PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF

BASF INDIA LIMITED

Registered Office: R.B.C. Mahindra Towers, 1st Floor, 'A' Wing, Dr. G.M. Bhosale Marg, Worli, Mumbai 400018

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS

This Public Announcement ("Public Announcement") is being issued by JM Financial Consultants Private Limited ("Manager to the Offer" or "JM Financial"), on behalf of BASF SE ("Acquirer"/ "BASF"), pursuant to and in compliance with Regulation 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI (SAST) Regulations").

1 BACKGROUND TO THE OFFER

1.1 BASF SE **(hereinafter referred to as the "Acquirer"/ "BASF")** is making a voluntary offer to the public shareholders of BASF India Limited **(hereinafter referred to as "BASF India" or the "Target Company")** to consolidate its holding in the Target Company by acquiring up to 6,289,591 fully paid-up Equity Shares of the Target Company (the "Offer Size") constituting 22.31% of the Voting Capital of the Target Company at a price of Rs. 274 per Equity Share (the **"Offer Price"**).

1.2 The Acquirer currently holds 14,853,020 Equity Shares of the Target Company constituting 52.69% of the issued and paid up Equity Share capital of the Target Company. The Acquirer is the Promoter of the Target Company.

1.3 As of the date of this Public Announcement, the issued Equity Share capital of the Target Company is Rs. 281,901,480 divided into 28,190,148 outstanding Equity Shares of a face value of Rs.10 each (including 682 shares held in abeyance) (**"Voting Capital"**). The subscribed and paid up capital of the Target Company is Rs. 281,894,660 divided into 28,189,466 Equity Shares of a face value of Rs. 10 each. There are currently no outstanding partly paid up shares or any other instruments convertible into Equity Shares of the Target Company at a future date.

2 THE OFFER

2.1 This Offer is being made by Acquirer to the public shareholders of the Target Company to acquire up to 6,289,591 Equity Shares being 22.31% of the Voting Capital of the Target Company (**"Offer Share(s)"**) as on August 12, 2008, being the date which is 15 days from the date of closure of the Offer, as required under Regulation 21(5) of the SEBI (SAST) Regulations. This Offer is being made pursuant to Regulation 11(1) of the SEBI (SAST) Regulations, at a price of Rs. 274 per fully paid up Equity Share (the **"Offer Price"**), payable in cash in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions mentioned hereinafter (the **"Offer"** or **"Open Offer"**).

2.2 Upon completion of the Offer, assuming full acceptances, the Acquirer will hold 75% of the Voting Capital in the Target Company.

2.3 The Manager to the Offer does not hold any Equity Shares of the Target Company as on the date of this Public Announcement.

2.4 Subject to the receipt of regulatory approvals as set out in paragraph 7 below, and other terms and conditions as set out in this Public Announcement and the Letter of Offer to be sent to the public shareholders of the Target Company, Acquirer will acquire Equity Shares tendered pursuant to the Offer up to the number of Offer Shares.

2.5 This Offer is being made to all the public shareholders of the Target Company and is not conditional on any minimum level of acceptance by the shareholders of the Target Company.

2.6 Neither the Acquirer, nor any of its directors has acquired any share of the Target Company during the 12 month period prior to the date of this Public Announcement.

2.7 This is not a competitive bid.

2.8 There are no "persons acting in concert" ("PACs") with the Acquirer for the purpose of this Offer within the meaning of Regulation 2(1)(e) of the SEBI (SAST) Regulations.

3 OFFER PRICE

3.1 The Equity Shares of the Target Company are listed on the Bombay Stock Exchange Limited, (the **"BSE"**) and the National Stock Exchange of India Limited (the **"NSE"**). Based on the information available, the shares of the Target Company are frequently traded on the BSE and the NSE (within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations.

3.2 The Offer Price of Rs. 274 per Equity Share is justified, as in terms of Regulation 20(4) of the SEBI (SAST) Regulations, the minimum Offer Price should be the highest of the following:

(i) There is no agreement for acquisition of shares or voting rights in the Target Company by the Acquirer and therefore, there is no negotiated price.

(ii) The Acquirer has not acquired any shares during the 26-week period prior to the date of this Public Announcement.

(iii) The share price data of the Target Company on the BSE, where it is most frequently traded, preceding the date of this Public Announcement i.e. as of May 14, 2008 is as under:

The average of the weekly high and low of the closing prices of the shares of the Target Company during the 26-week period preceding the date of this Public Announcement	Rs. 236.70
The average of the daily high and low of the shares of the Target Company during the 2-week period preceding the date of this Public Announcement	Rs. 224.80

(Source: BSE website, www.bseindia.com)

In view of the above, the Offer Price of Rs. 274 per Equity Share is justified as per the SEBI (SAST) Regulations.

4 INFORMATION ON THE ACQUIRER

BASF SE

4.1 BASF SE is a listed company incorporated in 67056 Ludwigshafen in Germany on January 30, 1952 with its registered office located at 67056 Ludwigshafen, Germany, Tel. No. +49 621 60-0, Fax No. +49 621 60-42525.

4.2 The principal trading market for BASF shares is the Frankfurt Stock Exchange. BASF shares are also traded on the other German stock exchanges namely Berlin, Dusseldorf, Hamburg, Hannover, Munich and Stuttgart. In addition, BASF shares are also traded on the London and Swiss stock exchanges. The closing price of equity shares of BASF SE on the Deutsche Börse as on May 13, 2008 was Euro 91.29 per share (equivalent to Rs. 5,983.15 per share).

4.3 As on December 31 2007, the paid in capital of BASF is Euro 4,397.3 million (Rs. 2,881,990.4 lacs based on the exchange rate as defined in para 11.8 below) consisting of subscribed capital of Euro 1,224.2 million (478.185 million shares each of a face value of Euro 2.56) plus capital surplus of Euro 3,173.1 million.

4.4 The Executive Board of Directors of BASF SE comprises 8 members: Dr. Jürgen Hambrecht (Chairman of the Executive Board), Dr. John Feldmann, Dr. Kurt Bock, Dr. Stefan Marcinowski, Dr. Martin Brudermüller, Dr. Andreas Kreimeyer, Dr. Harald Schwager and Dr. Hans-Ulrich Engel.

4.5 The audited consolidated financial highlights of BASF Group for the years ended December 31, 2007 and December 31, 2006 are as given below:

As on or for Year ended	December 2006		December 2007	
	Euro (in million, except for per share data)	Rs. (in lacs, except for per share data)	Euro (in million, except for per share data)	Rs. (in lacs, except for per share data)
Total Revenues	53,543.8	35,092,606.5	59,004.3	38,671,418.2
Profit after Tax	3,215.2	2,107,242.1	4,065.5	2,664,528.7
Paid in Share Capital	4,420.2	2,896,999.1	4,397.3	2,881,990.4
Retained Earnings (excluding revaluation reserves)	13,301.9	8,718,065.3	14,555.6	9,539,740.2
Net worth (excluding other comprehensive income & minority interests)	17,722.1	11,615,064.3	18,952.9	12,421,730.7
Book Value per Share	37.18	2,436.78	42.03	2,754.65
Earnings Per Share (basic)	6.37	417.49	8.32	545.29
Return on Equity after taxes (%)	19.2	-	22.4	-
Price to Earnings multiple (times) (1)				10.97

Note (1) Based on closing price on Deutsche Börse on May 13, 2008 and on the basic Earnings Per Share for the year ended December 31, 2007

4.6 BASF SE is a widely held listed company and there is no Promoter or person who is in control of BASF SE.

4.7 BASF is the world's leading chemical company – The Chemical Company. With over 95,000 employees as well as close to 100 large and a multitude of smaller production sites worldwide, the BASF Group serves customers and partners in almost all countries of the world. BASF Group's portfolio ranges from chemicals, plastics, performance products, functional solutions, agricultural solutions to crude oil and natural gas. As a reliable partner, BASF helps customers to be more successful.

4.8 BASF Group operates in six product segments: Chemicals, Plastics, Performance Products, Functional Solutions, Agricultural Solutions, and Oil & Gas. It has a presence in the following regions: Germany and Rest of Europe, North America (NAFTA), South America, Africa & Middle East and Asia Pacific.

4.9 BASF SE is a widely held company with 100% public shareholding, including holding by institutional and private investors.

5 INFORMATION ABOUT THE TARGET COMPANY

5.1 BASF India Limited is a public limited company with its registered office located at R.B.C. Mahindra Towers, 1st Floor, 'A' Wing, Dr. G.M. Bhosale Marg, Worli, Mumbai 400018. Tel +91-22-66618000, Fax +91-22-24950512. BASF India is a subsidiary of BASF SE.

5.2 BASF India was incorporated as R.A. Cole Private Limited on May 13, 1943 under the Companies Act, VII of 1913. The name R.A. Cole Private Limited was changed to Indoplast Limited on January 9, 1963. The name of the Target Company was thereafter changed to its present name, BASF India Limited on September 23, 1967.

5.3 The issued share capital of BASF India as on the date of Public Announcement is Rs. 281,901,480 comprising 28,190,148 Equity Shares (including 682 issued Equity Shares held in abeyance) (**"Voting Capital"**). The paid-up capital of the Target Company, as of the date of this Public Announcement, is Rs. 281,894,660 divided into 28,189,466 fully paid up Equity Shares of Rs. 10/- each. There are no partly paid-up shares or securities convertible into Equity Shares of the Target Company.

5.4 BASF India is presently engaged in the business of manufacturing and marketing of a wide range of chemicals including expandable polystyrene, tanning agents, leather chemicals and auxiliaries, finishing agents and pigments, crop protection chemicals, textile chemicals, dispersions and speciality chemicals. It is also engaged in trading and indenting of chemicals.

5.5 BASF India established a wholly owned subsidiary, BASF Polyurethanes India Limited ("BPIL"), on 6th April 2005 for setting up a system house to manufacture Polyurethanes System products. The business of BASF India relating to Polyurethanes products was transferred by the Target Company to BPIL, effective 1st July, 2006.

5.6 The Equity Shares of BASF India are listed on BSE and NSE. The shares of the Target Company have been listed on the BSE since 25th April 1968 and on NSE since 17th May 1995.

5.7 Based on the audited standalone Annual Accounts of the Target Company for the fiscal year ended March 31, 2007 and March 31, 2008, the financial highlights of the Target Company are as follows:-

(Amount Rs. in Lacs, except per share amounts)

As on or for the Year ended	March 31, 2007	March 31, 2008
Revenue	84,907	105,685
Net Income	5,005	5,746
Equity Share Capital	2,819	2,819
Net worth	30,325	33,762
Book Value per Share	107.57	119.77
Earnings Per Share (basic)	17.75	20.38
Return on Net worth (%)	17.27	17.93
Price to Earnings multiple (times) (1)		11.88

Note: (1) Based on closing price on BSE on May 14, 2008 and on the basic Earnings Per Share for the year ended March 31, 2008

5.8 As on the date of this Public Announcement, the Board of Directors of the Target Company comprises 8 directors: Mr. Prasad Chandran (Chairman & Managing Director), Dr. Tilman Krauch (Non-Executive Director), Dr. Rainer Diercks (Non-Executive Director), Mr. Hermann Althoff (Non-Executive Director), Mr. K. R. Coorlawala (Independent Director), Mr. Pradip P. Shah (Independent Director), Mr. R.A. Shah (Independent Director), Mr. R.R. Nair (Independent Director). Mr. Deepak Thuse is an alternate director to Dr. Tilman Krauch, Mr. S. Ramnath is an alternate director to Mr. Hermann Althoff and Mr. R.Y. Vaidya is an alternate director to Dr. Rainer Diercks.

5.9 None of the directors of the Acquirer are on the Board of Directors of the Target Company.

6 Reasons for the Offer and Future Plans

6.1 The Acquirer, as the Promoter of BASF India holds 52.69% of the Voting Capital of BASF India as on the date of Public Announcement. The Acquirer wishes to further consolidate its holding by making this voluntary Offer to public shareholders of BASF India in accordance with Regulation 11(1) of the SEBI (SAST) Regulations. The Acquirer plans to extend its market position in the growing Indian chemical sector. To this extent, a larger shareholding in BASF India will support the Acquirer's efforts in developing the businesses effectively.

6.2 As a part of its ongoing business strategy, the Acquirer constantly monitors and evaluates its product portfolio in various regions of its operations and based on such evaluation, may decide to enter into or discontinue certain product lines. Such decisions, if any, taken at the global or regional levels may affect the business composition of BASF India. The Board of Directors of the Acquirer or its authorized persons are responsible for taking decisions in these matters, as per the requirements of business and in line with opportunities or changes in the economic scenario, from time to time.

6.3 As on the date of this Public Announcement, the Acquirer does not have any plans to make any major change to the existing lines of business of BASF India or to dispose of or otherwise encumber any assets of BASF India in the next 24 months, except in the ordinary course of business of BASF India and its subsidiaries and except to the extent if deemed necessary for the purpose of restructuring and/or rationalization of business, assets, investments, liabilities or otherwise of BASF India for commercial reasons, operational efficiencies or otherwise, including the activity referred to in para 6.2 above. It will be for the Board of Directors of BASF India to take appropriate decisions in these matters as per the requirements of the business. Such steps relating to sale or encumbrance, if any, of the substantial asset of BASF India and restructuring as aforesaid will be governed by the applicable provisions of regulations, Companies Act, 1956, and/or other applicable laws at the relevant time.

6.4 In line with the practice followed globally by the Polyurethanes business group, and with a view to impart greater focus to Polyurethanes system ("PU") business in India, the Target Company's wholly owned subsidiary BASF Polyurethanes India Ltd ("BPIL") was incorporated on April 6 2005, to establish a system house to manufacture PU products. The activity of indenting and trading in PU products of the Target Company was transferred to BPIL effective 1st July 2006. In the event of synergies with the existing operations of the Target Company not materializing, the Acquirer or its affiliates have the discretion to acquire the Target Company's holding in BPIL in 2008 on the basis of a fair valuation of the shares of BPIL carried out by an independent valuer. In any event, the value of the said shares of BPIL shall not be lower than the original investment value, appearing in the books of the Target Company.

6.5 Other than the aforesaid, the Acquirer undertakes that it shall only sell, dispose of or otherwise encumber any substantial asset of BASF India with the prior approval of the shareholders of BASF India to the extent such approval is required by applicable laws.

6.6 The Acquirer does not have any intention to change the Board of Directors of BASF India except in the ordinary course.

7 STATUTORY APPROVALS FOR THE OFFER

7.1 The Offer is subject to the receipt of approval from the Reserve Bank of India ("RBI") for acquiring Equity Shares from non-resident Indians who validly tender their Equity Shares under this Offer. The Acquirer will make the necessary application to and filings with the various authorities to obtain the statutory approval described above.

7.2 To the best of the Acquirer's knowledge as of the date of the Public Announcement, there are no other statutory approvals required to implement the Offer other than the one specified above. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approvals. Acquirer will have the right not to proceed with the Offer in the event any of the statutory approvals that are required are refused in terms of Regulation 27 of the SEBI (SAST) Regulations.

7.3 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to Acquirer for payment of consideration to shareholders of the Target Company, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by Acquirer in obtaining the requisite approval(s), the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations.

7.4 To the best of its knowledge, the Acquirer does not require any approvals from financial institutions or banks for the Offer.

8 OPTION IN TERMS OF REGULATION 21(2)

8.1 As per the Listing Agreements with the BSE and NSE and in terms of clause 40A of the Listing Agreement (as amended), the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis.

8.2 Pursuant to the successful closure of the Offer and even assuming full acceptances, the public shareholding in the Target Company shall not fall to less than 25% of the Voting Capital.

9 FINANCIAL ARRANGEMENTS

9.1 The total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of up to 6,289,591 Equity Shares held by shareholders in the Target Company at Rs. 274 per Equity Share is Rs. 1,723,347,934 (Rupees One hundred and seventy two crores, thirty-three lacs, forty-seven thousand, nine hundred and thirty four only) (the **"Maximum Consideration"**).

9.2 The Acquirer, JM Financial, and Deutsche Bank AG ("Deutsche Bank"), a banking corporation incorporated under the laws of Germany and having one of its branch offices at 222 Kodak House, Fort, Mumbai 400 001, India have entered into an Open Offer Escrow Agreement (the **"Escrow Agreement"**) in accordance with Regulation 28 of the SEBI (SAST) Regulations. Pursuant to the Escrow Agreement, Acquirer has established a bank guarantee dated May 14, 2008 (**"Bank Guarantee"**) through Deutsche Bank AG, Mumbai Branch in favour of JM Financial for an amount of Rs. 322,334,794, which is in excess of 25% of the value of the total consideration up to Rs. 1,000 million and 10% of the value of the total consideration beyond Rs. 1,000 million payable under the Open Offer (assuming full acceptances). JM Financial has been duly authorized to realize the value of the aforesaid Bank Guarantee in terms of the SEBI (SAST) Regulations. The Bank Guarantee shall be valid until May 13, 2009.

9.3 The Acquirer has also made a cash deposit (**"Security Deposit"**) of Rs. 18,000,000 (being not less than 1% of the Maximum Consideration) in Escrow Account with Deutsche Bank AG, Mumbai Branch, 222 Kodak House, Fort Mumbai 400 001, India (the **"Escrow Account"**). JM Financial has been duly authorized to realize the value of the aforesaid Escrow Account in terms of the SEBI (SAST) Regulations.

9.4 Morgan Stanley Bank AG, a stock corporation under the laws of Germany with its registered office at Junghofstraße 13-15, 60311 Frankfurt/Main, Germany, who are the Bankers to the Acquirer (the **"Bankers"**) have vide their letter dated May 13, 2008 (**"Fund Sufficiency Certificate"**) confirmed based on the funds available with the Acquirer in its treasury department and an agreement between Acquirer and Morgan Stanley Bank AG relating to such funds and to the Fund Sufficiency Certificate, that Acquirer has sufficient means and financial capability for the purpose of acquiring in cash up to 6,289,591 fully paid up Equity Shares (being 22.31% of the issued share capital of the Target Company) at an Offer Price of Rs. 274 per Equity Share for a total consideration of approximately Rs. 1,723,347,934.

9.5 Based on the above, JM Financial is satisfied with the ability of Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

10 OTHER TERMS OF THE OFFER

10.1 The Letter of Offer relating to the Offer (the **"Letter of Offer"**) together with the Form of Acceptance cum Acknowledgement will be mailed to the shareholders of the Target Company, whose names appear on the Register of Members of the Target Company and to the beneficial owners of the Equity Shares of the Target Company in dematerialized form whose names appear on the records of the respective Depositories, in either case, at the close of business on May 30, 2008 (the **"Specified Date"**).

10.2 Shareholders of the Target Company who are holding Equity Shares in physical form and who wish to tender their shares will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer, Sharepro Services (India) Private Limited (**"Registrar to the Offer"/ "Sharepro Services"**), either by hand delivery on weekdays or by Registered Post, so as to reach on or before the close of the Offer, i.e., no later than July 28, 2008, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

10.3 The Registrar to the Offer has opened a special depository account with National Securities Depository Limited (**"NSDL"**) as Depository, JM Financial Services Private Limited as Depository Participant called "Sharepro Services Escrow Account – BASF India Open Offer". The DP ID is IN302927 and Client ID is 10133362. Shareholders of the Target Company having their beneficiary account in Central Depository Services Limited (**"CDSL"**) shall use the inter-depository delivery instruction slip for the purpose of crediting their shares in favor of the special depository account with NSDL.

10.4 Beneficial owners (holders of shares in dematerialized form) who wish to tender their shares of the Target Company will be required to send their Form of Acceptance cum Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant (**"DP"**), in favour of the special depository account to Sharepro Services, Satam Estate, 3rd floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099, India. Telephone No: 022-67720300, Fax No: 022-28375646, Email: grane@shareproservices.com, either by hand delivery on weekdays or by Registered Post acknowledgement due, so as to reach on or before the close of the Offer, i.e., no later than July 28, 2008, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. The credit for the delivered shares should be received in the special depository account on or before the close of the Offer, i.e., no later than July 28, 2008.

10.5 In addition to the above-mentioned address, the shareholders of the Target Company who wish to accept the Offer can also deliver the Form of Acceptance cum Acknowledgement along with all of the relevant documents at any of the collection centers below in accordance with the procedure as set out in the Letter of Offer. All of the centers of Sharepro Services mentioned herein below will be open as follows:

(Monday to Friday: 10 a.m. to 4 p.m.)

Sr. No.	City	Address of collecting office	Contact Person	Telephone Number	Fax Number	Mode of Delivery
1	Ahmedabad	Sharepro Services (India) Private Limited, C/o. S S Enterprises, Above Avoji Showroom, Opp. Tailor Point, Zaveri Varna Naka, Relief Road, Ahmedabad - 380001	Mr. Hitesh Mehta	079-65134328 / 9825465963	079-25601636	Hand Delivery
2	Chennai	Sharepro Services (India) Private Limited, C/o Skystock Financial, 7/A Laxman Nagar East Main Road, Chennai - 600082	Mr. B Srinivas	044-25507845	044-25507845	Hand Delivery
3	Kolkata	Sharepro Services (India) Private Limited, C/o.Dynamic Financial Consultant, 196 A G Arabinda Sarani, Gouribari, Kolkata - 700004	Mr. Bhaskar Biswas	033-25333706 / 9830050737	033-28250087	Hand Delivery
4	Mumbai	Sharepro Services (India) Private Limited, Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099	Mr.V Kumaresan	022-67720300	022-28375646	Hand Delivery / Post
5	Mumbai	Sharepro Services (India) Private Limited, 912 Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021	Mr. Ravi	022-22881568	022-22825484	Hand Delivery / Post
6	New Delhi	Sharepro Services (India) Private Limited, C/o.Sterling Services, F-75, 1st Floor, Bhagat Singh Market, Near Gol Market, New Delhi - 110001	Mr. Sridhar	011-65058126 / 9313796360	011-23341292	Hand Delivery

10.6 All owners (registered or unregistered) of Equity Shares of the Target Company are eligible to participate in the Offer anytime before the closing of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their shares and valid share transfer forms as received from the market. No indemnity is required from the unregistered owners. Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.

10.7 In case of non-receipt of the Letter of Offer, the eligible persons may (i) download the same from the SEBI website, (**http://www.sebi.gov.in**) (ii) obtain a copy of the same by writing to the Registrar to the Offer, or (iii) make an application to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, distinctive numbers, folio number, number of shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the close of the Offer, i.e., no later than July 28, 2008, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than July 28, 2008.

10.8 Applications in respect of Equity Shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the Equity Shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

10.9 Pursuant to Regulation 22(5A) of the SEBI (SAST) Regulations, equity shareholders of the Target Company desirous of withdrawing the acceptance tendered by them in the Offer may do so up to three (3) working days prior to the closing date of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before July 23, 2008.

(i) The withdrawal option can be exercised by submitting the Form of Withdrawal, which is enclosed with the Letter of Offer.

(ii) In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application to Sharepro Services, along with the following details:

- In case of physical shares: name, address, distinctive numbers, folio number, number of shares tendered; and
- In case of dematerialised shares: name, address, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the special depository account.

10.10 The Registrar to the Offer will hold in trust the shares/share certificates, shares held in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the Offer, until the cheques/drafts for the consideration or the unaccepted shares/share certificates are dispatched/returned.

10.11 If the aggregate of the valid responses to the Offer exceeds the Offer size of 6,289,591 fully paid-up Equity Shares of the Target Company (representing 22.31% of the Voting Capital), then Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The Equity Shares of the Target Company are compulsorily traded in dematerialized form, hence the minimum acceptance will be one share.

10.12 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post/Speed Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Unaccepted shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

10.13 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting their shares dematerialized is completed in time for the credit in the special depository account to be received on or before the closing date of the Offer, i.e., no later than July 28, 2008, or else their application will be rejected.

10.14 **Tax to be deducted at Source**

10.14.1 As per the provisions of section 195(1) of the Income Tax 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). Since the consideration payable under the Offer would be chargeable to capital gains under section 45 of the Income Tax Act or as business profits as the case may be, Acquirer will need to deduct tax at source (including surcharge and education cess) at the applicable tax rate on the gross consideration payable to the following categories of shareholders, which are Non-resident Indians, Overseas Corporate Bodies/non-Domestic companies, Foreign Institutional Investors and other persons who are not resident in India.

10.14.2 For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirer shall take action based on the information submitted by the aforementioned category of shareholders. In the case of any ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer, the capital gain shall be assumed to be short-term in nature.

10.14.3 The aforementioned categories of shareholders should certify in the Form of Acceptance cum Acknowledgement whether the Equity Shares are held by them on investment/capital account or on trade account.

10.14.4 In the event the aforementioned categories of shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the Income Tax authorities either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Acquirer while submitting the Form of Acceptance cum Acknowledgement. In the absence of any such certificate from the Income Tax authorities, the Acquirer will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

10.14.5 No tax will be deducted at source for any other category of shareholders who are residents in India.

10.15 While tendering the shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such shares tendered.

10.16 The securities transaction tax will not be applicable to the shares accepted in the Offer.

10.17 A schedule of the activities pertaining to the Offer is given below:-

Activity	Day & Date
Specified Date *	Friday, May 30, 2008
Last date for a competitive bid	Thursday, June 05, 2008
Date by which Letter of Offer to be dispatched to shareholders	Friday, June 27, 2008
Date of opening of the Offer	Wednesday, July 09, 2008
Last date for upward revision of the Offer Price	Thursday, July 17, 2008
Last date for withdrawing acceptance of the Offer	Wednesday, July 23, 2008
Date of closing of the Offer	Monday, July 28, 2008
Last date of communicating rejection/acceptance and payment of consideration for accepted tenders and / or the unaccepted Equity Shares / share certificates will be dispatched / credited.	Monday, August 11, 2008

* Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent and all owners (registered or unregistered) of the Equity Shares of the Target Company (except Acquirer) are eligible to participate in the Offer anytime before the closing of the Offer.

11 GENERAL

11.1 Shareholders of the Target Company who have accepted the Offer by tendering the requisite documents, in accordance with the terms of this Public Announcement and the Letter of Offer, shall have the option to withdraw acceptance tendered by them up to three (3) working days prior to the date of closing of the Offer, in terms of Regulation 22(5A) of the SEBI (SAST) Regulations i.e. July 23, 2008.

11.2 Acquirer can revise the Offer Price and/or Offer Size upwards up to seven (7) working days prior to the closing of the Offer (i.e., July 28, 2008). If there is any upward revision in the Offer Price and/or Offer Size by Acquirer until the last date of revision i.e., July 17, 2008 the same will be informed by way of a public announcement in the same newspapers in which this Public Announcement has appeared. Acquirer would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.

11.3 If there is a withdrawal of the Offer by the Acquirer, the same will be informed by way of a public announcement in the same newspapers in which this Public Announcement has appeared.

11.4 **If there is a competitive bid:**

(i) The offers to the public shareholders of the Target Company under all of the subsisting bids shall close on the same date.

(ii) As the Offer Price can be revised until the period beginning seven (7) working days prior to the closing date of the Offer / bids, it would, therefore, be in the interest of the shareholders of the Target Company to wait until the commencement of that period to know the final offer price of each offer/ bid and tender their acceptance accordingly.

11.5 None of the Acquirer or the Target Company has been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto.

11.6 Pursuant to Regulation 13 of the SEBI (SAST) Regulations, Acquirer has appointed JM Financial as the Manager to the Offer. As of the date of this Public Announcement, JM Financial does not hold any Equity Shares of the Target Company.

11.7 Acquirer and its Directors accept full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirer as laid down in terms of the SEBI (SAST) Regulations.

11.8 Certain financial details contained in this Public Announcement quoted in Rupees are denominated in € (Euro). The Rupee equivalent quoted in each case is calculated in accordance with the RBI Reference rates as on May 13, 2008, namely € 1 = Rs. 65.54 (Source: www.rbi.org.in).

This Public Announcement will also be available on SEBI's website (*www.sebi.gov.in*). Eligible persons to the Offer may also download a copy of the Form of Acceptance cum Acknowledgement, which will be available on SEBI's website at (*www.sebi.gov.in*) from the opening date of the Offer, *i.e.*, July 09, 2008

Issued by the Manager to the Offer

JM FINANCIAL

JM FINANCIAL CONSULTANTS PRIVATE LIMITED

141, Maker Chambers III, Nariman Point, Mumbai 400 021
Tel.: +91-22-6630 3030, Fax.: +91-22-2204 7185
Email: basfindia.openoffer@jmfinancial.in
Contact Person: Mr. Rohit Pareek / Ms. Mamta Joshi

On behalf of:

BASF SE

Place: Mumbai

Date: May 15, 2008