LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as a shareholder(s) of Camlin Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or your investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your Shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

Kokuyo S&T Co., Ltd.

a company, incorporated under the laws of Japan
(Registered Office: 6-1-1 Oimazato-Minami, Higashinari-ku, Osaka, 537-8686, Japan, Tel: +81 6 6973 9431, Fax: +81 6 6973 9235)

along with the following Person Acting in Concert

Kokuyo Co., Ltd.

a public company, incorporated under the laws of Japan
(Registered Office: 6-1-1 Oimazato-Minami, Higashinari-ku, Osaka, 537-8686, Japan, Tel: +81 6 6981 2421, Fax: +81 6 6973 9363)

MAKE A CASH OFFER AT Rs.110.0 PER FULLY PAID-UP EQUITY SHARE (FACE VALUE OF Re. 1/- EACH) TO ACQUIRE 13,857,370 Shares representing 22.7% of the Current Equity Capital (20% of the Diluted Equity Capital) of

Camlin Limited

a public limited company incorporated under the Companies Act
(Registered Office: 9-B, Nanddeep Industrial Estate, Kandivita Lane, J. B. Nagar, Andheri (East), Mumbai – 400 059, Tel: +91 22 2826 3308, Fax +91-22-28366579)

Note:

- This Offer is being made pursuant to regulation 10 and regulation 12 and in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof.
- This Offer is not subject to a minimum level of acceptance.
- This Offer is subject to certain statutory and regulatory approvals described in detail in Section IX. The Acquirer and the PAC have made an application dated June 2, 2011 to obtain RBI approval inter alia for the acquisition/transfer of the Shares tendered pursuant to this Offer, as required.
- In addition to the approvals required by the Acquirer and the PAC, specific approval of the Reserve Bank of India needs to be obtained by OCBs / NRIs in the event that any OCB / NRIs shareholder tenders its Shares in the Offer.
- If there is any upward revision of the Offer Price by the Acquirer/PAC until the last permitted date for revision (September 19, 2011, which is seven (7) working days prior to expiration of the Offer) or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the original Public Announcement had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the period that the Offer is open and accepted under the Offer.
- Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/Letter of Offer, can withdraw the same up to three working days prior to the closure of the Offer (September 23, 2011).
- **There has been no competitive bid.**
- The Offer is not a competitive bid.
- A copy of the Public Announcement and this Letter of Offer (including the Form of Acceptance-cum-Acknowledgement and the Form of Withdrawal) is expected to be available on SEBI's website (www.sebi.gov.in).

Manager to the Offer		**Registrar to the Offer**
kotak Investment Banking	Kotak Mahindra Capital Company Limited Bakhtawar, 1st Floor, 229, Nariman Point Mumbai 400 021 Tel: +91 22 6634 1100, Fax: +91 22 284 0492 Contact Person: Mr. Chandrakant Bhole Email: project.camlinoffer@kotak.com	Sharepro Services (India) Private Limited 13AB, Samhita Warehousing Complex, 2nd Floor Behind Sakinaka Telephone Exchange Andheri (East), Mumbai 400072 Tel: +91 22 6191 5400; Fax: +91 22 6191 5444 Contact Person: Mr. Anand Moolya email: camlin.offer@shareproservices.com

Activity	Date	Day
Public Announcement	June 1, 2011	Wednesday
Specified Date*	June 10, 2011	Friday
Last date for a competitive bid, if any	June 22, 2011	Wednesday
Last date for dispatch of Letter of Offer to the Shareholders of the Target Company	September 6, 2011	Tuesday
Offer Opens on	September 9, 2011	Friday
Last date for revising the Offer Price	September 19, 2011	Monday
Last date for withdrawal by Shareholders	September 23, 2011	Friday
Offer Closes on	September 28, 2011	Wednesday
Last date by which acceptance/rejection would be intimated and corresponding payment for acquired Shares and/or the share certificate/demat delivery instruction for rejected Shares will be dispatched/issued	October 13, 2011	Thursday

**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 Eligible Shareholders are eligible to participate in the Offer.*

NOTE: Duly signed Application cum Transfer Deed(s) together with share certificate(s) should be dispatched by registered post/courier or hand delivered to the Registrar to the Offer or their collection centres so as to reach not later than 4.30 pm on *September 28, 2011.*

Risk Factors

Risks factors: (i) relating to the Offer, (ii) relating to the "Acquisition", and (iii) involved in associating with the Acquirer/PAC and the likely adverse affect of these risk factors on the Shareholders.

I. Risks relating to the Offer:

- The Offer is subject to the receipt of certain statutory and regulatory approvals described in detail in Section IX. In the event any of the required statutory approvals are refused or under such circumstances as in the opinion of SEBI merit withdrawal of the Offer, the Offer may be withdrawn in terms of regulation 27 of the Regulations. The Offer is subject to the Acquirer obtaining approval from the from the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999, as amended, for the acquisition / transfer of the Shares tendered pursuant to this Offer, for purchase of Shares of the resident Promoters of the Target Company at the agreed price in the JVA and for purchase of shares from Promoters of the Target Company being non-resident Indians at the agreed price and payment of consideration for all of the above, as required. The Acquirer has filed an application dated June 2, 2011 with RBI for approval to acquire Shares from nonresident persons pursuant to the Offer. The Acquirer is awaiting approval from the RBI presently.
- In the event that either: (a) regulatory approvals are not received in time, (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer/PAC from performing its obligations hereunder, or (c) SEBI instructing the Acquirer/PAC not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Shares are accepted under the Offer as well as the return of Shares not accepted under the Offer by the Acquirer/PAC may get delayed. In case of delay, due to non-receipt of statutory approval(s), then in accordance with regulation 22(12) of the Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer/PAC, grant an extension for the purpose of completion of the Offer subject to the Acquirer/PAC agreeing to pay interest to the validly tendering Shareholders. Further, Shareholders should note that after the last date of withdrawal i.e. September 23, 2011, Shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed.
- The tendered Shares and documents would be held by the Registrar to the Offer, till the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Shares which are in the custody of the Registrar to the Offer. During such period, there may be fluctuations in the market price of the Shares. The Acquirer/PAC makes no assurance with respect to the market price of the Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.
- In the event of oversubscription in the Offer, the acceptance of the Shares tendered will be on a proportionate basis and will be contingent on the level of oversubscription in terms of Regulation 21(6) of the Regulations. The unaccepted Shares will be returned to the Shareholders in accordance with the Schedule of Activities for the Offer.
- The Acquirer, the PAC and the Manager to the Offer accept no responsibility for the statements made otherwise than in this Letter of Offer/PA and anyone placing reliance on any other source of information (not released by the Acquirer, the PAC, or the Manager to the Offer) would be doing so at his/her/their own risk.

II. Risks relating to Acquisition

- The Offer is subject to completion risks as would be applicable to similar transactions.
- The transaction is subject to the terms of the transaction agreements entered into between the Acquirer and the Sellers as more fully set out in Section II. In accordance with the Transaction Agreements, the Acquisition shall be completed upon the fulfillment of certain conditions precedent agreed between the parties to the Transaction Agreements.

III. Risks relating to Acquirer/PAC and the Target Company

- There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
- The Acquirer and the PAC cannot give any assurance regarding the results of the consummation of the Acquisition. The Acquirer's and PAC's reasons for acquisition as more fully set out in Section II may or may not be realized. The extent to which the Acquirer/ PAC are able to achieve their goals with respect to these items may have a positive or negative effect on the future price of the Shares, which should be considered by Shareholders as they evaluate the Offer Price and the Offer. The Acquirer/ PAC makes no assurance with respect to the future financial performance of the Target Company.
- The Acquirer and PAC cannot provide any assurance with respect to the market price of the Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

The risk factors set forth above are limited to the Offer and not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirers and PACs, but are only indicative. The risk factors 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 a complete analysis of the risks involved in the participation by a Shareholder in the Offer. The Shareholders are advised to consult their stockbroker, or tax advisor or investment consultant, if any, for further risks with respect to their participation in the Offer.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "US Dollars" or "$" is to the United States Dollar and "JPY" is to Japanese Yen. Unless otherwise stated, the Rupee equivalent quoted in each case is calculated in accordance with the Reserve Bank of India rate as on the reference date. In this Letter of Offer, any discrepancy in any table between the total and sums of amounts listed are due to rounding off.

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Key Definitions

Acquirer	Kokuyo S&T Co, Ltd., an unlisted company incorporated on October 1, 2004, under the laws of Japan with its registered office at at 6-1-1 Oimazato-Minami, Higashinari-ku, Osaka, 537-8686, Japan, Telephone: +81-6-6973-9431, Fax: +81-6-6973-9235
Acquisition	Acquisition shall have the meaning ascribed to it in paragraph 2 of this Letter of Offer
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956, as amended
Current Equity Capital	The issued and paid-up equity capital of the Target Company comprising of 6,10,64,537 Shares of Re.1/- each as on the date of the Public Announcement as per the information from the Target Company
Depositories	CDSL and NSDL
Diluted Equity Capital	The issued and paid-up equity capital of the Target Company as expected to be as on the date 15 days after the scheduled closing of the Offer as calculated in paragraph 9 of this Letter of Offer
Eligible Shareholders	All shareholders/beneficial owners (registered or otherwise) of Shares (other than the parties to the Transaction Documents)
FEMA	Foreign Exchange Management Act, 1999, as amended
FIPB	Foreign Investment Promotion Board
Form of Acceptance-cum-Acknowledgment	Form of Acceptance-cum-Acknowledgement attached to this Letter of Offer
Form of Withdrawal	Form of Withdrawal attached to this Letter of Offer
GAAP	Generally Accepted Accounting Principles
I-T Act	Income-tax Act, 1961, as amended
Lac / Lacs	1,00,000 units
Letter of Offer	This Letter of Offer dated September 1, 2011
Manager to the Offer/KMCC	Kotak Mahindra Capital Company Limited, the merchant banker appointed by the Acquirer and the PAC pursuant to the Regulations, having its registered office at Bakhtawar 1st Floor, 229 Nariman Point, Mumbai - 400 021, +91 22 6634 1100, Email: project.camlinoffer@kotak.com, Contact Person: Chandrakant Bhole
Maximum Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is Rs. 1,524,310,700/- (Rupees One Billion Five Hundred Twenty Four Million Three Hundred Ten Thousand and Seven Hundred Only)
Mn / Million	1,000,000 units
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body as defined in Foreign Exchange Management (Deposit) Regulations, 2000
Offer	The Offer being made by the Acquirer and the PAC for acquiring 13,857,370 Shares representing 22.7% of the Current Equity Capital (20% of the Diluted Equity Capital), from the Shareholders at the Offer Price payable in cash
Offer Period	20 day period from the date of the opening of the Offer on September 9, 2011 to the closing of the Offer on September 28, 2011 (both days inclusive)
Offer Price	Price of Rs. 110.0 (Rupees One Hundred and Ten Only) per Share
Offer Size	13,857,370 Shares representing 22.7% of the Current Equity Capital (20% of the Diluted Equity Capital)
PAC/Person Acting in Concert	Kokuyo Co., Ltd., incorporated under the laws of Japan with its registered office at 6-1-1 Oimazato-Minami, Higashinari-ku, Osaka, 537-8686, Japan, Telephone: +81-6-6981-2421, Fax: +81-6-6973-9363
Paid-up Capital	Fully paid-up equity capital of the Target Company of Rs. 61,064,537/- comprising of 61,064,537 Shares of face value of Re.1/- each
Public	Public announcement of this Offer made on behalf of the Acquirer and the PAC to the

Announcement/PA	Shareholders, which appeared on June 1, 2011 in all editions of Financial Express, all editions of Jansatta, and Mumbai edition of Navshakti
RBI	Reserve Bank of India
Registrar to the Offer	Sharepro Services (India) Private Limited, the registrar appointed by the Acquirer and the PAC, having its office at 13AB, Samhita Warehousing Complex, 2nd Floor, Behind Sakinaka Telephone Exchange, Andheri (East) Mumbai - 400072, Tel: +91 22 6191 5400, Fax: +91 22 6191 5444, email: camlin.offer@shareproservices.com, Contact Person: Mr. Anand Moolya
Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Rs./ Rupees	The lawful currency of the Republic of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
Share(s)	Each fully paid-up equity share of the Target Company having a face value of Re.1/- each
Shareholder(s)	Shareholders of the Target Company
Specified Date	June 10, 2011, being the date for the purpose of identifying shareholders of the Target Company to whom the Letter of Offer will be sent
Stock Exchanges	BSE and NSE
Target Company	Camlin Ltd., a company incorporated under the Companies Act, with its registered office at 9-B, Nanddeep Industrial Estate, Kandivita Lane, J. B. Nagar, Andheri (East), Mumbai – 400 059, Telephone: +91 22 2826 3308; Fax: +91 22 2836 6579
Transaction Agreements	Joint venture agreement and share subscription agreement both dated May 30, 2011 as more fully set out in paragraph 2 of this Letter of Offer

Note: All capitalized terms used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the Regulations.

I. Disclaimer Clause

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF CAMLIN LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PAC 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 PAC DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED June 13, 2011 TO SEBI IN ACCORDANCE WITH THE REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

FORWARD LOOKING STATEMENTS

Certain statements in this Letter of Offer are not historical and may constitute forward-looking statements reflecting financial performance. When used in this Letter of Offer, words such as “estimate”, “intend”, “expect”, “will”, “may”, “anticipate” and similar expressions are intended to identify forward-looking statements - which are, by their very nature, not guarantees of future operational or financial performance and are subject to risks and uncertainties. Forward-looking statements are based on management’s estimates, beliefs and opinions on the date the statements are made. Actual results may differ from these estimates, beliefs and opinions.

II. Details of the Offer

Background of the Offer

1 This Offer is being made by Kokuyo S&T Co., Ltd., (“Acquirer”), along with Kokuyo Co., Ltd., hereinafter referred to as Person Acting in Concert (“PAC”) pursuant to and in compliance with, among others, regulation 10 and regulation 12 of the Regulations, triggered by certain agreements to acquire more than 15% of the voting rights of the Target Company accompanied with a proposed change in control of the Target Company. Due to the operation of Regulation 2(1)(e)(2) of the Regulations, there could be other subsidiaries of the Acquirer/PAC, who could be deemed to be acting in concert with the Acquirer. A list of such subsidiaries that could be deemed to be acting in concert with the Acquirer/ PAC is given below:

- Kokuyo Furniture Co., Ltd.
- Kokuyo Engineering & Technology Co., Ltd.
- Kaunet Co., Ltd.
- Forest Co., Ltd.
- Kokuyo International Co., Ltd.
- Kokuyo Marketing Co., Ltd.
- Kokuyo Business Service Co., Ltd.
- Kokuyo Finance Co., Ltd.
- Kokuyo Product Shiga Co., Ltd.
- Kokuyo MVP Co., Ltd.
- Kokuyo Vietnam Co., Ltd.
- Kokuyo Supply Logistics Co., Ltd.
- Kokuyo (Malaysia) Sdn. Bhd.
- Actus Co., Ltd.
- Kokuyo Logitem Co., Ltd.
- Kokuyo International Asia Co., Ltd.
- Kokuyo Trading (Shanghai) Co., Ltd.
- Kokuyo Interior Technology (Shanghai) Co., Ltd.
- Kokuyo Office Services (Shanghai Co., Ltd.
- Kokuyo Commerce (Shanghai) Co., Ltd.

However, such persons are not persons acting in concert with the Acquirer for the purposes of this Offer.

2 The Acquirer has on May 30, 2011 executed a Joint Venture Agreement ("JVA") and a Share Subscription Agreement ("SSA") with the Target Company and its Promoters (as defined below). As per the JVA and SSA,

a. the Acquirer would be allotted by the way of a preferential allotment 6,934,000 (Six Million Nine Hundred Thirty Four Thousand Only) Shares in the Target company representing 10.0% of the Diluted Equity Capital (as defined in paragraph 9 below) of the Target Company ("Subscription Shares") at a price of Rs. 85.0 (Rupees Eighty Five Only) per Share to be paid in cash; and

b. the Acquirer would purchase from the following Promoters, 14,044,850 (Fourteen Million Forty Four Thousand Eight Hundred and Fifty Only) Shares representing 20.3% of the Diluted Equity Capital (as defined in paragraph 9 below) (the "**Sale Shares**") at a price of Rs 110.0 (Rupees One Hundred and Ten Only) per Share to be paid in cash:

Sr. No.	Name of Promoter	No. of Shares	Percentage of the Diluted Equity Capital
1	Rajani Subhash Dandekar	328,000	0.5%
2	Ashish Subhash Dandekar	857,000	1.2%
3	Leena Ashish Dandekar	632,000	0.9%
4	Anagha Subhash Dandekar	733,000	1.1%
5	S D Dandekar (HUF)	605,000	0.9%
6	D P Dandekar (HUF)	630,000	0.9%
7	DDI Consultants Pvt Ltd	600,000	0.9%
8	Shriram Sharad Dandekar (HUF)	690,000	1.0%
9	Shubhada Shriram Dandekar	726,800	1.0%
10	Jahnavi Shriram Dandekar	120,000	0.2%
11	Madhav Govind Dandekar	982,500	1.4%
12	Saroj Madhav Dandekar	1,158,500	1.7%
13	Rajiv Madhav Dandekar	519,500	0.7%
14	Kalpana Rajiv Dandekar	60,000	0.1%
15	Chinmaya Rajiv Dandekar	315,000	0.5%
16	Neeraj Rajiv Dandekar	315,000	0.5%
17	Deepak Madhav Dandekar	741,500	1.1%
18	Sangeeta Deepak Dandekar	160,000	0.2%
19	Adwait D Dandekar	110,000	0.2%
20	Siddharth D Dandekar	110,000	0.2%
21	Camellia Management Services LLP	130,000	0.2%
22	Anjali Dilip Phadke	1,000	0.0%
23	Camlink Consultants Private Ltd	497,000	0.7%
24	S D Dandekar	330,000	0.5%
25	Ketki Dilip Dandekar	500,000	0.7%
26	Aditi Dilip Dandekar	500,000	0.7%
27	Rahul Dilip Dandekar	352,700	0.5%
28	Shriram Sharad Dandekar	379,170	0.5%
29	Nikhil Shriram Dandekar	120,180	0.2%
30	Neelima V Divekar	295,000	0.4%
31	Aparna U Kanitkar	235,000	0.3%
32	Kanchan D Gokhale	311,000	0.4%
	Total	**14,044,850**	**20.3%**

The above proposed events including the Offer are hereinafter collectively referred to as the "Transaction" or "Acquisition".

3 The salient features of the SSA and the JVA are as follows:

<u>Salient features of the SSA:</u>

(i) The Acquirer will acquire 6,934,000 (Six Million Nine Hundred Thirty Four Thousand Only) Shares in the Target company representing 10.0% of the Diluted Equity Capital (the "**Subscription Shares**") in accordance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and in terms of the SSA at the price of Rs. 85.0 (Rupees Eighty Five Only) per share aggregating to Rs. 589,390,000.0 for the Subscription Shares.

(ii) The acquisition of the Subscription Shares by the Acquirer is subject to certain conditions precedent as provided in the SSA. The Target Company will convene an extra-ordinary general meeting of its members to approve the allotment of Subscription Shares to the Acquirer and for adopting the restated articles of association of the Target Company reflecting the terms of the JVA.

(iii) There are also certain material covenants to be completed by the Promoters and the Target Company after the execution of the SSA including obtaining consents and waivers from lenders for acquisition of the Subscription Shares of the Target Company.

(iv) The SSA also contains certain customary stand-still provisions to be operative between execution of the SSA and the completion date of the SSA.

(v) Customary representations and warranties have been obtained in the SSA from the parties thereto and indemnities have been obtained from the Promoters and the Company in favour of the Acquirer.

(vi) The parties to the SSA have agreed that the proceeds from the issue and allotment of the Subscription Shares shall not be utilized by the Target Company during the pendency of the Open Offer ("**Subscription Proceeds**"). Post the date of the completion of the Open Offer formalities; the board of directors of the Target Company, in consultation with the Acquirer, shall make appropriate decisions on utilization of such Subscription Proceeds. In case of any inordinate delay in the completion of Open Offer formalities, the board of directors of the Target Company may make appropriate decisions on utilization of such proceeds after consultations with the Acquirer.

<u>Salient features of the JVA:</u>

(i) In terms of the JVA, the Acquirer shall acquire 14,044,850 (Fourteen Million Forty Four Thousand Eight Hundred and Fifty Only) Sale Shares on the completion date at the price of Rs. 110.0 (Rupees One Hundred and Ten Only) per share aggregating to Rs. 1,544,933,500 (Rupees One Billion Five Hundred Forty Four Million Nine Hundred Thirty Three Thousand and Five Hundred Only) for the Sale Shares from the Promoters of the Target Company. The Sale Shares represent 20.3% of the Diluted Equity Capital.

(ii) The completion of the transaction of acquisition of the Sale Shares by the Acquirer (which shall be a date no later than 5 business days from satisfaction of all conditions precedent, in accordance with the terms of the JVA, hereinafter referred to as the "JVA Completion Date") is subject to certain conditions precedent including (i) obtaining approval from the Reserve Bank of India ("RBI") in relation to acquisition of the Sale Shares by the Acquirer and equity Shares of the Target Company pursuant to the Offer; (ii) completion of the transaction as contemplated under the SSA as set forth in the document; and (iii) the completion of the Offer and submission of the final report by the merchant banker to the Securities and Exchange Board of India, and the closure of the Offer in accordance with Regulation 24 (7) of the Regulations.

In this context, it may be noted that SEBI vide its observation letter dated August 29, 2011 has directed the Acquirer to complete the transaction of acquisition of the Sale Shares by the Acquirer within a period not later than 2 days from the date of payment of consideration to Shareholders who have validly tendered their Shares in the Offer. In view of this, the Acquirer and the Promoters have agreed that they shall complete the transaction of acquisition of the Sale Shares by the Acquirer within a period not later than 2 days from the date of payment of consideration to Shareholders who have validly tendered their Shares in the Offer.

(iii) The JVA also contains certain customary stand-still provisions to be operative between execution of the JVA and the JVA Completion Date.

(iv) Customary representations and warranties have been obtained in the JVA from the parties thereto and indemnities have been obtained from inter alia the Promoters and the Company in favour of the Acquirer.

(v) In the event that the Acquirer is unable to obtain majority of the Diluted Share Capital in the Target Company pursuant to transactions contemplated in the JVA and the SSA and this Offer, then the Acquirer shall be entitled in the same financial year or during successive financial years after the JVA Completion Date, subject to Applicable Law to subscribe to additional Shares of the Target Company such that it acquires majority shareholding of the Target Company. Save as provided above, the Acquirer shall not acquire any further shareholding in the Company, for a period of 1 (one) year from the JVA Completion Date. The exiting Promoters for a period commencing from the execution of the JVA up to 36 (thirty six) months from the JVA Completion Date and/or the continuing Promoters from the date of execution of the JVA may not acquire any Shares of the Company in any manner, without the prior written consent of the Acquirer. The continuing Promoters may acquire further Shares in the Company in the manner provided therein and in accordance with applicable law, to maintain their shareholding at the thresholds mentioned therein. The parties to the JVA agree that in the event the exiting Promoters acquire any Shares after a period of 3 (three) years from the JVA Completion Date, they shall not be termed as “promoter” or “promoter group” as defined in the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009.

(vi) The continuing Promoters can pursue the current business, only through the Company and the continuing Promoters shall not and shall procure that their Affiliates do not directly, indirectly or beneficially, inter alia commence, establish, invest in (other than a financial investment), canvass or solicit business for any undertaking or any person that is engaged in business operations and activities similar to that of the Target Company or offers products similar to that of the Target Company or in any other manner competes with the Target Company or its subsidiaries. The continuing Promoters and exiting Promoters, subject to the terms of the agreement, are also restricted from directly or indirectly using any trademark, logo or other right of the Target Company for any purpose other than the business of the Company. The continuing Promoters and the exiting Promoters are also restricted from soliciting the existing clients and/or existing employees or officers of the Target Company. These obligations shall be valid for a period of 3 (three) years from the date of such continuing Promoter or exiting Promoters ceasing to be a shareholder of the Target Company.

(vii) The continuing Promoters and their respective affiliates shall not transfer their Shares, or any other rights or interests in such Shares, to any person for a period of 3 (three) years after the JVA Completion Date. At any time after 3 (three) years from the JVA Completion Date, in the event that the continuing Promoters or the Acquirer desire to transfer their Shares after the JVA Completion Date, the other of them shall have the right of first refusal on such Shares. The JVA also prescribes the procedure for exercising the right of first refusal by the parties. However, neither the quantity of Shares nor the price for the transfer of Shares has been fixed under the JVA. In addition, the Acquirer and the continuing Promoters are required to comply with certain other transfer restrictions contained in the JVA.

(viii) On and from the date of execution of the JVA until such time as Directors nominated by the Acquirer have been appointed to the Board of the Target Company, any person nominated by the Acquirer shall be entitled to attend all meetings of the Board of the Target Company and/or shareholders’ meetings of the Target Company as an observer.

(ix) The parties to the JVA have agreed to reconstitute the board of directors of the Target Company (the “Board”), in that the Acquirer shall have the right to nominate 4 (four) directors to the Board on the JVA Completion Date 1 (one) of whom shall be the Vice-Chairman of the Board. The continuing Promoters shall also have the right to nominate directors depending on the shareholding of the continuing Promoters in the Target Company. Mr. Subhash Dandekar shall continue to be the Chairman Emeritus of the Company, until such time as he opts for retirement.

(x) The continuing Promoters and the Acquirer have agreed that, subject to certain conditions, the Target Company’s business as being conducted in India as of the date of the execution of the JVA shall be conducted exclusively through the Target Company and / or its relevant subsidiaries.

(xi) On and from the JVA Completion Date, the Acquirer and the continuing Promoters shall be a “promoter” of the Target Company. However, the Acquirer has entered into the JVA to protect its interests as a significant shareholder of the Target Company and nothing in the JVA constitutes or may be deemed to constitute the Acquirer and any of the exiting Promoters or the continuing Promoters acting as persons acting in concert under the Regulations. The Acquirer shall use all its rights under the JVA for its sole and personal benefit even if such exercise is contrary to the interests of any of the continuing Promoters.

The Acquirer intends to acquire control of the Target Company upon consummation of the Transaction and hence, will be a “promoter” upon completion of the Transaction. However, it is not the intention of the parties that the Acquirer and the continuing Promoters will exercise common control over the Target Company. The definition of ‘person acting in concert’ under the Regulations, 1997 *inter alia* provides that “persons acting in concert” comprises persons who, for a common objective or purpose of substantial acquisition of shares or voting rights or gaining control over the target company pursuant to an agreement or understanding co-operate by acquiring or agreeing to acquire shares or voting rights in the target company or control over the target company. It is clarified that the Acquirer and the Promoters have entered into the JVA, pursuant to which the Acquirer shall acquire shares of the Target Company from the selling Promoters. The JVA also contains provisions outlining the inter-se relationship amongst the continuing Promoters and the Acquirer, the salient features of which are provided in this Letter of Offer. It is submitted that there is no commonality of objectives in connection with exercising “common” control over the Target Company between the Acquirer and the continuing Promoters, each of whom will exercise their respective rights in order to protect their own interests. The Acquirer and the continuing Promoters shall however, comply with the shareholding disclosure requirements, as applicable to the promoter shareholding, prescribed under the listing agreement.

4 On May 30, 2011, the Board of the Target Company, subject to the consent of the Shareholders, has passed appropriate resolutions for approving, inter alia, to issue the Subscription Shares to the Acquirer for a price of Rs. 85.0 (Rupees Eighty Five Only) per Share (the “Preferential Issue”), for convening an extra-ordinary general meeting to obtain approval of shareholders in terms of section 81(1A) of the Companies Act, 1956, to authorize the board of directors of the Target Company to allot the Subscription Shares to the Acquirer.

5 As of the date of the PA, the promoters of the Target Company (“Promoters”) together hold 23,284,680 (Twenty Three Million Two Hundred Eighty Four Thousand Six Hundred and Eighty Only) Shares of Target Company constituting 38.13% of the Current Equity Capital of the Target Company and 33.61% of the Diluted Equity Capital of the Target Company. Pursuant to completion of the Transaction, the Promoters shall hold 9,239,830 (Nine Million Two Hundred Thirty Nine Thousand Eight Hundred and Thirty Only) Shares constituting 15.13% of the Current Equity Capital of the Target Company and 13.34% of the Diluted Equity Capital of Target Company.

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

Details of the Proposed Offer

7 In accordance with regulation 14(1) and regulation 15(1) of the Regulations, the Acquirer and the PAC issued a Public Announcement (PA) on June 1, 2011 which appeared in all editions of Financial Express, all editions of Jansatta and the Mumbai edition of Navshakti. A copy of the PA is expected to be available on SEBI’s website (www.sebi.gov.in).

8 Pursuant to this Offer, the Acquirer and the PAC propose to acquire 13,857,370 (Thirteen Million Eight Hundred Fifty Seven Thousand Three Hundred and Seventy Only) Shares of the Target Company (“Offer Size”) from the shareholders of the Target Company as mentioned in paragraph 107 below, representing 22.7% of the Current Equity Capital (20% of the Diluted Equity Capital as defined in paragraph 9 below) of the Target Company, at a price of Rs. 110.0 (Rupees One Hundred and Ten Only) for each Share of the Target Company (“Offer Price”), to be paid in cash in accordance with the Regulations.

9 Based on the available information, the diluted equity capital as on the date 15 days after the scheduled closing of the Offer (“Diluted Equity Capital”) has been calculated as follows:

Particulars	No. of Shares
Total fully paid-up equity Shares outstanding as of the date of the PA (A)	61,064,537
Total outstanding ESOPs for which equity Shares may be issued during the period of the Offer (B)*	1,288,313
New equity Shares proposed to be issued to the Acquirer under preferential allotment issue pursuant to the SSA (C)	6,934,000
Diluted Equity Capital (A + B + C)	69,286,850

** Source: JVA and SSA*

10 There are no partly paid-up Shares in the Target Company. This Offer is not subject to any minimum level of acceptance or any differential pricing.

11 As of the date of the PA, the Acquirer and the PAC did not hold any Shares in the Target Company. The Acquirer and the PAC or any of their directors have not acquired nor have been allotted any Shares of the Target Company in the 12 (twelve) months prior to the date of the PA.

However, the Acquirer or PAC may acquire Shares of the Target Company on the Stock Exchanges, or through negotiation or otherwise, in compliance with and subject to the provisions of the Regulations and applicable law during the pendency of the Offer, and all details of such purchases will be disclosed by the Acquirer and the PAC to the Stock Exchanges and to the Manager to the Offer within 24 hours of such acquisition in terms of regulation 22(17) of the Regulations.

As per regulation 20(7) of the Regulations, where any such aforementioned acquisition is at a price higher than the Offer Price, then, the highest price paid for such acquisition shall be payable for all acceptances received under the Offer. Further, no such acquisition shall be made during the last seven (7) working days prior to the closure of the Offer, except Shares accepted in the Offer.

12 The Acquirer and the PAC have not acquired any Shares since the date of the PA and up to the date of this Letter of Offer.

13 The Offer is not a competitive bid. There have been no competitive bids as of the date of this Letter of Offer.

14 To the extent of the Offer Size, all the Shares of the Target Company that are validly accepted in this Offer are proposed to be acquired by the Acquirer, subject to the terms and conditions of the Offer and receipt of approvals. In case the number of Shares validly tendered in the Offer is more than the Shares to be acquired in the Offer, the acquisition of Shares from each shareholder will be, as per the provisions of regulation 21(6) of the Regulations, on a proportionate basis in such a way that the acquisition from each shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. As the Shares trade in the compulsory dematerialized settlement segment of BSE and NSE, the minimum marketable lot for the Shares is 1 (one).

15 There shall be no discrimination in the acceptance of locked-in and non locked-in Shares in the Offer. The Shares to be acquired under this Letter of Offer are to be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

16 This Offer is being made to all Eligible Shareholders of the Target Company.

17 This Letter of Offer is being sent to all Eligible Shareholders of the Target Company whose names appeared in the Register of Members of the Target Company and the beneficial owners of the Shares of the Target Company whose names appear as beneficiaries on the records of the respective Depositories, at the close of business hours on June 10, 2011, being the Specified Date, as required under the Regulations.

Object of the Acquisition/Offer

18 The completion of the Acquisition will result in substantial acquisition of Shares and voting rights in the Target Company by the Acquirer accompanied with a change in control of the Target Company. The Offer is therefore being made in accordance with regulations 10 and 12 of the Regulations.

19 The acquisition fully supports the Acquirer's and the PAC's strategy to expand into emerging markets that the Acquirer and the PAC believe represents a great growth potential and propose to establish its presence in India through the Transaction. Acquirer's/ PAC's reasons for the Transaction are as follows:

i. Acquisition of national distribution channel and brand in India;
ii. Joint development of products;
iii. Sales of Target Company's products in other Asian regions;
iv. Introduction of Acquirer's management system developed in Japan; and
v. Undertake other business development opportunities depending on the characteristics, purchasing powers and state of infrastructure.

20 The Acquirer, the PAC and the Target Company believe that the Transaction will create significant long-term value for all stakeholders through following means:

i. The Acquirer/ PAC will (a) utilize the Target Company's brand and distribution capacity; (b) contribute their know-how in notebooks, paper products, files and writing goods areas in which they excel; and (c) contribute their product development capability which created many of Acquirer's and PAC's value added products, design ability, manufacturing technology, and distribution infrastructure system;
ii. Acquirer/ PAC intend to sell Target Company's existing products and jointly developed products using Acquirer's/ PAC's distribution channels in Asia; and
iii. Acquirer/ PAC intend to improve competitiveness in manufacturing and procurement through cost reductions and improvements to Target Company's manufacturing portfolio.

The reference made to the Target Company in the section 'Object of the Acquisition/ Offer' is not and should not be considered as a recommendation in respect of the offer by the Target Company or its directors.

III. Background of the Acquirer

Kokuyo S&T Co., Ltd.

21 Kokuyo S&T Co., Ltd. is an unlisted company incorporated on October 1, 2004, under the laws of Japan with its registered office at 6-1-1 Oimazato-Minami, Higashinari-ku, Osaka, 537-8686, Japan, Telephone: +81-6-6973-9431, Fax: +81-6-6973-9235.

22 Kokuyo S&T Co., Ltd. has been promoted by Kokuyo Co., Ltd. As of the date of the PA, Kokuyo Co., Ltd. directly owns 100% share capital of the Kokuyo S&T Co., Ltd.

23 Kokuyo S&T Co., Ltd. manufactures and purchases a variety of products including paper products, stationery and PC-related products, and sells through all kinds of channels, including channels for stationery stores, volume retailers and convenience stores. Manufacturing sites of Kokuyo S&T Co., Ltd. are located in Shiga and Tottori of Japan, Thailand and Vietnam. As of December 2010, Kokuyo S&T Co., Ltd. employs more than 500 employees.

24 As of the date of the PA, the paid-up equity share capital of Kokuyo S&T Co., Ltd. is JPY 3,000,000,000 (Rs. 1,670,700,000 using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011) consisting of 60,000 fully paid-up equity shares. Kokuyo S&T Co., Ltd. does not assign any face value to its common equity, as permitted under the laws of Japan.

25 The shareholding pattern of Kokuyo S&T Co., Ltd. as on the date of the PA is as follows:

Sl. No.	Name of the Entity	Number of Shares	Percentage Shareholding
1	Promoter - Kokuyo Co., Ltd.	60,000	100%

26 Brief history of Kokuyo S&T Co., Ltd. and some major events are summarized as under:

Oct-2004	Incorporated as a limited liability company under the name of Kokuyo S&T Co., Ltd.
Nov-2005	Jointly established Kokuyo Vietnam Co., Ltd. in Vietnam with Kokuyo International Co., Ltd.

27 The details of the Board of Directors of Kokuyo S&T Co., Ltd. as on the date of the Letter of Offer are as follows:

Title	Name	Date of Birth	Academic Qualification, Experience, Date of Appointment and Principal Occupation		Residential Address
President and Representative Director	Takuya Morikawa	10/7/1959	Mar-1982	Faculty of Economics, Kwansei Gakuin University	370-1-509 Ueki, Kamakura-shi, Kanagawa
			Apr-1982	Joined Kokuyo Co., Ltd.	
			Apr-2003	Kokuyo Co., Ltd. / Head of RDI Center	
			Jun-2005	Kokuyo S&T Co., Ltd. / Representative Director	
Vice President and Director	Mitsuhiro Okamoto	2/10/1957	Mar-1980	School of Law, Tohoku University	6-110-2 Kayafuricho, Yao-shi, Osaka
			Apr-1980	Joined Kokuyo Co., Ltd.	
			Apr-2001	Kokuyo Co., Ltd. / General Manager of GPS Business	
			Jun-2005	Kokuyo S&T Co., Ltd./Executive Vice President and Director	
Director	Yukihiro Furumoto	3/5/1957	Mar-1979	Faculty of Economics, Doshisha University	3-7-31 Haginodai, Ikoma-shi, Nara
			Apr-1979	Joined Kokuyo Co., Ltd.	
			Apr-2003	Kokuyo Co., Ltd. / Head of NSC Company	
			Oct-2004	Kokuyo S&T Co., Ltd. / Director and Managing Executive Officer	
Director	Yasushi Inoue	8/7/1958	Mar-1981	College of Art and Design, Musashino Art University	3-1-11-1001 Sakaemachi, Takarazuka-shi, Hyogo
			Apr-1981	Joined Kokuyo Co., Ltd.	
			Oct-2004	Kokuyo S&T Co., Ltd. / Director and Managing Executive Officer	

Title	Name	Date of Birth	Academic Qualification, Experience, Date of Appointment and Principal Occupation		Residential Address
Director	Minoru Yamazaki	9/30/1955	Mar-1979	Faculty of Economics, Kansai University	2-16-8-405 Kounan, Minato-ku, Tokyo
			Apr-1979	Joined Kokuyo Co., Ltd.	
			Oct-2007	Kokuyo Marketing Co., Ltd. / Representative Director	
			Jan-2011	Kokuyo S&T Co., Ltd. / Director,	
				Kokuyo Marketing Co., Ltd. / Representative Director	
Director	Hiromi Oe	2/20/1964	Mar-1986	Faculty of Law, Doshisha University	3-5-9-503 Ibukino, Izumi-shi, Osaka
			Apr-1986	Joined Kokuyo Co., Ltd.	
			Oct-2004	Kokuyo S&T Co., Ltd. / Director	

None of the above directors is a director of the Target Company as of the date of the Letter of Offer.

28 The shares of Kokuyo S&T Co., Ltd., are not listed on any stock exchange.

29 The financial details of Acquirer are prepared in accordance with Japanese Generally Accepted Accounting Principles (GAAP). The standalone financial information for the last three years as derived from its audited financial statements are as follows:

Profit & Loss Statement	**31-Dec-08**		**31-Dec-09**		**31-Dec-10**	
	JPY Mn	**Rs. Lacs**	**JPY Mn**	**Rs. Lacs**	**JPY Mn**	**Rs. Lacs**
Income from Operations	85,543	476,389	75,362	419,691	67,848	377,846
Other Income[1]	78	434	89	496	170	947
Extraordinary Income[2]	265	1,476	255	1,420	306	1,704
Total Income	**85,886**	**478,299**	**75,706**	**421,607**	**68,324**	**380,496**
Total Expenditure[3]	82,485	459,359	71,177	396,385	62,674	349,032
Profit Before Interest and Tax	**3,401**	**18,940**	**4,529**	**25,222**	**5,650**	**31,465**
Depreciation[4]	605	3,369	652	3,631	740	4,121
Profit before Depreciation, Interest and Tax	**4,006**	**22,309**	**5,181**	**28,853**	**6,390**	**35,586**
Depreciation[4]	605	3,369	652	3,631	740	4,121
Interest	127	707	111	618	105	585
Profit before Tax	**3,274**	**18,233**	**4,418**	**24,604**	**5,545**	**30,880**
Provision for Tax	1,509	8,404	1,695	9,439	2,263	12,603
Profit after Tax	**1,765**	**9,829**	**2,722**	**15,159**	**3,282**	**18,277**

Note:

1) Other income = Interest and dividend income
2) Extraordinary Income= Other non-operating income + Adjusted income from the previous year
3) Total expenditure = Cost of sales + Selling, general and administrative expenses+ Other non-operating expense+ Loss on disposal of property, plant and equipment+ Loss on recall+ Loss on valuation of subsidiaries+ Provision for loss on debt guarantees+ Provision for doubtful receivables+ Loss on valuation of investments in securities
4) Under Japanese GAAP, depreciation is not required to be separately disclosed as a line item. Hence, depreciation is clubbed into "Cost of sales", "Selling, general and administrative expenses", and "Extraordinary loss/expenses". However, depreciation is being shown as a separate line item for the purpose of current offer document only
The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

Balance Sheet	**31-Dec-08**		**31-Dec-09**		**31-Dec-10**	
	JPY Mn	**Rs. Lacs**	**JPY Mn**	**Rs. Lacs**	**JPY Mn**	**Rs. Lacs**
Sources of Funds						
Paid up equity share capital	3,000	16,707	3,000	16,707	3,000	16,707
Capital Surplus	15,561	86,659	15,561	86,659	15,561	86,659
Retained Earnings	5,521	30,746	7,362	40,999	9,283	51,697
Treasury stock	—	—	—	—	—	—
Networth[1]	23,841	132,771	25,792	143,636	27,641	153,933
Total Loans	800	4,455	—	—	—	—
Non-current liabilities	1,435	7,992	1,896	10,559	1,888	10,514
Total	**26,076**	**145,217**	**27,688**	**154,194**	**29,529**	**164,447**

Balance Sheet	31-Dec-08		31-Dec-09		31-Dec-10	
	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs
Uses of Funds						
Net Fixed Assets	1,893	10,542	2,519	14,028	2,471	13,761
Intangible Assets	760	4,232	518	2,885	296	1,648
Investments	3,231	17,993	3,623	20,176	4,527	25,211
Non-current Assets	774	4,310	873	4,862	1,116	6,215
Net Current Assets	19,418	108,139	20,155	112,243	21,119	117,612
Total miscellaneous expenditure not written off	—	—	—	—	—	—
Total	**26,076**	**145,217**	**27,688**	**154,194**	**29,529**	**164,447**

Note:

1) Networth includes Valuation and translation adjustments. Valuation and translation adjustments: JPY -242 million in 2008, JPY -131 million in 2009, JPY -203 million in 2010
The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

Other Financial Data	31-Dec-08		31-Dec-09		31-Dec-10	
	JPY	Rs.	JPY	Rs.	JPY	Rs.
Dividend* (%)	50.0%		50.0%		50.0%	
Earning Per Share***	29,419.88	16,383.93	45,376.27	25,270.04	54,708.02	30,466.90
Return on Net Worth^	7.4%		10.6%		11.9%	
Book Value Per Share**	397,355.28	221,287.16	429,878.23	239,399.19	460,692.71	256,559.77

Note:

The above financials are based on audited accounts
**Dividend Payout (%) = Dividend / Profit after tax*
***Book Value per Share calculated as the Networth/ Weighted Average Number of equity shares outstanding during the year*
****Earning per share calculated as Profit After Tax/ Weighted Average Number of equity shares outstanding during the year*
^Return on Networth calculated as Profit After Tax/Networth as at the end of the year
The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

30 The reasons for rise/fall in total income and PAT in the last three financial years are as follows:

For the Fiscal Year Ended December 31, 2010

Reasons for change in income from operations

Income from operations decreased by 10.0% for the year ended December 31, 2010 as compared to the year ended December 31, 2009 mainly due to transfer of the office furniture's mail-order business to another group company.

Reasons for change in profits

Profits increased by 20.6% for the year ended December 31, 2010 as compared to the year ended December 31, 2009 mainly due to gross profit increase thorough cost saving.

For the Fiscal Year Ended December 31, 2009

Reasons for change in income from operations

Income from operations decreased by 11.9% for the year ended December 31, 2009 as compared to the year ended December 31, 2008 mainly due to the drop in demand as a result of the economic recession while enhancing a shift towards higher value-added products and services.

Reasons for change in profits

Profits increased by 54.2% for the year ended December 31, 2009 as compared to the year ended December 31, 2008 mainly due to one-time amortization of goodwill in 2009.

For the Fiscal Year Ended December 31, 2008

During this fiscal period, the Acquirer changed its fiscal year-end from March 31 to December 31. Since the previous fiscal period was shorter than the year ended December 31, 2008, comparisons to the prior fiscal year have not been included.

31 The significant accounting policies applied in the preparation of the financials information presented in this document are set out below:

Summary of significant accounting policies

Securities

The Acquirer classifies securities as (a) equity securities issued by subsidiaries and affiliated companies and (b) all other securities that are not classified in any of the above categories (hereafter, "available-for-sale securities").

Equity securities issued by subsidiaries and affiliated companies are stated at moving average cost.

Investments for limited partnership for capital investment are classified as available-for-sale securities and accounted for using the equity method. If limited partnerships own available-for-sale securities with available fair market values, unrealized holding gains and losses are directly reported, net of applicable income taxes, in a component of net assets of the Acquirer, based on the proportional share of the investment.

Available-for-sale securities with available fair market values are stated at fair market value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on the sale of such securities are computed using moving average cost.

Nonmarketable available-for-sale securities are stated at cost determined by the moving average method.

Derivatives and hedge accounting

Derivative financial instruments are stated at fair value.

The hedge accounting methods are as follows:

a) Hedge accounting methods

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Acquirer defers the recognition of gain or loss resulting from a change in fair value of a derivative financial instrument until the related loss or gain on the hedged item is recognized.

b) Hedging instruments and hedged items

Hedging instruments:	Hedged items:
Currency forward exchange contracts	Foreign currency trade payables and future foreign currency transactions

c) Hedge policy

The hedges, derivative transactions, are executed in accordance with established internal policies and within the specified limits on the amounts of derivative transactions allowed.

d) Methods of assessing hedge effectiveness

The Acquirer evaluates hedge effectiveness semiannually by comparing the cumulative changes in cash flows from or the changes in fair value of hedged items and the corresponding changes in the hedging derivative instruments.

Inventories

Inventories are principally stated at cost, determined by the first-in, first-out method. The inventories held for sale in the ordinary course of business are measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses.The replacement cost may be used in place of the net selling value, if appropriate.

Property, plant and equipment (excluding lease assets)

Buildings (excluding of auxiliary equipment to buildings) acquired after April 1, 2007, are depreciated using the straight-line method and others are depreciated using the declining balance method over the estimated useful lives of the assets. However, Buildings acquired from April 1, 1998 to March 31, 2007, are depreciated using the previous method of accounting for straight-line method. Buildings acquired before March 31, 1998 and other assets acquired before March 31, 2007 are depreciated using the previous method of accounting for declining balance method.

Intangible assets (excluding lease assets)

Amortization is computed using the straight-line method. Software for in-house use is amortized over the estimated useful lives of a five-year period and software for sales is amortized over the estimated available for sales term of a three-year period.

Lease assets

Amortization is computed using the straight-line method that assumes a residual value of zero based on the estimated useful life that corresponds to the lease period.
For financial lease transactions without title transfer whose transaction date is on or before December 31, 2008, the previous method of accounting for lease transactions continues to be applied, with periodic lease charges for financing leases charged to income as incurred.

Allowance for doubtful receivables

The Acquirer provides an allowance for doubtful receivables. For receivables from insolvent customers who are undergoing bankruptcy or other collection proceedings or who are in a similar financial condition, the allowance is provided based on an evaluation of each debtor’s financial condition and the estimated recoverable amounts from the existence of security interests or guarantees. For other receivables, the allowance is provided based on the Acquirer’s actual rate of collection losses in the past.

Bonuses

Accrued employees' bonuses at the balance sheet date are calculated based upon management's estimate of annual amounts.

Severance and retirement benefits

The liabilities and expenses for severance and retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

The Acquirer provides an allowance for employees’ severance and retirement benefits based on the estimated amounts of projected benefit obligation and the fair value of the plan assets.

Differences generated from changes in actuarial assumptions are charged to income or expenses in an amount allocated on a straight-line basis over 12 years, which is shorter than the average remaining service period of the employees, beginning with the term following that when the differences are generated.

Consumption tax
Consumption tax is stated using tax-excluded method.

32 **Adjustments in the audited financial statements, wherever quantification is possible:**

a. **Adjustments / rectification for all incorrect accounting policies or failures to make provisions or other adjustments which resulted in audit qualifications**

Not applicable

b. **Material amounts relating to adjustments for the last three years to be identified and adjusted in arriving at the profits of the years to which they relate**

Not applicable

c. **Where there was a change in the accounting policy during the last three years, the profit or loss re-computed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years**

December 31, 2010

Not applicable

December 31, 2009

Inventories

On July 5, 2006, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Statement No. 9, Accounting Standard for Measurement of Inventories, which is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate.

The Acquirer applied the new accounting standard for measurement of inventories from the year ended December 31, 2009. The adoption of this accounting standard had an insignificant effect on income before income taxes for the year ended December 31, 2009.

Accounting for leases

On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, *Accounting Standard for Lease Transactions,* which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008, with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the notes to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions be capitalized to recognize lease assets and lease obligations in the balance sheet.

The Acquirer applied the revised accounting standard from the year ended December 31, 2009. In compliance with the new standard, the Acquirer accounts for finance leases that commenced on and before December 31, 2008 and which did not transfer ownership in the same manner as operating leases. The adoption of this accounting standard had an insignificant effect on income before income taxes for the year ended December 31, 2009

December 31, 2008

Not applicable

d. Statement of profit or loss shall disclose both the profit or loss arrived at before considering extraordinary items and after considering the profit or loss from extraordinary items

Profit & Loss Statement	31-Dec-08		31-Dec-09		31-Dec-10	
	JPY Mn	INR Lacs	JPY Mn	INR Lacs	JPY Mn	INR Lacs
Total Income	85,886	478,299	75,706	421,607	68,324	380,496
Total Expenditure	82,485	459,359	71,177	396,385	62,674	349,032
Profit before Depreciation, Interest and Tax	4,006	22,309	5,181	28,853	6,390	35,586
Profit after Tax before extraordinary items	2,646	14,736	2,977	16,579	3,809	21,212
Extraordinary Income	265	1,476	255	1,420	306	1,704
Extraordinary loss / expenses	1,146	6,382	510	2,840	833	4,639
Net Extraordinary Income / (loss)	(881)	(4,906)	(255)	(1,420)	(527)	(2,935)
Profit After Tax and extraordinary items	1,765	9,829	2,722	15,159	3,282	18,277

Notes: The above financials are based on audited accounts
The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

e. Statement of assets and liabilities after deducting the balance outstanding on revaluation reserves account from both fixed assets and reserves and net worth arrived at after such deductions

Balance Sheet	31-Dec-08		31-Dec-09		31-Dec-10	
	JPY Mn	INR Lacs	JPY Mn	INR Lacs	JPY Mn	INR Lacs
Paid up equity share capital	3,000	16,707	3,000	16,707	3,000	16,707
Capital Surplus	15,561	86,659	15,561	86,659	15,561	86,659
Retained earning	5,521	30,746	7,362	40,999	9,283	51,697
Treasury stock	—	—	—	—	—	—
Net unrealized gains on securities	-92	-512	-85	-473	-99	-551
Deferred hedges or losses	-149	-830	-45	-251	-104	-579
Foreign currency Translation adjustments	—	—	—	—	—	—
Networth	23,841	132,771	25,792	143,636	27,641	153,933
Revaluation reserves, if any	—	—	—	—	—	—
Networth after revaluation reserves	23,841	132,771	25,792	143,636	27,641	153,933

Notes: The above financials are based on audited accounts
The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

33 Compliance Officer:

Takuya Morikawa, 1-8-35 Konan, Minato-ku, Tokyo 108-8710 Japan, Tel: +81-3-3474-9206.

34 There is no material pending litigation matters involving Kokuyo S&T Co., Ltd.

35 Contingent liabilities stated in the audited Japanese language financial statements of the Acquirer at December 31, 2010 were as follows:

JPY 37 million (Rs. 206 Lacs) of guarantees of bank loans and other indebtedness of the subsidiaries

Notes: The above financials are based on audited accounts
The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

36 As on the date of PA, Kokuyo S&T Co., Ltd. did not hold any Shares in the Target Company. Acquirer has not acquired any stake in Target Company prior to the Public Announcement for this Offer.

37 The provisions of Chapter II regulations of SEBI Takeover Code do not apply to Acquirer as Acquirer does not hold any Shares in the Target Company till date

38 Status of corporate governance: Acquirer meets its corporate governance requirements as a part of the group companies of Kokuyo Co., Ltd. (the "Kokuyo Group" or "Group").

39 There has been no merger/demerger/spin-off involving Kokuyo S&T Co., Ltd. during last three years.

40 Kokuyo S&T Co., Ltd. has not promoted any company in India during the last three years.

IV. Background of the PAC

Kokuyo Co., Ltd.

41 Kokuyo Co., Ltd. was incorporated on July 10, 1920 under the laws of Japan. The registered office is located at 6-1-1 Oimazato-Minami, Higashinari-ku, Osaka, 537-8686, Japan, Telephone: +81-6-6981-2421, Fax: +81-6-6973-9363. Kokuyo Co., Ltd. is the holding company (a sole shareholder) of Kokuyo S&T Co., Ltd.

42 As of December 2010, Kokuyo Co., Ltd. has 22 consolidated subsidiaries in and outside Japan and, as a group, employs nearly 5,000 employees worldwide. Kokuyo Co., Ltd., as a group, has two business segments: stationery business and furniture business. The stationery segment provides notes, albums, binders, forms, and pencils. The furniture segment provides desks, tables, chairs, cabinets, lockers and store fixtures.

43 As of the date of the PA, the paid-up equity share capital of Kokuyo Co., Ltd. is JPY 15,847,000,000 (Rs. 8,825,194,300 using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011) consisting of 128,742,463 fully paid-up equity shares. Kokuyo Co., Ltd. does not assign any face value to its common equity, as permitted under the laws of Japan.

44 The shares of Kokuyo Co., Ltd. are listed on Tokyo Stock Exchange, Osaka Stock Exchange and Nagoya Stock Exchange. Closing market price of its shares on Tokyo Stock Exchange as on May 31, 2011 was JPY 580 (Rs. 323 using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011)

45 The shareholding pattern of Kokuyo Co., Ltd. as of December 31, 2010 is as follows:

Sl. No.	Shareholder Category	Number of Shares (unit*)	Percentage Shareholding
1	Individuals	466,679	36.30%
2	Other entities	424,928	33.06%
3	Financial institutions	251,700	19.58%
4	Foreign entities	136,168	10.59%
5	Financial instruments business operators	6,049	0.47%
6	Foreign individuals	31	0.00%
	Total	**1,285,555**	**100.00%**
-	Shares less than one unit	1,869.63	
	Total Outstanding Shares	**1,287,424.63**	

**1 unit = 100 shares*

46 Kokuyo Co., Ltd. is a professionally managed company. The shares of Kokuyo Co., Ltd. are widely held by institutional and individual shareholders. The particulars of the top 5 (five) shareholders holding above 2% of the equity share capital of Kokuyo Co., Ltd. as of December 31, 2010 is as follows:

Sl. No.	Name of the Shareholder	Number of Shares (1,000 shares)	Percentage Shareholding*
1	Kokuyo Kyoei-kai	8,095	6.29%
2	Japan Trustee Services Bank Ltd.	4,150	3.22%
3	Kuroda Ryokka Jigyo-dan	3,603	2.80%
4	Kokuyo Kyowa-kai	3,207	2.49%
5	Sumitomo Mitsui Banking Corporation	2,650	2.06%

Note: Percentage Shareholding is calculated with respect to the total number of outstanding shares i.e. 128,742,463*

47 Brief history of Kokuyo Co., Ltd. and some major events are summarized as under:

July-1920	Incorporated under the laws of Japan
May-1949	Merged with Kokuyo Shoten Co., Ltd., Tokyo Kokuyo Shoten Co., Ltd. and Seibu Kokuyo Shoten Co., Ltd., and established Kuroda Kokkodo Co., Ltd.
Jun-1961	Name changed to Kokuyo Co., Ltd.
Dec-1962	Established Nihon Jimuyouhin Kougyou Co., Ltd. (Current Kokuyo MVP Co., Ltd.), a paper product manufacturing company
Oct-1969	Merged with Kokuyo Shoji Co., Ltd., an affiliated company
Mar-1971	Listed on the second section of both Tokyo Stock Exchange and Osaka Stock Exchange
Feb-1972	Listed on the first section of both Tokyo Stock Exchange and Osaka Stock Exchange
Feb-1973	Established Kokuyo Mabel Co., Ltd., a partition manufacturing company
Aug-1988	Listed on Nagoya Stock Exchange
Oct-1988	Established Kokuyo Product Shiga Co., Ltd., a paper products manufacturing company
Dec-1996	Established Kokuyo IK (Thailand) Co., Ltd. in Thailand as the first overseas manufacturing company
Mar-1997	Established Kokuyo (Malaysia) Sdn. Bhd., an office furniture manufacturing company in Malaysia
Oct-2000	Established Kaunet Co., Ltd., a mail-order sales company
May-2003	Established Kokuyo Office Services (Shanghai) Co., Ltd. in China
Oct-2004	Became a holding company by splitting all Kokuyo Co., Ltd.'s businesses into separate companies and acquiring the shares of these companies
Nov-2005	Established Kokuyo Vietnam Co., Ltd., an office supplies manufacturing company
Oct-2007	Established Kokuyo Marketing Co., Ltd. by integrating marketing companies responsible for Tokyo, Nagoya and Osaka areas

48 As on the date of PA, PAC does not hold any Shares in the Target Company. PAC has not acquired any stake in Target Company prior to the Public Announcement for this Offer.

49 The provisions of Chapter II regulations of SEBI Takeover Code do not apply to PAC as PAC does not hold any Shares in the Target Company.

50 The details of the Board of Directors of the Kokuyo Co., Ltd. as on the date of the PA are as follows:

Title	Name	Date of Birth	Academic Qualification, Experience, Date of Appointment and Principal Occupation		Residential Address
Representative Director	Akihiro Kuroda	9/28/1949	Mar-1972	Faculty of Economics, Keio University	21-17 Higashiashiya-cho, Ashiya-shi, Hyogo
			Apr-1972	Joined Kokuyo Co., Ltd.	
			Dec-1977	Director of Kokuyo Co., Ltd.	
			Dec-1981	Executive Director of Kokuyo Co., Ltd.	
			Jun-1985	Senior Executive Director of Kokuyo Co., Ltd.	
			Dec-1987	Vice President and Representative Director of Kokuyo Co., Ltd.	
			Aug-1989	President and Representative Director of Kokuyo Co., Ltd. (current position)	
Representative Director	Yasuhiro Kuroda	7/6/1952	Mar-1975	Faculty of Economics, Konan University	5-22-7 Okusawa, Setagaya-ku, Tokyo
			Apr-1975	Joined Kokuyo Co., Ltd.	
			Jun-1991	Director of Kokuyo Co., Ltd.	
			Jun-1993	Executive Director of Kokuyo Co., Ltd.	
			Jun-1995	Senior Executive Director of Kokuyo Co., Ltd.	
			Mar-2009	Senior Executive Director and Representative Director of Kokuyo Co., Ltd.	
			Mar-2010	Vice President and Representative Director of Kokuyo Co., Ltd. (current position)	
Director	Masa Matsushita	7/28/1960	May-1993	Harvard University LL.M.	1-3-15 Minamiazabu, Minato-ku,Tokyo
			Apr-1989	Admitted to Tokyo Bar Association as a lawyer	
			Oct-1996	Tokyo Aoyama Law Firm / Partner	
			Jan-1998	Joined GE Yokokawa Medial System Kabushiki Kaisha	
			Jan-1999	Director of the above company	
			Feb-2000	Senior Legal Counsel of GE Medical Systems (US)	
			Nov-2000	GE Medical Systems (Taiwan) / President	
			Feb-2002	GE Yokokawa Medical System Kabushiki Kaisha / Director, Supervisor of GPC Business	
			Mar-2003	Nihon General Electric Kabushiki Kaisha / Vice President and Director	
			May-2004	GE Consumer Finance Co., Ltd. / Senior Counsel & Compliance, Audit Leader	
			Sep-2005	Fast Retailing Co., Ltd. / Director	
			Jul-2006	FR France S.A.S. / CEO	
			Aug-2009	Siemens Japan K.K. / EVP General Counsel	
			Jul-2010	Siemens Japan K.K. / Director, General Counsel, Siemens Japan Holdings Kabushiki Kaisha / Director	
			Mar-2011	Director of Kokuyo Co., Ltd.	
Director	Toshifumi Ookubo	1/5/1950	Mar-1973	Faculty of Business Administration, Kobe University	4-19-7 Nishitomigaoka, Nara-shi
			Apr-1973	Joined Kokuyo Co., Ltd.	
			Jun-2001	Director of Kokuyo Co., Ltd.	
			Mar-2009	Executive Director of Kokuyo Co., Ltd.	
			Mar-2011	Director of Kokuyo Co., Ltd. (current position)	

Title	Name	Date of Birth	Academic Qualification, Experience, Date of Appointment and Principal Occupation		Residential Address
Outside Director	Takeharu Nagata	5/23/1944	Mar-1967	Faculty of Economics, The University of Tokyo	5-3-23-2 Honmachi, Toyonaka-shi, Osaka
			Apr-1967	Joined Sumitomo Bank	
			Jun-1997	Executive Director of Sumitomo Bank	
			Jun-2000	Senior Executive Director of Sumitomo Bank	
			Apr-2001	Sumitomo Mitsui Banking Corporation / Senior Executive Director	
			Jun-2002	Vice President of Sumitomo Mitsui Banking Corporation	
			Jun-2005	Keihanshin Real Estate Co., Ltd. / President and Representative Director	
			Jun-2005	Shionogi & Co., Ltd. / Corporate Auditor (current position)	
			Jun-2006	SANYO Electric Co., Ltd ./ Corporate Auditor (current position)	
			Jun-2010	Keihanshin Real Estate Co., Ltd. / Chairman and Director (current position)	
			Mar-2011	Outside Director of Kokuyo Co., Ltd.	
Outside Director	Nobuyuki Oneda	5/6/1945	Mar-1969	Faculty of Business and Commerce, Keio University	1-19-15 Moto-cho, Urawa-ku, Saitama-shi
			Apr-1969	Joined Sony Corporation	
			Jun-2002	Managing Executive Officer of Sony Corporation	
			Jun-2003	Corporate Executive Officer, Managing Executive Officer of Sony Corporation	
			Feb-2004	In charge of management planning and finance of Sony Corporation	
			Jun-2005	Executive Officer, EVP and CFO of Sony Corporation	
			Apr-2009	Representative Executive Officer, EVP and CFO of Sony Corporation	
			Jun-2009	Director, Representative Executive Officer, Executive Deputy President and CFO of Sony Corporation	
			Jul-2010	StylingLife Holdings Inc. / Special Counsel (current position)	
			Mar-2011	Outside Director of Kokuyo Co., Ltd.	

None of the above directors was a director of the Target Company as of the date of the PA.

51 The financial details of PAC are prepared in accordance with Japanese Generally Accepted Accounting Principles (GAAP). The consolidated financial information for the last three years as derived from its audited financial statements are as follows:

Profit & Loss Statement	31-Dec-08		31-Dec-09		31-Dec-10	
	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs
Income from Operations	326,120	1,816,162	266,725	1,485,392	261,873	1,458,371
Other Income[1]	1,790	9,969	1,592	8,866	1,630	9,077
Extraordinary Income[2]	705	3,926	4,215	23,473	2,140	11,918
Total Income	**328,615**	**1,830,057**	**272,532**	**1,517,731**	**265,643**	**1,479,366**
Total Expenditure[3]	337,309	1,878,474	269,529	1,501,007	262,193	1,460,153
Profit Before Interest and Tax	**-8,694**	**-48,417**	**3,003**	**16,724**	**3,450**	**19,213**
Depreciation[4]	13,673	76,145	6,617	36,850	6,184	34,439
Profit before Depreciation, Interest and Tax	**4,979**	**27,728**	**9,620**	**53,574**	**9,634**	**53,652**
Depreciation[4]	13,673	76,145	6,617	36,850	6,184	34,439
Interest	715	3,982	550	3,063	589	3,280
Profit before Tax and Minority Interests	**-9,409**	**-52,399**	**2,453**	**13,661**	**2,861**	**15,933**
Provision for Tax	3,064	17,063	1,800	10,024	1,937	10,787

Profit & Loss Statement	31-Dec-08		31-Dec-09		31-Dec-10	
	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs
Less: Minority Interests	-483	-2,690	57	317	108	601
Profit After Tax and Minority Interests	**-11,990**	**-66,772**	**595**	**3,314**	**815**	**4,539**

Note:

1) Other income = Interest and dividend income and net income from real estate operations
2) Extraordinary income = Other non-operating income + Gain on sale of marketable securities + Gain on sale of investments in securities + Gain on sale of property, plant and equipment + Income of penalty charges + Gain on investments in capital of silent partnership + Equity in gains of unconsolidated subsidiaries and affiliates
3) Total expenditure = Cost of sales + Selling, general and administrative expenses + Other non-operating expense + Losses on sale of marketable securities + Losses on sale of investment securities + Losses on disposal of property, plant and equipment + Losses on sale of property, plant and equipment + Nondeductible consumption tax + Sales discount + Equity in losses of unconsolidated subsidiaries and affiliates + Foreign exchange losses + Losses on valuation of investments in securities + Losses on valuation of investments in subsidiaries + Additional contribution on withdrawal from pension fund + Transitional loss on change to a new retirement benefit scheme + Loss on termination of system development + Amortization of goodwill + Loss on dissolution of unconsolidated subsidiaries + Business structure reform expenses + Early retirement benefits + Provision for doubtful receivables + Loss on impairment of fixed assets + Loss on revaluation of derivative transactions + Loss on closing stores + Provision for loss on debt guarantees
4) Under Japanese GAAP, depreciation is not required to be separately disclosed as a line item. Hence, depreciation is clubbed into "Cost of sales", "Selling, general and administrative expenses", and "Extraordinary loss/expenses". However, depreciation is being shown as a separate line item for the purpose of current offer document only
The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

Balance Sheet	31-Dec-08		31-Dec-09		31-Dec-10	
	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs
Sources of Funds						
Paid up equity share capital	15,847	88,252	15,847	88,252	15,847	88,252
Capital Surplus	19,068	106,190	19,068	106,190	19,068	106,190
Retained Earnings	137,818	767,508	136,639	760,943	135,679	755,596
Treasury stock	-14,328	-79,793	-14,330	-79,804	-14,332	-79,815
Networth[1]	159,819	890,032	158,074	880,314	156,632	872,284
Total Loans	35,260	196,363	32,525	181,132	32,196	179,300
Non-current liabilities	11,043	61,498	10,732	59,767	11,730	65,324
Minority Interests	740	4,121	599	3,336	708	3,943
Total	**206,122**	**1,147,893**	**201,331**	**1,121,212**	**200,558**	**1,116,908**
Uses of Funds						
Net Fixed Assets	79,533	442,919	78,049	434,655	77,134	429,559
Intangible Assets	6,400	35,642	5,293	29,477	4,472	24,905
Investments	42,250	235,290	41,477	230,985	41,291	229,950
Non-current Assets	19,818	110,366	20,496	114,142	20,393	113,569
Net Current Assets	58,121	323,676	56,016	311,953	57,268	318,925
Total miscellaneous expenditure not written off	—	—	—	—	—	—
Total	**206,122**	**1,147,893**	**201,331**	**1,121,212**	**200,558**	**1,116,908**

Note:
1) Networth includes Minority interests and Valuation and translation adjustments. Valuation and translation adjustments: JPY 673 million in 2008, JPY 251 million in 2009, JPY -338 million in 2010
The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

Other Financial Data	31-Dec-08		31-Dec-09		31-Dec-10	
	JPY	Rs.	JPY	Rs.	JPY	Rs.
Dividend* (%)	-14.8%		298.2%		217.7%	
Earning Per Share***	-101.36	-56.45	5.03	2.80	6.89	3.84
Return on Net Worth^	-7.5%		0.4%		0.5%	
P/E Multiple	Not Applicable		147.4		101.8	
Book Value Per Share**	1,344.82	748.93	1,331.30	741.40	1,318.22	734.12

Note:
The above financials are based on audited accounts
** Dividend Payout (%) = Dividend / Profit after tax*
***Book Value per Share calculated as the Networth / Weighted Average Number of equity shares outstanding during the year*
****Earning per share calculated as Profit After Tax/ Weighted Average Number of equity shares outstanding during the year*
^Return on Networth calculated as Profit After Tax/ Networth as at the end of the year
[#] P/E Multiple has been calculated as closing stock price at the end of the calendar year divided by Earning Per Share for the respective calendar year
The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

52 The reasons for rise/fall in total income and PAT in the last three financial years are as follows:

For the Fiscal Year Ended December 31, 2010

Reasons for change in Income from operations

Income from operations decreased by 1.8% for the year ended December 31, 2010 as compared to the year ended December 31, 2009 mainly due to sales decrease in the stationery industry.

Reasons for change in profits

Profits increased by 37.0% for the year ended December 31, 2010 as compared to the year ended December 31, 2009 mainly due to gain on sales of property, plant and equipment

For the Fiscal Year Ended December 31, 2009

Reasons for change in income from operations

Income from operations decreased by 18.2% for the year ended December 31, 2009 as compared to the year ended December 31, 2008 mainly due to the drop in demand as a result of the economic recession.

Reasons for change in profits

Profits for the year ended December 31, 2009 was JPY 595 mn as compared to a loss of JPY 11,990 mn the year ended December 31, 2008 mainly due to declining SG&A expenses, thorough cost reviews and gain on sales of property, plant and equipment.

For the Fiscal Year Ended December 31, 2008

During this fiscal period, the PAC changed its fiscal year-end from March 31 to December 31. Since the previous fiscal period was shorter than the year ended December 31, 2008, comparisons to the prior fiscal year have not been included.

53 The principal accounting policies applied in the preparation of the financials information presented in this document are set out below:

Summary of significant accounting policies

Principles of consolidation

The accompanying consolidated financial statements include the accounts of the PAC and significant companies over which the PAC has power of control through majority voting rights or the existence of certain other conditions evidencing control by the PAC. Intercompany transactions and accounts have been eliminated in the consolidation.

Investments in affiliates over which the PAC has the ability to exercise significant influence over operating and financial policies are accounted for using the equity method.

In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time the PAC acquired control of the respective subsidiary.

Amortization of goodwill

The difference between the cost of investments and the equity in net assets at the date of acquisition is amortized on a straight-line basis over the estimated period of benefits, within 20 years, with the exception of minor amounts, which are charged to income in the year incurred.

Statements of cash flows

Cash on hand, readily available deposits and short-term highly liquid investments with maturities not exceeding three months at the time of purchase are considered to be cash and cash equivalents in preparing the consolidated statements of cash flows.

Securities

The PAC classifies securities as (a) securities held for trading purposes (hereafter, "trading securities"), (b) debt securities intended to be held to maturity (hereafter, "held-to-maturity debt securities"), (c) equity securities issued by subsidiaries and affiliated companies, and (d) all other securities that are not classified in any of the above categories (hereafter, "available-for-sale securities").

The PAC and its consolidated domestic subsidiaries do not hold trading securities. Held-to-maturity debt securities are stated at amortized cost. Equity securities issued by subsidiaries and affiliated companies which are not consolidated or accounted for using the equity method are stated at moving average cost.

Investments for limited partnership for capital investment are classified as available-for-sale securities and accounted for using the equity method. If limited partnerships own available-for-sale securities with available fair market values, unrealized holding gains and losses are directly reported, net of applicable income taxes, in a component of net assets of the Acquirer, based on the proportional share of the investment.

Available-for-sale securities with available fair market values are stated at fair market value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on the sale of such securities are computed using moving average cost.

Nonmarketable available-for-sale securities are stated at cost determined by the moving average method.

Debt securities with no available fair market value are stated at amortized cost, net of the amount considered not collectible.

Derivatives and hedge accounting

Derivative financial instruments are stated at fair value, and changes in fair value are recognized as gains or losses unless the derivative financial instruments are used for hedging purposes.

The hedge accounting methods are as follows:

a) Hedge accounting methods

   If derivative financial instruments are used as hedges and meet certain hedging criteria, the PAC and its consolidated subsidiaries defer the recognition of gain or loss resulting from a change in fair value of a derivative financial instrument until the related loss or gain on the hedged item is recognized.

b) Hedging instruments and hedged items

Hedging instruments:	Hedged items:
Currency forward exchange contracts	Foreign currency trade payables and future foreign currency transactions
Interest rate swaps	Interest on short-term loans and long-term debt

c) Hedge policy

   The hedges, derivative transactions, are executed in accordance with established internal policies and within the specified limits on the amounts of derivative transactions allowed.

d) Methods of assessing hedge effectiveness

   The PAC and its consolidated subsidiaries evaluate hedge effectiveness semiannually by comparing the cumulative changes in cash flows from or the changes in fair value of hedged items and the corresponding changes in the hedging derivative instruments.

Money held in trust for investments

Money held in trust for investments is stated at fair value, and changes in fair value are recognized as gains or losses.

Allowance for doubtful receivables

The PAC and its consolidated subsidiaries provide an allowance for doubtful receivables. For receivables from insolvent customers who are undergoing bankruptcy or other collection proceedings or who are in a similar financial condition, the allowance is provided based on an evaluation of each debtor’s financial condition and the estimated recoverable amounts from the existence of security interests or guarantees. For other receivables, the allowance is provided based on the PAC's actual rate of collection losses in the past.

Inventories

Inventories are principally stated at cost, determined by the first-in, first-out method. The inventories held for sale in the ordinary course of business are measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate.

Property, plant and equipment (excluding lease assets)

Buildings (excluding of auxiliary equipment to buildings) acquired after April 1, 2007, are depreciated using the straight-line method and others are depreciated using the declining balance method over the estimated useful lives of the assets. However, Buildings acquired from April 1, 1998 to March 31, 2007, are depreciated using the previous method of accounting for straight-line method. Buildings acquired before March 31, 1998 and other assets acquired before March 31, 2007 are depreciated using the previous method of accounting for declining balance method.

The overseas subsidiaries depreciate their property, plant and equipment using the straight-line method.

The principal estimated useful lives are as follows:
- Buildings and structures 7 to 50 years
- Machinery and equipment 4 to 13 years

Intangible assets (excluding lease assets)

Amortization of intangible assets is computed using the straight-line method over the estimated useful life of the asset.
The PAC and its consolidated subsidiaries include software in intangible assets and depreciate it using the straight-line method over the estimated useful life of the software, primarily five years. Amortization of software developed for external sale is computed over an estimated sales period of three years.

Lease assets

Amortization is computed using the straight-line method that assumes a residual value of zero based on the estimated useful life that corresponds to the lease period.
For financial lease transactions without title transfer whose transaction date is on or before December 31, 2008, the previous method of accounting for lease transactions continues to be applied, with periodic lease charges for financing leases charged to income as incurred.

Income taxes

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Deferred tax assets are also recognized for the estimated future tax effects attributable to operating loss carry forwards. Valuation allowances are provided to reduce deferred tax assets if it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Bonuses

The PAC follows the general Japanese practice of paying bonuses to employees in July and December. Accrued employees' bonuses at the balance sheet date are calculated based upon management's estimate of annual amounts.

Bonuses to directors and corporate auditors

To provide for directors' and corporate auditors' bonuses, an amount applicable to the current fiscal year under review is recorded on the basis of projected bonus liabilities.

Severance and retirement benefits

The liabilities and expenses for severance and retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

The PAC and its domestic consolidated subsidiaries provide an allowance for employees' severance and retirement benefits based on the estimated amounts of projected benefit obligation and the fair value of the plan assets.

Provision is made for severance and retirement benefits in an amount deemed necessary based on the estimated amounts of retirement benefit obligations and the value of pension plan assets at the balance sheet date. Differences generated from changes in actuarial assumptions are charged to income or expenses in an amount allocated on a straight-line basis over 12 years, which is shorter than the average remaining service period of the employees, beginning with the term following that when the differences are generated. Prior service costs charged to income or expenses in an amount allocated on a straight-line basis over 12 years, which is shorter than the average remaining service period of the employees, beginning in the period they arise.

Provision for loss on guarantees

Provision for estimated losses on guarantees is provided for based on the financial status of the parties whose indebtedness has been guaranteed by the PAC.

Consumption tax

Consumption tax is stated using tax-excluded method.

Net income (loss) per share

The computations of net income (loss) per share of common stock are based on the weighted average number of shares outstanding during each period. The computation of diluted net income per share reflects the maximum possible dilution that could occur if securities were converted into common shares.

54 **Adjustments in the audited financial statements, wherever quantification is possible:**

a. Adjustments / rectification for all incorrect accounting policies or failures to make provisions or other adjustments which resulted in audit qualifications

Not applicable

b. Material amounts relating to adjustments for the last three years to be identified and adjusted in arriving at the profits of the years to which they relate

Not applicable

c. Where there was a change in the accounting policy during the last three years, the profit or loss re-computed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years

December 31, 2010

Severance and retirement benefits

Effective from the year ended December 31, 2010, the PAC applied ASBJ Statement No. 19, "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)," issued on July 31, 2008. The new standard requires the companies to use the discount rate determined by reference to market yields at the end of the fiscal year on high quality bonds such as long-term Japanese government bonds, government agency bonds and high quality corporate bonds. The application has had no effect on the accompanying consolidated financial statements.

Accounting Standard for Recognizing Revenues and Costs of Construction Contracts

Previously, revenues and costs of construction contracts had been recognized using the completed-contract method. Effective for the year ended December 31, 2010, the PAC and its domestic consolidated subsidiaries applied the following accounting standards; "Accounting Standard for Construction Contracts"(ASBJ Statement No.15 , issued by the ASBJ on December 27,2007 and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007). Accordingly, with regard to construction contracts commenced on or after January 1, 2010, the percentage-of-completion method is applied if the outcome of the construction activities can be accurately estimated as of December 31, 2010.
Otherwise, the completed-contract method shall be applied. Under the percentage-of-completion method, revenue is recognized, based on the percentage of the actual costs incurred of the estimated cost.
The impact of this change to the statement of income was immaterial.

December 31, 2009

Inventories

On July 5, 2006, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Statement No. 9, Accounting Standard for Measurement of Inventories, which is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate.

The PAC applied the new accounting standard for measurement of inventories from the year ended December 31, 2009. The adoption of this accounting standard had an insignificant effect on income before income taxes and minority interests for the year ended December 31, 2009.

Accounting for leases

On March 30, 2007, the ASBJ issued ASBJ Statement No. 13, Accounting Standard for Lease Transactions, which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008, with early adoption permitted for fiscal years beginning on or after April 1, 2007.

Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the notes to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions be capitalized to recognize lease assets and lease obligations in the balance sheet.

The PAC applied the revised accounting standard from the year ended December 31, 2009. In compliance with the new standard, the PAC accounts for finance leases that commenced on and before December 31, 2008 and which did not transfer ownership in the same manner as operating leases. The adoption of this accounting standard had an insignificant effect on income before income taxes and minority interests for the year ended December 31, 2009.

Unification of accounting policies applied to foreign subsidiaries for the consolidated financial statements.

On May 17, 2006, the ASBJ issued ASBJ Practical Issues Task Force (PITF) No. 18, Practical Solution on *Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements*. PITF No. 18 prescribes that the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the presentation of the consolidated financial statements. Moreover, if the financial statements of foreign subsidiaries are prepared in accordance with IFRS or U.S. GAAP, they may tentatively be used for the consolidation process. However, if the specific six items are material to the group's consolidated financial statements, then they should be adjusted for in the consolidation process. PITF No. 18 is effective for fiscal years beginning on or after April 1, 2008, with early adoption permitted.

The PAC applied this accounting standard from the year ended December 31, 2009. The adoption of this new standard had an insignificant effect on income before income taxes and minority interests for the year ended December 31, 2009.

December 31, 2008

Not applicable

d. Statement of profit or loss shall disclose both the profit or loss arrived at before considering extraordinary items and after considering the profit or loss from extraordinary items

Profit & Loss Statement	31-Dec-08		31-Dec-09		31-Dec-10	
	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs
Total Income	328,615	1,830,057	272,532	1,517,731	265,643	1,479,366
Total Expenditure	337,309	1,878,474	269,529	1,501,007	262,193	1,460,153
Profit before Depreciation, Interest and Tax	4,979	27,728	9,620	53,574	9,634	53,652

Profit & Loss Statement	31-Dec-08		31-Dec-09		31-Dec-10	
	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs
Profit after Tax and Minority Interests, before extraordinary items	3,841	21,391	-241	-1,342	2,271	12,647
Extraordinary Income	705	3,926	4,215	23,473	2,140	11,918
Extraordinary loss / expenses	16,536	92,089	3,379	18,818	3,596	20,026
Net Extraordinary Income / (loss)	(15,831)	(88,163)	836	4,656	(1,456)	(8,108)
Profit After Tax, Minority Interests and extraordinary items	-11,990	-66,772	595	3,314	815	4,539

Notes: The above financials are based on audited accounts
The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

e. Statement of assets and liabilities after deducting the balance outstanding on revaluation reserves account from both fixed assets and reserves and net worth arrived at after such deductions

Balance Sheet	31-Dec-08		31-Dec-09		31-Dec-10	
	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs	JPY Mn	Rs. Lacs
Paid up equity share capital	15,847	88,252	15,847	88,252	15,847	88,252
Capital Surplus	19,068	106,190	19,068	106,190	19,068	106,190
Retained earning	137,818	767,508	136,639	760,943	135,679	755,596
Treasury stock	-14,328	-79,793	-14,330	-79,804	-14,332	-79,815
Net unrealized gains on securities	1,770	9,857	1,206	6,716	773	4,305
Deferred hedges or losses	-222	-1,236	-54	-301	-129	-718
Foreign currency Translation adjustments	-874	-4,867	-901	-5,018	-982	-5,469
Networth	159,819	890,032	158,074	880,314	156,632	872,284
Revaluation reserves, if any	—	—	—	—	—	—
Networth after revaluation reserves	159,819	890,032	158,074	880,314	156,632	872,284

Notes: The above financials are based on audited accounts
The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

55 Status of Corporate Governance: The Kokuyo Group places great emphasis on corporate governance based on the core values of transparency, speed, and fairness. Kokuyo Co., Ltd., being a holding company, evaluates and monitors the operational companies through the position of a shareholder. The Group' management framework, basic structure, and essential points on Group operations under the new system are stipulated in the Kokuyo Group Governance Principles, established in line with the introduction of a holding company system. In addition, the Group has established the corporate governance structure which comprises of the Board of Directors, which makes important decision making in respect of the Group and monitors the business operation of the operational companies, and the statutory auditors and the Board of Statutory Auditors, which are independent from the Board of Directors and audit the performance of directors. As of March 30, 2011, the Board of Directors comprises of 6 directors including 2 outside directors and the Board of Statutory Auditors comprises of 4 statutory auditors including 2 outside statutory auditors. Each of the six members of the Board of Directors is appointed to a term of only one year to allow flexible response to changes in the business environment and all of outside directors and outside statutory auditors appointed have considerable experiences and insight, and wide range of wisdom, and do not have any special interest with the Group so that they can perform their duties from the objective and disinterested positions. The Group has voluntarily established the Personnel Committee whose majority consists of outside officers and has adopted the system which emphasizes on a more objective appointment process. Further, in March 2011, the Kokuyo Group adopted the corporate officer system to facilitate an enhancement of corporate governance and a more prompt and efficient business operation of the Group. The Group's supervisory function and operational function are separately assumed by the Board of Directors and the corporate officers, respectively, under which the Board of Directors makes important decisions in respect of the business policies of the entire Group, while the corporate officers have been delegated with

certain authorities by the representative directors to pursue a more prompt and efficient operation in accordance with the policies made by the Board of Directors.

56 There is no material pending litigation matters involving Kokuyo Co., Ltd.

57 The following are the details of the contingent liabilities for Kokuyo Co., Ltd.:

JPY 371 million (Rs. 2,066 Lacs) of Guarantees of bank loans and other indebtedness of unconsolidated subsidiaries and affiliates, employees and others

Notes: The above financials are based on audited accounts

The above figures have been converted into INR using the RBI Reference rate INR/100JPY = 55.69 (source: www.rbi.org.in) dated May 16, 2011

58 Compliance Officer

Masa Matsushita, 1-8-35 Konan, Minato-ku, Tokyo 108-8710 Japan, Tel: +81-3-3474-6077.

59 There has been no merger/demerger/spin-off involving Kokuyo Co., Ltd. during last three years.

60 Kokuyo Co., Ltd. has not promoted any company in India during the last three years.

Disclosure in terms of regulation 16(ix) of the Regulations

61 The acquisition fully supports the Acquirer’s and the PAC’s strategy to expand into emerging markets that the Acquirer and the PAC believe represents a great growth potential and propose to establish its presence in India through the Transaction. Acquirer’s/ PAC’s reasons for the Transaction are as follows:

- i. Acquisition of national distribution channel and brand in India;
- ii. Joint development of products;
- iii. Sales of Target Company’s products in other Asian regions;
- iv. Introduction of Acquirer’s management system developed in Japan; and
- v. Undertake other business development opportunities depending on the characteristics, purchasing powers and state of infrastructure.

62 The Acquirer, the PAC and the Target Company believe that the Transaction will create significant long-term value for all stakeholders through following means:

- i. The Acquirer/ PAC will (a) utilize the Target Company’s brand and distribution capacity; (b) contribute their know-how in notebooks, paper products, files and writing goods areas in which they excel; and (c) contribute their product development capability which created many of Acquirer’s and PAC’s value added products, design ability, manufacturing technology, and distribution infrastructure system;
- ii. Acquirer/ PAC intend to sell Target Company’s existing products and jointly developed products using Acquirer’s/ PAC’s distribution channels in Asia; and
- iii. Acquirer/ PAC intend to improve competitiveness in manufacturing and procurement through cost reductions and improvements to Target Company’s manufacturing portfolio.

63 As of date of the PA, the Acquirer and the PAC do not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next 2 (two) years, except in the ordinary course of business and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities, business or otherwise of the Target Company, which will be done subject to receipt of statutory approvals wherever necessary. Further, subject to the requisite approvals, the Acquirer and the PAC may evaluate options regarding disposal of any surplus assets. The Acquirer and the PAC undertake that the Acquirer/ PAC shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.

64 The Acquirer and the PAC reserve the right to streamline/restructure the operations, assets, liabilities and/or businesses of the Target Company through arrangement/reconstruction, restructuring, merger (including but not limited to merger with itself or any of its subsidiaries), demerger/delisting of the Shares of the Target Company from the Stock Exchanges and/or sale of assets or undertakings, at a later date. Such decisions will be taken by the boards of Directors of Acquirer and the PAC and/or the Board of the Target Company in accordance with procedures set out by applicable law, and pursuant to business requirements and in line with opportunities or changes in the economic scenario, from time to time. The Acquirer and the PAC will evaluate and consider such proposals from time to time in accordance with the business requirements, if appropriate.

V. Option in terms of Regulation 21(2)

65 As a consequence of the Offer and even assuming full acceptances, the public shareholding will not reduce to a level below the limit specified in the listing agreement with BSE and NSE for the purpose of continuous listing of the Target Company on the aforementioned stock exchanges and notification of the Government of India dated June 4, 2010 and August 9, 2010 amending the Securities Contracts (Regulation) Rules, 1957.

VI. Background of the Target Company

66 A partnership firm in the name and style of ‘Dandekar & Co.’ was founded in 1931 by Late G.P. Dandekar and Mr. D.P. Dandekar to conduct the business of ink tablets, fountain pen ink, office adhesive, sealing wax, school chalks, etc. In December 24, 1946 the firm was converted into a private limited company known as ‘Camlin Private Limited’ and expanded its activities to include artist colours, material and stationery products. On March 24, 1988, ‘Camlin Private Limited’ was converted to a public limited company.

67 The registered office of the Target Company is located at 9-B, Nanddeep Industrial Estate, Kondivita Lane, J. B. Nagar, Andheri (East), Mumbai – 400 059, Telephone: +91 22 2826 3308; Facsimile: +91-22-2836 6579.

68 The Target Company manufactures art materials and stationery in India. The Target Company offers a range of products, such as artist materials, hobby colors, scholastic colors, scholastic stationery products, office products, and writing instruments under inter alia the Camel and Camlin brands or trademarks. It also exports its products to the United States, Thailand, Bangladesh, the Russian Federation, and Nepal.

69 The locations and other details of the manufacturing facilities of the Target Company are as follows:

Sr. Nos.	Location	Address
1	Tarapur (2 units)	D-2/1, MIDC,Tarapur, Dist Thane 401 506.
		G-71, MIDC, Tarapur, Dist Thane 401 506 (The Target Company has applied for factory license for this unit)
2	Taloja (1 unit)	Plot No.30 & 33, MIDC, Taloja Navi Mumbai- 410 208
3	Jammu (2 units)	Industrial Growth Centre, Samba Phase I, Jammu, J & K State
		101, Gangyal Industrial Area, Phase II, Jammu 180 004
4	Vasai (4 units)	Bldg No 6A,B,C Rajprabha Udyog Nagar, Golani Naka, Waliv, Vasai (East), Thane 401 308
		Bldg No 4,K.T.Industrial Estate, Kanchan Building Waliv Road,Chinchpada, Vasai (east) Thane -401208
		Bldg No 1 First Floor (110-114), Rajprabha Udyog Nagar, Ext II, Golani Naka, Waliv, Vasai (East), Thane 401 308
		Gala No 9-12 Rajprabha Udyog Nagar, Building No 4, Golani Naka, Waliv, Vasai (East), Thane 401 308

70 The Shares of the Target Company are listed on BSE and NSE.

71 As of the date of the Public Announcement, the total paid-up share capital of the Target Company is Rs. 61,064,537 consisting of 61,064,537 Equity Shares of face value of Re.1/- each. There are no partly paid-up Shares in the Target Company.

72 The share capital structure as on June 1, 2011, was as follows:

Paid-up Shares of the Target Company	No. of Shares/voting rights	% of Shares/voting rights
Fully paid-up equity Shares	61,064,537	100%
Partly paid-up equity Shares	Nil	Nil
Total paid-up equity Shares	61,064,537	100%
Total voting rights in the Target Company	61,064,537	100%

73 Build-up of the current capital structure of the Target Company since inception until the date of the PA is as follows:

Date of Allotment	No. of Shares issued	Cumulative Paid-up Capital (Rs.)	Mode of Allotment	Identity of allottees (Promoters/Ex-promoters/Others)	Status of compliance with applicable provisions of the Regulations, under the SEBI Act and other statutory requirements as applicable
Before Listing (31/12/87)		8,640,000			
7/3/88	96,000	9,600,000	Further Issue	Existing Pvt Ltd shareholders	SAST Regulations Not Applicable. Complied with other statutory requirements
20/06/88	480,000	14,400,000	Issue of Bonus shares	Existing Pvt Ltd shareholders	SAST Regulations Not Applicable. Complied with other statutory requirements
29/1/89	494,100	19,341,000	Conversion of 14% secured Convertible Debentures	Public	SAST Regulations Not Applicable
31/3/89	3,450	19,375,500	Conversion of 14% secured Convertible Debentures	Public	SAST Regulations Not Applicable. Complied with other statutory requirements
21/8/89	1,100	19,386,500	Conversion of 14% secured Convertible Debentures	Public	SAST Regulations Not Applicable. Complied with other statutory requirements
26/3/90	600	19,392,500	Conversion of 14% secured Convertible Debentures	Public	SAST Regulations Not Applicable. Complied with other statutory requirements
26/10/90	750	19,400,000	Conversion of 14% secured Convertible Debentures	Public	SAST Regulations Not Applicable. Complied with other statutory requirements
16/9/94	104,700	20,447,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
17/10/94	58,100	21,028,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
16/11/94	49,300	21,521,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
16/12/94	23,000	21,751,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
16/1/95	27,000	22,021,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
16/2/95	55,000	22,571,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
16/3/95	15,000	22,721,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
20/4/95	11,500	22,836,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
12/5/95	25,000	23,086,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements

Date of Allotment	No. of Shares issued	Cumulative Paid-up Capital (Rs.)	Mode of Allotment	Identity of allottees (Promoters/Ex - promoters/Others)	Status of compliance with applicable provisions of the Regulations, under the SEBI Act and other statutory requirements as applicable
20/6/95	11,400	23,200,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
14/7/95	13,000	23,330,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
16/2/96	11,000	23,440,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
29/7/96	56,000	24,000,000	Conversion of warrants issued to the promoters	Promoters	SAST Regulations Not Applicable. Complied with other statutory Requirements
7/10/2002	24,00,000	48,000,000	Bonus Issue	Promoters & Others	SAST Regulations Not Applicable. Complied with other statutory Requirements
24/9/2007	12,00,000	60,000,000	Preferential offer to Notz Stucki Et Cie SA A/c. Anna Fund	Others	SAST Regulations Not Applicable. Complied with other statutory Requirements
29/10/2009	158,500	60,158,500	Issue to employees under Camlin ESOP Plan 2008	Others	SAST Regulations Not Applicable. Complied with other statutory Requirements
7/12/2009	56,000	60,214,500	Issue to employees under Camlin ESOP Plan 2008	Others	SAST Regulations Not Applicable. Complied with other statutory Requirements
18/2/2010	37,125	60,251,625	Issue to employees under Camlin ESOP Plan 2008	Others	SAST Regulations Not Applicable. Complied with other statutory Requirements
23/3/2010	1,900	60,253,525	Issue to employees under Camlin ESOP Plan 2008	Others	SAST Regulations Not Applicable. Complied with other statutory Requirements
21/4/2010	42,850	60,296,375	Issue to employees under Camlin ESOP Plan 2008	Others	SAST Regulations Not Applicable. Complied with other statutory Requirements
14/7/2010	71,475	60,367,850	Issue to employees under Camlin ESOP Plan 2008	Others	SAST Regulations Not Applicable. Complied with other statutory Requirements
30/8/2010	262,325	60,630,175	Issue to employees under Camlin ESOP Plan 2008	Others	SAST Regulations Not Applicable. Complied with other statutory Requirements
25/10/2010	219,312	60,849,487	Issue to employees under Camlin ESOP Plan 2008	Others	SAST Regulations Not Applicable. Complied with other statutory Requirements
30/12/2010	170,327	61,019,814	Issue to employees under Camlin ESOP Plan 2008	Others	SAST Regulations Not Applicable. Complied with other statutory Requirements
23/3/2010	44,723	61,064,537	Issue to employees under Camlin ESOP Plan 2008	Others	SAST Regulations Not Applicable. Complied with other statutory Requirements

74 There has been no suspension of trading of the Shares of the Target Company on the Stock Exchanges.

75 There has not been any non-listing of any of the Shares of the Target Company at the Stock Exchanges.

76 There exist convertible instruments (employee stock options), which entitle the holders i.e. the employees of the Target Company to be allotted Shares of the Target Company. Other than above there are no outstanding convertible instruments in the Target Company.

77 The Target Company and the Promoters have complied with the applicable provisions of Chapter II of the Regulations within the time specified in the Regulations.

78 The Target Company has complied with the listing requirements of the Stock Exchanges. No penal/punitive actions have been taken by the Stock Exchanges.

79 The Target Company has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

80 The Board of Directors of the Target Company, as of the date of the PA, is as follows:

Name	Designation and Date of Appointment	Educational Qualifications	Experience with company	Residential Address	DIN
Mr. Dilip D. Dandekar	Chairman & Managing Director 01-01-1079	Government Commercial Diploma (G.C.D)	32 yrs	6, Govind Sadan, Shivaji Park Road No. 4, Dadar MUMBAI 400 028	00846901
Mr. Rajiv M. Dandekar	Jt. Managing Director 23-09-1992	B.Sc. (Hons), M.B.A	19 yrs.	C1-1,Herekar Park 796/B, Ketkar Marg, Kamala Nehru Park, PUNE 411 004	00101227
Mr. Shriram S. Dandekar	Executive Director 23-09-1992	M.Sc (Hons.), M.B.A	19 yrs.	Rambaug', 210 Lady Jamshedji Road, Mahim MUMBAI 400 016	01056318
Mr. Deepak M. Dandekar	Executive Director 01-06-1996	B.Com	27 yrs.	B-4, 'Asawari' 214 Veer Savarkar Marg, Mahim MUMBAI 400 016	00924304
Mr. Ashish S. Dandekar	Non-Executive Director 26-07-1998	B.A., Management Studies (USA)	25 yrs.	13S Regency Terraces, Plot No. 504, Junction of 17th Road & Chitrakar Dhurandar Marg, Khar (W) MUMBAI – 400 052	01077379
Mr. Dhananjay N. Mungale	Independent Director 03-07-2002	B.Com., L.L.B and C.A.	9 yrs.	10-A, Ameya Nand Co.op.Hsg.Soc. Off K. Dhuru Road Near Kirti College, Prabhadevi , MUMBAI – 400 028	00007563
Mr. Shishir S. Shirgaokar	Independent Director 16-03-1988	B.Sc.	23 yrs.	12, Kostka House 31, Pali Road, Bandra MUMBAI 400 050	00166189
Mr. Anil C. Singhvi	Non-Executive Director 24-09-2007	B.Com., F.C.A.	4 yrs.	13th Floor Twin Towers Prabhadevi Mumbai – 400 025	00239589
Mr. Deepak K. Ghaisas	Independent Director 28-07-2008	B.COM., A.C.A., A.I.C.W.A. and F.C.S	3 yrs.	B/ 61-62,Swapnashilp Mahant Road,Vile Parle (E) MUMBAI 400 057	00001811
Mr. R. Sriram	Independent Director 28-07-2008		3 yrs.	1603,Verona Hiranandani Garden,Powai MUMBAI-400 076	00065069
Mr. Shishir B. Desai	Independent Director 28-07-2008	B.Com., LL.B., A.C.S., Solicitor-Supreme Court of England, Non-Practising	3 yrs.	706, I/B Nestle Apartments, Pandurang Budhkar Marg, Worli MUMBAI 400 013	01453410
Mr. Vijay N. Paranjpe	Independent Director 28-07-2008	B.COM., L.L.B and A.C.A	3 yrs.	4,Rajab Mahal 144,M.K.Road MUMBAI 400 020	00751682

None of the directors of the Acquirer were on the board of directors of the Target Company as of the date of the Public Announcement.

81 The brief details with respect to experience of the Board of Directors is as follows:

Mr. Dilip D. Dandekar

Mr Dilip Dandekar is Chairman & Managing Director of Camlin Limited. He is currently President of Indian Merchants' Chambers and is the Hon. Consul of Mongolia in Mumbai, and is also Chairman of the FICCI's: India-Mongolia Joint Business Council (JBC) for 2009 -2011. In addition, he is a member of the Executive Committee of the FICCI, and of the Governing Boards of Bombay First as well of the Governing Board of ICFAI Business School.

He was the President of Maharashtra Chamber of Commerce & Industry 1996-98.

Mr. Rajiv M. Dandekar

Mr. Rajiv M. Dandekar serves as Joint Managing Director, Executive Director of Camlin Limited. He joined the Target Company as 'Management Trainee' and was later appointed as "Jt. Managing Director" from January, 1993.

Mr. Shriram S. Dandekar

Mr. Shriram S. Dandekar served as Management Trainee of Camlin Limited and has been Executive Director of Camlin Limited, since September 23, 1992. He served as Non Executive Director of Camlin Fine Chemicals Limited, until January 21, 2008. He has over 25 years of experience in the field of Business Expansion & Diversification, Research & Development, Branding, Expansion in Distribution Channel (Domestic & International), Strategic Alliances, Innovative Marketing Strategies, Re-structuring of Business and Business Planning.

He has set up two state of the art manufacturing plants for the Target Company, one in Taloja and another in Vasai. He is also the Vice President of 'Maharashtra Chamber of Commerce, Industry and Agriculture' (Mumbai Region).

Mr. Deepak M. Dandekar

Mr. Deepak M. Dandekar (B.Com.), Wholetime Director of the Company, since 1996, has wide experience of over 25 years in the field of Finance and Information Technology

Mr. Ashish S. Dandekar

Mr. Ashish S. Dandekar held the position of President (Fine Chemicals Division) and Executive Director in Camlin Limited. He was heading the Fine Chemicals Division of Camlin Ltd. In 2007, the Fine Chemicals Division of Camlin Ltd. demerged into a separate entity called Camlin Fine Chemicals Ltd. Thereafter Mr. Ashish Dandekar was designated as the Managing Director of Camlin Fine Chemicals Limited with effect from 11th January 2007.

Mr. Dhananjay N. Mungale

Mr. Dhananjay N. Mungale, a Chartered Accountant and a Law graduate has spent major part of his career in corporate and investment banking in India and Europe with Bank of America and DSP Merrill Lynch. He also served on the Board and Managing Committee of DSP Merrill Lynch Asset Management. He is an advisor to select corporate groups and companies in India and Europe and is also on the board of directors of various public and private Indian corporations.

Mr. Shishir S. Shirgaokar

Mr. Shishir S. Shirgaokar, B.Sc, Director of the Company, since 1988, has long and wide experience in Sugar Industry and General Management.

Mr. Anil C. Singhvi

Mr. Anil C. Singhvi, B.Com., F.C.A, Director of the Company, since 2007, has long and varied experience in the field of Finance and Treasury.

Mr. Deepak K. Ghaisas

Mr. Deepak K. Ghaisas, B.Com, A.C.A., A.I.C.W.A. and F.C.S., has long and varied experience in the field of Business Management, Management Accounting, Information Technology, Risk Management, and Contract Negotiation.

Mr. R. Sriram

Mr. Ramanathan Sriram is a Book Evangelist and has long and varied experience in the field of Marketing and advices and mentors individuals, firms and particularly involved in Customer based innovation business strategy, incubation and entrepreneurship.

Mr. Shishir B. Desai

Mr. Shishir B. Desai, B.Com., LL.B., A.C.S., Solicitor-Supreme Court of England, Non-Practising, has long and varied experience in the field of Corporate Laws, Exchange Control Regulations, Foreign Collaborations and Joint Ventures, Mergers and Acquisitions.

Mr. Vijay N. Paranjpe

Mr. Vijay N. Paranjpe, B.Com, L.L.B and A.C.A., has long and varied experience in the field of International Finance & Operations, US GAPP, cross border Mergers and Acquisitions

82 The Target Company was not involved in any merger/demerger/spin offs during the last 3 years.

83 There has been no change in the name of the Target Company since listing.

84 The financial details of the Target Company on a consolidated basis for the last three financial years, as derived from its audited financials issued by the statutory auditors of the Target Company are as set forth below:

Profit & Loss Statement (Rupees Lacs)	Year Ended March 31, 2009	Year Ended March 31, 2010	Year Ended March 31, 2011
Income from operations	28,350.68	33,101.73	35,917.95
Other Income	16.18	7.46	2.13
Total Income	**28,366.86**	**33,109.19**	**35,920.08**
Total Expenditure.	26,447.09	30,404.23	33,344.57
Profit Before Depreciation, Interest and Tax	**1,919.77**	**2,704.96**	**2,575.51**
Depreciation	435.20	524.26	667.59
Interest	529.20	582.96	731.14
Profit Before Tax	**955.37**	**1,597.74**	**1,176.78**
Provision for Tax	343.90	434.00	322.14
Profit After Tax	**611.47**	**1,163.74**	**8,54.61**

Balance Sheet Statement (Rupees Lacs)	Year Ended March 31, 2009	Year Ended March 31, 2010	Year Ended March 31, 2011
Sources of funds			
Paid-up share capital	600.00	602.54	610.65
Reserves and Surplus (excluding revaluation reserves)	4,746.08	5,571.61	6,399.04
Networth (excluding revaluation reserve)	**5,346.08**	**6,174.15**	**7,009.69**
Secured loans	3,937.38	4,257.76	3,871.70
Unsecured loans	0.00	0.00	490.52
Deferred tax liability	119.61	143.55	134.89
Total	**9,403.07**	**10,575.46**	**11,506.80**
Uses of funds			
Net fixed assets (including goodwill)	4,823.74	5,817.24	6,672.87
Investments	77.35	50.52	57.77
Net current assets	4,334.90	4,707.70	4,776.16
Total miscellaneous expenditure not written off	167.08	0.00	0.00
Total	**9,403.07**	**10,575.46**	**10,506.80**

Other Financial Data	Year Ended March 31, 2009	Year Ended March 31, 2010	Year Ended March 31, 2011
Dividend (%)	30%	50%	25%
Book Value per share* (Rs.)	8.91	10.25	12.88
Earning per Share** (Rs.)	1.02	1.93	1.41
Return on Networth*** (%)	11.44%	18.85%	10.87%
P/E Multiple#	8.3	13.1	37.6

The above financials are based on audited accounts (Source: Filing on Stock Exchange dated 25th May, 2011; Annual reports of the Target Company dated 29th April, 2010; 8th May 2009)
**Book Value per Share calculated as the Networth/ Number of equity shares outstanding at the end of the year (excluding treasury shares)*
***Earning per share calculated as Profit After Tax/ Weigted Average Number of equity shares outstanding for the year (excluding treasury shares)*
****Return on Networth calculated as Profit after Tax/Networth as at the end of the year*
 # P/E Multiple has been calculated as closing stock price at the end of the calendar year divided by Earning Per Share for the respective calendar year
Note – Networth excludes building revaluation reserve; during the year ended March 31, 2009; the company sub-divided the face value of the shares from Rs.10.0 to Rs.1.0 per share. The EPS and Book Value per share for FY2008 have been recalculated to reflect the pro forma effect of such sub-division

Auditor of the Target Company:
M/s B. K. Khare & Co.,
Chartered Accountants,
706/708, Sharda Chambers,
New Marine Lines,
Mumbai 400 020
Tel. +91 22 2200 0607
Fax +91 22 2200 3476
Email: info@bkkhareco.com

85 The reasons for rise/fall in total income and PAT in the last three financial years are as follows:

For the Year Ended March 31, 2011

Reasons for change in sales and profits

The Sales of the Target Company stood at Rs. 35,918 Lacs and Profit after Tax at Rs. 855 Lacs during the year ended March 31, 2011, representing an increase of 8.5% and a fall of 26.5% respectively, over the previous year. Notwithstanding the revenue growth of 8.5%, the Target Company witnessed a decline in its profitability in FY 2011 due to following reasons (a) increase in fixed costs; (b) increase in input costs due to the rising inflation and (c) higher interest cost, for borrowings, as compared to the previous financial years.

For the Year Ended March 31, 2010

Reasons for change in sales and profits

The performance of the Target Company during FY10 registered an improvement over FY09. Sales at Rs. 330,102 Lacs and Profit after Tax at Rs. 1,164 Lacs during the year ended March 31, 2010 represent an increase of 16.7% and 90.5% respectively, over the previous year. This increase was mainly on account of higher capacity utilization, effective working capital management, reduction in material cost and marketing initiatives, undertaken during the year.

For the Year Ended March 31, 2009

Reasons for change in sales and profits

The performance of the Target Company during FY09 registered marked improvement over the previous year. The Sales at Rs. 28,867 Lacs and Profit after Tax at Rs. 611 Lacs during the year ended March 31, 2009 represents an increase of 32.3 % and 59.4% respectively, over the previous year. Despite inflationary pressure on input cost and interest due to increased borrowing for capacity augmentation, the Target Company was able to post a healthy growth in gross and operating margins. This was mainly due to efforts in cost control and value engineering combined with selective price increase.

86 Pre and post Offer shareholding pattern of the Target Company is as follows:

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer as on May 20, 2011		Shares /voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer. i.e.	
	(A)		(B)		(C)		(A)+(B)+(C) = (D)	
	No.	%*	No.	%**	No.	%**	No.	%**
(1) Promoter Group								
(a) Parties to the JVA/SSA	23,284,680	38.13	(14,044,850)	(20.27)	NIL	-	9,239,830	13.33
(b) Promoters other than (a) above:	-	-	-	-	-	-	-	-
Total 1 (a+b)	**23,284,680**	**38.13**	**(14,044,850)**	**(20.27)**	**NIL**	**-**	**9,239,830**	**13.33**
(2) Acquirer & PAC@							-	
(a)Acquirer	-	-	20,978,850	30.28	13,857,370	20.00	34,836,220	50.28
(b)PAC	-	-	-	-	-	-	-	-
Total 2 (a+b)	**-**	**-**	**20,978,850**	**30.28**	**13,857,370**	**20.00**	**34,836,220**	**50.28**
TOTAL (Promoter Group and Acquirer & PAC) (1 + 2)	**23,284,680**	**38.13**	**6,934,000**	**10.00**	**13,857,370**	**20.00**	**44,076,050**	**63.61**
(3) Parties to the SSA/JVA other than (1)(a) and (2) above	NIL	-	NIL	-	NIL	**-**	NIL	-
(4) Public (other than parties to the SSA / JVA, Acquirer & PAC) – Details summarized below								
(a) Based in India					(13,857,370)#	(20.00) #	25,210,800#	36.39#
Indian Individuals/HUFs	20,320,512	33.28	NIL	-				
Indian Corporate Bodies/Trusts/Partnerships	9,664,430	15.83	NIL	-				
Independent Directors & Relatives	NIL	-	NIL	-				
Banks/Financial Institutions	58,855	0.10	NIL	-				
Central/State Governments	NIL	-	NIL	-				
Central/ State Government Institutions	NIL	-	NIL	-				
Insurance Companies	NIL	-	NIL	-				
Mutual Funds	NIL	-	NIL	-				
Venture Funds/ Private Equity Funds	NIL	-	NIL	-				
Customers	NIL	-	NIL	-				
Suppliers	NIL	-	NIL	-				
Total (a)	**30,043,797**	**49.20**	**NIL**	**-**				
(b) Based Overseas								
Foreign Individuals	NIL	-	NIL	-				
Foreign Corporate Bodies	NIL	-	NIL	-				
Foreign Institutional Investors (SEBI-registered)	7,506,769	12.29	NIL	-				

Shareholders' category	Shareholding & voting rights prior to the agreement/ acquisition and offer as on May 20, 2011		Shares /voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the acquisition and offer. i.e.	
	(A)		(B)		(C)		(A)+(B)+(C) = (D)	
	No.	%*	No.	%**	No.	%**	No.	%**
Non Resident Indians (Individuals)	229,291	0.38	NIL	-				
Non Resident Indian Corporate Bodies/OCB	NIL	-	NIL	-				
Total (b)	**7,736,060**	**12.67**	**NIL**	**-**				
(c) GDRs /ADRs /ADSs	NIL	-	NIL	-				
(d) Others	NIL	-	NIL	-				
Total 4 (a +b+c+d)	**37,779,857**	**61.87**	**NIL**	**-**	**(13,857,370)**	**(20.00)**	**25,210,800**	**36.39**
GRAND TOTAL (1+2+3+4)	**61,064,537**	**100.00**	**6,934,000**	**10.00**	**-**	**-**	**69,286,850**	**100.00**

** Percentage calculated based on Current Equity Capital.*
*** Percentage calculated based on Diluted Equity Capital.*
 # This will depend upon response from and within each category of (4). This also assumes exercise of 1,288,313 ESOPs issued by the Target Company
Figures in bracket represent negative number
@ The Acquirer and PAC have not acquired any Shares since the date of the PA and up to the date of the Letter of Offer.

As on May 20, 2011, there were 15,127 public shareholders holding 37,779,857 Shares of the Target Company

87 Details of change in the shareholding of the promoters in the Target Company since inception and status of compliance is as follows:

Date	Number of Shares/ acquired /allotted/ (sold)	Details of Shares issued	Cumulative Group Shareholding	Total share capital of the Company	% Promoter Group	% change in Holding	Status of compliance with applicable provisions of the Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
31/3/1997			**1,175,940**	**2,400,000**	**49.00**	**0.00**	
31/3/1998			**1,175,940**	**2,400,000**	**49.00**	**0.00**	
31/3/1999			**1,175,940**	**2,400,000**	**49.00**	**0.00**	
July-Sept 99	(9,000)	Sold	1,166,940	2,400,000	48.62	-0.38	SAST Regulations Not Applicable.
19/7/9, 25/8/99 & 4/9/99	(600)	Sold	1,166,340	2,400,000	48.60	-0.03	SAST Regulations Not Applicable.
4/9./1999	(8,100)	Sold	1,158,240	2,400,000	48.26	-0.34	SAST Regulations Not Applicable.
20/9/1999	(100)	Sold	1,158,140	2,400,000	48.26	0.00	SAST Regulations Not Applicable.
	2,100	Purchase	1,160,240	2,400,000	48.34	0.09	SAST Regulations Not Applicable.
31/3/2000			**1,160,240**	**2,400,000**	**48.34**	**0.00**	
11/5/2000	100	Purchase	1,160,340	2,400,000	48.35	0.00	SAST Regulations Not Applicable.
10/7/2000	8,200	Purchase	1,168,540	2,400,000	48.69	0.34	SAST Regulations Not Applicable.
25/8/2000	(2,057)	Sold	1,166,483	2,400,000	48.60	-0.09	SAST Regulations Not Applicable.
10/11/2000	10,500	Sold	1,176,983	2,400,000	49.04	0.44	SAST Regulations Not Applicable.
23/3/2001	700	Purchase	1,177,683	2,400,000	49.07	0.03	SAST Regulations Not Applicable.
9/3/2001	800	Purchase	1,178,483	2,400,000	49.10	0.03	SAST Regulations Not Applicable.
31/3/2001			**1,178,483**	**2,400,000**	**49.10**	**0.00**	
24/1/2002	15,000	Purchase	1,193,483	2,400,000	49.73	0.63	SAST Regulations Not Applicable.
14/2/2002	900	Purchase	1,194,383	2,400,000	49.77	0.04	SAST Regulations Not Applicable.
22/3/2002	1,000	Purchase	1,195,383	2,400,000	49.81	0.04	SAST Regulations Not Applicable.

Date	Number of Shares/ acquired /allotted/ (sold)	Details of Shares issued	Cumulative Group Shareholding	Total share capital of the Company	% Promoter Group	% change in Holding	Status of compliance with applicable provisions of the Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
Apr01-Mar02	100	Purchase	1,195,483	2,400,000	49.81	0.00	SAST Regulations Not Applicable.
22/3/2002	1,440	Purchase	1,196,923	2,400,000	49.87	0.06	SAST Regulations Not Applicable.
31/3/2002			**1,196,923**	**2,400,000**	**49.87**	**0.00**	
14/6/2002	61,300		**1,196,923**	**2,400,000**			Inter-se Transfer among Relatives SAST Regulation not applicable
Bonus Issue	1,196,923		2,393,846	4,800,000	49.87		SAST Regulations Not Applicable.
Apr 02-Mar 03	49,200	Purchase	2,443,046	4,800,000	50.90	1.03	SAST Regulations Not Applicable.
Apr 02-Mar 03	(71,400)	Sold	2,371,646	4,800,000	49.41	-1.49	SAST Regulations Not Applicable.
Apr 02-Mar 03	(722)	Sold	2,370,924	4,800,000	49.39	-0.02	SAST Regulations Not Applicable.
Apr 02-Mar 03	200	Purchase	2,371,124	4,800,000	49.40	0.00	SAST Regulations Not Applicable.
Apr 02-Mar 03	1,600	Purchase	2,372,724	4,800,000	49.43	0.03	SAST Regulations Not Applicable.
Apr 02-Mar 03	850	Purchase	2,373,574	4,800,000	49.45	0.02	SAST Regulations Not Applicable.
10/01/2003	14,000		2,373,574	4,800,000			Interse Transfer. SAST Regulation not applicable
31/3/2003			**2,373,574**	**4,800,000**	**49.45**	**0.00**	
9/5/2003	(15,000)	Sold	2,358,574	4,800,000	49.14	-0.31	SAST Regulations Not Applicable.
20/5/2003	(20,000)	Sold	2,338,574	4,800,000	48.72	-0.42	SAST Regulations Not Applicable.
13/6/2003	(10,000)	Sold	2,328,574	4,800,000	48.51	-0.21	SAST Regulations Not Applicable.
28/11/2003	(1,600)	Sold	2,326,974	4,800,000	48.48	-0.03	SAST Regulations Not Applicable.
28/11/2003	(1,618)	Sold	2,325,356	4,800,000	48.44	-0.03	SAST Regulations Not Applicable.
26/12/2003	(1,900)	Sold	2,323,456	4,800,000	48.41	-0.04	SAST Regulations Not Applicable.
28/11/2003	18	Purchase	2,323,474	4,800,000	48.41	0.00	SAST Regulations Not Applicable.
11/7/2003	120,000		2,323,474	4,800,000			Shares Transmitted amongst Promoters hence SAST not applicable
31/3/2004			**2,323,474**	**4,800,000**	**48.41**	**0.00**	
20/9/04	(800)	Sold	2,322,674	4,800,000	48.39	-0.02	SAST Regulations Not Applicable.
29/10/2004	34,800						Shares Transmitted amongst Promoters hence SAST not applicable
31/3/2005			**2,322,674**	**4,800,000**	**48.39**	**0.00**	
8/9/2005	(16,000)	Sold	2,306,674	4,800,000	48.06	-0.33	SAST Regulations Not Applicable.
7/12/2005	1,930	Purchase	2,308,604	4,800,000	48.10	0.04	SAST Regulations Not Applicable.
15/12/05	3,070	Purchase	2,311,674	4,800,000	48.16	0.06	SAST Regulations Not Applicable.
13/12/05	1,000	Purchase	2,312,674	4,800,000	48.18	0.02	SAST Regulations Not Applicable.
19/3/06	1,000	Purchase	2,313,674	4,800,000	48.20	0.02	SAST Regulations Not Applicable.
31/3/2006			**2,313,674**	**4,800,000**	**48.20**	**0.00**	
17/6/2006	3,000	Purchase	2,316,674	4,800,000	48.26	0.06	SAST Regulations Not Applicable.
16/6/2006	7,000	Purchase	2,323,674	4,800,000	48.41	0.15	SAST Regulations Not Applicable.

Date	Number of Shares/ acquired /allotted/ (sold)	Details of Shares issued	Cumulative Group Shareholding	Total share capital of the Company	% Promoter Group	% change in Holding	Status of compliance with applicable provisions of the Regulations, under the SEBI Act, 1992 and other statutory requirements as applicable
Apr 06-Mar 07	100	Purchase	2,323,774	4,800,000	48.41	0.00	SAST Regulations Not Applicable.
30/3/2007	2,736	Purchase	2,326,510	4,800,000	48.47	0.06	SAST Regulations Not Applicable.
31/3/2007			**2,326,510**	**4,800,000**	**48.47**	**0.00**	
7/4/2007	4,108	Purchase	2,330,618	4,800,000	48.55	0.09	SAST Regulations Not Applicable.
July-Sept07	100	Purchase	2,330,718	4,800,000	48.56	0.00	SAST Regulations Not Applicable.
Oct-Dec 2007	(150)	Sold	2,330,568	4,800,000	48.55	0.00	SAST Regulations Not Applicable.
31/3/2008			**2,330,568**	**6,000,000**	**38.84**	**0.00**	
Apr-June 2008	150	Purchase	**2,330,718**	**6,000,000**	**38.85**	**0.00**	SAST Regulations Not Applicable.
Share split from Rs 10/- to Re 1/-			23,307,180	60,000,000	38.85	0.00	SAST Regulations Not Applicable.
31/3/2009			**23,307,180**	60,000,000	**38.85**	**0.00**	
4/12/2009	(2,000)	Sold	23,305,180	60,000,000	38.84	**0.00**	SAST Regulations Not Applicable.
23/3/2010	266,000						Inter-se Transfer (by the partition of HUF) by Karta among acquirers. SAST Regulation not applicable
31/3/2010			**23,305,180**	**60,253,525**	**38.68**	**0.00**	
15/12/2010	454,000						Interse Transfer among Relatives SAST Regulation not applicable
31/3/2011			**23,305,180**	**61,064,537**	**38.16**	**0.00**	
Re - Classification of Promoters	(20,500)		23,284,680	61,064,537	38.13	-0.03	SAST Regulations Not Applicable.
30/5/2011			23,284,680	61,064,537	38.13	0.00	SAST Regulations Not Applicable.

88 The Target Company has confirmed that it is in compliance with the Corporate Governance provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges.

89 The following are the details of the contingent liabilities and capital commitments for the Target Company as on March 31, 2011:

- In respect of Guarantees issued on behalf of the Target Company by its Bankers to the extent of Rs. 16.00 Lacs (2009 - 2010 – Rs. 2.10 Lacs)
- Corporate Guarantees given to ColArt Camlin Canvas Pvt. Ltd. Rs.150.00 Lacs (2009-2010 Rs. 150.00 Lacs)
- Demands against the Target Company, either disputed or not acknowledged as debts and not provided for:

		FY11 (Rs. In Lacs)	FY10 (Rs. In Lacs)
a)	Income Tax	112.61	136.29
b)	Sales Tax	126.98	69.54
c)	Excise / Custom Duty	77.37	74.06
d)	Service Tax	1.89	1.89
e)	Labour Matters	10.05	8.13
f)	Others	7.63	0.63

- Incremental wage demands in respect of Tarapur plant following the expiry of the earlier settlement - amount unascertainable.

90 The compliance officer of the Target Company is

Mr. Ravindra V. Damle, Vice President (Corporate) & Company Secretary (Address: 48/2, Hilton House Central Road, MIDC, Mumbai 400 093, Tel No: +91 22 2835 2894 / 2836 6011, Fax: +91 22 2836 6579, Email: ravi.damle@camlin.com)

VII. Offer Price and Financial Arrangements

Justification of Offer Price

91 The Shares of the Target Company are listed on BSE and NSE and are frequently traded on both Stock Exchanges.

92 The annualized trading turnover based on the trading volume in the Shares of the Target Company on the Stock Exchanges during the period December 2010 to May 2011 (6 (six) calendar months preceding the month in which the PA is issued), was as follows:

Name of the Stock Exchange	Total number of Shares traded during the preceding 6 calendar months prior to the month of the PA (December 2010 to May 2011)	Total number of listed Shares	Annualised trading turnover (as % of total number of listed Shares)
BSE	57,948,251	61,064,537	189.79%
NSE	96,622,543	61,064,537	316.46%

Source: www.bseindia.com and www.nseindia.com

93 Based on the above information, the Shares of the Target Company are deemed to be frequently traded on both BSE and NSE as the annualized trading turnover based on the trading during six calendar months i.e. December 2010 to May 2011 is more than 5% of the total number of listed Shares in terms of Explanation (i) to Regulation 20(5) of the Regulations. As the annualized trading turnover on NSE is 316.46% as compared to 189.79% on BSE of the total number of listed Shares, the Shares of the Target Company are deemed to be "most frequently traded" on NSE in terms of Explanation (i) to Regulation 20(5) of the Regulations.

94 The details of closing prices and volume on NSE for the 26-week period prior to the date of the PA are as follows:

Week Number	Week-ended	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
Week 1	7-Dec-10	42.85	40.60	41.73	1,886,072
Week 2	14-Dec-10	40.15	38.40	39.28	783,659
Week 3	21-Dec-10	45.25	40.05	42.65	2,138,093
Week 4	28-Dec-10	46.00	45.50	45.75	1,582,455
Week 5	4-Jan-11	46.30	45.80	46.05	300,001
Week 6	11-Jan-11	50.60	47.00	48.80	2,755,855
Week 7	18-Jan-11	51.15	48.90	50.03	956,405
Week 8	25-Jan-11	61.15	51.30	56.23	8,096,474
Week 9	1-Feb-11	59.10	50.00	54.55	8,451,756
Week 10	8-Feb-11	50.05	47.90	48.98	1,428,099
Week 11	15-Feb-11	49.75	41.80	45.78	1,267,032
Week 12	22-Feb-11	48.90	45.20	47.05	576,477
Week 13	1-Mar-11	48.90	45.10	47.00	612,611
Week 14	8-Mar-11	52.20	49.60	50.90	2,939,584
Week 15	15-Mar-11	49.00	46.90	47.95	622,189
Week 16	22-Mar-11	48.35	46.60	47.48	310,627
Week 17	29-Mar-11	53.50	46.65	50.08	1,968,743
Week 18	5-Apr-11	55.20	52.55	53.88	783,278
Week 19	12-Apr-11	68.75	56.05	62.40	8,250,804
Week 20	19-Apr-11	75.85	71.80	73.83	11,224,264
Week 21	26-Apr-11	71.75	69.15	70.45	1,550,575
Week 22	3-May-11	74.05	69.25	71.65	6,687,355
Week 23	10-May-11	65.90	62.55	64.23	2,156,962
Week 24	17-May-11	74.30	64.20	69.25	7,541,840
Week 25	24-May-11	76.60	72.15	74.38	5,127,474
Week 26	31-May-11	82.20	79.20	80.70	16,623,859
Average				**55.04**	

Source: www.nseindia.com

The details of intra-day high and low prices and volume on NSE for the 2-week period prior to the date of the PA are as follows:

Day Number	Date	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (Number of Shares)
1	18-May-11	74.85	71.50	73.18	584,359
2	19-May-11	74.90	72.00	73.45	717,330
3	20-May-11	75.35	73.50	74.43	1,520,287
6	23-May-11	77.10	74.50	75.80	1,494,759
7	24-May-11	77.60	72.60	75.10	810,739
8	25-May-11	81.00	74.30	77.65	2,890,849
9	26-May-11	81.50	77.50	79.50	1,777,259
10	27-May-11	82.25	78.40	80.33	1,939,648
13	30-May-11	85.90	79.60	82.75	5,995,852
14	31-May-11	84.90	80.80	82.85	4,020,251
Average				**77.50**	

Source: www.nseindia.com

95 Based on the parameters set out in the Regulations for frequently traded stocks, as per the date of the PA, the Offer Price of Rs. 110.0 (Rupees One Hundred and Ten Only) is justified in view of the following:

Particulars	Price (in Rs. per Share)
The average of the high and low of the closing prices for every week for the last 26-weeks prior to the date of the PA on NSE	Rs. 55.04
The average of the daily high and low of the intra-day trading prices for the last 2-weeks prior to the date of the PA on NSE	Rs. 77.50
The negotiated price	Rs. 110.0
The highest price paid by the Acquirer or persons acting in concert with them for acquisition, if any, including by way of allotment in a public or rights or preferential issue during the last 26 weeks	N.A.

96 There is no non-compete fee being paid by the Acquirer/ PAC in the agreement for the Acquisition.

97 Based on the above, the Offer Price of Rs. 110.0 (Rupees One Hundred and Ten Only) is justified in terms of regulation 20(4) of the Regulations.

98 The Offer Price shall not be less than the highest price paid by the Acquirer and the PAC for any acquisition of Shares of the Target Company from the date of PA upto seven working days prior to the closure of the Offer. Further, no Shares shall be acquired during the last seven working days prior to the closure of the Offer, except those accepted in the Offer.

99 The Acquirer/ PAC are permitted to revise the Offer Price upward up to 7 (seven) working days prior to the date of closure of the Offer. In the event of such a revision, an announcement would be made in the same newspapers in which the PA has appeared and the revised Offer Price would be paid for all Shares accepted under the Offer.

Financial Arrangements

100 The maximum consideration payable under this Offer, assuming full acceptance, is Rs. 1,524,310,700/- (Rupees One Billion Five Hundred Twenty Four Million Three Hundred Ten Thousand and Seven Hundred Only) ("Maximum Consideration").

101 By way of security for performance of its obligations under the Regulations, the Acquirer and the PAC have made an escrow arrangement for the Offer comprising of cash deposit of an amount of Rs. 302,431,070.0 (Rupees Three Hundred Two Million Four Hundred Thirty One Thousand and Seventy Only) in cash, which is adequate as per the computation of escrow amount as required by the Regulations. The Acquirer and the PAC have made the cash deposit with Kotak Mahindra Bank Limited, 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai - 400021. This has been confirmed by a confirmation letter dated May 25, 2011 issued by Kotak Mahindra Bank Limited. The Manager to the Offer is empowered to realize the value of the cash deposit in accordance with the Regulations.

102 The Acquirer and the PAC propose to finance the Offer through internal accruals. The Acquirer and the PAC have arranged for:

a) An amount of US$ 30,231,933.09 (US Dollar Thirty Million Two Hundred Thirty One Thousand Nine Hundred Thirty Three and Cents Nine Only) (equivalent to Rs.1,363,460,182 (Rupees One Billion Three Hundred Sixty Three Million Four Hundred Sixty Thousand One Hundred and Eighty Two Only) using the RBI Reference rate 1 US Dollar = Rs. 45.10 (source: www.rbi.org.in) dated May 30, 2011) set aside by the Acquirer in account number 156448 ("Account") with Sumitomo Mitsui Banking Corporation, whereby the funds in the Account will be utilized solely towards fulfilling the obligations of the Acquirer and the PAC for the Offer under the Regulations.

b) Escrow arrangement comprising of cash deposit as set out in paragraph 101 above.

The source of funds to meet the Acquirer's and the PAC's obligations under the Offer is foreign funds.

103 Mr. Anish Shah, Membership No. 42649, Partner of M/s V.C. Shah & Co. Chartered Accountants (Rajgir Chambers, 3rd Floor, 12-14, Shahid Bhagat Singh Road, Opp. Old Custom House, Mumbai - 400 001 Tel: +91-22-43440123, Fax: +91-22-22662667) ("Accountants"), have confirmed by their certificate dated May 30,2011 that the Acquirer and the PAC have adequate financial resources through verifiable means available for meeting their obligations under the Regulations for a value up to the Maximum Consideration.

104 On the basis of the aforesaid financial arrangements and the Accountants' certificate, the Manager to the Offer confirms that adequate funds are available with the Acquirer and the PAC through verifiable means to implement this Offer.

VIII. Eligibility for Accepting the Offer

105 This Letter Of Offer specifying the detailed terms and conditions of this Offer along with the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed to all the Shareholders, except the parties of the JVA and SSA, whose names appear on the register of members of the Target Company at the close of business hours on June 10, 2011 i.e. Specified Date, being registered equity shareholders as per the records of NSDL and CSDL, and registered Shareholders holding Shares in physical form as per the records of the Target Company, as on the Specified Date. Accidental omission to dispatch this Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the individual letter of offer would be dispatched to each of the shareholders of the Target Company is September 6, 2011.

There shall be no discrimination in the acceptance of locked-in and non locked-in Shares in the Offer. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

IX. Terms and Conditions of the Offer

106 The Offer is not conditional and is not subject to any minimum level of acceptance.

107 This Offer is made to all Eligible Shareholders as on the Specified Date, and including to persons who acquire Shares before the closure of the Offer and tender these Shares into the Offer in accordance with the PA, save and except for the parties of the JVA and SSA. Persons who have acquired Shares of the Target Company (irrespective of the date of purchase) but whose names do not appear on the register of members of the Target Company on the Specified Date are also eligible to participate in this Offer.

108 If the Shares tendered in this Offer by the shareholders of the Target Company are more than the Shares to be acquired under this Offer, the acquisition of Shares from each shareholder will be on a proportionate basis as per provisions of regulation 21(6) of the Regulations such that the acquisition from each shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. The marketable lot for the Target Company is 1 (one) Share.

109 The Acquirer/ PAC reserve the right to revise the Offer Price and/or the Offer Size upwards up to 7 (seven) working days prior to the closure of this Offer, i.e., upto September 19, 2011 in accordance with the Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the

same newspapers where the PA has appeared. The Acquirer/ PAC would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the PA and the Letter of Offer.

110 Shareholders to whom the Offer is being made are free to offer their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified.

111 Shareholders who hold Shares in **physical form** and who wish to tender their Shares will be required to send the Form of Acceptance-cum-Acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in Section X of this Letter of Offer entitled “Procedure for Acceptance and Settlement of the Offer”, to the Registrar to the Offer at any of its collection centers, mentioned under paragraph 123 of this Letter of Offer so that the same are received by the Registrar to the Offer no later then the Offer Closing Date (i.e. September 28, 2011).

112 In respect of **dematerialized Shares**, Eligible Shareholders must ensure that the credit for the Shares tendered must be received in the Special Depository Account (as specified in paragraph 126) no later then September 28, 2011. If the Shareholders hold their Shares through CDSL, their Depository Participant Instruction will have to take the form of an inter-depository delivery instruction from CDSL for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL as mentioned in paragraph 126 below.

113 Shareholders who have acquired Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Specified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on a 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, so as to reach the Registrar to the Offer on or before the closure of the Offer i.e., no later than September 28, 2011. This is to be sent to the Registrar to the Offer together with:

a. In case of Shareholders holding Shares in dematerialized form, the name, address, number of Shares held, number of Shares offered, Depository (“DP”) Participant name, DP ID number, beneficiary account number along with a photocopy of the Delivery instruction in “off-market” mode, duly acknowledged by the DP in favour of Open Offer-Camlin Ltd.-Sharepro Services Escrow Account, as per instructions mentioned above.

b. In case of Shareholders holding Shares in physical form, the relevant share certificate(s) and transfer deeds, and the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired wherever applicable

114 No indemnity would be required from unregistered shareholders regarding the title to the Shares.

115 The Acquirer and the PAC shall not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Shareholders are advised to adequately safeguard their interests in this regard.

116 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute an integral part of this Letter of Offer.

Statutory Approvals

117 This Offer is subject to the Acquirer obtaining the approval from the Reserve Bank of India (“RBI”) under the Foreign Exchange Management Act, 1999, as amended, for the acquisition / transfer of the Shares tendered pursuant to this Offer. The Acquirer has filed an application dated June 2, 2011 with RBI for approval to acquire Shares from nonresident persons pursuant to the Offer. The Acquirer is awaiting approval from the RBI presently.

118 As of the date of the PA, to the best of the knowledge of the Acquirer and the PAC, there are no other statutory approvals required to acquire the Shares that are validly tendered pursuant to this Offer.

119 Notwithstanding paragraphs 117 and 118, if any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer and the PAC will not proceed with the Offer in the event any statutory approval indicated herein is not obtained in terms of regulation 27 of the Regulations.

120 It may be noted that in case of delay in receipt of statutory approvals, SEBI has the power to grant an extension of time to the Acquirer and the PAC for payment of consideration to Shareholders subject to the Acquirer and the PAC agreeing to pay interest for the delay, as directed by SEBI under regulation 22(12) of the Regulations.

Other Approvals

121 To the best knowledge of the Acquirer and the PAC, apart from approvals from Yes Bank Limited, Bank of Maharashtra and IDBI Bank; there are no other approvals required from Indian financial institutions or Indian banks for the Offer.

The Target Company has subsequently obtained the approvals from Yes Bank, Bank of Maharashtra and IDBI Bank in connection with the Offer.

122 The Acquirer and the PAC may appoint their nominees on the Board of the Target Company in accordance with the Regulations, Companies Act and the Articles of Association of the Target Company. Hence, in accordance with regulation 22(7) of the Regulations, the Acquirer and the PAC may deposit 100% of the Maximum Consideration to entitle the appointment of their nominees on the Board of the Target Company.

X. Procedure for Acceptance and Settlement of the Offer

123 A tender of Shares pursuant to any of the procedures described in this Letter of Offer will constitute a binding agreement between the Acquirer/ PAC and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the Letter of Offer.

Shareholders of the Target Company who wish to accept the Offer and tender their Shares can also send/deliver the Form of Acceptance-cum-Acknowledgment duly signed along with all the relevant documents at any of the collection centers of the Registrar to the Offer mentioned below during the working hours on or before the date of closure of the Offer, i.e., no later than September 28, 2011, in accordance with the procedure as set out in the Letter of Offer.

S. No.	Collection Centre	Address of Collection Centre	Contact Person	Phone no	Fax	Mode of delivery
1	Mumbai	Sharepro Services (India) Pvt. Ltd. 13-A/B, Samitha Warehouse, 2Nd Floor, Sakinaka Telephone Exch. Lane, Sakinaka, Andheri (E) Mumbai 400072	Anand Moolya / Sachin Shinde	022 6191 5400	022 6191 5444	Hand Delivery & Registered Post/ Courier
2	Mumbai	Sharepro Services (India) Pvt. Ltd. 912, Raheja Centre, Free Press Journal Road, Nariman Point Mumbai 400 021	Ravi Kotian	022 22881568/ 66134700	022 2282548 4	Hand Delivery
3	Ahmedabad	Sharepro Services (India) Pvt. Ltd. 416-420, Devanandan Mall, Opp. Sanyas Ashram, Ashram Road, Ahmedabad - 380 006	Paresh Dave	079 - 26582381	079-2658238 5	Hand Delivery
4	Bangalore	Sharepro Services (India) Pvt. Ltd. C/O Skypak Financial Sec.Pvt.Ltd. No.38, First Floor, Panna Sadan, Palani Mudaliyar Street, Halasuru, Bangalore - 560 008 Email - Ops.Blr@Skyfin.Com	Mr. Sarvanna	080-41146382 Mobile - 9538883664	080-4114638 2	Hand Delivery
5	Baroda	Sharepro Services (India) Pvt.Ltd. C/O Skypak Financial Sec.Pvt.Ltd. F/03, Chandralok Darshan Apt.,Opp Kirti Kunj Soc., Karelibaug, Baroda - 390018 Email - Bdq@Skyfin.Com; Reporting.Bdq@Skyfin.Com	Mr.Mustafa Bhatti / Rakesh Shah	9099039015 / 9898552942	NA	Hand Delivery
6	Kolkata	Sharepro Services (India) Pvt.Ltd. C/O Skypak Financial Sec.Pvt.Ltd. 11G/1B Raicharan Pal Lane, Near Park Circus Station Kolkata : 700046 Email: Ccu@Skyfin.Com / Opsccu@Skyfin.Com	Mr. Romeo	033 - 65226693 Mobile-9874206662	033-6522669 3	Hand Delivery
7	New Delhi	Sharepro Services (India) Pvt.Ltd. C/O Skypak Financial Sec.Pvt.Ltd. 3Rd Floor, Satyam Hotel Building, 10, Qutub Road, Ram Nagar, Pahar Ganj, New Delhi - 110 055 Email : Del@Skyfin.Com/Sysdel@Skyfin.Com/Ops.Del@Skyfin.Com	Mr.Mobin / Santosh C	011-47230100 Mobile - 9582007707 / 9582007709	011-4723010 0	Hand Delivery

Note: Business Hours: Monday to Friday 10:00 AM to 1.00 PM and 2.00 PM to 4:30 PM, except Public Holidays

124 Shares should not be submitted/ tendered to the Manager to the Offer, the Acquirer, the PAC or the Target Company.

125 Applicants who cannot hand deliver their documents at the collection center referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address, Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, 2nd Floor, Behind Sakinaka Telephone Exchange, Andheri (East) Mumbai - 400072, Tel: +91 22 6191 5400; Fax: +91 22 6191 5444; email: camlin.offer@shareproservices.com; Contact Person: Mr. Anand Moolya.

126 The Shareholders who wish to tender their Shares pursuant to this Offer will be required to communicate their acceptance in the Form of Acceptance-cum-Acknowledgement and manner specified in the Letter of Offer to Sharepro Services (India) Private Limited acting as the Registrar to the Offer ("Registrar to the Offer") in accordance with the instructions contained in the Letter of Offer and Form of Acceptance cum Acknowledgment. Applicants who cannot hand deliver their documents at the collection centers, as will be mentioned in the Letter of Offer, may send such documents by registered post or by courier, at their own risk and cost, to the Registrar to the Offer at its address mentioned in paragraph 140. In case of non-receipt of the Letter of Offer, the eligible shareholders 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 Manager to the Offer or 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 Open Offer, i.e., no later than September 28, 2011, 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 Open Offer, i.e., no later than September 28, 2011.

a. In respect of dematerialised Shares Shareholders must ensure that the credit for the Shares tendered is received in the special depository account as specified below on or before September 28, 2011. If the Shareholders hold their Shares through CDSL, their Depository Participant Instruction will have to take the form of an inter-depository delivery instruction to CDSL for the purpose of crediting their Shares in favour of the special depository account with NSDL as mentioned below.

Depository Name	National Securities Depository Ltd. (NSDL)
Account Name	Open Offer-Camlin Ltd.-Sharepro Services Escrow Account
DP Name	Kotak Mahindra Bank Limited
DP ID Number	IN303173
Beneficiary Account Number	20003293
ISIN	INE760A01029
Market	Off-Market
Date of Credit	On or before September 28, 2011

It is the sole responsibility of the Shareholders to ensure credit of their Shares in the depository account above, prior to the closure of the Offer.

b. Shareholders who are holding the Shares in physical form and who wish to tender the Shares in the Offer are required to submit the Form of Acceptance-cum-Acknowledgment together with the original share certificate(s), valid transfer deed(s), and such other documents as may be specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgment, duly signed and addressed to the Registrar to the Offer, either by hand delivery on weekdays or by registered post, so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e., no later than September 28, 2011 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgment.

127 Documents to be delivered by all Eligible Shareholders:

a. For Shares held in the DEMATERIALIZED FORM:

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the DP.

(ii) Photocopy of the Delivery Instruction in “Off-market” mode or counterfoil of the delivery instruction slip in “Off-market” mode, duly acknowledged by the DP.

Please note the following:

(i) For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgment.

(ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Shares have not been credited to the above special account or for Shares that are credited in the above special account but the corresponding Form of Acceptance-cum-Acknowledgment has not been received as on the date of closure of the Offer.

(b) In case of Shares held in the PHYSICAL MODE by REGISTERED SHAREHOLDERS:

(i) Form of Acceptance-cum-Acknowledgement should be duly completed and signed, in accordance with the instructions contained therein, by all shareholders. In case of Shares held in joint names, names should be filled up in the same order in which they hold Shares in the Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;

(ii) Original equity share certificate(s); and

(iii) Valid equity share transfer form(s) duly signed by transferor (by all the equity shareholders in case the Shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s).

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

(c) In case of Shares held in the PHYSICAL MODE by PERSONS NOT REGISTERED AS SHAREHOLDERS:

(i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein;

(ii) Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and

(iii) Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares being tendered in this case.

(iv) In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s).

(v) No indemnity regarding title is required from persons not registered as Shareholders.

128 Non-resident Shareholders should, in addition to the above, enclose copy(ies) of permission(s), received from RBI or any other regulatory authority to acquire Shares held by them in the Target Company. OCBs / NRIs are requested to seek a specific approval of the RBI for tendering their Shares in the Offer and a copy of such approval must be provided along with other requisite documents in the event that any OCB / NRI shareholder tenders its Shares in the Open Offer. In case the above approvals from the RBI are not submitted, the Acquirer and the PAC reserve the right to reject such Shares tendered.

129 Shareholders who have sent the Shares held by them for dematerialization need to ensure that the process of getting the Shares held by them dematerialized is completed in time for the credit in the special depository account, to be received on or before the closure of the Offer, i.e., no later than September 28, 2011 or else their application will be rejected.

130 Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer. Applications in respect of Shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring such Shares during the pendency of the said litigation are liable to be rejected if the directions/orders regarding such Shares are not received together with the 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.

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

- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder) if the original Shareholder has expired
- Duly attested power of attorney if any person apart from the Shareholder has signed the acceptance form and / or transfer deed(s);
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance;
- In case of companies, the necessary corporate authorization (including certified copy of board and/or general meeting resolution(s)); and
- Any other relevant documents

132 Subject to the statutory approvals, the Acquirer and the PAC intend to complete all formalities, including the payment of consideration within a period of 15 (fifteen) days from the closure of the Offer, (i.e., October 13, 2011) and for the purpose open a special account as provided under regulation 29 of the Regulations, provided that where the Acquirer/ PAC are unable to make the payment to the Eligible Shareholders who have accepted the Offer before the said period of 15 (fifteen) days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer/ PAC or failure of the Acquirer/ PAC to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer/ PAC agreeing to pay interest to the Shareholders for delay beyond such 15 (fifteen) day period, as may be specified by SEBI from time to time.

133 The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the shareholders' sole risk. Unaccepted Shares held in dematerialised form will be credited back to the beneficial owners' depository account with the respective depository participant as per details received from their depository participant. It will be the responsibility of the Shareholders to ensure that the unaccepted Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.

134 The Registrar to the Offer will hold in trust the Form of Acceptance, Shares, share certificates, transfer deed(s) and/or other documents on behalf of the shareholders of the Target Company who have accepted this Offer, until the warrants/ cheques/ drafts for the consideration are dispatched and unaccepted share certificate/Shares, if any, are dispatched/ returned to the relevant Shareholders.

135 Payment to those Shareholders whose share certificates and/or other documents are found valid and in order and are approved by the Acquirer/ PAC, will be by way of a crossed account payee cheque/ demand draft/ pay order/ through Direct Credit ("DC")/ National Electronic Clearance System ("NECS")/ Electronic Clearing Services ("ECS")/ National Electronic Funds Transfer ("NEFT")/ Real Time Gross Settlement ("RTGS"). So as to avoid fraudulent encashment in transit, the Shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole shareholder as provided in the Form of Acceptance-cum-Acknowledgment and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in dematerialised form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment shall be processed with the said bank particulars, and not any details provided in the Form of Acceptance-cum-Acknowledgment. In case of shareholder(s) holding Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at their own risk). The decision regarding (i) the acquisition (in part or full), of the Shares tendered pursuant to the Offer, or (ii) rejection of the Shares tendered pursuant to the Offer along with (a) any corresponding payment for the acquired Shares and/or (b) return of share certificates for any rejected Shares or Shares withdrawn or Shares accepted in part, will be dispatched to the Shareholders by registered post or by ordinary post as the case may be, at the Shareholder's sole risk. Shares held in dematerialized form to the extent not acquired or Shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgment.

136 For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/ not credited through DC/NECS/ECS/NEFT/RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered post or ordinary post, as required. Dispatches involving payment of a value in excess of Rs. 1,500 (Rupees One Thousand Five Hundred Only) will be made by registered post at the Shareholder's sole risk. All other dispatches will be made by ordinary post at the Shareholder's sole risk.

137 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 Shares, payment will be made in the name of the person stated in the contract note.

138 A copy of the Letter of Offer (including Form of Acceptance-cum-Acknowledgment and Form of Withdrawal) is expected to be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.

139 Pursuant to Regulation 22(5A) of the Regulations, Shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA and the Letter of Offer can withdraw the same up to 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions mentioned in the letter of offer, so as to reach the Registrar to the Offer at its address mentioned in paragraph 140 below on or before September 23, 2011.

140 The withdrawal option can only be exercised by submitting the Form of Withdrawal as per the instructions included in the Form of Withdrawal so as to reach the Registrar to the Offer at its address Sharepro Services (India) Private Limited, 13AB, Samhita Warehousing Complex, 2nd Floor, Behind Sakinaka Telephone Exchange, Andheri (East) Mumbai - 400072, Tel: +91 22 6191 5400; Fax: +91 22 6191 5444; email: camlin.offer@shareproservices.com; Contact Person: Mr. Anand Moolya.

141 In case of non-receipt of the Form of Withdrawal the withdrawal option can be exercised by making an application on plain paper along with the following details:

a. In case of physical Shares: Name and address of the Shareholder, distinctive numbers, folio numbers, number of Shares tendered/withdrawn, copy of duly acknowledged Form of Acceptance-cum-Acknowledgement;

b. In case of dematerialized Shares: Name, address, number of Shares tendered/withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of delivery instruction in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP in favour of the Depository Escrow Account, copy of duly acknowledged Form of Acceptance-cum-Acknowledgement.

Tax Related Provisions

142 General

a. 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). Since the consideration payable under the Offer would be chargeable to capital gains under section 45 of the I-T Act or as business profits or interest income (if any) as the case may be, Acquirers/PAC are required to deduct taxes at source (including surcharge and education cess).
b. Resident and non-resident Shareholders as per I-T Act (including FII) are required to submit their Permanent Account Number ("**PAN**") for income-tax purposes. In case PAN is not submitted or is invalid or does not belong to the Shareholder, Acquirers/PAC will arrange to deduct tax at the rate of 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the I-T Act, or at the maximum rate as discussed in paragraphs 143 to 145 whichever is higher.
c. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirers/PAC, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the I-T Act, on the entire consideration and interest if any, payable to such Shareholder.
d. Securities transaction tax will not be applicable to the Shares accepted in this Offer.
e. The provisions contained under clause (b) and (c) above shall apply notwithstanding anything contrary contained in paragraphs 143 to 145 below.

143 Tax to be Deducted in Case of Non-resident Shareholders

a. While tendering Shares under the Offer, NRIs/OCBs/foreign Shareholders shall be required to submit a No Objection Certificate ("NOC")/Tax Clearance Certificate ("TCC") from 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 Acquirers/PAC before remitting the consideration (and the interest, if any). The Acquirers/PAC will arrange to deduct taxes at source in accordance with such NOC/TCC.

b. In case the aforesaid NOC or TCC is not submitted, the Acquirers/PAC will arrange to deduct tax at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the I-T Act, on the entire consideration and interest if any, payable to such Shareholder.

144 Withholding tax implications for FII

a. As per 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 FII as defined in section 115AD of the I-T Act.
b. A FII should certify ("FII Certificate") the nature of its income arising from the sale of Shares in the Target Company as per the I-T Act (whether capital gains or otherwise). In the absence of FII Certificate to the effect that their income from sale of Shares is in the nature of capital gains, the Acquirers/PAC will deduct tax at the maximum rate applicable to the category to which such FII belongs on the entire consideration payable to such FII. Should FII submit a NOC or TCC from the Income-tax authorities while tendering the Shares, indicating the amount of tax to be deducted by the Acquirer under the I-T Act, the Acquirers/PAC will deduct tax in accordance with the same.
c. In respect of interest income, should FII submit a NOC or TCC from the income-tax authorities indicating the amount of tax to be deducted by the Acquirers/PAC under the I-T Act, the Acquirers/PAC will deduct tax in accordance with the NOC/TCC so submitted. In absence of such NOC/TCC, the Acquirers/PAC will arrange to deduct tax at the maximum rate applicable to the category to which such FII belongs.

145 Tax to be deducted in case of resident Shareholders

a. In absence of any specific provision under the I-T Act, Acquirers/PAC will not deduct tax on the consideration payable to resident Shareholders for acquisition of Shares.
b. Acquirers/PAC will deduct the tax at the stipulated rates (including applicable surcharge, education cess and secondary higher education cess) on interest, if any, payable to resident Shareholders, if amount of interest payable is in excess of Rs.5,000 (Rupees Five Thousand only).
c. The resident Shareholder claiming no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance-cum-Acknowledgement an NOC or TCC from the income-tax authorities indicating the amount of tax to be deducted by the Acquirers or, in the case of resident 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 Shareholder furnishes PAN in such declaration. In case the aforesaid NOC or TCC or Form 15G or 15H, if applicable, is not submitted, the Acquirers/PAC will arrange to deduct tax at the maximum rate as may be applicable to the category of the Shareholder under the I-T Act. Also, no tax is to be deducted on interest amount in the case of resident Shareholder being a Mutual Fund as per Section 10(23D) of the I-T Act or a Bank/an entity specified under Section 194A(3)(iii) of the I-T Act if it submits a copy of relevant registration or notification along with the Form of Acceptance-cum-Acknowledgement.

146 Issue of withholding tax certificate

The Acquirers/PAC will issue a certificate in the prescribed form to the Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

147 Withholding taxes in respect of overseas jurisdictions

a. Apart from the above, the Acquirers/PAC will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Shareholder is a resident for tax purposes ("Overseas tax").
b. For this purpose, the non-resident 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 Shareholder is a tax resident, and the Acquirers/PAC will be entitled to rely on this representation at their/its sole discretion.

148 Shareholders who wish to tender their Shares must submit the following information along with the Form of Acceptance-cum-Acknowledgement:

Information requirement from non-resident Shareholder

1. Self attested copy of PAN card
2. NOC or TCC from the Income Tax authorities
3. Self attested declaration in respect of residential status (for tax purposes), status of Shareholders (e.g. Individual, Firm, Company, FII, Trust, or any other - please specify)
4. In case of FII, FII Certificate (i.e. self attested declaration certifying the nature of income arising from the sale of Shares, whether capital gains or otherwise)
5. SEBI registration certificate for FII

Information requirement in case of resident Shareholder

1. Self attested copy of PAN card
2. Self attested declaration in respect of residential status (for tax purposes), status of Shareholders (e.g. Individual, Firm, Company, Trust, or any other - please specify)
3. If applicable, self declaration form in Form 15G or Form 15H (in duplicate), as applicable
4. NOC or TCC from the Income Tax authorities (applicable only for the interest payment, if any)
5. For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the I-T Act – Copy of relevant registration or notification (applicable only for the interest payment, if any)

149 The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the amount received pursuant to this Offer. The tax rates and other provisions may undergo changes.

150 All 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 Acquirers/PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

151 Pursuant to the Regulation 13 of the SEBI (SAST) Regulations, the Acquirer and PAC have appointed Kotak Mahindra Capital Company Limited as the Manager to the Offer. The Acquirer and PAC have appointed Sharepro Services (India) Private Limited as the Registrar to the Offer.

XI. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Shareholders at the office of the Manager to the Offer at 1st floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer:

- Certified true copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Acquirer and the PAC and the Target Company
- Audited annual reports/financial statements of the Acquirer, the PAC and the Target Company for the last completed three financial years
- Certificate from Mr. Anish Shah, Membership No. 42649, Partner of M/s V.C. Shah & Co. Chartered Accountants, dated May 30, 2011, certifying the adequacy of financial resources with Acquirer and the PAC to fulfill the Offer obligations
- Escrow Agreement between the Acquirer/PAC, Kotak Mahindra Bank Limited and the Manager to the Offer, dated May 30, 2011
- Copy of the agreement between the Acquirer, the Registrar to the Offer, the Depository Participant and the Manager to the Offer for opening the Special Depository Account for the purpose of the Offer
- Copy of SSA and JVA
- Letter from Kotak Mahindra Bank, confirming the deposit of Rs. 302,431,070.0 (Rupees Three Hundred Two Million Four Hundred Thirty One Thousand and Seventy Only) in the Escrow Account
- Copy of the application dated June 2, 2011 made to RBI
- A copy of confirmation from DP regarding opening of special depository account in the name and style of 'Open Offer-Camlin Ltd.-Sharepro Services Escrow Account'
- Published copy of the Public Announcement dated June 1, 2011
- SEBI's observation letter dated August 29, 2011

Financial Advisors to the Acquirer and the PAC

XII. DECLARATION BY THE ACQUIRER AND THE PAC

For the purpose of disclosures in this Letter of Offer relating to the Target Company, the Acquirer, the PAC and the Board of Directors of the Acquirer and the PAC have relied on the information provided by the Target Company and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirer, the PAC and the respective Board of Directors of each of the Acquirer and the PAC accept full responsibility for the information contained in this Letter of Offer and also accept responsibility for the obligations of the Acquirer and the PAC as laid down in the Regulations. The Acquirer and the PAC shall be severally and jointly responsible for ensuring compliance with the Regulations.

Signed by

Sd-

For the Board of Directors of Kokuyo S&T Co., Ltd.

Name : Yasushi Inoue
Designation : Director, Authorized Signatory
Date : 1st September, 2011
Place : Tokyo

For the Board of Directors of Kokuyo Co., Ltd.

Name : Yasushi Inoue
Designation : Authorized Signatory
Date : 1st September, 2011
Place : Tokyo

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FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

Camlin Limited Open Offer

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance with enclosures to any of the Collection Centres as mentioned in the Letter of Offer)

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER OPENS ON	**September 9, 2011**
LAST DATE OF WITHDRAWAL	**September 23, 2011**
OFFER CLOSES ON	**September 28, 2011**

From
Folio No./DP ID No./Client ID No.:

To
The Acquirer:
Kokuyo S&T Co, Ltd. - Camlin Limited Open Offer
C/ o Sharepro Services (India) Private Limited,
13AB, Samhita Warehousing Complex,
2nd Floor, Behind Sakinaka Telephone Exchange,
Andheri (East), Mumbai - 400072

Dear Sir,

Sub: **Open offer ("Offer") for acquisition of 13,857,370 equity shares of Camlin Limited ("Target Company") of Re. 1/- each at a price of Rs. 110.0 per equity share by Kokuyo S&T Co., Ltd. ("Acquirer") along with Kokuyo Co., Ltd. ("PAC"), in compliance with Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("SEBI (SAST) Regulations")**

I/We refer to the Public Announcement dated June 1, 2011 and the Letter of Offer for acquiring the equity shares held by me/us in Camlin Limited.

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

☐ **SHARES IN DEMATERIALIZED FORM**

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

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

I/We have executed an off-market transaction for crediting the Shares to the special depository account as per the details below

☐ via a delivery instruction from my account with NSDL

☐ via an inter-depository delivery instruction from my account with CDSL

Depository Name	National Securities Depository Ltd. (NSDL)
DP Name	Open Offer-Camlin Ltd.-Sharepro Services Escrow Account
DP ID Number	Kotak Mahindra Bank Limited
Account Name	IN303173
Beneficiary Account Number	20003293
ISIN	INE760A01029
Market	Off-Market
Date of Credit	On or before September 28, 2011

Shareholders should ensure that the Shares are credited in the aforementioned account before the close of business hours on September 28, 2011.

I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

---Tear along this line ---

Acknowledgement Slip

Camlin Limited Open Offer

Received from Mr./Ms._ ____________________________________ a Form of Acceptance cum Acknowledgement for ________ Shares along with:

☐ copy of depository instruction slip from DP ID ___________ Client ID _____________

☐ ___________ Share certificate(s) ______________ transfer deed(s) under folio number(s) ____________

for accepting the Offer made by the Acquirer.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

☐ **SHARES IN PHYSICAL FORM**

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

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
5.					
(In case the space provided is inadequate, please attach a separate sheet with details.) **Total No. of Equity Shares**					

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

For all shareholders*

I / We, confirm that our residential status for the purposes of tax is:

☐ Resident
☐ Non-resident. If yes, please state country of tax residency - __________

I / We, confirm that our status is:

☐ Individual
☐ Firm
☐ Company
☐ Association of Person / Body of Individual
☐ Trust
☐ Any other - please specify ____________________

For FII shareholders

I/We, confirm that the income arising from the transfer of shares tendered by me/us is in the nature of *(select whichever is applicable)*

☐ Capital gains ☐ Any other income

I / We, have enclosed the following documents:

☐ Self attested copy of PAN card
☐ No Objection Certificate / Tax Clearance Certificate from the Indian Income tax authorities u/s 195(3) or u/s 197 under the Income Tax Act, 1961
☐ SEBI Registration Certificate for FIIs and sub-accounts
☐ Copy of RBI approvals, if any, for acquiring shares of Camlin Ltd hereby tendered in the Offer.
☐ FII certificate

For Non-resident shareholders (other than FII)

☐ Self attested copy of PAN card
☐ No Objection Certificate / Tax Clearance Certificate from the Indian Income tax authorities u/s 195(3) or u/s 197 under the Income Tax Act, 1961
☐ Banker certificate certifying inward remittance
☐ Copy of RBI approvals, if any, for acquiring shares of Camlin Ltd hereby tendered in the Offer.

I/We confirm that _________ [please specify the amount / rate of Overseas tax to be withheld] is deductible on the entire consideration towards Overseas tax as per the relevant tax laws of the country in which I/we am/are a tax resident. (Refer paragraph 147 of the Letter of Offer)

**All shareholders are advised to refer to clauses 142 to 150 on taxation in Section X of the Letter of Offer regarding important disclosures on taxation of the consideration to be received by them.*

For Resident shareholders

I / We, have enclosed the following documents:

☐ Self attested copy of PAN card
☐ No Objection Certificate / Tax Clearance Certificate from the Indian Income tax authorities u/s 197 under the Income Tax Act, 1961. (applicable only for interest, if any)
☐ Self declaration form in Form 15G / Form 15H, if applicable
☐ For Mutual fund/Banks/Notified Institution under Section 194A(3)(iii)(f) of the Income Tax Act, 1961, copy of relevant Registration or notification (applicable only for interest payment, if any)

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

Note: All future correspondence, if any, should be addressed to Registrar to the Offer

Sharepro Services (India) Private Limited
13AB, Samhita Warehousing Complex, 2nd Floor, Behind Sakinaka Telephone Exchange, Andheri (East), Mumbai - 400072
Tel: +91 22 6191 5400; Fax: +91 22 6191 5444
Contact Person: Mr. Anand Moolya
Email: camlin.offer@shareproservices.com

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

I/We authorize the Acquirer to accept the Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, share certificate(s)/Shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below. In case I have tendered my Shares in dematerialized form, I authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

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

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in demat form, the Bank account as obtained from the beneficiary position download to be provided by the depositories will be considered and the warrants will be issued with the said Bank particulars, and not any details provided herein.

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

Yours faithfully,
Signed and Delivered

	Full Name(s) of the Shareholders	**Signature**
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder____

Place:

Date:

The details of the collection centres are as follows:

S.No	Collection Centre	Address of Collection Centre	Contact Person	Phone no	Fax	Mode of delivery
1	Mumbai	Sharepro Services (India) Pvt. Ltd. 13-A/B, Samitha Warehouse, 2Nd Floor, Sakinaka Telephone Exch. Lane, Sakinaka, Andheri (E) Mumbai 400072	Anand Moolya / Sachin Shinde	022 6191 5400	022 6191 5444	Hand Delivery & Registered Post/ Courier
2	Mumbai	Sharepro Services (India) Pvt. Ltd. 912, Raheja Centre, Free Press Journal Rd, Nariman Point Mumbai 400 021	Ravi Kotian	022 22881568/ 66134700	022 22825484	Hand Delivery
3	Ahmedabad	Sharepro Services (India) Pvt. Ltd. 416-420, Devanandan Mall, Opp. Sanyas Ashram, Ashram Road, Ahmedabad - 380 006	Paresh Dave	079 - 26582381	079-26582385	Hand Delivery
4	Bangalore	Sharepro Services (India) Pvt. Ltd. C/O Skypak Financial Sec.Pvt.Ltd. No.38, First Floor, Panna Sadan, Palani Mudaliyar Street, Halasuru, Bangalore - 560 008 Email - Ops.Blr@Skyfin.Com	Mr. Sarvanna	080-41146382 Mobile - 9538883664	080-41146382	Hand Delivery
5	Baroda	Sharepro Services (India) Pvt.Ltd. C/O Skypak Financial Sec.Pvt.Ltd. F/03, Chandralok Darshan Apt.,Opp Kirti Kunj Soc., Karelibaug, Baroda - 390018 Email - Bdq@Skyfin.Com; Reporting.Bdq@Skyfin.Com	Mr.Mustafa Bhatti / Rakesh Shah	9099039015 / 9898552942	NA	Hand Delivery
6	Kolkata	Sharepro Services (India) Pvt.Ltd. C/O Skypak Financial Sec.Pvt.Ltd. 11G/1B Raicharan Pal Lane, Near Park Circus Station Kolkata : 700046 Email: Ccu@Skyfin.Com / Opsccu@Skyfin.Com	Mr. Romeo	033 - 65226693 Mobile- 9874206662	033-65226693	Hand Delivery
7	New Delhi	Sharepro Services (India) Pvt.Ltd. C/O Skypak Financial Sec.Pvt.Ltd. 3Rd Floor, Satyam Hotel Building, 10, Qutub Road, Ram Nagar, Pahar Ganj, New Delhi - 110 055 Email : Del@Skyfin.Com/ Sysdel@Skyfin.Com/ Ops.Del@Skyfin.Com	Mr.Mobin / Santosh C	011-47230100 Mobile - 9582007707 / 9582007709	011-47230100	Hand Delivery

Note: Business Hours: Monday to Friday 10:00 AM to 1.00 PM and 2.00 PM to 4:30 PM, except Public Holidays

INSTRUCTIONS:

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER

(1) **All queries** pertaining to the Offer may be directed to the Registrar to the Offer.

(2) **Shareholders holding registered physical Shares** should submit the Form duly completed and signed in accordance, by the holders of the Shares, along with the original equity share certificate(s) and valid equity share transfer form(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed.

(3) **Shareholders holding Shares in dematerialised form** should submit the Form duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant (“DP”).

(4) **In case of shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.

(5) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(6) **Persons who own physical Shares (as on the Specified Date or otherwise) but are not the registered holders** of such Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the share certificate(s), the transfer deed(s) with the buyers details not filled in and other relevant documents. In case the share certificate(s) and transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or in person to the Registrar at their offices as mentioned above.

The sole/first holder may also mention particulars relating to savings/current account number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form, to enable the Registrar to print the said details in the cheques after the name of the payee.

In order to avail Electronic Clearing Service (“ECS”) for receipt of consideration, the attached ECS mandate form needs to be duly filled in and signed by the Sole/First Shareholder and submitted with the Form before the closure of the Offer.

(7) **Non-resident Shareholders** should enclose copy(ies) of permission received from Reserve Bank of India to acquire Shares held by them in the Target Company. OCBs (as defined under FEMA) are requested to seek a specific approval of the Reserve Bank of India for tendering their shares and a copy of such approval must be provided along with other requisite documents.

(8) **Shareholders** are also advised to refer to clauses 142 to 150 on taxation in Section X of the Letter of Offer regarding important disclosures on taxation of the consideration to be received by them.

(9) NRIs, OCBs and foreign shareholders are required to furnish Banker’s Certificate certifying inward remittances of funds for acquisition of shares of the Target Company.

(10) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(11) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

- (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- (b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- (c) No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

FORM OF WITHDRAWAL

Camlin Limited Open Offer

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

OFFER OPENS ON	**September 9, 2011**
LAST DATE OF WITHDRAWAL	**September 23, 2011**
OFFER CLOSES ON	**September 28, 2011**

From
Folio No./DP ID No./Client ID No.:

To
The Acquirer:
Kokuyo S&T Co, Ltd. - Camlin Limited Open Offer
C/ o Sharepro Services (India) Private Limited,
13AB, Samhita Warehousing Complex,
2nd Floor, Behind Sakinaka Telephone Exchange,
Andheri (East), Mumbai - 400072

Dear Sir,

Sub: Open offer ("Offer") for acquisition of 13,857,370 equity shares of Camlin Limited ("Target Company") of Re. 1/- each at a price of Rs. 110.0 per equity share by Kokuyo S&T Co., Ltd. ("Acquirer") along with Kokuyo Co., Ltd. ("PAC"), in compliance with Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("SEBI (SAST) Regulations")

I/We refer to the Public Announcement dated June 1, 2011 and the Letter of Offer for acquiring the equity shares held by me/us in Camlin Limited.

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

I / We hereby consent unconditionally and irrevocably to withdraw my / our Shares from the Offer and I / we further authorize the Acquirer to return to me / us, the tendered Share Certificate(s) / Share(s) at my / our sole risk.

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

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. September 23, 2011 before 4:30 p.m.

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

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

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

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

Sr. No.	**Ledger Folio No(s)**	**Certificate No(s)**	**Distinctive No(s)**		**No. of Shares**
			From	**To**	
1.					
2.					
3.					
4.					
5.					
(In case the space provided is inadequate, please attach a separate sheet with details.) **Total No. of Equity Shares**					

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

Acknowledgement Slip

Camlin Limited Open Offer

Received from Mr./Ms._ ____________________ residing at ______________________________________ a Form of Withdrawal for ________ Shares along with:

☐ copy of depository instruction slip from DP ID ___________ Client ID _____________

☐ copy of acknowledgement slip issued when depositing dematerialized Shares

☐ copy of acknowledgement slip issued when depositing physical Shares

for withdrawing from the Offer made by the Acquirer.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	

I / We hold the following Shares in dematerialized form and had executed an off-market transaction for crediting the Shares to the "Open Offer-Camlin Ltd.-Sharepro Services Escrow Account". Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our Shares have been tendered are as follows:

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

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

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

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

Yours faithfully,
Signed and Delivered

	Full Name(s) of the Shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder____

Phone: ________________________ Email: ________________________

Place: ________________________

Date:________________________

INSTRUCTIONS

(1) **Shareholders desirous of withdrawing their acceptances tendered in the Offer can do up to September 23, 2011, being Three (3) working days prior to the Closing of the Offer.**

(2) The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed along with the copy of the acknowledgment slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgment.

(3) **All queries** pertaining to the Offer may be directed to the Registrar to the Offer.

(4) **In case of Shares held in joint names,** names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.

(5) **In case where the signature is subscribed by thumb impression,** the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(6) **In case of bodies corporate,** certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(7) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):

(a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.

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

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

Note: All future correspondence, if any, should be addressed to Registrar to the Offer

Sharepro Services (India) Private Limited
13AB, Samhita Warehousing Complex, 2nd Floor, Behind Sakinaka Telephone Exchange, Andheri (East), Mumbai - 400072
Tel: +91 22 6191 5400; Fax: +91 22 6191 5444
Contact Person: Mr. Anand Moolya
Email: camlin.offer@shareproservices.com

MANDATE FORM
ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

Kokuyo S&T Co, Ltd
6-1-1 Oimazato-Minami,
Higashinari-ku, Osaka,
537-8686, Japan

Dear Sirs:

I am pleased to participate in the Electronic Clearing Services (ECS) introduced by Reserve Bank of India (RBI). The particulars of my Bank Account to which the payment of Offer consideration may be electronically credited are as follows:

1.	Name of Sole/First Holder of shares	____________________
2.	Folio No.	____________________
3.	Name of the Bank	____________________ ____________________
4.	Branch address of Bank to which consideration Amount to be credited	____________________ ____________________ ____________________
5.	9-digit Code Number of the Bank and Branch appearing on the MICR cheque issued by your Bank. This is mentioned on the MICR band next to the cheque number. **(Please attach blank "cancelled" cheque or a Xerox copy thereof).**	
6.	Account Type (tick one)	☐ Savings ☐ Current ☐ Cash Credit
7.	Ledger Folio of your Bank Account (If any, appearing on your cheque book)	--
8.	Account No. (as appearing on your cheque book)	---

I hereby declare that the particulars given above are correct and complete. If the payment of Offer consideration is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company responsible.

Date:

…………………………………
Signature of Sole/First Holder

In case the shareholder is not in a position to give blank "cancelled" cheque or a Xerox copy thereof, a certificate of the shareholder's Bank may be furnished as under:

Certificate of the Shareholder's Bank
(To be submitted only if blank "cancelled" cheque or a Xerox copy thereof is not enclosed)

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp: --

Date: **Signature of the Authorized Official of the Bank**