DETAILED PUBLIC STATEMENT TO THE SHAREHOLDERS OF

ELLENBARRIE INDUSTRIAL GASES LIMITED

IN TERMS OF REGULATION 3(1), 4 AND 13(4) READ WITH REGULATIONS 14 AND 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

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Open Offer for Acquisition of up to 17,02,163 fully paid up Equity Shares from the shareholders of Ellenbarrie Industrial Gases Limited (Target Companyƒ) by Air Water Inc. (Acquirerƒ)

This Detailed Public Statement (DPSƒ) is being issued by Axis Capital Limited (Manager to the Offerƒ), for and on behalf of Air Water Inc. (the Acquirerƒ), to the equity shareholders of Ellenbarrie Industrial Gases Limited (the Target Companyƒ) pursuant to and in compliance with Regulation 13(4) and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011 and subsequent amendments thereto (SEBI (SAST) Regulationsƒ or the Regulationsƒ), pursuant to the Public Announcement (PAƒ) filed on June 14, 2013 with The Calcutta Stock Exchange Limited (CSEƒ) and the Target Company at its registered office and filed on June 17, 2013 with Securities and Exchange Board of India (SEBIƒ) in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations. The copy of PA has also been filed with BSE Limited (BSEƒ).

I. ACQUIRER, TARGET COMPANY AND OFFER

A. Information on Acquirer

1. Air Water Inc ("**Acquirer**" / "**AWI**"), is a public limited company incorporated under the laws of Japan, having its principal office at 12-8, Minami Semba 2-chome, Chuo-ku, Osaka 542-0081, Japan. AWI was established on September 24, 1929 and is engaged in the business of manufacture and trading of industrial gases and ancillary products and services. The company was established in Sapporo, Japan in September 1929 as "Hokkai Sanso Co., Ltd". In August 1966, the name was changed to "HOXAN Corporation". In April 2000, as a result of merger and acquisitions, the name was further changed to Air Water Inc.
2. The equity shares of the Acquirer are currently listed on Tokyo Stock Exchange, Osaka Securities Exchange and Sapporo Securities Exchange in Japan.
3. AWI is a professionally managed company. The shares of AIR WATER INC. are widely held by institutional and individual shareholders. Hence, there are no identified promoters or controlling shareholders of AWI.
4. Name(s) of key shareholders of the Acquirer along with equity shareholding as of September 30, 2012 is as follows;

Company	Number of Shares Held (thousands)	Ratio of Shares Held (%)
Sumitomo Metal Industries, Ltd.	10,000	5.03
Japan Trustee Services Bank, Ltd. (trust account)	8,349	4.20
Sumitomo Mitsui Trust Bank, Limited	7,936	3.99
The Master Trust Bank of Japan, Ltd. (trust account)	7,928	3.99
Sumitomo Mitsui Banking Corporation	6,196	3.12
Air Water Customers' Stockholding	5,369	2.70
Japan Trustee Services Bank, Ltd. (trust account 9)	5,310	2.67
National Mutual Insurance Federation of Agricultural Cooperatives	4,780	2.41
The Hokkaido Bank, Ltd.	4,113	2.07
North Pacific Bank, Ltd.	3,874	1.95

5. The names of the Directors of the Acquirer are as follows - Hiroshi Aoki, Masahiro Toyoda, Yasuo Imai, Akira Yoshino, Takashi Izumida, Toshihiko Akatsu, Akira Fujita, Kikuo Toyoda, Yuu Karato, Yukio Matsubara, Noriyasu Saeki, Masato Machida, Ryohei Minami, Hiroshi Terai, Minoru Nagata, Yasushi Sogabe, Yukio Murakami.
6. The Acquirer has not been prohibited by SEBI from dealing in securities in terms of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended (the **SEBI Actƒ),** or under any of the regulations made under the SEBI Act.
7. Presently, the Acquirer, its Directors and its management personnel do not have any ownership interest in the Target Company except for the transactions contemplated in the Share Purchase Agreement (SPA) and Shareholders' Agreement (SHA) (as detailed in Paragraph II below).
8. The financial details of the Acquirer on a consolidated basis audited by KPMG AZSA LLC -the accounting auditor of the company is as follows:

(Millions of INR except EPS and Diluted EPS)

Particulars	FY 2009-10	FY 2010-11	FY 2011-12	9ME Dec 2012#
Total Revenue*	7,05,974	7,80,993,	8,21,515	6,51,147
Net Income	22,839	19,170	28,175	23,191
EPS	120.86	100.51	146.64	118.78
Diluted EPS	114.94	97.75	143.13	118.56
Net worth / Shareholder' Funds	2,69,079	2,77,576	2,99,852	3,16,340

(Source: Acquirer)

(Millions of except EPS and Diluted EPS)

Particulars	FY 2009-10	FY 2010-11	FY 2011-12	9ME Dec 2012#
Total Revenue*	4,30,150	4,75,859	5,00,549	3,96,744
Net Income	13,916	11,680	17,167	14,130
EPS	73.64	61.24	89.35	72.37
Diluted EPS	70.03	59.56	87.21	72.24
Net worth / Shareholder' Funds	1,63,950	1,69,127	1,82,700	1,92,746

(Source: Acquirer)

* Total revenue includes Income from Operations, Other Income and Extraordinary Income.

Income from Operations: JPY 426,357 million in FY 2009-10, JPY 471,810 million in FY 2010-11, JPY 492,680 million in 2011-12, JPY 391,147 million in 9ME Dec 2012.

Other Income: JPY 830 million in FY 2009-10, JPY 804 million in FY 2010-11, JPY 777 million in 2011-12, JPY 582 million in 9ME Dec 2012.

Extraordinary Income: JPY 2,963 million in FY 2009-10, JPY 3,245 million in FY 2010-11, JPY 7,092 million in 2011-12, JPY 5,015 million in 9ME Dec 2012.

9ME Dec 2012- Interim unaudited consolidated financial information, which has been subject to limited review by the Acquirer's auditors.

EPS, Diluted EPS is not annualised

Since the financial statements for the Acquirer are prepared in Japanese Yen (¥), the functional currency of the Acquirer, they have been converted into INR for purpose of convenience of translation. INR to ¥ conversion has been made at assumed rate of 1 ¥ =0.6093 INR as on date of PA. (Source: Reserve Bank of India)

B. Details of Sellers

The "**Sellers**", as mentioned under the SPA are - Shanti Prasad Agarwala, Padam Kumar Agarwala HUF, Shanti Prasad Agarwala HUF, Padam Kumar Agarwala, Aradhita Agarwal, Varun Agarwal, Pushpa Devi Agarwala and Renu Agarwal.

1. The details of the Sellers are mentioned below.
   - Shanti Prasad Agarwala, an Indian resident individual, Managing Director of the Target Company, residing at 3A Ripon Street, Kolkata - 700016.
   - Padam Kumar Agarwala, an Indian resident individual, Joint Managing Director of the Target Company, residing at 3A Ripon Street, Kolkata - 700016.
   - Shanti Prasad Agarwala HUF, an Indian resident, residing at 3A Ripon Street, Kolkata - 700016.
   - Padam Kumar Agarwala HUF, an Indian resident, residing at 3A Ripon Street, Kolkata - 700016.
   - Aradhita Agarwal, an Indian resident, residing at 3A Ripon Street, Kolkata - 700016.
   - Varun Agarwal, an Indian resident, residing at 10A, Burdhawan Road, Kolkata - 700057.
   - Pushpa Devi Agarwala, an Indian resident, residing at 10A, Burdhawan Road, Kolkata - 700057.
   - Renu Agarwal, an Indian resident, residing at 3A Ripon Street, Kolkata - 700016.
2. Shanti Prasad Agarwala, Padam Kumar Agarwala HUF, Shanti Prasad Agarwala HUF, and Padam Kumar Agarwala, forms part of "**Promoterƒ** and **Promoter Groupƒ** of the Target Company as disclosed in Stock Exchange filings of the Target Company. As confirmed by the Target Company Aradhita Agarwal, Varun Agarwal, Pushpa Devi Agarwala, and Renu Agarwal are immediate relatives of Mr. Shanti Prasad Agarwala and Mr. Padam Kumar Agarwala, the Promoters of the Target Company.
3. Shareholding / voting rights of Sellers in the Target Company before and after the underlying Transaction is as follows:

Name of Sellers	Part of Promoter Group (Yes / No)	Details of Equity Shares / Voting rights held by the Sellers			
		Pre-transaction		Post-transaction	
		Number	%	Number of shares assuming 26% shares are validly tendered in the Offer *	% of voting share capital assuming 26% shares are validly tendered in the Offer *
Shanti Prasad Agarwala	Yes	535320	8.18%	535320	8.18%
Padam Kumar Agarwala HUF	Yes	180000	2.75%	7705	0.12%
Shanti Prasad Agarwala HUF	Yes	786960	12.02%	786960	12.02%
Padam Kumar Agarwala	Yes	1288800	19.69%	1288800	19.69%
Pushpa Devi Agarwala#	No	1052100	16.07%	0	0.00%
Varun Agarwal #	No	576000	8.80%	576000	8.80%
Aradhita Agarwal #	No	342000	5.22%	0	0.00%
Renu Agarwal #	No	70300	1.07%	0	0.00%
Total		**4831480**	**73.80%**	**3194785**	**48.80%**

 # Relatives of Promoter

AWI will acquire such number of equity shares representing 51% of the share capital on a fully diluted share capital of the Target Company ("Threshold Shareholding"**). Pursuant to SPA, as AWI wishes to acquire the Threshold Shareholding, the aggregate number of Equity Shares to be sold by the Sellers to AWI shall be reduced on a one-for-one basis by the number of Equity Shares acquired by AWI pursuant to the Open Offer.*

4. The Sellers have not been prohibited by SEBI from dealing in securities in terms of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended (the "SEBI Act"), or under any of the regulations made under the SEBI Act.

C. Information on the Target Company

(The disclosure mentioned under this section has been sourced from publicly available sources)

1. The Target Company is Ellenbarrie Industrial Gases Limited (CIN L24112WB1973PLC029102). The Target Company was originally incorporated on November 23, 1973 as a public company at Kolkata. The registered office of the Target Company is situated at 3A Ripon Street, Calcutta - 700016. India. (Tel: +91 - (033) - 22291923; Fax: +91 - (033) - 2249 3396, Email id: ellenbarrie@vsnl.com, Website: www.ellenbarrie.com. The Target Company is in the business of manufacture of industrial gases such as oxygen and nitrogen as well as steel sheets. The Target Company presently has its manufacturing plants at Kalyani (West Bengal), Uluberia (West Bengal) and Vizag (Andhra Pradesh) and proposes to start operations at its Hyderabad (Andhra Pradesh).
2. The equity share of the Target Company is listed on The Calcutta Stock Exchange Limited (CSE). The Equity Shares of the Target Company are admitted for trading on BSE Limited (BSE) under permitted to trade category. Based on the information available from the website of the BSE (www.bseindia.com), the equity shares of the Target Company are in-frequently traded on BSE within the meaning of 2(1) (j) of SEBI (SAST) Regulations for the period commencing on June 1, 2012 and ending on May 31, 2013 (i.e. 12 (twelve) calendar months preceding the month in which the PA is issued). CSE vide its letter dated May 10, 2013 confirmed that there was no trading in the Shares of Target Company during the period April 1, 2012 and March 31, 2013.
3. The total authorized share capital of the Target Company is ₹ 25,00,00,000 (Rupees Twenty Five Crores), divided into 2,10,00,000 (Two Crores and Ten Lakhs Only) equity shares of ₹ 10 (Rupees Ten) each ("**Equity Share**") and 4,00,000 (Four Lakhs Only) - 9% cumulative redeemable preference shares of ₹ 100 each. As on March 31, 2013, the subscribed, issued and paid up share capital of the Target Company is ₹ 6,54,67,800 (Rupees Six Crores, Fifty Four Lakhs, Sixty Seven Thousand, Eight Hundred Only) divided into 65,46,780 equity shares (Sixty Five Lakhs, Forty Six Thousand, Seven Hundred and Eighty Only) of ₹ 10 (Rupees Ten) each. As on March 31, 2013, the Target Company did not have any outstanding partly paid-up equity shares.
4. The Directors of the Target Company are as follows: Shanti Prasad Agarwala, Padam Kumar Agarwala, Varun Agarwal, Ajit Kandelwal, Manas Kumar Dutta, Ranesh Bhowmick.
5. The Consolidated audited financial highlights of the Target Company for the last 3 (three) years and for nine months period ending December 31, 2012 are as given below-

(₹ in Lakhs except EPS)

Particulars	For Period ending December 31, 2012 [Nine months]	March 31, 2012	March 31, 2011	March 31, 2010
Total Income *	6037.66	7424.61	6592.3	5104.68
Net Income (Net Profit/(loss) after tax)	292.1	93.54	335.01	165.01
Earnings Per Share (EPS) Basic	4.46	1.43	5.12	2.52
Net worth / Shareholders' Fund	NA	2627.35	2571.85	2274.89

(*Source: Annual Reports of the Target Company - 2012, 2011)*

** Total Income represents Revenue from Operations and Other Income*

For Nine months period ending December 31, 2012 - Source - Interim unaudited consolidated financial information as provided by Target Company and disclosed to stock exchanges

D. Details of the Offer

1. This open offer (the "**Offer**" or "**Open Offer**") is a mandatory offer being made by the Acquirer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to SPA as mentioned in Paragraph II below to acquire more than 25% of the voting rights of the Target Company by the Acquirer accompanied with change in control of the Target Company.
2. The Acquirer is making an Open Offer to acquire upto 17,02,163 fully paid up equity shares of the face value of ₹ 10 each (**Offer Sharesƒ**), representing in aggregate 26% of the equity share capital of the Target Company at a price of ₹ 316.94 /- (Rupees Three Hundred and Sixteen and Ninety Four paise only) per fully paid up equity share payable in cash, ("**Offer Price**") in accordance with the provisions of the SEBI (SAST) Regulations and subject to the terms and conditions set out in this DPS and the letter of offer that will be circulated to the shareholders in accordance with the provisions of the SEBI (SAST) Regulations ("**Letter of Offer**").
3. The Offer Price will be paid in cash in accordance with Regulation 9(1) (a) of the SEBI (SAST) Regulations.
4. This Offer is being made to all the shareholders of the Target Company (other than the parties to the SPA). The Acquirer will acquire all the Offer Shares of the Target Company that are validly tendered as per the terms of the Offer as stated in the Letter of Offer (including the receipt of statutory and other approvals as mentioned in Paragraph VI required for the acceptance of Offer Shares by the Acquirer under the Offer), subject to a maximum of Offer Shares being 26% of the equity share capital of the Target Company. There are no partly paid-up equity shares in the Target Company.
5. As on the date of this DPS, there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares of the Target Company.
6. All Offer Shares validly tendered in the Open Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this DPS and the Letter of Offer. There shall be no discrimination in the acceptance of locked-in and non locked-in shares in the Offer. The Offer 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, including all rights to dividend, bonus and rights offer declared thereof.
7. To the best of the knowledge of the Acquirer, as of the date of this DPS, no statutory or regulatory approval is required to acquire the Equity Shares tendered pursuant to this Offer. However, the Offer would be subject to all statutory or regulatory approvals that may become applicable at a later date. The Acquirer reserves the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals that may be necessary at a later date are refused.
8. The Offer is not a competing offer in terms of Regulation 20 of SEBI (SAST) Regulations.
9. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
10. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if any of the said conditions mentioned in Paragraph VI are not obtained (including if refused) or otherwise complied with, the Acquirer may elect not to proceed with completion of the Transaction as envisaged under the SPA. In such an event, the Acquirer shall also have a right to withdraw this Offer in terms of Regulation 23(1)(c) of the SEBI (SAST) Regulations. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, the Stock Exchanges and to the Target Company at its registered office.
11. The Acquirer proposes not to appoint its nominees as directors on the Board of Directors of the Target Company prior to completion of open offer.
12. There are no persons acting in concert for the purpose of this Offer within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations.
13. The Acquirer does not hold any Equity Shares / voting rights in the Target Company as of the date of this DPS. The Acquirer has not acquired any Equity Shares of the Target Company during the 12 months period prior to the date of this DPS.
14. The Manager to the Open Offer does not hold any shares as on the date of this DPS.
15. A copy of this DPS will be (i) submitted to SEBI through Manager to the Open Offer (ii) submitted to CSE - stock exchange on which shares are listed and BSE - stock exchange on which shares are available for trading respectively and (iii) sent to Target Company, at its registered office for placing before the board of directors of the Target Company.

E. The Acquirer may dispose-off or otherwise encumber any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, reconstruction, restructuring (including but not limited to amalgamation and / or demerger with its group companies) and / or re-negotiation or termination of existing contractual / operating arrangements, for restructuring and / or rationalizing the assets, investments or liabilities of the Target Company and / or it subsidiaries, to improve operational efficiencies and for other commercial reasons. The board of directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company.

F. The equity shares of the Target Company is listed on CSE and is available for trading on BSE in permitted to trade category. As per Clause 40A of the listing agreement with CSE read with Rule 19A of Securities Contract (Regulation) Rules, 1957 ("SCRR"), the Target Company is required to maintain at least 25% public shareholding (i.e. shares of the Target Company held by the public as determined in accordance with the SCRR, on a continuous basis for listing. Consequent to this Offer (assuming full acceptance in the Open Offer), if the shareholding of the Acquirer in the Target Company together with the shareholding of the Continuing Promoters, pursuant to the SPA (as disclosed in Paragraph III (1)) exceeds the maximum permissible non-public shareholding specified in the listing agreement entered into by the Target Company with the Stock Exchanges, as per Rule 19A of the SCRR, for the purpose of listing on continuous basis, the Continuing Promoters (and not AWI) , have agreed to forthwith bring down their shareholding in the Target Company in accordance with applicable law such that the aggregate shareholding of AWI and the Continuing Promoters is within the maximum permissible non-public shareholding limits within the time limit prescribed under applicable law.

II. BACKGROUND TO THE OFFER

1. The Acquirer to this Offer is Air Water Inc.
2. Air Water Inc ("the **Acquirer**"), is a company incorporated under the laws of Japan, having its principal office at 12-8, Minami Semba 2-chome, Chuo-ku, Osaka 542-0081, Japan. AWI was established on September 24, 1929 and is engaged in the business of manufacture and trading of industrial gases and ancillary products and services. The Acquirer has entered into a Share Purchase Agreement dated June 14, 2013 ("**SPA**") with Shanti Prasad Agarwala, Padam Kumar Agarwala HUF, Shanti Prasad Agarwala HUF, and Padam Kumar Agarwala ("**Promoter / Promoter Group**") and Aradhita Agarwal, Varun Agarwal, Pushpa Devi Agarwala and Renu Agarwal ("**Relatives**" / "**Relatives of the Promoters**") (together referred to as "**Sellers**") for the acquisition of 3,338,858 subscribed and fully paid up equity shares ("**Sale Shares**") of ₹ 10/- each representing 51% of the subscribed and issued equity share capital of the Target Company at a price of ₹ 316.94/- (Rupees Three Hundred and Sixteen and Ninety Four paise Only) per equity share aggregating to ₹ 1,058,217,655 (Rupees One Hundred And Five Crores, Eighty Two Lakhs, Seventeen Thousand, Six Hundred and Fifty Five Only) payable in cash ("**Transaction**").
3. AWI wishes to acquire such number of Equity Shares representing 51% of the share capital on a fully diluted share capital of the Target Company ("**Threshold Shareholding**"). Pursuant to SPA, as AWI wishes to acquire the Threshold Shareholding, the aggregate number of Equity Shares to be sold by the Sellers to AWI shall be reduced on a one-for-one basis by the number of Equity Shares acquired by AWI pursuant to the Open Offer and the purchase consideration of the Sale Shares to be received by the Sellers shall be reduced accordingly in terms of the SPA. In the event that the number of Sale Shares needs to be reduced as set out above, such reduction shall be first made from the Sale Shares held by Mr. Shanti Prasad Agarwala, Mr. Padam Kumar Agarwala and Mr. Varun Agarwal (collectively, the "**Continuing Promoters**"), and the balance, if any, shall be reduced from the Sale Shares held by the Relatives (not including Varun Agarwal).
4. Pursuant to the proposed substantial acquisition of equity shares and consequent change in control of the Target Company contemplated under the SPA, this Open Offer is being made by the Acquirer in compliance with Regulation 3(1) and 4 of and other applicable provisions of SEBI (SAST) Regulations.
5. The Acquirer hereby makes this Offer to shareholders of the Target Company (other than the parties to the SPA) to acquire Offer Shares, representing in aggregate 26 % of the paid up equity share capital and voting capital of the Target Company at a price of ₹ 316.94/- (Rupees Three Hundred and Sixteen and Ninety Four paise only) per fully paid up equity share ("**Offer Price**") payable in cash subject to the terms and conditions mentioned in this DPS and in the Letter of Offer that will be circulated to the shareholders in accordance with the SEBI (SAST) Regulations ("Letter of Offer"). This Offer is not subject to any minimum level of acceptance.
6. A summary of some of the salient features of the SPA which have been executed between Target Company, the Sellers and AWI is as follows-
   a) As on the date of the SPA, the Sellers (which includes Promoters and Relatives) collectively own 4,831,480 (four million eight hundred thirty one thousand four hundred eighty) Equity Shares representing 73.80% of the share capital of the Target Company. The shareholding of the Relatives is classified as "public shareholding" by the Target Company although the Relatives are "immediate relatives" of the Promoters (as such term is defined under the SEBI (SAST) Regulations).
   b) AWI has agreed to acquire from the Sellers 3,338,858 Equity Shares representing 51% of the share capital of the Target Company. AWI and the Sellers have agreed that after completion of the Transaction including the Open Offer, the shareholding of AWI (taking into account Equity Shares tendered in the Open Offer) shall be equal to 51% of the share capital of the Target Company. Accordingly, in terms of the SPA, the aggregate number of Equity Shares to be sold by the Sellers to AWI shall be reduced on a one-for-one basis by the number of Equity Shares acquired by AWI pursuant to the Open Offer and the total purchase consideration of the Sale Shares to be received by the Sellers shall be reduced accordingly. In the event that the number of Sale Shares is required to be reduced as set out above, such reduction shall be first made from the Sale Shares held by the Continuing Promoters, and the balance, if any, shall be reduced from the Sale Shares held by the Relatives (not including Varun Agarwal).
   c) Upon completion of the Transaction, AWI and the Continuing Promoters shall be co-promoters of the Target Company and shall be in joint control of the Target Company.
   d) The SPA contains conditions precedent customary to the transactions of similar nature including completion by AWI of this Open Offer and satisfaction of its obligations under the SEBI (SAST) Regulations and the Target Company and the Sellers having obtained certain third party consents necessary for the Transaction.
   e) The completion of the Transaction shall be subject to the receipt of approval from relevant governmental authorities, including but not limited to Stock Exchange, RBI and the Foreign Investment Promotion Board, as may be necessary for consummating the sale and purchase of Sale Shares through the Stock Exchange ("**Stock Exchange Sale Approvalƒ**) and subject to the market price of the Sale Shares being less than or equal to the purchase consideration of the Sale Shares , be effected through the BSE by the Sellers' broker and AWI's broker. In the event, either (a) the Stock Exchange Sale Approval is not obtained within a period of 120 days from the effective date of the SPA or completion of the Open Offer, whichever is earlier, (b) SEBI requires the sale to be done as an off-market sale or (c) the document/information requests or inquries made by the relevant governmental authorities would require significant time and cost in the opinion of AWI and the Sellers, the sale of the Sale Shares shall be effected on the date of completion as provided in the SPA ("**Completion Date**") in accordance with the SPA.
   f) On the Completion Date, AWI shall appoint 3 (three) nominees as Directors of the Target Company and the Articles of Association of the Target Company shall be approved and adopted by the Board subject to the approval of the shareholders of the Target Company to incorporate the provisions of the SHA.
   g) The SPA contains customary representations, warranties and indemnities from the Sellers in relation to title to the Sale Shares, organization and authority to enter into the SPA as well as other representations and warranties pertaining to the Target Company which are customary to transactions of similar nature. AWI has also provided customary representations and warranties in relation to valid incorporation and authority to enter into the SPA.
   h) AWI has the right to terminate the SPA upon breach of any obligations or undertaking on the part of the Target Company or the Sellers, breach of the representations and warranties provided by the Sellers and the Target Company as set out in the SPA, as well as occurrence of a material adverse change as provided in the SPA. Further, if the conditions precedent to the acquisition of the Equity Shares by AWI from the Sellers under the SPA are not fulfilled on or before 180 days from the date of execution of the SPA or such other date as may be determined in terms of the SPA, being the long stop date, then AWI shall have the right to terminate the SPA and in the event of such termination, the Open Offer shall stand withdrawn.
7. The salient features of SHA which has been executed between the Continuing Promoters and AWI (and is effective from the Completion Date) are as follows:
   a) AWI has governance rights in the Target Company which are customary to transactions of similar nature such as right to appoint 3 (three) Directors on the Board, veto rights in Special Matters (as discussed in (b) below) and the right to appoint the chairman for the Board and shareholder meetings. However, the Continuing Promoters shall be in charge of day to day affairs of the Target Company. The Continuing Promoters shall also have the right to appoint the Chief Executive Officer of the Target Company in consultation with AWI. The Continuing Promoters shall continue to remain in management of the Target Company by serving as the Directors and/or officers of the Target Company, for as long as AWI remains as a shareholder of the Target Company.
   b) It has been agreed that the Target Company shall not undertake certain matters ("**Special Matters**") unless such matter is resolved at either a Board meeting or a shareholder's meeting. A resolution at a Board meeting or at a shareholder's meeting shall not be passed in respect of Special Matters unless the details of such matters are fully disclosed to AWI and the Continuing Promoters and the prior written approval of AWI Directors or AWI and the Promoter Directors or the Continuing Promoters, as the case may be, is obtained. The Special Matters inter-alia include amendment of its charter documents (including change of name), increase or decrease of share capital, acquisition or disposal of material assets, amalgamation, merger, demerger, share exchange, equity transfer, business transfer or business acquisition, or dissolution or any other transaction of similar nature, approval of financial statements and on dividend distribution, material change in operation, change in business plan etc.
   c) In the event that any capital is required by the Target Company for the expansion of its business or otherwise, such capital may be raised in a manner that is mutually acceptable to the parties to the SHA.
   d) The Continuing Promoters and AWI are free to transfer their respective Equity Shares in the Target Company to an affiliate as long as notice of such transfer is given by the transferring shareholder to the other parties to the SHA and the affiliate (to which such Equity Shares are being transferred) agrees to be bound by the terms of the SHA by executing a deed of adherence. If AWI or Continuing Promoters intend to transfer their Equity Shares to a third party purchaser, the other shareholder (AWI or Continuing Promoters, as the case may be) shall have the right to exercise a right of first refusal at a price offered by such third party purchaser. In addition, AWI has a right to transfer up to 10% (ten percent) of its shareholding in the Target Company to an external business partner without the consent of the Board and the Continuing Promoters, subject to certain terms of the SHA.
   e) The shareholding of AWI shall not exceed 51% except as specifically provided in the SPA. The Continuing Promoters shall be entitled to acquire Equity Shares in terms of SEBI regulations and if the said acquisition by the Continuing Promoters triggers a mandatory open offer under the SEBI (SAST) Regulations, then the Continuing Promoters shall inform AWI by written notice of such acquisition.
   f) Post the Completion Date, in the event that the aggregate shareholding of AWI and the Continuing Promoters in the Target Company exceeds the maximum permissible non-public shareholding (so long as the shareholding of AWI in the Target Company does not exceed 51%, the Continuing Promoters (and not AWI) have agreed to forthwith bring down their shareholding in the Target Company in accordance with applicable law such that the aggregate shareholding of AWI and the Continuing Promoters is within the maximum permissible non-public shareholding limits within the time limit prescribed under applicable law.
   g) No non-compete fee is being paid by AWI to the Continuing Promoters.
8. AWI is interested in expanding its business operations in India. The products and services offered by the Target Company and by AWI are complimentary to each other and if combined, would complete a range of product offerings in the industrial gases business.
9. The mode of payment of consideration for acquisition of the Sale Shares by the Acquirer is cash.
10. After the completion of this Offer and pursuant to the acquisition of Sale Shares of the Target Company under the SPA, the Acquirer and Continuing Promoters shall be co-promoters of the Target Company and will exercise joint control over the management and affairs of the Target Company along with the existing Promoter / Promoter Group and management.

III. SHAREHOLDING AND ACQUISITION DETAILS

1. As of the date of this DPS neither the Acquirer nor its Directors hold any equity shares in the Target Company. The proposed shareholding of the Acquirer in the Target Company and the details of acquisition are as follows:

Details	Acquirer	
	Number of Shares	%
Shareholding as on the PA date	Nil	Nil
Shares acquired between the PA date and the DPS date	Nil	Nil
Post Offer shareholding (*)	3,338,858	51.00%*

**AWI will acquire Threshold Shareholding. Pursuant to SPA, as AWI wishes to acquire the Threshold Shareholding, the aggregate number of Equity Shares to be sold by the Sellers to AWI shall be reduced on a one-for-one basis by the number of Equity Shares acquired by AWI pursuant to the Open Offer.*

IV. THE OFFER PRICE

1. The Equity Shares of the Target Company are listed on CSE. The Equity Shares of the Target Company are available for trading on BSE Limited (permitted to trade category (Scrip Code: 590087)
2. The Equity Shares of the Target Company are infrequently traded on CSE, BSE, during the 12 months preceding the date on which the PA was made, within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

   The annualized trading turnover in the equity shares of the Target Company based on trading volume during June 1, 2012 to May 31, 2013 (12 calendar months preceding the month in which the PA is made) is as given below:

Stock Exchange	Total No. of Equity Shares traded (for a period of 12 calendar months preceding the calendar month in which the PA is made)	* Total No. of Listed Shares	Annualized Trading Turnover (as % of Total Shares Listed)
CSE	NA	NA	NA
BSE *	1,338	65,46,780	0.0204%

(Source: Letter dated 14 June 2013 from SSPA & Co- Chartered Accountants)

** The Equity Shares of the Target Company is available for trading on BSE (permitted to trade category (Scrip Code: 590087)*

3. Based on the parameters set out under Regulation 8(2) of the SEBI (SAST) Regulations the Offer Price of ₹ 316.94/- (Rupees Three Hundred and Sixteen and Ninety Four paise only) per fully paid up equity share is justified in terms of the following:

(a)	The highest negotiated price per Sale Share (as per the SPA) attracting the obligation to make this Open Offer	₹ 316.94/- per Share
(b)	The volume-weighted average price paid or payable for acquisition whether by the Acquirer during 52 weeks immediately preceding the date of the PA	Not Applicable
(c)	The highest price paid or payable for any acquisition, whether by the Acquirer or by any persons acting in concert with him, during 26 weeks immediately preceding the date of the PA	Not Applicable
(d)	The volume-weighted average market price paid of such Shares for a period of sixty trading days immediatelypreceding the date of the PA as traded on stock exchanges (as the maximum volume of trading in the Shares of the Target Company is recorded on stock exchanges during such period)	Not Applicable
(e)	Where the shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares	₹ 256.72/- per share

4. There have been no corporate actions in the Target Company warranting adjustment of relevant pricing parameters.
5. In view of the parameters considered and presented above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 316.94/- (Rupees Three Hundred and Sixteen and Ninety Four paise only) being the highest of the prices mentioned above, is justified in terms of Regulations 8(2) of the SEBI (SAST) Regulations.
6. In the event of further acquisition of equity shares of the Target Company by the Acquirer during the offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any equity shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
7. In the event of such a revision in the Offer Price on account of future purchases / competing offers, an announcement would be made in the same newspapers in which this DPS has appeared and the revised Offer Price would be paid for all equity shares accepted under the Offer.
8. If there is any revision in the Offer Price on account of future purchases / competing offers, such revision will be done prior to the commencement of the last three working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts, as more particularly set out in Paragraph V (3) of this DPS; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

V. FINANCIAL ARRANGEMENTS

1. The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of 17,02,163 fully paid up Shares at ₹ 316.94/- (Rupees Three Hundred and Sixteen and Ninety Four paise only) per fully paid up Share is ₹ 539,483,541/- (Rupees Fifty Three Crores, Ninety Four Lakhs, Eighty Three Thousand, Five Hundred and Forty One Only) **(Offer Considerationƒ).**
2. The Acquirer has made firm financial arrangement for financing the acquisition of equity shares under the Open Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The Acquirer proposes to fund the Offer out of its internal accruals.

   In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has opened a "Cash Escrow Account" in the name and style as "**AIR WATER INC OPEN OFFER ESCROW ACCOUNT**" bearing Account No. 913020027996949 with Axis Bank Limited, having its registered office at Axis Bank Limited, "TRISHUL", Third Floor, Opp. Samartheshwar Temple, Nr. Law Garden, Ellisbridge, Ahmedabad - 380006 and through its branch at Universal Insurance Bldg. Ground Floor, Sir. P. M. Road, Fort, Mumbai 400001, Maharashtra, India (hereinafter referred to as "Escrow Bank") and made a cash deposit of ₹ 136,000,000/- (Rupees Thirteen Crores, Sixty Lakhs Only) in the account in accordance with the Regulation 17(3)(a) read with Regulation 17(4) of the SEBI (SAST) Regulations, which represents more than 25% of the Offer Consideration. The cash deposit has been confirmed vide a confirmation letter dated June 18, 2013 issued by Axis Bank Limited. The Manager to the Offer has been duly authorized to realize the monies lying to the credit of the Open Offer Escrow Account in terms of the SEBI (SAST) Regulations.

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3. In case of any upward revision in the Offer Price or the Offer Size, the cash in the Cash Escrow Account shall be increased by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.
4. M/s. SSPA & Co, Chartered Accountants, Firm Registration No. 128851W (Address: 1st Floor, "Arjun", Plot No 6A, VP Road, Andheri (W), Mumbai- 400058. Tel No. 91-22- 2670 4376 ; Fax No. 91-22-2670 3916) vide certificate dated June 14, 2013 has certified that the Acquirer has made firm financial arrangements to meet the financial obligations under the Open Offer to be made to the shareholders of the Target Company.
5. On the basis of the aforesaid financial arrangements and the Chartered Accountant's certificate, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

VI. STATUTORY AND OTHER APPROVALS

1. As of the date of this DPS, to the best of the knowledge of the Acquirer, there are no statutory approvals required to implement the Offer. However, in case of any regulatory or statutory approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary applications for such approval.
2. If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Offer.
3. The Acquirer, in terms of Regulation 23 of SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made in the same newspapers in which this DPS is being made.
4. In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if any of the conditions precedent and other conditions as stated in the SPA or approvals mentioned in paragraph VI(1) and (2) are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirer has a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, the Stock Exchanges and the registered office of the Target Company.
6. Subject to the receipt of statutory and other approvals, the Acquirer shall complete all procedures relating to this Offer within 10 working days from the date of closure of the tendering period to those shareholders whose share certificates and/ or other documents are found valid and in order and are accepted for acquisition by the Acquirer.

VII. TENTATIVE SCHEDULE OF ACTIVITY

Activity	Date and Day
Public Announcement ("PA") Date	Friday, June 14, 2013
Date of publication of this DPS in newspapers	Friday, June 21, 2013
Filling of the draft letter of offer with SEBI along with the soft copies of the PA and this DPS	Friday, June 28, 2013
Last date for public announcement of a competing offer(s) being made	Friday, July 12, 2013
Identified Date *	Tuesday, July 23, 2013
Date by which Letter of Offer to be dispatched to shareholders	Tuesday, July 30, 2013
Last date for upward revision of the Offer Price or any increase in the Offer Size	Wednesday, July 31, 2013
Last date for public announcement by the independent directors committee of the Target Company on their recommendation to the shareholders of the Target Company for this Offer	Friday, August 02, 2013
Date of publication of Offer opening public announcement in the newspapers where this DPS has been published	Monday, August 05, 2013
Date of commencement of the tendering period (Offer Opening Date)	Tuesday, August 06, 2013
Date of closure of the tendering period (Offer Closing Date)	Wednesday, August 21, 2013
Last date for communicating the rejection / acceptance; completion of payment of consideration or refund of Shares to the shareholders of the Target Company	Wednesday, September 04, 2013
Date of publication of post-offer public announcement in the newspapers where this DPS has been published	Thursday, September 12, 2013
Last date for submission of the final report with SEBI	Thursday, September 12, 2013

** Identified Date is only for the purpose of determining the names of the shareholders of the Target Company as on such date to whom the Letter of Offer would be sent. It is clarified that all the shareholders holding equity shares of the Target Company (registered or unregistered) (except the parties to the SPA) are eligible to participate in this Offer any time before the closure of this Offer.*

VIII. PROCEDURE FOR TENDERING THE EQUITY SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER

1. All public shareholders holding the Equity Shares (other than the parties to the SPA), whether in dematerialized or physical form, registered or unregistered, are entitled to participate in this Offer, any time during the tendering period of this Offer.
2. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have not received the Letter of Offer, may participate in this Offer by submitting an application on a plain paper giving details set out below and in the Letter of Offer. In the alternate, such holders of the Equity Shares may apply in the form of acceptance-cum-acknowledgement in relation to this Offer that will be annexed to the Letter of Offer, which may also be obtained from the SEBI website (http://www.sebi.gov.in/) and Bigshare Services Private Limited ("**Registrar to the Offer**"). The application is to be sent to the Registrar to the Offer at any of the collection centers that shall be mentioned in the Letter of Offer, so as to reach the Registrar to the Offer during business hours on or before 5:00 pm on the date of closure of the tendering period of this Offer, together with:
   (a) In the case of the Equity Shares held in physical form, the name, address, number of the Equity Shares held, number of the Equity Shares offered, distinctive numbers and folio number together with the original Equity Share certificate(s) and valid transfer deed(s), the original contract note issued by a registered share broker of a recognized stock exchange through whom such Equity Shares were acquired and/or such other documents, as may be specified in the Letter of Offer; or
   (b) In the case of the Equity Shares held in dematerialized form, the depository participant ("**DP**") name, DP ID, account number together with a photocopy or counterfoil of the delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares to the special depository account ("**Escrow Demat Account**"), as per the details given below:

Depository Participant Name	ENAM SECURITIES DIRECT PVT. LTD
DP ID	12049200
Client ID	00159291
Account Name	AIR WATER INC-EIGL-OPEN OFFER ESCROW ACCOUNT
Depository	CDSL

Note: Shareholders having their beneficiary account with National Securities Depository Limited (NDSL) must use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Escrow Demat Account.

3. This Offer is being made by the Acquirer to (i) all the shareholders (other than the parties to the SPA), whose names appear in the register of members of the Target Company as of the close of business on July 23, 2013, i.e. the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on July 23, 2013, i.e. the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Offer, i.e. August 21, 2013, but who are not the registered shareholders. Accidental omission to dispatch this Letter of Offer to any shareholder to whom this Offer has been made or non-receipt of this Letter of Offer by any such shareholder shall not invalidate this Offer in any way.
4. There shall be no discrimination in the acceptance of locked-in and non locked-in equity shares in the Offer. The equity 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.
5. Duly executed Form(s) of Acceptance along with share certificate(s) and share transfer form(s) should be sent only to the Registrar to the Offer and not to the Manager to the Offer or Acquirer or their advisors or Target Company.
6. No indemnity would be required from unregistered shareholders regarding the title to the equity shares.
7. A copy of the Letter of Offer (including Form of Acceptance-cum-Acknowledgment) 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.

IX. THE DETAILED PROCEDURE FOR TENDERING SHARES IN THIS OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER

X. OTHER INFORMATION

1. For the purpose of disclosures in this DPS relating to the Target Company and the Sellers, the Acquirer has relied on the information provided by the Target Company and/ or the Sellers and have not independently verified the accuracy of details of the Target Company and/ or the Sellers. Subject to the aforesaid. Acquirer and its Directors accept the responsibility for the information contained in the Public Announcement and also for the obligations of the Acquirer laid down in the "SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011" and subsequent amendments made thereof.
2. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer has appointed Axis Capital Limited, Address: 1st Floor, Axis House, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai - 400025. Tel. No.: +91 22 4325 3101 Fax No.: +91 22 4325 3000. Email: eigl@axiscap.in Website: www.axiscapital.co.in . Contact Person: Mr. Sonal Sinha as Manager to the Offer.
3. The Acquirer has appointed Bigshare Services Private Limited as the Registrar to the Offer. Address:- Bigshare Services Private Limited- E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (E), Mumbai - 400 072, Tel: +91 22 404 30 200, Fax: + 91 22 2847 5207, Website: www.bigshareonline.com, E-Mail: openoffer@bigshareonline.com, Contact Person : Sanjay Shiwalkar
4. This DPS is expected to be available on the SEBI website at http://www.sebi.gov.in
5. In this DPS, any discrepancy in any table between the total and sums of the amount listed is due to rounding off and / or regrouping.
6. In this DPS, all references to "₹", "INR" are references to the Indian Rupee. Certain financial details are denominated in Japanese Yen (¥). The rupee equivalent haven calculated based reference rate of INR 0.6093 to ¥ as per RBI rate on date of PA.

Issued on behalf of the Acquirer by Manager to the Offer

MANAGER TO THE OFFER

AXIS CAPITAL

Axis Capital Limited

Axis House, 1st Floor, C-2, Wadia International Centre,
P.B. Marg, Worli, Mumbai 400 025, India
Telephone: +91 22 4325 3101
Email: eigl@axiscap.in; Website: www.axiscapital.co.in
Contact Person: Mr. Sonal Sinha
SEBI Reg No: INM000012029

Place : Mumbai
Date : June 20, 2013

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