully subscribed and paid up share capital of PAC 2, as of the date of this Letter of Offer, comprises of 11,601,428 (eleven million six hundred one thousand four hundred and twenty eight) shares of DKK 1 (Danish Krone one) each.

4. PAC 2 is a wholly owned subsidiary of DISA Holding II A/S and as on the date of this Letter of Offer, is indirectly owned and controlled by the Acquirer on account of the completion of the Primary Acquisition.

5. PAC 2 is engaged in the business of carrying out trading, craftsmanship and industrial activities, either directly or through its subsidiaries, and other related activities.

6. Other than Mr. Robert E. Joyce, Jr., the directors and employees of PAC 2 do not have any interest in the Target Company. Mr. Robert E. Joyce, Jr is a director on the board of directors of both PAC 2 and the Target Company. As required under Regulation 24(4) of the SEBI (SAST) Regulations, Mr. Robert E. Joyce, Jr has not participated, and will not participate, in any deliberations of the Board of the Target Company or vote on any matter, in each case, concerning or relating to the Offer.

7. The details of the directors of PAC 2 are as follows:

| Name | DIN | Date of Appointment | Qualifications | Experience |
|---|---|---|---|---|
| Robert E. Joyce | NA | 6 May 2009 | BS Aerospace Engineering- University of Michigan with MBA from the Wharton School, University of Pennsylvania, USA. | 20+ years of experience in building and growing industrial business -to-business companies through organic and inorganic route. |
| Jan Arnold Johansen | NA | 9 Oct 2008 | Mechanical Engineer, Technical College, Horsens, Denmark | Over 40 years of experience as an industrial technician. |
| Cherie Hylleborg | NA | 1 April 2007 | Educated as an export consultant | Over 7 years of experience as an export consultant. Currently the union representative for employed salaried workers. |
| Kim Alfred Tjerrild | NA | 27 Mar 2012 | M. Sc. in Economics and Auditing. | Experience in auditing and finance-related functions in larger industrial companies. |
| Peter Holm Larsen | NA | 9 Oct 2008 | Mechanical Engineer, B.Sc., Danmarks Ingeniørakademi (DIA), Lyngby, Denmark | Began serving as DISA Group President & COO in June 2009. Previously served as Executive Vice President of DISA Industries A/S (2007 to 2009) and in a number of increasing leadership roles within UNICON A/S culminating with the position of Managing Director (from 1998 to 2007). Also served with NKT CABLES A/S from 1985 to 1998) in various leadership roles culminating with the position of Vice President Supply Chain |

| | | | | |
|---|---|---|---|---|
| Rene Stegger | NA | 9 Oct 2008 | Educated metal worker at Valby Maskinfabrik –F.L. Smith, Valby, Denmark | Over 30 years of experience as a machine operator. Currently, the joint union representative for all workers. |
| Eric Andersen | NA | 20 May 2005 | Educated metal worker and mechanic of automatics | Over 40 years of experience as an industrial technician. Currently a union representative for skilled workers. |

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8. The key financial information of PAC 2: (a) as derived from its audited financial statements for 12 month periods ended 31 December 2011, 31 December 2012 and 31 December 2013; and (b) based on the financials for the 12 month period ended 31 December 2014 subject to limited review by BDO Statsautoriseret revislonsaktfeselskab are in the table below. These financial statements have been prepared in accordance with the International Standard on Review Engagements, Engagements to Review Historical Financial Statements and additional requirements under applicable audit legislations in Denmark.

*(In million other than EPS)*

| **DISA Holding A/S (PAC 2)** | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Profit & Loss statement (mn)** | **2011 Audited** | | **2012 Audited** | | **2013 Audited** | | **2014 Limited Review** | |
| | **EUR** | **INR** | **EUR** | **INR** | **EUR** | **INR** | **EUR** | **INR** |
| **Income from operations** | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 | 0.00 | 0.0 |
| **Other income** | 4.96 | 349.1 | 3.62 | 254.8 | 3.08 | 216.8 | 3.35 | 235.8 |
| **Total income** | **4.96** | **349.12** | **3.62** | **254.80** | **3.08** | **216.80** | **3.35** | **235.80** |
| **Total expenditure** | -3.48 | -245.0 | -3.22 | -226.6 | -2.55 | -179.5 | -2.81 | -197.8 |
| **Profit before Depreciation Interest and Tax** | **1.47** | **103.5** | **0.40** | **28.2** | **0.54** | **38.0** | **0.54** | **38.0** |
| **Depreciation** | -0.80 | -56.3 | -0.27 | -19.0 | -0.27 | -19.0 | -0.27 | -19.0 |
| **Interest** | 15.01 | 1,056.5 | 17.42 | 1,226.2 | 3.89 | 273.8 | 9.38 | 660.2 |
| **Profit before tax** | **15.68** | **1,103.7** | **17.55** | **1,235.3** | **4.15** | **292.1** | **9.65** | **679.2** |
| **Provision for Tax** | -2.01 | -141.5 | -1.74 | -122.5 | -1.07 | -75.3 | -1.47 | -103.5 |
| **Profit after tax** | **13.67** | **962.2** | **15.81** | **1,112.8** | **3.08** | **216.8** | **8.17** | **575.1** |
| | | | | | | | | |
| **Balance sheet statement** | **2011 Audited** | | **2012 Audited** | | **2013 Audited** | | **2014 Limited Review** | |
| **Sources of funds** | | | | | | | | |
| **Paid up share capital** | 134.79 | 9,488 | 150.60 | 10,600 | 133.58 | 9,402 | 114.96 | 8,092 |
| **Reserves and surplus** | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| **Networth** | **134.79** | **9,488** | **150.60** | **10,600** | **133.58** | **9,402** | **114.96** | **8,092** |
| **Secured loans** | 10.05 | 707 | 10.18 | 717 | 10.18 | 717 | 5.09 | 358 |
| **Unsecured loans** | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |

| Total | 144.84 | 10,195 | 160.78 | 11,317 | 143.77 | 10,120 | 120.05 | 8,450 |
|---|---|---|---|---|---|---|---|---|
| **Uses of funds** | | | | | | | | |
| **net fixed assets** | 40.06 | 2,820 | 36.71 | 2,584 | 36.58 | 2,575 | 36.71 | 2,584 |
| **Investments** | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| **Net current assets** | 104.78 | 7,375 | 124.07 | 8,733 | 107.19 | 7,545 | 83.34 | 5,866 |
| **Total misc. Expenditure not written off** | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 |
| **Total** | **144.84** | **10,195** | **160.78** | **11,317** | **143.77** | **10,120** | **120.05** | **8,450** |
| | | | | | | | | |
| **Other financial data** | **2011** | | **2012** | | **2013** | | **2014** | |
| | **Euro** | **Rs.** | **Euro** | **Rs.** | **Euro** | **Rs.** | **Euro** | **Rs.** |
| **Dividend %** | N/A | | N/A | | N/A | | N/A | |
| **EPS** | 1.18 | 83.06 | 1.36 | 95.73 | 0.27 | 19.00 | 0.7 | 49.27 |

***** *The financial statements of PAC 2 are prepared in Danish Krone (DKK). These have been converted into Euros and Rs. for the purpose of disclosure in this Letter of Offer, and for ease of reference. The conversion rates for conversion from DKK to Euro and from Euro to Rs. have been taken as of 26 February 2015 (the date of completion of the Primary Acquisition). These rates are Euro 1 = 7.4635 DKK (source: http://www.oanda.com) and Euro 1 = Rs. 70.388 (source: http://www.rbi.org.in).*

9. PAC 2 is an investment holding company, with the main purpose of holding investments in other companies. For this reason, no accounting consolidation has taken place at PAC 2 level.

10. PAC 2 does not have any contingent liabilities.

11. The status of compliance of PAC 1 with Chapter II of the SEBI (SAST) Regulations 1997, and Chapter V of the SEBI (SAST) Regulations, for the ten years preceding the year in which the Public Announcement was issued is as follows:

| **Sl. No.** | **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** | **Status of compliance with SEBI (SAST) Regulations** | **Remarks** |
|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1 | 10 read with 12 | 23 August 2005 | 5 August 2005 | Nil | Complied | Upon acquisition of 1,76,749 shares aggregating to 11.70% of the share capital of the Target Company pursuant to a mandatory open offer based on letter of offer dated 16 September 2005 |
| 2 | 3(4) | 18 May 2007 | 28 May 2007 | Nil | Complied | Upon inter se promoter transfer of 1,26,000 shares from DISA Holding AG, aggregating to 8.34% of the share capital of the Target Company, on 27 April 2007. |

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | 10 read with 12 | 4 December 2008 | 17 December 2008 | 13 days | Substantial Compliance. Letter obtained from SEBI condoning delay dated 15 Dec, 2008. | Upon acquisition of 1,84,485 shares aggregating to 12.22% of the share capital of the Target Company pursuant to a mandatory open offer –letter of offer dated 9 September 2009. |
| 4 | 13(4A) 29(2) | 22 November 2011 | 21 November 2012 | Nil | Complied | Upon selling 1,73,483 of shares aggregating to 11.487% of the share capital of the Target Company pursuant to offer for sale on 20 Nov 2012. |
| 5. | 8(1) & (2) | 21 April 2006 | 6 April 2006 | Nil | Complied | N/A |
| 6. | 8(2) | 23 May 2006 | 11 May 2006 | Nil | Complied | Record Date – 2 May 2006 |
| 7. | 8(1) & (2) | 21 April 2007 | 9 April 2007 | Nil | Complied | N/A |
| 8. | 8(2) | 9 May 2007 | 30 April 2007 | Nil | Complied | Record Date – 18 April 2007 |
| 9. | 8(1) & (2) | 21 April 2008 | 8 April 2008 | Nil | Complied | N/A |
| 10. | 8(2) | 14 May 2008 | 25 April 2008 | Nil | Complied | Record Date – 23 April 2008 |
| 11. | 8(1) & (2) | 21 April 2009 | 11 April 2009 | Nil | Complied | N/A |
| 12. | 8(2) | 15 May 2009 | 25 April 2009 | Nil | Complied | Record Date – 24 April 2009 |
| 13. | 8(1) & (2) | 21 April 2010 | 15 April 2010 | Nil | Complied | N/A |
| 14. | 8(2) | 21 May 2010 | 30 April 2010 | Nil | Complied | Record Date – 30 April 2010 |
| 15. | 8(1) & (2) | 21 April 2011 | 15 April 2011 | Nil | Complied | N/A |
| 16. | 8(2) | 27 May 2011 | 7 May 2011 | Nil | Complied | Record Date – 6 May 2011 |
| 17. | 30(1) | 7 April 2012 | 6 April 2012 | Nil | Complied | N/A |
| 18. | 30(2) | 7 April 2012 | 6 April 2012 | Nil | Complied | N/A |
| 19. | 30(1) | 7 April 2013 | 5 April 2013 | Nil | Complied | N/A |
| 20. | 30(2) | 7 April 2013 | 5 April 2013 | Nil | Complied | N/A |
| 21. | 30(1) | 7 April 2014 | 1 April 2014 | Nil | Complied | N/A |

**D. Other persons which may be deemed to be acting in concert with the Acquirer and the PACs**

Other than PAC 1 and PAC 2, no other persons are acting in concert with the Acquirer and the PACs for the purposes of the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations. However, as per Regulation 2(1)(q)(2), there may be other entities or persons which may be deemed to be acting in concert with the Acquirer and the PACs.

## IV. BACKGROUND TO THE TARGET COMPANY

1. DISA India Limited, the Target Company, was incorporated under the Companies Act, 1956 on 25 May 1984 under the name of “BMD Foundry Machinery Limited” having CIN No. L85110KA1984PLC006116. The name of the Target Company was subsequently changed (a) on 29 April 1992 to “BMD Industries Limited”, (b) on 15 May 1996 to “Georg Fischer DISA

Limited", and (c) finally, on 4 April 2014 to "DISA India Limited" (its present name).

2. The registered office of the Target Company is at 5th Floor, Kushal Garden Arcade 1A, Peenya Industrial Area, Peenya 2nd Phase, Bangalore, Karnataka- 560058, India.

3. The Target Company is a leader in foundry and surface preparation technology, and is engaged in the development, manufacture and supply of metal casting production solutions for the ferrous and non-ferrous foundry industries, including, molding machines, sand plant equipment, surface preparation machines and environmental control systems to the Indian and global market. It services marquee clients in the automotive, infrastructure, domestic appliances, and the machinery and engineering sectors.

4. All of the Equity Shares of the Target Company are listed on BSE (Scrip Code: 500068). There are no (i) partly paid-up equity shares and (ii) outstanding convertible instruments (warrants/fully convertibles debentures/partly convertible debentures) issued by the Target Company. None of the Equity Shares of the Target Company have been suspended for trading by BSE except in the period between 14 August 2000 and 19 August 2000 (both inclusive) for not giving sufficient advance notice for book closure/record date. In that case, trading was reinstated on 20 August 2000 after payment of requisite re-instatement fees.

5. The Target Company has no subsidiaries. There have been no mergers, demergers, spin offs or similar restructuring of the Target Company or its business in the 3 (three) year period prior to the date of this Letter of Offer.

6. As of the date of this Letter of Offer, the total authorised share capital of the Target Company is INR 50,000,000 (Rupees fifty million only) consisting of 5,000,000 (five million only) Equity Shares. The total paid-up share capital of the Target Company is INR 15,102,050 (Rupees fifteen million one hundred two thousand and fifty only) consisting of 1,510,205 (one million five hundred ten thousand two hundred and five) Equity Shares. The Target Company does not have any partly paid-up Equity Shares. The capital structure of the Target Company as of the date of this Letter of Offer is:

| **Equity Shares of Target Company** | **No. of Equity Shares/ voting rights** | **% of Equity Shares/ voting** |
|---|---|---|
| Fully paid up Equity Shares | 1,510,205 | 100% |
| Partly paid Up Equity Shares | NIL | NIL |
| Total paid up Equity Shares | 1,510,205 | 100% |
| Total voting rights of Target Company | 1,510,205 | 100% |

7. The Equity Shares are infrequently traded in terms of Regulation 2(i)(j) of the SEBI (SAST) Regulations (further details provided in Part V below (*Offer Price and Financial Arrangements*)).

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

| **Date/ Year of Allotment** | **Shares Issued** | **Cumulative paid up Equity Share Capital** | **Mode of Allotment** | **Identity of Allottees (Promoters Ex-Promoters /Others)** | **Status of Compliance** |
|---|---|---|---|---|---|

| | No. of Equity Shares (Face Value Rs.10) | Percentage | No. of equity shares | Rs. | | | |
|---|---|---|---|---|---|---|---|
| 1984 | 7 | 0.00% | 7 | 70 | Cash (Subscription to MoA) | Ex-promoters | N.A. |
| 1986 | 2,00,000 | 13.24% | 2,00,007 | 20,00,070 | Cash (Firm Allotment: Initial Public Offer) | Ex-promoters - BMD Germany | N.A. |
| 1986 | 2,00,000 | 13.24% | 4,00,007 | 40,00,070 | Cash (Firm Allotment: Initial Public Offer) | Ex-promoters - DEG, Germany | N.A. |
| 1986 | 1,10,000 | 7.28% | 5,10,007 | 51,00,070 | Cash (Firm Allotment: Initial Public Offer) | Ex-promoters- KSIIDC | N.A. |
| 1986 | 1,00,000 | 6.62% | 6,10,007 | 61,00,070 | Cash (Firm Allotment: Initial Public Offer) | Ex-promoters - Vulcan Laval Ltd. | N.A. |
| 1986 | 39,993 | 6.62% | 6,50,000 | 65,00,000 | Cash (Firm Allotment: Initial Public Offer) | Directors, friends, relatives and associates | N.A. |
| 1986 | 3,50,000 | 25.82% | 10,00,000 | 1,00,00,000 | Cash (Initial Public Offer) | General Public (including reservation for employees) | N.A. |
| **Total** | **10,00,000** | **66.22%** | | | | | |
| 19-Jan-95 | 5,10,205 | 33.78% | 15,10,205 | 1,51,02,050 | Preferential Allotment | DISA group company (ex-promoters) | N.A. |
| **Total** | **15,10,205** | **100%** | | | | | |

9. The details of the Board of the Target Company are as provided below:

| Name | DIN | Date of Appointment | Designation |
|---|---|---|---|
| Deepa Hingorani | 00206310 | 15 August 2006 | Independent Director |
| Viraj Naidu | 01284452 | 1 January 2010 | Managing Director |
| Sanjay Arte | 00290536 | 2 November 2006 | Independent Director |
| Robert E. Joyce | 03633176 | 14 April 2012 | Non-Executive Promoter Director |
| Andrew M. Carmichael | 03634151 | 14 April 2012 | Non-Executive Promoter Director |

10. There is no director appointed by Acquirer on the Board of the Target Company. The existing board of directors of the Target Company continues as it is without any change. Mr.

Robert E. Joyce, Jr is a director on the board of directors of both PAC 2 and the Target Company. As required under Regulation 24(4) of the SEBI (SAST) Regulations, Mr. Robert E. Joyce, Jr has not participated, and will not participate in any deliberations of the Board of the Target Company, or vote on any matter, in each case, relating to or concerning the Offer.

11. The key financial information of the Target Company as derived from its audited financial statements for 12 month periods ended 31 December 2011, 31 December 2012 and 31 December 2013 are in the tables below.. These financial statements have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

(*In millions except EPS*)

| **Profit and Loss Statement** | **2013 Audited** | **2012 Audited** | **2011 Audited** |
|---|---|---|---|
| | INR | INR | INR |
| Income from Operations | 1744.50 | 1517.56 | 1542.80 |
| Other Income | 39.70 | 36.11 | 49.76 |
| Total Income | 1784.20 | 1553.70 | 1592.60 |
| Total Expenditure | -1443.20 | -1248.61 | -1222.88 |
| Profit before Depreciation, Interest and Tax | 34.1 | 30.5 | 36.97 |
| Depreciation and Amortisation | -3.8 | -3.21 | -2.19 |
| Interest | -0.02 | -0.04 | -0.05 |
| Profit before Tax | 30.28 | 27.25 | 34.72 |
| Provision for Tax | -10.78 | -8.41 | -12.06 |
| Profit After Tax | 19.50 | 18.84 | 22.66 |
| **Balance Sheet** | **2013 Audited** | **2012 Audited** | **2011 Audited** |
| | **INR** | **INR** | **INR** |
| Sources of Funds | | | |
| Paid up Share Capital | 15.1 | 15.1 | 15.1 |
| Reserves and Surplus | 791.0 | 600.4 | 416.4 |
| Net Worth | 806.1 | 615.5 | 431.5 |
| Secured Loans | 0.0 | 0.0 | 0.0 |
| Unsecured Loans | 0.0 | 0.0 | 0.0 |
| Total | 1612.2 | 1231.0 | 863 |
| Use of Funds | | | |
| Net fixed assets | N/A | N/A | N/A |
| Investments | 0.0 | 0.0 | 0.0 |
| Net current assets | 577.6 | 390.2 | 228.8 |
| Total miscellaneous expenditure not written off | 0.0 | 0.0 | 0.0 |
| Total | 577.6 | 390.2 | 228.8 |
| **Other Financial Data** | **2013 Audited** | **2012 Audited** | **2011 Audited** |
| | **INR** | **INR** | **INR** |
| Dividend % | N/A | N/A | N/A |
| Basic earnings per share | 129.12 | 124.74 | 150.08 |
| Diluted earnings per share | 129.12 | 124.74 | 150.08 |

12. The key financial information of the Target Company, as derived from the financials for the 12 month period ended 31 December 2014, subjected to limited review by Deloitte Haskins & Sells and as disclosed to BSE, is as follows:

(*In millions except EPS)*

| Sl. No. | Particulars | 2014 Limited Review |
|---|---|---|
| | | **INR** |
| 1. | **Income from Operations** | |
| | (a) Net Sales/Income from operations (Net of excise duty) | 1,615.5 |
| | (b) Other Operating income | 26.4 |
| | **Total Income from Operations** | 1,641.9 |
| 2. | **Expenses** | |
| | (a) Cost of material consumed | 810.2 |
| | (b) Purchase of stock in trade | 86.4 |
| | (c) Changes in inventories of finished goods, work in progress and stick in trade | 13.5 |
| | (d) Employee benefit expense | 258.5 |
| | (e) Depreciation and amortization expense | 32 |
| | (f) Other expenses | 241.8 |
| | **Total Expenses** | 1,442.4 |
| 3. | Profit/(Loss) from Operations before Other income, finance costs and Exceptional Items | 199.5 |
| 4. | Other Income | 78.8 |
| 5. | Profit from Ordinary activities before finance costs and Exceptional items | 278.3 |
| 6 | Finance costs | 3.5 |
| 7. | Profit from Ordinary activities before finance costs but before Exceptional items | 274.8 |
| 8. | Exceptional items | N/A |
| 9. | Profit from ordinary activities before tax | 274.8 |
| 10. | Tax expense | 99.9 |
| 11. | Net Profit from Ordinary activities after tax | 174.9 |
| 12. | Extra-ordinary items (Net of tax) | N/A |
| 13. | Net Profit for the period | 174.9 |
| 14. | Paid up equity share capital | 15.1 |
| 15. | Reserves excluding Revaluation reserves | N/A |
| 16. | (a) Base & diluted EPS before extraordinary items | 115.83 |
| | (b) base and diluted EPS after extraordinary items | 115.83 |

13. Norican ApS, a part of the promoter group of the Target Company prior to the Primary Acquisition, made an open offer to the public shareholders of the Target Company in September 2009 in terms of the Takeover Regulations, 1997. In respect of that offer, there arose a dispute between SEBI and Norican ApS on the calculation of the offer price for the shares tendered by the public shareholders of the Target Company as per the Takeover Regulations, 1997. SEBI required Norican ApS to increase the offer price by way of a letter dated 6 February 2009. Norican ApS disputed this price increase and appealed SEBI's letter before the SAT. SAT in its order dated 5 August 2009 decided in favour of Norican ApS, and

Norican ApS made the open offer in September 2009. SEBI appealed SAT's order before the Supreme Court of India, and this matter is currently sub-judice. The Supreme Court passed an interim order, inter-alia, allowing Norican ApS to complete the open offer as per the price originally contemplated by it, subject to the final determination of the appeal by the Supreme Court. If the Supreme Court finds in favour of SEBI, then Norican ApS and the PACs will be required to (a) pay the public shareholders that had tendered their shares in the previous open offer the amounts representing the difference in the price calculation and any interest or penalties, or (b) take any other action, in each case, as may be directed by the Supreme Court. The Acquirer (pursuant to the Primary Acquisition) has indirectly acquired Norican ApS and the PACs, and will ensure that the terms of any Supreme Court decision on this dispute are complied with by its relevant indirect subsidiaries. Please note that the Acquirer and the PACs have no assurances in respect of the outcome of this dispute, and the Acquirer and the PACs do not provide any assurances to the Eligible Shareholders in respect of the previous open offer. This Offer is being made by the Acquirer and the PACs independent in all respects of the offer made by Norican ApS in respect of the Target Company in September 2009.

14. The pre and post Offer shareholding pattern of the Target Company are as follows:

| **Shareholders' Category** | **Shareholding and voting rights prior to the agreement/ acquisition and Offer.** | | **Shares /voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations.** | | **Shares/voting rights to be acquired in Offer (Assuming full acceptance s)** | | **Shareholding / voting rights after the acquisition and Offer.** | |
|---|---|---|---|---|---|---|---|---|
| | **(A)** | | **(B)** | | **(C)** | | **(A+B+C) =D** | |
| | **No.** | **%** | **No** | **%** | **No** | **%** | **No** | **%** |
| **(1) Promoter group** | | | | | | | | |
| (a) Parties to agreement, if any | Nil | NA | Nil | NA | Nil | NA | Nil | NA |
| (b) PAC 1- DISA AG | 8,18,902 | 54.22 | Nil | NA | NA | NA | 8,18,902 | 54.22 |
| (c) PAC 2- DISA A/S | 313,751 | 20.78 | Nil | NA | 377,552 | 25.00 | 69.303 | 45.78 |
| Total 1(a+b+c) | 1,482,493 | 75.00 | Nil | NA | 377,552 | 25.00 | 1,510,205 | 100 |
| **(2) Acquirer** | Nil | NA | Nil | NA | Nil | NA | Nil | NA |
| Naciron A/S | | | | | | | | |
| **(3) Parties to agreement other than (1) (a) & (2)** | Nil | NA | Nil | NA | Nil | NA | Nil | NA |
| **(4) Public (other than parties to agreement, acquirers & PACs)** | Nil | NA | Nil | NA | Nil | NA | Nil | NA |
| a) Mutual | 215039 | 14.24 | Nil | NA | Nil | NA | Nil | NA |

| Shareholders' Category | Shareholding and voting rights prior to the agreement/ acquisition and Offer. | | Shares /voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations. | | Shares/voting rights to be acquired in Offer (Assuming full acceptance s) | | Shareholding / voting rights after the acquisition and Offer. | |
|---|---|---|---|---|---|---|---|---|
| | (A) | | (B) | | (C) | | (A+B+C) =D | |
| | No. | % | No | % | No | % | No | % |
| Funds / UTI | | | | | | | | |
| b) Bodies Corporate | 4286 | 0.28 | Nil | NA | Nil | NA | Nil | NA |
| c) Others | 2889 | 0.19 | Nil | NA | Nil | NA | Nil | NA |
| d) Indivi-duals holding nominal share capital upto 1 lakh | 155338 | 10.29 | Nil | NA | Nil | NA | Nil | NA |
| Total (4)(a+b+c) | 377552 | 25 % | Nil | NA | Nil | NA | Nil | NA |
| **Grand Total* (1+2+3+4)** | **1510205** | **100 %** | **Nil** | **NA** | **377552** | **25 %** | **1510205** | **100.00 %** |

**Please note that this post-offer shareholding is calculated assuming (a) full acceptance of the Offer by the public shareholders of the Target Company; and (b) that all of the tendered Equity Shares will be purchased by PAC 2. The Acquirer and the PACs are making this offer jointly and severally, and therefore, retain the flexibility to determine the inter-se ratio in which the Equity Shares will be acquired by each of them at the closure of the Tendering Period.*

## V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### A. Justification of Offer Price

1. All of the Equity Shares are listed on the BSE.

2. The annualized trading turnover based on the trading volume of the equity shares of the Target Company on BSE from 1 December 2013 to 30 November 2014 (i.e. the 12 calendar months preceding the date of the Public Announcement) is as under:

| Stock Exchange | Number of Equity Shares traded during 12 calendar months preceding the PA | Total number of listed Equity Shares during this period | Annualized trading exchange (as a percentage of the total listed Equity Shares) |
|---|---|---|---|
| BSE | 36,588 | 1,510,205 | 2.42 |

Based on the above information, the Equity Shares of the Target Company are infrequently traded on the BSE within the meaning of Regulation 2(i)(j) of the SEBI (SAST) Regulations.

3. Therefore, the Base Offer Price of Rs. 3440.43 (Rupees three thousand forty three and forty paise) per share is justified in terms of Regulation 8(3) and 8(5) of the SEBI (SAST) Regulations, in view of the following:

| Sl. No | Particulars | Price (In Rs. Per Share) |
|---|---|---|
| 1. | The highest negotiated price per Share, if any, of the Target Company for any acquisition under the agreement attracting the obligations to make a public announcement of an Open Offer. | Not applicable |
| 2. | The volume-weighted average price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the earlier of, the date on which the Primary Acquisition is contracted, and the date on which the intention or the decision to make the Primary Acquisition is announced in the public domain | Not applicable |
| 3. | The highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the earlier of, the date on which the Primary Acquisition is contracted, and the date on which the intention or the decision to make the Primary Acquisition is announced in the public domain | Not applicable |
| 4. | The highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with him, between the earlier of, the date on which the Primary Acquisition is contracted, and the date on which the intention or the decision to make the Primary Acquisition is announced in the public domain, and the date of the Public Announcement of the Open Offer for Shares of the Target Company made under SEBI (SAST) Regulations; | Not applicable |
| 5. | The volume-weighted average market price of the Shares of the Target Company for a period of sixty trading days immediately preceding the earlier of, the date on which the Share of the Primary Acquisition is contracted, and the date on which the intention or the decision to Target make the Primary Acquisition is announced in the public domain, as traded on the NSE, Company being the stock exchange where the maximum volume of trading in the Shares of the Target Company are recorded during such period; | Not applicable |
| 6. | Per Equity Share value, as required under Regulation 8(5) of the SEBI (SAST) Regulations, determined taking into consideration the Valuation Report.* | Rs. 3440.43 |

** Haribhakti & Co LLP., Chartered Accountants have certified that the fair value for the Equity Shares of the Target Company is Rs. 3440.43. They have considered the following valuation methods for arriving at this fair value and have given each of these methods equal weightage: (i) market price* *method, (ii) enterprise value to EBIDTA multiple method, (iii) price to earning multiple method, and (iv) price to book value multiple method.*

4. The Base Offer Price has been revised to the Offer Price – i.e. INR 3513.01 (Rupees three thousand five hundred thirteen and one paise) in accordance with Regulation 8(12) of the SEBI (SAST) Regulations. The difference between the Offer Price and the Base Offer Price of INR 3440.43 (Rupees three thousand four hundred and forty and forty three paise) represents the interest calculated at the rate of 10% (ten per cent) per annum on the Base Offer Price for the period between 18 December 2014 (i.e. the date on which the Primary Acquisition was contracted) and 5 March 2015 (i.e. the date of the Detailed Public Statement).

5. The Offer is as a result of the Primary Acquisition, resulting in indirect acquisition of the Target Company. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.

6. Other than as specified in Paragraph 5 of this Part VA (*Justification of Offer Price*) in respect of the Base Offer Price, there has been no revision to the Offer Price or to the Offer Size as of the date of this Letter of Offer.

7. Irrespective of whether a competing offer has been made, the Acquirer and the PACs may make upward revisions to the Offer Price, at any time up-to the day falling 3 (three) Working Days prior to the date of the opening of the Tendering Period – i.e. up-to 20 April 2015.

8. The PACs currently hold 75% (seventy five percent) of the Target Company, which is the maximum permissible level of shareholding for non-public shareholders under Clause 40A of the Listing Agreement and Rule 19A of the SCRR. Therefore, the Acquirer and the PACs do not intend to purchase any additional Equity Shares or voting rights in the Target Company from any of the Eligible Shareholders, other than in connection with this Offer. In any event, the Acquirer and the PACs confirm that, if for any reason, the Acquirer or the PACs acquire or agree to acquire any shares or voting rights in the Target Company during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. No such acquisition shall however be made after the third (3rd) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period. In case of such revision in the Offer Price, the Eligible Shareholders shall be notified.

9. If the Acquirer or any of the PACs acquires Equity Shares during the period of 26 (twenty-six) weeks after the Tendering Period, at a price higher than the Offer Price, then the Acquirer and the PACs shall pay the difference between the price per share at which such purchase is made and the Offer Price to all Eligible Shareholders whose Equity Shares have been accepted in the Offer within 60 (sixty) days of the date of such acquisition in terms of Regulation 8(10) of the SEBI (SAST) Regulations. However, no such difference shall be paid in the event that such acquisition is made (a) under an open offer as per the SEBI (SAST) Regulations, or (b) pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or any statutory amendment, modification or reenactment thereof, or (c) open market purchases made in the ordinary course on the Stock Exchange and not being a negotiated acquisition of Equity Shares in any form.

## B. Financial Arrangements

1. The total funding requirements for this Offer is INR 1,326,343,951.52 (Rupees one billion, three hundred and twenty six million, three hundred forty three thousand nine hundred and fifty one and fifty two paise) ("**Maximum Consideration**"), assuming full acceptance of the Offer at the Offer Price.

2. The Acquirer and the PACs have made firm financial arrangements for fulfilling the payment obligations under this Offer and have the ability to implement this Offer. The Acquirer proposes to fund the Offer either by way of internal accruals or funds which are available to it, including pursuant to an acquisitions loan made available to the PACs by Nordea Bank Danmark A/S (the bankers to the Acquirer) for an amount up to EUR 20,000,000 (Euros twenty million) (Rs 1,562,134,000 (Rupees one billion, five hundred sixty two million, one hundred and thirty four thousand)). This amount is more than 100% of the Maximum Consideration.

3. The Acquirer and the PACs have furnished an unconditional and irrevocable bank guarantee dated 2 March 2015 in favour of the Manager to the Offer from Deutsche Bank AG having Bank Guarantee No: 796BGG1500540 for an amount of Rs. 340,000,000 (Rupees three hundred forty million only) ("**Bank Guarantee**"). The Bank Guarantee is valid up to 1 September 2015. The Manager to the Offer has been duly authorized to realize the value of the Bank Guarantee on demand in terms of the SEBI (SAST) Regulations.

4. The PACs, the Manager to the Offer, and Deutsche Bank AG (having its principal office at 12, Taunusanlage, Frankfurt AM Main, Federal Republic Of Germany and acting through its New Delhi branch having one of its offices at TRS, ECE House, 28, Kasturba Gandhi Marg, New Delhi-110 001, India) ("**Escrow Bank**") have entered into an escrow agreement dated 24 February 2015 ("**Escrow Agreement**") in accordance with Regulation 17(4) of the SEBI (SAST) Regulations. Pursuant to the Escrow Agreement, the PACs have established an escrow account under the name and title of Escrow Account – DISA India Open Offer bearing no. 0668772000 ("**Escrow Account**") with the Escrow Bank. An amount of Rs 13,263,440 (Rupees thirteen million two hundred sixty three thousand four hundred and forty only) has been deposited in the Escrow Account, which is in excess of 1% (one per cent) of the Maximum Consideration. The cash deposit has been confirmed pursuant to a confirmation letter dated 27 February 2015 issued by the Escrow Bank. The Manager has been solely authorized by the PACs to operate and realize the monies lying to the credit of the Escrow Account in terms of the SEBI (SAST) Regulations.

5. In terms of RBI's A.P. (DIR Series) Circular No. 62 dated 24 May 2007, persons resident outside India are permitted to open escrow accounts and special accounts for open offers under the SEBI (SAST) Regulations, without the prior approval of the RBI.

6. The amount deposited in the Escrow Account, along with the Bank Guarantee amount are in excess of 25% (twenty five per cent) of the Maximum Consideration, as required under Regulation 17(3)(b) of the SEBI (SAST) Regulations.

7. In case of any upward revision in the Offer Price or the Offer Size for any reason, the cash in the Escrow Account and Bank Guarantee shall be increased by the Acquirer or PACs in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision. Further, in the event of such revision, the Acquirer and the PACs shall issue a supplement to the Letter of Offer in the same newspapers in which the Detailed Public Statement has been published and simultaneously with the issue of such supplement, inform the Stock Exchanges, SEBI and

the Target Company at its registered office of such revision.

8. Based on the above and the certificate provided to this effect to the Manager dated 18 December 2014 by M/s K.J. Sheth & Associates, Chartered Accountants with Firm Registration No. 118598W (Address: 2$^{nd}$ Floor, Seksaria Chambers, 139, N.M. Road, Fort, Mumbai – 400 001; Issued by: Mr. Kirit Seth (Proprietor of the firm)), the Manager is satisfied about the ability of the Acquirer and the PACs to fulfill their obligations under the SEBI (SAST) Regulations in respect of this Offer.

## VI. TERMS AND CONDITIONS OF THE OFFER

### A. Operational Terms and Conditions

1. In terms of the tentative schedule of activities, the Tendering Period for the Offer is expected to commence on Monday, 24 April 2015 and is expected to close on Monday, 11 May 2015.

2. The Equity Shares tendered under this Offer shall be free from all liens, charges, equitable interests and encumbrances and are to be offered together with all rights attached thereto, including, in respect of dividends or bonuses, if any, declared hereafter.

3. This is not a conditional Offer and is not subject to any minimum level of acceptance.

4. The Identified Date for this Offer as per the tentative schedule of activities is 9 April 2015.

5. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) Equity Share only.

6. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Eligible Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

7. There are no Equity Shares in the Target Company that are locked-in under any applicable law.

### B. Eligibility for accepting the Offer

1. The Letter of Offer shall be sent to all Eligible Shareholders holding Equity Shares whose names appear in the register of the Target Company as on 9 April 2015 (the "**Identified Date**").

2. All Eligible Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer.

3. The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance cum Acknowledgement will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, Eligible Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance cum Acknowledgement from SEBI's website. Accidental omission to dispatch this Draft Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of this Draft Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.

4. The acceptance of this Offer must be unconditional, absolute and unqualified and should be sent with the attached Form of Acceptance-cum-Acknowledgement duly filled in, signed by the applicant Shareholder(s), which should be received by the Registrar to the Offer at the address mentioned below on or before 5:00pm on May 11, 2015, i.e. Closure of the Tendering Period. If any change or modification is made to the Form of Acceptance-cum-Acknowledgement or if any condition is inserted therein by the Shareholder, the Manager to the Offer, the Acquirer and the PAC reserve the right to reject the acceptance of this Offer by such Shareholder.

5. The acceptance of this Offer is entirely at the discretion of the Eligible Shareholder(s) of the Target Company.

6. None of the Acquirer, PACs, Manager to the Offer and Registrar to the Offer accepts any responsibility for any loss of equity share certificates, Offer Acceptance forms, share transfer forms etc. during transit and Eligible Shareholders are advised to adequately safeguard their interest in this regard.

7. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer and PACs in consultation with the Manager to the Offer.

8. The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement constitute an integral part of the terms of the Offer.

9. To the best knowledge of the Acquirer and PACs, the Target Company has no Equity Shares that are currently locked-in. (Source: www.bseindia.com).

10. Each Eligible Shareholder to whom this Offer is being made is free to offer any or all of its Equity Shares while accepting this Offer.

**C. Statutory and Other Approvals**

1. The merger control clearance from the German Federal Cartel Office which was required for the Primary Acquisition was received on 14 January 2015. As on the date of this Letter of Offer, to the best knowledge of the Acquirer and the PACs, no other statutory approvals are required by the Acquirer and/or the PACs to complete this Offer. If any other statutory approvals are required by the Acquirer or the PACs at a later date, this Offer shall be subject to such approvals and the Acquirer and/or the PACs shall make the necessary applications for such approvals.

2. If any of the public shareholders of the Target Company that are not resident in India (such as Non Resident Indians ("**NRIs**") and Overseas Corporate Bodies ("**OCBs**")) require any approvals/ exemptions from the Reserve Bank of India, the Foreign Investment Promotion Board or any regulatory body for the transfer any Equity Shares to the Acquirer or the PACs, they shall be required to submit such approval/ exemption along with the other documents required to be tendered to accept this Offer. If such approval/exemption is not submitted, the Acquirer and the PACs reserve the right to reject the Equity Shares tendered by such shareholders that are not resident in India.

3. Where any statutory approval extends to some but not all of the Eligible Shareholders, the Acquirer shall have the option to make payment to such Eligible Shareholders in respect of whom no statutory approvals are required in order to complete the Offer.

4. In case of non-receipt of statutory approvals in a timely manner, SEBI has the power to grant

extension of time to the Acquirer and PACs as per Regulation 18(11) of the SEBI (SAST) Regulations, for payment of consideration to Eligible Shareholders, if it is satisfied that non-receipt of the approval was not attributable to a willful default, failure or neglect on the part of the Acquirer and/or the PACs, subject to Acquirer and PACs agreeing to pay interest or penalty as may be directed by SEBI. The Acquirer and PACs will have the right not to proceed with this offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event that the statutory approvals indicated above are refused. IN the event of withdrawal of this offer, a public announcement will be made within 2 (two) working days of such withdrawal in the same newspapers in which the Detailed Public Statement was published, and such announcement shall also be sent to BSE, SEBI and the Target Company (at its registered office).

## VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

### A. General

1. For the purpose of the Offer, the Registrar to the Offer has opened an escrow demat account under the name of "DISA Open Offer Share Escrow Account" ("**Offer Escrow Demat Account**") with Integrated Enterprises (India) Ltd, as the depository participant in NSDL. The DP ID is IN301313 and the Client ID is 21751040.

2. The Offer is made to the Eligible Shareholders as defined in this Letter of Offer. While the Letter of Offer shall be dispatched to the Eligible Shareholders of the Target Company whose name appears in the register of members as at the Identified Date, all public shareholders of the Target Company may tender their Equity Shares in the Offer. Accordingly, all public shareholders, whether holding Equity Shares in dematerialized form or physical form, registered or unregistered, are persons eligible to participate in this Offer at any time during the Tendering Period. No indemnity is needed from unregistered public shareholders.

3. The Eligible Shareholders who qualify and who wish to participate in this Offer will have to deliver the relevant documents as mentioned below and such other documents as specified in the Letter of Offer at the Registrar to the Offer's office or at the following collection centres, either by hand delivery or by registered post between 10.00 a.m. and 4.00 p.m. on any Working Day during the Tendering Period. The documents should not be sent to the Manager to the Offer, the Acquirer, the PACs or the Target:

| No. | Collection Centre | Address of Collection Centre | Contact Person | Email Address | Phone No. | Fax | Mode of delivery |
|---|---|---|---|---|---|---|---|
| 1 | Mumbai | Integrated Enterprises (India) Limited. B-710 Sagar Park Amrut Nagar Ghatkopar-W, Mumbai 400 086 | Mr. Ashok Kambli | blropenoffer@integratedindia.in | 022 67336606 | 022 67336606 | Hand Delivery |
| 2 | Ahmedabad | Integrated Enterprises (India) Limited. 21 Nirman Gr Floor, B/h Navrangpura Bus Stop, Navrangpura, Ahmedabad 380 009 | Ms. Sangita Patel | blropenoffer@integratedindia.in | 079 26443289 | 079 26443289 | Hand Delivery |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 3 | New Delhi | Integrated Enterprises (India) Limited. 1691/36 II Floor, Arya Samaj Road, Naiwala Karol Bagh, New Delhi 110 005 | Mr. Mohan Pal | blropenoffer@integratedindia.in | 011 45170339 | 011 45170340 | Hand Delivery |
| 4 | Kolkata | Integrated Enterprises (India) Limited. Trikut, Flat No 1B, First Floor Opposite Road of Ramakrishna Mission Hospital, No. 4C, Lansdowne Place, Kolkata 700 029. | Ms. Mousumi Bhattacharya | blropenoffer@integratedindia.in | 033 24742705 | 033 24767131 | Hand Delivery |
| 5 | Bangalore | Integrated Enterprises (India) Limited. No 30 Ramana Residency, 4th Cross Sampige Road, Malleshwaram, Bangalore 560 003 | Mr S Vijayagopal /S Giridhar | blropenoffer@integratedindia.in | 080 23460815 -818 | 080 23460819 | Hand Delivery/ Registered Post |

4. Any person who has acquired Equity Shares of the Target Company (irrespective of the date of purchase) but whose name does not appear in the register of members of the Target Company on the Identified Date, or any public shareholder who has not received the Letter of Offer, may also participate in this Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer. Alternatively, such shareholders, if they so desire, may apply on the Form of Acceptance cum Acknowledgement downloaded from the SEBI website (www.sebi.gov.in). No indemnity is needed from unregistered shareholders. Such application should be sent to the Registrar to the Offer together with the relevant share certificate(s) and transfer forms (if the Equity Shares are held in physical form) or a photocopy of the DP instruction slip duly acknowledged by the DP (in the case of Equity Shares held in dematerialized form) in "off-market" mode, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Equity Shares were acquired and/or such other documents as specified in the Letter of Offer.

5. The Registrar to the Offer has opened a special depository account with following details:

| Name of the Depository Participant | Integrated Enterprises (India) Limited |
|---|---|
| DP ID | IN301313 |
| Client ID | 21751040 |
| Account Name | DISA OPEN OFFER SHARE ESCROW ACCOUNT |
| Depository | NSDL |

Note: Shareholders having their beneficiary account with Central Depository Services Limited (**CDSL**) must use the inter-depository delivery instruction slip for the purpose of crediting their equity shares of the Target Company in favour of the Escrow Demat Account.

6. It is the sole responsibility of the Shareholder to ensure credit of its Equity Shares in the Depository Escrow Account, on or before 5 pm on May 11, 2015, i.e. Closure of the Tendering Period.

7. Eligible Shareholders holding Equity Shares in dematerialized form shall deliver the following documents:

   (a) Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the depository;

   (b) A 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 relevant DP;

   (c) For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance cum Acknowledgment. The ISIN number allotted to the Equity Shares is INE131C01011; and

   (d) A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable.

   In case the aforesaid documents have not been provided but the Equity Shares have been transferred to the Open Offer Escrow Demat Account, the Equity Shares shall be deemed to have been accepted for all Eligible Shareholders resident in India.

   The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Depository Escrow Account before the Closure of the Tendering Period is liable to be rejected.

8. Eligible Shareholders holding the Equity Shares in physical form shall deliver the following documents:

   (a) Form of Acceptance cum Acknowledgement, duly completed and signed in accordance with the instructions contained therein by all Eligible Shareholders whose name appears on the share certificates;

   (b) Original share certificates;

   (c) Valid transfer forms duly signed by the transferors by all registered Eligible Shareholders in same order and as per the specimen signatures registered with and duly witnessed at the appropriate place;

   (d) A copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable; and

   (e) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed.

   In case the aforesaid documents have not been tendered but the original share certificates and valid transfer forms, duly signed, have been tendered, the Equity Shares shall be deemed to have been accepted for all Eligible Shareholders resident in India.

9. Eligible Shareholders who have sent their Equity Shares for dematerialization who wish to tender their Equity Shares in this Offer will be required to:

(a) send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Shareholder's DP, in accordance with the instructions mentioned in this Draft Letter of Offer. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/joint Shareholder(s) whose name appears on the share certificates and in the same order and as per the specimen signature lodged with the Target Company; and

(b) ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before 5 pm on May 11, 2015, i.e. Closure of the Tendering Period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Shareholder's DP, the Shareholder can withdraw its dematerialization request and tender the Equity Share certificate(s) in this Offer as per the procedure mentioned in this Draft Letter of Offer.

10. The Eligible Shareholders should also provide all relevant documents, which are necessary to ensure transfer of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

(a) duly attested death certificate and succession certificate/probate/letter of administration (in case of single Shareholder) if the original Shareholder is no more;

(b) duly attested power of attorney if any person apart from the Shareholder has signed the application form and/or transfer deeds;

(c) in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories; and

(d) banker's certificate certifying inward remittances of funds for acquisition of Equity Shares.

11. When tendering their Equity Shares in the Offer, Eligible Shareholders may select an option to receive the payment of Offer consideration through electronic means by indicating in the space provided in the Form of Acceptance cum Acknowledgement. The payment of consideration for Equity Shares accepted under the Offer, in such cases, may be made through NECS, Direct Credit, RTGS or NEFT, as applicable, at specified centers where clearing houses are managed by the RBI, wherever possible. In other cases, payment of consideration would be made through demand draft or pay order sent by registered post or speed post. Eligible Shareholders who opt to receive consideration through electronic means are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance cum Acknowledgement, provide the Magnetic Ink Character Recognition (**MICR**) or Indian Financial System Code (**IFSC**) of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance cum acknowledgement. In case of joint holders or unregistered owners, payments will be made in the name of the first holder or unregistered owner respectively.

12. For the purposes of electronic transfer, in case of Eligible Shareholders opting for electronic payment of Offer consideration and for the purposes of printing on the demand draft or pay-order for the other cases, the bank account details will be taken directly from the Depositories' database, wherever possible. An Eligible Shareholder tendering Equity Shares in the Offer is deemed to have given consent to obtain the bank account details from the

Depositories for this purpose. Only if the required details cannot be obtained from the Depositories' database, the particulars provided by the Eligible Shareholders will be used.

13. For Eligible Shareholders who do not opt for electronic mode of transfer and for those Eligible Shareholders whose payment consideration is rejected or not credited through NECS, direct credit, RTGS or NEFT (as applicable) due to any technical errors or incomplete or incorrect bank account details, payment consideration will be dispatched through speed post or registered post. Such payment consideration will be made by pay orders or demand drafts payable at par at places where the address of the Eligible Shareholder is registered. It is advised that Eligible Shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that the same can be incorporated in the cheque or demand draft or pay order. It will be the responsibility of the tendering Eligible Shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance cum Acknowledgment.

14. All cheques/demand drafts/pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note.

15. The Registrar to the Offer will hold in trust the Equity Shares or share certificates, Equity Shares held in credit of the Offer Escrow Demat Account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the public shareholders of the Target Company who have accepted the Offer, until the drafts or pay order for the Offer consideration or the unaccepted Equity Shares or share certificates as the case may be, are dispatched or returned vide registered post or payment of consideration has been made through electronic modes.

16. In case of rejection of Equity Shares tendered for any reason, the unaccepted original share certificates, transfer forms and other documents, if any, will be returned by registered post at the Eligible Shareholder's or unregistered holder's, as the case may be, sole risk as per the details provided in the Form of Acceptance cum Acknowledgement. Equity Shares held in dematerialized form, to the extent not accepted, will be returned to the beneficial owner to the credit of the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner(s) in the Form of Acceptance cum Acknowledgement.

## B. Tax Provisions

**Withholding tax implications on shareholders (other than FPIs, FIIs and FII sub-accounts)**

1. As per the provisions of section 195(1) of the I-T Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess, as applicable). Off market sale of equity shares are liable to capital gain tax on the amount of capital gain distributed to any shareholder. Since the consideration payable under the Offer would be chargeable to capital gains or as business profits, as the case may be, under the provisions of I-T Act, the Acquirer/PACs will be required to deduct taxes at source (including surcharge and education cess), as applicable, in case the tendering shareholder is a non-resident.

2. The payment of any interest (paid for delay in payment of the Offer Price) by the Acquirer/PACs to a resident and non-resident shareholder may be chargeable to tax, as income from other sources under Section 56 of the I-T Act in the hands of such public shareholder. The Acquirer/PACs will be required to deduct tax at source (including

surcharge and education cess) at the applicable rate as per the I-T Act on such interest (paid for delay in payment in the Offer Price).

3. Resident and non-resident public shareholders (including FIIs and FII sub-accounts) as per the I-T Act are required to submit their Permanent Account Number ("**PAN**") for income-tax purposes in order to avail the correct rates of withholding tax. In case the PAN is not submitted (including where such PAN has been applied for but not obtained), or is invalid or does not belong to the public shareholder, the Acquirer/PACs will arrange to deduct tax at the rate of 20% of the gross payment (as provided in Section 206AA of the I-T Act) or at the rates in force or at the rate specified in the relevant provisions of the I-T Act as discussed in paragraphs below, whichever is higher.

4. All non-resident shareholders shall certify its nature of income arising from the sale of the Equity Shares i.e., whether capital gains or business income or interest, if any, by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.

5. Each shareholder shall certify its tax residency status (i.e. whether resident or non- resident) and its tax status (i.e. whether individual, firm, company, association of persons/body of individuals, trust, any other, etc.) by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer/PACs, it would be assumed that the public shareholder is a non-resident shareholder and taxes shall be deducted at the maximum rate as may be applicable to such shareholder under the I-T Act, on the gross consideration towards acquisition of Equity Shares and interest, if any, payable to such shareholder under the Offer.

6. Securities transaction tax will not be applicable to the Equity Shares accepted in the Offer.

7. All references to maximum rate include applicable surcharge and education cess, as may be applicable.

8. Any Eligible Shareholder claiming benefit under any DTAA between India and any other foreign country should furnish a Tax Residency Certificate ("**TRC**") provided to him/it by the Income Tax Authority of such other foreign country of which it claims to be a tax resident. In case such certificate is in a language other than English, then the apostile or consularised version (as may be applicable) of such TRC in the English language shall be provided. The reference of TRC shall include such apostile or consularised version of the translated TRC. In addition, such Eligible Shareholder shall need to provide a self-attested declaration containing the following information in Form 10F to the Income Tax Rules, 1962:

   (a) Status of the Eligible Shareholder (whether an individual, a company, a firm, etc.);

   (b) PAN of the Eligible Shareholder, if allotted;

   (c) Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);

   (d) The Eligible Shareholder's tax identification number in the country or specified territory of residence and, in case there is no such number, then a unique number on the basis of which such Eligible Shareholder is identified by the government of the country or specified territory of which the Eligible Shareholder claims to be a resident;

   (e) Period for which the residential status, as mentioned in the TRC, is applicable; and

(f) Address of the Eligible Shareholder during the period for which the TRC is applicable.

It is clarified that to the extent the above information (or any part thereof) is already contained in the TRC, it need not be provided separately in Form 10F by the Eligible Shareholder.

**Special Implications relevant to Non-Resident Shareholders**

9. While tendering Equity Shares under the Offer, all non-resident Eligible Shareholders (other than FIIs and FII sub-accounts) including NRIs/OCBs/foreign shareholders shall be required to submit a valid Withholding Tax Certificate ("**WTC**") issued by the Income-tax Authorities under section 195(3) or section 197 of the I-T Act along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer/PACs before remitting the consideration (and the interest paid for the delay in payment of the Offer Price, if any). The Acquirer/PACs will arrange to deduct taxes at source in accordance with such WTC issued by the Income-tax Authorities under section 195(3) or section 197 of the I-T Act only if such WTC has been submitted along with the Form of Acceptance-cum-Acknowledgement and the said WTC is valid and effective as of the date on which tax is required to be deducted at source.

10. In case the aforesaid WTC is not submitted as aforesaid or is otherwise not valid and effective as of the date on which tax is required to be deducted at source, the Acquirer/PACs will arrange to deduct tax at the maximum rate as may be applicable to the Eligible Shareholder under the I-T Act, on the gross consideration towards acquisition of Equity Shares and interest, if any, payable to such Eligible Shareholder under the Offer.

11. It is to be noted that benefit under DTAA or withholding of tax at lower/nil rate will not be entertained in absence of a valid WTC issued by the income tax authorities under Section 195(3) or Section 197 of the I-T Act.

12. All non-resident Eligible Shareholders (excluding FII and FII subaccounts) where the income arising from the sale of Equity Shares as per the I-T Act is in the nature of business income will be required to provide a self-declaration that such non-resident Eligible Shareholder does not have any permanent establishment or business connection in India in terms of Indian tax laws. However, such non-resident Eligible Shareholder will also be required to submit a WTC for the purposes of withholding taxes at source, else taxes will be withheld at the maximum rate applicable to the relevant category to which such shareholder belongs under the I-T Act.

**Special Implications to Resident Shareholders**

13. In absence of any specific provision under the I-T Act, the Acquirer/PACs will not deduct tax on the consideration payable to resident Eligible Shareholder for acquisition of Equity Shares under the Offer.

14. The Acquirer/PACs will deduct the tax at the stipulated rates (including applicable surcharge, education cess and secondary higher education cess) on interest (paid for the delay in payment of the Offer Price), if any, payable to the resident Eligible Shareholder, if amount of interest payable is in excess of Rs. 5,000 (Rupees five thousand only) as per the provisions of section 194A the I-T Act.

15. The resident Eligible Shareholder claiming no tax is to be deducted or tax to be deducted at a lower rate on interest amount (relatable to the delay in payment of the Offer Price), should submit along with the Form of Acceptance-cum-Acknowledgement a WTC issued by

the Income Tax Authorities under section 197 of the I-T Act indicating the amount of tax to be deducted by the Acquirer/PACs or, in the case of resident Eligible Shareholder not being a company or firm, a self-declaration in Form 15G or Form 15H as may be applicable. The self-declaration in Form 15G or Form 15H would not be valid unless the Eligible Shareholder furnishes PAN in such declaration along with a self-attested copy of PAN Card. In case the aforesaid WTC or Form 15G or 15H, if applicable, is not submitted, and the amount of interest (relatable to the delay in payment of the Offer Price) payable exceeds Rs. 5,000 (Rupees five thousand only), the Acquirer/PACs will arrange to deduct tax at the maximum rate as may be applicable to the Eligible Shareholder under the I-T Act. Also, no tax is to be deducted on interest amount in the case of the resident Eligible Shareholder being an entity specified as a Mutual Fund under section 10(23D) of the I-T Act or an entity specified under section 194A(3)(iii) of the I-T Act if it submits a self-attested copy of the relevant registration, or notification along with the Form of Acceptance cum Acknowledgement.

**Withholding tax implications for FPIs, FIIs and FII sub-accounts**

16. As per the provisions of section 196D(2) of the I-T Act, no deduction of tax at source will be made from any income by way of capital gains arising from transfer of securities referred to in section 115AD of the I-T Act to a FPI, FII or a FII sub-account, as defined in section 115AD of the I-T Act. The Acquirer/PACs would not withhold tax on the purchase consideration to a FPI, FII or FII sub-account subject to the receipt of a confirmation from the FPI, FII or the FII sub-account, as the case may be, of the residential status of the FPI/FII/FII sub-account.

17. In the absence of the confirmation specified in the paragraph above, the Acquirer/PACs will deduct tax at the maximum rate applicable to such FPI/FII/FII sub-account under the I-T Act on the gross consideration payable to such FII/FII sub-account towards acquisition of Equity Shares under the Offer. Should the FPI/FII/FII sub-account submit a WTC issued by the Income-tax Authorities under section 195(3) or section 197 of the I-T Act while tendering the Equity Shares, indicating the amount of tax to be deducted by the Acquirer, the Acquirer/PACs will deduct tax in accordance with such WTC only if the said WTC has been submitted along with the Form of Acceptance-cum-Acknowledgement and the WTC is valid and effective as of the date on which tax is required to be deducted at source.

18. In respect of interest income (paid for delay in payment of the Offer Price), should the FPI/FII/FII sub-account submit a WTC issued by the Income-tax Authorities under section 195(3) or section 197 of the I-T Act indicating the amount of tax to be deducted by the Acquirer/PACs, the Acquirer/PACs will deduct tax in accordance with the WTC so submitted only if the said WTC has been submitted along with the Form of Acceptance-cum-Acknowledgement and such WTC is valid and effective as of the date on which tax is required to be deducted at source. In absence of such WTC, the Acquirer/PACs will arrange to deduct tax at the maximum rate applicable to the category to which such FPI/FII/FII sub-account belongs.

19. It is to be noted that, with respect to income other than gains (for which no withholding tax is applicable) benefit under the applicable DTAA or withholding of tax at source at lower or nil rate will not be entertained without an appropriate certificate issued under section 195 or section 197 of the I-T Act and the TRC provided to it by the Income Tax Authority of such other foreign country of which it claims to be a tax resident. In addition, such Eligible Shareholder shall also be required to provide a self-attested declaration containing the following information in Form 10F to the Income Tax Rules, 1962:

(a) Status of the Eligible Shareholder (whether an individual, a company, a firm, etc.);

(b) PAN of the Eligible Shareholder, if allotted;

(c) Nationality (in case of an individual) or country or specified territory of incorporation or registration (in case of others);

(d) The Eligible Shareholder's tax identification number in the country or specified territory of residence and, in case there is no such number, then a unique number on the basis of which such Eligible Shareholder is identified by the government of the country or specified territory of which the Eligible Shareholder claims to be a resident;

(e) Period for which the residential status, as mentioned in the TRC, is applicable; and

(f) Address of the Eligible Shareholder during the period for which the TRC is applicable.

Please note that, to the extent the above information (or any part thereof) is already contained in the TRC, it need not be provided separately in Form 10F by the Eligible Shareholder.

20. All FPI's or FII's or FII sub-account's will be required to submit their PAN for income tax purposes. In case a PAN is not submitted or is invalid or does not belong to the Eligible Shareholder, the Acquirer/PACs will arrange to deduct tax at the rate of 20% (as provided in section 206AA of the I-T Act) or the rate, as may be applicable to the category of the Shareholder under the Income Tax Act, whichever is higher.

**<u>Issue of tax deduction at source certificate</u>**

22. The Acquirer/PACs will issue a certificate in the prescribed form to the Eligible Shareholders (resident and non-resident) who have been paid the consideration and interest (paid for delay in payment of the Offer Price) after deduction of tax, if any, on the same, certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of section 203 of the I-T Act read with the Income-tax Rules, 1962.

**<u>Withholding taxes in respect of overseas jurisdictions</u>**

23. Apart from the above, the Acquirer and the PACs will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Eligible Shareholder is a resident for tax purposes ("**Overseas Tax**").

24. For this purpose, the non-resident Eligible Shareholder shall duly represent in the Form of Acceptance cum Acknowledgement, the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Eligible Shareholder is a tax resident, and the Acquirer and the PACs will be entitled to rely on this representation at their sole discretion.

**<u>Information Requirements in case of non-resident Eligible Shareholders</u>**

26. Non-resident Eligible Shareholders who wish to tender their Equity Shares must submit the following information/documents, as applicable, along with the Form of Acceptance cum Acknowledgement:

(a) Self-attested copy of PAN card;

(b) Confirmation in respect of residential status (for tax purposes), status of Public shareholder (e.g. Individual, HUF, Firm, Company, FII, Trust, or any other - please specify);

(c) WTC issued by the Income-tax Authorities under section 195(3) or section 197 of the I-T Act;

(d) TRC along with such information as prescribed in paragraph 8 above where the non-resident Eligible Shareholder is claiming a benefit under the DTAA;

(e) In case of other non-resident Public shareholder (excluding a FII), a self-attested declaration certifying the nature of income arising from the sale of Equity Shares i.e., whether capital gains or business income or interest, if any, by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement;

(f) Self-declaration that the non-resident Eligible Shareholder (including a FII) does not have any permanent establishment or business connection in terms of Indian tax laws;

(g) Self-attested copy of SEBI registration certificate for FII/FII sub-account; and

(h) Approvals from the RBI and other approval(s) obtained for acquiring the Equity Shares, if applicable.

**<u>Information requirement in case of Resident Eligible Shareholder</u>**

28. Resident Eligible Shareholders who wish to tender their Equity Shares must submit the following information/documents, as applicable, along with the Form of Acceptance cum Acknowledgement:

(a) Self-attested copy of PAN card;

(b) Confirmation in respect of residential status (for tax purposes), status of Eligible Shareholder (e.g. Individual, Firm, Company, Trust, or any other - please specify);

(c) WTC issued by the Income Tax Authorities under section 197 of the I-T Act (applicable only for the interest payment relatable to delay in payment of the Offer Price, if any);

(d) A self-declaration form in Form 15G or Form 15H (in duplicate), as applicable for interest payment (relatable to delay in payment of the Offer Price), if any; and

(e) For Mutual Funds and specified entities under section 194A(3)(iii) of the I-T Act – self attested copy of relevant registration or notification (applicable only for the interest payment, if any).

**<u>Disclaimers</u>**

29. Notwithstanding the details given above, all payments will be made to all the Eligible Shareholders subject to compliance with the prevailing tax laws. The tax deducted under the Offer is not the final liability of the Eligible Shareholder or in no way discharges the obligation of the Eligible Shareholder to disclose the amount received pursuant to the Offer in their respective tax returns. The tax rates and other provisions may undergo change.

30. All Eligible Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth hereinabove. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

## VIII. 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, ICICI Securities Limited, having their office at 108, ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai - 400 020, (Tel: +91 22 2288 2460/2288 2470, Fax: +91 22 2282 6580). The documents can be inspected during normal business hours (11.00 AM to 4.00 PM) on all working days (except Saturdays and Sundays) during the period from the date of this Letter of Offer, till date of expiry of the Tendering Period.

1. Certificate of Incorporation, Memorandum of Association and Articles of Association of Acquirer, PAC 1 and PAC 2.

2. Certificate from the Chartered Accountant dated 18 December 2014, certifying the adequacy of financial resources with Acquirers to fulfill the Offer obligations.

3. Audited annual reports of the PACs and the Target Company for the last three years namely 2013, 2012 and 2011

4. A letter from the Escrow Bank dated 27 February 2015 confirming the amount kept in the Escrow Account.

5. A copy of Public Announcement issued on 19 December 2014, published copy of the Detailed Public Statement dated 5 March 2015, and any corrigendum to any of the aforesaid documents.

6. A copy of announcement of Primary Acquisition which triggered the open offer obligation.

7. A copy of the recommendation made by the Board of the Target Company dated [•].

8. A copy of the comments letter dated [•] received from SEBI.

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9. A copy of the agreement entered into with Registrar for opening a special depository account for the purpose of the Offer.

10. A copy of Escrow Agreement entered into between the Acquirer, PACs, Escrow Bank and the Manager to the Offer.

## IX. DECLARATION BY THE ACQUIRER AND PACs

1. The Acquirer and the PACs and their respective directors (as applicable) accept full responsibility for the information contained in this Letter of Offer, (other than such information as has been obtained from public sources).

2. The Acquirer and the PACs and their respective directors (as applicable) accept full responsibility for their obligations under the Offer and shall be jointly and severally responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Offer.

Signed for and on behalf of **Naciron A/S**

**Sd/-**

___________________________________

Authorized Signatory

Signed for and on behalf of **DISA Holding AG**

**Sd/-**

___________________________________

Authorized Signatory

Signed for and on behalf of **DISA Holding A/S**

**Sd/-**

___________________________________

Authorized Signatory

The person(s) signing the Letter of Offer are duly and legally authorised by Acquirers and including PACs.

**Place**: Mumbai

**Date**: 13 March 2015