LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder of **Fem Care Pharma Limited**. If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager/ Registrar to the Offer. In case you have sold your voting equity shares in Fem Care Pharma Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the said sale was effected. Please refer to the section on 'Definitions' for the definition of the capitalized terms used herein.

Dabur India Limited

having its Registered Office at 8/3, Asaf Ali Road, New Delhi-110002 (Tel: +91 11 23253488, Fax: +91 11 23222051)
Corporate Office: Dabur Tower, Kaushambi, Sahibabad, Ghaziabad, 201 010, Uttar Pradesh
(Tel: +91 120 3982000, Fax: + 91 120 4374935); Website: www.dabur.com; Email: investors@dabur.com
(hereinafter referred to as the "DIL" / "Acquirer")

MAKES A CASH OFFER AT Rs. 800 (RUPEES EIGHT HUNDRED ONLY) PER FULLY PAID-UP VOTING EQUITY SHARE OF FACE VALUE OF RUPEES TEN EACH

pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI Takeover Code")

TO ACQUIRE 7,05,880 FULLY PAID-UP VOTING EQUITY SHARES

representing 20% of the present issued and voting equity share capital of

Fem Care Pharma Limited

Registered Office: Plot no. D-55, MIDC, Additional Industrial Area, Ambad, Nasik, 422010
(Tel: +91 253 6623222, Fax: +91 22 2383146) Email: vgpfem@femcareindia.com
Corporate Office: A / 63-65 Mittal Tower, Nariman Point, Mumbai- 400 021(Tel: +91 22 66374444, Fax: +91 22 66374400)

Please Note:

1) The Offer is being made pursuant to Regulations 10, 12 and other applicable provisions of the SEBI Takeover Code.
2) The Offer is subject to receipt of approval from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and the rules and regulations made there under for acquiring the Shares from non-resident persons under the Offer. This approval has been received vide Reserve Bank of India's letter dated February 4, 2009. Please refer to paragraph 8 of this Letter of Offer for details.
3) If the aggregate of the valid response exceeds 7,05,880 Shares, then the Acquirer shall accept Shares equal to 7,05,880 Shares, on a proportionate basis, in consultation with the Manager to the Offer, in accordance with Regulation 21(6) of the SEBI Takeover Code.
4) If there is any upward revision in the Offer Price by the Acquirer till the last date of revision i.e. Saturday, May 16, 2009 or withdrawal of the Offer in terms of the SEBI Takeover Code, the same would be informed by way of a public announcement in the same newspapers where the original Public Announcement dated November 26, 2008 and the subsequent corrigendum to the Public Announcement have appeared. Such revised offer price would be payable for all the Shares, tendered anytime during the Offer and accepted under the Offer.
5) The procedure for acceptance is set out in paragraph 9 of this Letter of Offer. A Form of Acceptance and a Form of Withdrawal is enclosed with this Letter of Offer.
6) This Offer is not a competitive bid. There has been no competitive bid within the time frame specified under the SEBI Takeover Code.
7) The Public Announcement, Corrigendum to the Public Announcement, this Letter of Offer, Form of Acceptance and Form of Withdrawal would also be available on the website of Securities and Exchange Board of India - http://www.sebi.gov.in.
8) **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the Offer Closing Date. Requests for such withdrawals should reach the designated collection centres before the close of business hours on Thursday, May 21, 2009.**
9) **If there is a competitive bid:**
   - **The public offers under all the subsisting bids shall close on the same date.**
   - **As the offer price cannot be revised during the period after Saturday, May 16, 2009, it would therefore be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**

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

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Ambit Corporate Finance Private Limited Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 Contact Person: Praveen Kumar Sangal Tel. No: (022) 39821819; Fax No: (022) 39823020 Email: fplopenoffer@ambitpte.com	**Sharepro Services (India) Private Limited** Satam Estate, 3rd Floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099 Contact Person: Ganesh Rane Tel. No. (022) 67720300/420/422; Fax No. (022) 28508927 Email: fpl.offer@shareproservices.com
OFFER OPENS ON: THURSDAY, MAY 7, 2009	**OFFER CLOSES ON: TUESDAY, MAY 26, 2009**

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER:

	Original Schedule		Revised schedule	
Activity	**Date**	**Day**	**Date**	**Day**
Date of Public Announcement	November 26, 2008	Wednesday	November 26, 2008	Wednesday
Specified Date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be posted) ^	December 12, 2008	Friday	December 12, 2008	Friday
Last date for a competitive bid	December 17, 2008	Wednesday	December 17, 2008	Wednesday
Date of Corrigendum to the Public Announcement	-	-	January 12, 2009	Monday
Date of Second Corrigendum to the Public Announcement	-	-	April 30, 2009	Thursday
Last date for completion of dispatch of the Letter of Offer to the shareholders of Fem Care Pharma Limited	January 8, 2009	Thursday	May 2, 2009	Saturday
Date of opening of the Offer	January 15, 2009	Thursday	May 7, 2009	Thursday
Last date for revising the Offer Price / number of Shares	January 22, 2009	Thursday	May 16, 2009	Saturday
Last date for withdrawal by shareholders who have accepted the Offer	January 29, 2009	Thursday	May 21, 2009	Thursday
Date of Closing of the Offer	February 3, 2009	Tuesday	May 26, 2009	Tuesday
Last date of communicating acceptance / rejection and payment of consideration for accepted tenders / return of unaccepted Shares	February 18, 2009	Wednesday	June 10, 2009	Wednesday

^ *All shareholders (registered or unregistered), including the beneficial owners of Shares (other than the Acquirer and the Sellers) are eligible to participate in the Offer anytime before the closure of the Offer.*

RISK FACTORS

RISK RELATED TO THE OFFER

i. The Offer involves an offer to acquire up to 20% of the present issued and voting equity share capital of FPL from the Eligible Persons for the Offer. In case of oversubscription in the Offer, acceptance would be determined on a proportionate basis in accordance with Regulation 21(6) of the Regulations and hence there is no certainty that all the Shares tendered by the shareholders in the Offer will be accepted.

ii. Acceptance of Shares tendered in the Offer is subject to receipt of the statutory approvals, as mentioned in paragraph 8 of this Letter of Offer. In the event, any of the required statutory approvals is refused, the Offer would stand withdrawn in terms of the SEBI Takeover Code. For further details, please refer paragraph 8 of this Letter of Offer.

iii. In the event that either (a) a regulatory approval is not received in time, (b) there is any litigation leading to a stay on the Offer, or (c) SEBI instructing the Acquirer 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 of Fem Care Pharma Limited whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI Takeover Code, SEBI may, if satisfied that the non receipt of approvals was not due to any wilful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by SEBI.

iv. Shareholders should note that after the last date of withdrawal i.e. Thursday, May 21, 2009 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 such time as the process of acceptance of tenders and the payment of consideration is completed.

v. The Shares tendered in the Offer will lie to the credit of a designated escrow account, till the completion of the Offer formalities. The Acquirer makes no assurance with respect to the market price of the shares of Fem Care Pharma Limited, both during the Offer period and upon the 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.

RISKS RELATING TO THE TRANSACTION

vi. The transaction is subject to completion risks as would be applicable to other transactions of similar nature.

vii. The transaction is subject to the terms of the SPA entered into between the Acquirer and the Sellers. In accordance with the SPA, the transaction shall be completed upon fulfillment of certain conditions precedent agreed between the Acquirer and the Seller.

RISKS INVOLVED ASSOCIATING WITH THE ACQUIRER

viii. The Acquirer makes no assurance with respect to the financial performance of Fem Care Pharma Limited. The Acquirer makes no assurance with respect to their investment / divestment decisions relating to their proposed shareholding in Fem Care Pharma Limited.

The risk factors set forth above pertain to the acquisition and the Offer and not in relation to the present or future business, business prospects or operations of Fem Care Pharma Limited or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of Fem Care Pharma Limited are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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1 DEFINITIONS

Acquirer / DIL	Dabur India Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Corrigendum to the Public Announcement	The corrigendum dated January 12, 2009 to the Public Announcement
Depositories	Collectively National Securities Depository Limited and Central Depository Services (India) Limited
DP	Depository Participant
Eligible Person(s) for the Offer	All owners (registered or unregistered), including the beneficial owners, of voting equity shares of Fem Care Pharma Limited (other than the Acquirer and the Sellers) anytime before the closure of the Offer
FEMA	Foreign Exchange Management Act, 1999
FII(s)	Foreign Institutional Investor(s)
Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement
FPL / the Target Company	Fem Care Pharma Limited
FY	Financial Year
Letter of Offer / LOF	this Letter of Offer
Locked-In Shares	1,30,326 voting equity shares of FPL which are under lock-in upto January 15, 2012
Ltd.	Limited
Manager/ Manager to the Offer	Ambit Corporate Finance Private Limited
Merger Shares	5,21,300 voting equity shares of FPL which have been issued to some of the sellers pursuant to scheme of amalgamation between FPL and Mirasu Marketing Limited (previously a 60% subsidiary of FPL), approved by the Hon'ble Bombay High Court, vide order dated July 7, 2008
NSDL	National Securities Depository Limited

NSE	National Stock Exchange of India Ltd.
NRI	Non Resident Indian
OCB	Overseas Corporate Bodies
Offer	This open offer for acquisition of 7,05,880 voting equity shares representing 20% of the present issued and voting equity share capital of FPL at a price of Rs. 800 per fully paid up voting equity share
Offer Closing Date	Tuesday, May 26, 2009
Offer Opening Date	Thursday, May 7, 2009
Offer Price	Rs. 800 (Rupees Eight Hundred only) per voting equity share of FPL, payable in cash
Offer Size	7,05,880 voting equity shares of FPL
Promoter Group	Mr. Sunil Hari Pophale, Sunil Hari Pophale HUF, Ms. Sunita Ajay Ramnathkar, Mr. Ajay Motilal Ramnathkar, Ms. Meena Sunil Pophale, Ms. Sonal Ajay Ramnathkar, Ms. Sudha Hari Pophale, Ms. Sujata Pratap Achrekar, Ms. Tejal Ajay Ramnathkar
Public Announcement / PA	Announcement of the Offer dated November 26, 2008 published on November 26, 2008
RBI	Reserve Bank of India
Registrar to Offer	Sharepro Services (India) Private Limited
Sale Shares	25,46,596 voting equity shares of FPL agreed to be sold by the sellers to the Acquirer under the share purchase agreement dated November 21, 2008
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Sellers	Mr. Sunil Hari Pophale, Sunil Hari Pophale HUF, Ms. Sunita Ajay Ramnathkar, Mr. Ajay Motilal Ramnathkar, Ms. Meena Sunil Pophale, Ms. Sonal Ajay Ramnathkar, Ms. Sudha Hari Pophale, Ms. Sujata Pratap Achrekar, Ms. Tejal Ajay Ramnathkar
Share(s)	Fully paid-up voting equity shares of face value of Rs.10 each of FPL
SPA	The Share Purchase Agreement dated November 21, 2008 entered into between the Acquirer and the Sellers
SPA Escrow Agent	HDFC Bank Limited
Specified Date	Friday, December 12, 2008

2 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF FEM CARE PHARMA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET 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 IS 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 DULY DISCHARGES ITS RESPONSIBILITY

ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, AMBIT CORPORATE FINANCE PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 10, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3 DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The Acquirer is making an offer to the equity shareholders of FPL to acquire from them upto 7,05,880 Shares, representing 20% of the present issued and voting equity share capital of FPL at a price of Rs. 800/- (Rupees Eight Hundred only) per Share, payable in cash and subject to the terms and conditions mentioned hereinafter and in the Public Announcement.

3.1.2 There is no person acting in concert with the Acquirer for the purpose of the Offer. Due to the operation of Regulation 2(1)(e)(2) of the SEBI Takeover Code, there could be persons who could be deemed to be acting in concert with the Acquirer. However, they are not acting in concert with the Acquirer for the purpose of the Offer.

3.1.3 The acquisitions in terms of the Offer and the SPA would result in a change in control of FPL. The Offer is being made in compliance with Regulations 10, 12 and other applicable provisions of the SEBI Takeover Code.

3.1.4 On November 21, 2008, the Acquirer has entered into a SPA for acquisition of 25,46,596 Shares from certain existing shareholders of the Target Company, including Merger Shares.

Details of the proposed acquisition under the SPA are as follows:

Sr. No.	Name of the Sellers	Shares held as on the date of SPA excluding Merger Shares	Number of Merger Shares allotted	Total Shares proposed to be sold under the SPA	Contact Details (Address, Tel, Fax)
1	Mr. Sunil Hari Pophale * ("Seller 1")	11,25,696 *	3,12,000	14,37,696	Flat No. 12, 1st Floor Maison Belvedere Maharishi Karve Road, Mumbai-400 020, Tel: (+91) 022 – 2203 5676; Fax: 022 - 66374400
2	Ms. Sunita Ajay Ramnathkar ("Seller 2")	7,49,484	2,08,000	9,57,484	17, Parijat, 95 Marine Drive, G Road, Mumbai 400 002 Tel: (+91) 022- 2281 1571; Fax: 022 - 66374400 / 022 - 23826181
3	Mr. Ajay Motilal Ramnathkar	24,200	260	24,460	
4	Ms. Meena Sunil Pophale	33,000	650	33,650	Flat No. 12, Ist Floor Maison Belvedere, Maharishi Karve Road, Mumbai 400 020 Tel: (+91) 022 -2203 5676; Fax: Not Available
5	Ms. Sonal Ajay Ramnathkar	55,818	195	56,013	17, Parijat, 95 Marine Drive, G Road, Mumbai 400 002 Tel: (+91) 022- 6582 2594; Fax: 022 – 23826181
6	Ms. Sudha Hari Pophale	26,218	-	26,218	15, Lalit, 7th Floor, Wode House Road, Mumbai 400 039 Tel: (+91) 0253 – 2415 150; Fax: 022 - 66374400
7	Ms. Sujata Pratap Achrekar	6,580	-	6,580	227/9, Tarabai Park, Kolhapur 416 003 Tel: Not Available Fax: Not Available

Sr. No.	Name of the Sellers	Shares held as on the date of SPA excluding Merger Shares	Number of Merger Shares allotted	Total Shares proposed to be sold under the SPA	Contact Details (Address, Tel, Fax)
8	Ms. Tejal Ajay Ramnathkar	4,300	195	4,495	Flat No. 31, Jenner House, Hunter Street, WC1N 1BL United Kingdom Tel: +44 789 1620481; Fax: 022 – 23826181
	Total holding of the Sellers excluding Merger Shares	**20,25,296**			
	Total Merger Shares		**5,21,300**		
	Total Sale Shares			**25,46,596**	

* Includes 4,662 shares held by Sunil Hari Pophale HUF

The purchase price for the Sale Shares is Rs. 800 per Sale Share, payable in cash. The gross purchase consideration for the Sale Shares works out to Rs. 203,72,76,800 (the “Gross Purchase Consideration”). The Sellers constitute the present Promoter Group of the Target Company and their combined existing holding of 25,46,596 Shares constitutes 72.15% of the present paid up equity and voting capital of the Target Company including Merger Shares.

Merger Shares are 5,21,300 Shares which have been issued to some of the Sellers pursuant to scheme of amalgamation between FPL and Mirasu Marketing Limited (previously a 60% subsidiary of FPL), approved by the Hon’ble Bombay High Court, vide order dated July 7, 2008. Merger Shares were allotted by the Target Company on October 24, 2008, credited to the respective demat accounts on December 17, 2008 and were listed and permitted for trading on BSE with effect from January 15, 2009. Currently, 1,30,326 Shares (the “Locked-In Shares”), out of the Merger Shares, are under lock-in upto January 15, 2012. (i.e. 3 years from the date of listing of the Merger Shares). These Shares were locked-in as per the conditions stipulated in the in-principle approval from BSE dated December 8, 2008 for listing of the Merger Shares.

FPL has, vide letter dated January 9, 2009, made an application to BSE seeking their approval for transfer of these Shares in favour of the Acquirer with the lock-in period on the Acquirer. Subsequently, BSE vide letter dated February 5, 2009 has permitted transfer of these Shares in favour of the Acquirer subject to continuation of the lock-in in the hands of the Acquirer for the remaining period i.e. upto January 15, 2012.

3.1.5 Summary of the key terms of the SPA and associated Escrow Agreement, are as follows:
Capitalised terms not defined in the summary are the same as defined in the Share Purchase Agreement. Sub-headings have been used in the following summary, for the sake of greater clarity

- The Sale Shares have been transferred to the respective demat accounts of the Sellers with HDFC Bank Ltd, which would act as the escrow agent for the transaction contemplated under the SPA (the “SPA Escrow Agent”). The consideration in respect of these Sale Shares has been deposited by the Acquirer with the SPA Escrow Agent.

- The SPA provides a period of 5 business days for issuance of an acceptance notice by the Acquirer regarding fulfillment (or waiver) of the Sellers Conditions Precedent and issuance of a satisfaction notice regarding fulfillment (or waiver) of the conditions precedent by the Acquirer, except for fulfillment of obligations under SEBI Takeover Code*.

  ** The Acquirer undertakes to issue the acceptance notice within one day of the satisfactory fulfillment of the Sellers Conditions Precedent as directed by SEBI vide its observation letter dated April 23, 2009.*

- Seller 1 & Seller 2 have agreed to undertake and cause the Target Company to undertake, inter alia, the following transactions, subject to necessary approvals:

  - Upon the terms and subject to the conditions to be set forth in the Business Transfer Agreement (the "BTA"), the Target Company will sell its division which manufactures & sells specialty chemicals including related assets, liabilities, agreements, personnel, etc ("Specialty Division") and Mr. Sunil Hari Pophale (one of the Sellers) or his nominee shall buy the Specialty Division on an 'as is where is' basis on the Completion Date, for an aggregate sum of Rs. 1,084.50 lacs or the fair market value as determined by an independent valuer, whichever is higher.
  - Upon the terms and subject to the conditions set forth in the Mumbai flat sale agreement (the "Mumbai Flat Sale Agreement"), the Target Company will sell a residential property admeasuring 1,330 sq. ft. carpet area (approximately), located at Flat No. 12, Maison Belvedere, Maharishi Karve Road, Mumbai 400 020 ("Mumbai Flat") to Mr. Sunil Hari Pophale (one of the Sellers) or his nominee, on the Completion Date, for an aggregate sum of Rs. 300 lacs.
  - Transfer 25% of the ordinary voting shares of total face value held in a US company (Fem Mitchell Group USA LLC*) by Jaquline Inc., USA (a wholly owned subsidiary of the Target Company) ("Fem Mitchell Shares") in favour of Mr. Sunil Hari Pophale and Ms. Sunita Ajay Ramnathkar or their nominees, in equal proportion, for a sum of USD 10,00,000 (the "Fem Mitchell Sale Consideration") in accordance with the proposed shares sale agreement ("Fem Mitchell Shares Sale Agreement") on 'as is where is' basis and to cause repayment of the loan amount granted by Jaquline Inc., USA to Fem Mitchell Group USA LLC of USD 5,00,000.

  ** Pursuant to the SPA, Fem Mitchell Group USA LLC has changed its name to Mitchell Group USA LLC on January 29, 2009.*

The drafts of agreements for each of the above transactions are agreed and form annexures to the SPA.

- The SPA Escrow Agent shall make the following payments / retentions out of the purchase consideration deposited with it:

  - Payments to the Target Company towards consideration under the BTA, Mumbai Flat Sale Agreement and settlement of loans given to some of the Sellers and to Specialty Division aggregating to Rs. 1,652.53 lacs.
  - An amount of Rs. 890 lacs (the "Excise Retention Amount") would be retained for reimbursement to the Target Company in the event of any liability arising out of final settlement of proceedings in relation to any show cause notice, demand, claim or proceeding which challenges the excise exemption availed by the Target Company in respect of products manufactured at its unit situated at Baddi from April 1, 2006 until January 31, 2008 ("Excise Matters"). Based on the final settlement, Excise Retention Amount would be released either to the Target Company or to Mr. Sunil Hari Pophale.
  - An amount of Rs.750 lacs* (equivalent to US Dollar 15,00,000) shall be retained in relation to the Fem Mitchell Sale Consideration and repayment of loan given by Jaquline Inc to Fem Mitchell Group USA LLC. The said amount would be released to Mr. Sunil Hari Pophale and Ms. Sunita Ajay Ramnathkar, upon repayment of the loans in full and receipt by Jaquline Inc. of the Fem Mitchell Sale Consideration. Remaining amount, after payment of fees to advisors of Sellers, shall be distributed to the Sellers in appropriate proportion. (the "Net Disbursement")

    ** This amount shall be retained in the escrow account in order to ensure the performance by Seller 1 and Seller 2 of their obligations.*

  The SPA Escrow Agent will pay interest on the purchase consideration deposited with it. Interest in respect of the Net Disbursement made to the Sellers would accrue to the Sellers. Interest on amounts payable to Target Company and retained amounts will accrue to the Target Company, except the retention in respect of the Excise Matters where the interest will accrue to Mr. Sunil Hari Pophale (one of the Sellers).

- Acquirer may at its sole discretion elect to deposit the entire consideration payable in relation to the Offer under the SEBI Takeover Code and appoint one nominee as a Director of FPL in accordance with Regulation 22(7) of the SEBI Takeover Code. If the Acquirer does not appoint a Director in this manner, then it, may at its option, subject to applicable laws, require the Sellers to cause FPL to permit a representative of the Acquirer to attend all meetings of the Board and all meetings of the board of directors of the subsidiaries and all committees of the Board in a non-voting, observer capacity.

- At the request of the Acquirer, Seller 1 & Seller 2 shall cause the Target Company to appoint a consultant identified by the Acquirer to review the operations (including examination of records) and business practices of the Target Company and any recommendations made by such consultant shall be assessed by the Target Company.

  The Acquirer has, until the date of this Letter of Offer, not identified or proposed appointment of any consultant.

- The Target Company shall take all steps to assign the trademark “BARCODE” in favour of Seller 1 & Seller 2 and they have agreed for restricted use of the same. They shall cause the Target Company to take steps for the recordal of title of the brand name “Bambi” in favour of the Target Company for certain product categories.

  No Consideration is payable by the Target Company for recordal of title of the brand name “Bambi”. Rs. 1,000 is payable by Seller 1 & Seller 2 for assigning of the trademark “BARCODE”. During the year ended March 31, 2008, the turnover derived from “BARCODE” was nil and from “Bambi” was Rs. 98.18 lacs.

- The Sellers have agreed to certain non compete and non solicitation undertakings, which would be valid for a period of five years from the Completion Date. No separate consideration is payable by the Acquirer in this respect. The undertakings *inter-alia* include:

  a. Sellers jointly and severally have agreed that, except as expressly consented to by the Acquirer in writing, he/she or it shall not, at any time after the date of SPA by itself or through its affiliates or group entities engage in any business that competes with the business of the Target Company or receive any financial benefit from such business, whether as an employer, proprietor, partner, shareholder, investor, director, officer, employee, consultant or agent or otherwise in India or in any other jurisdiction.
  b. Sellers jointly and severally agrees not to, and to cause its affiliates and associates not to, engage, directly or indirectly in any of the following activities:1) use or disclosure of any and all Target Company information; 2) solicitation of any customers or suppliers of the Target Company to terminate or otherwise adversely modify their relationship with the Target Company; 3) Solicitation, engagement or retention in any capacity of any employee of the Target Company, or any director, officer or executive of the Target Company who has been employed by the Target Company at any time during the immediately preceding 6 months prior to such hire; 4) Use of any IP Rights (including but not limited to trademarks, brand names, logos, copyrights, patents, formulations, know-how) and challenge the use of such rights by the Target Company and / or the Acquirer.
  c. Notwithstanding the restrictions set out in a and b above:
     - Seller 1 and Seller 2 shall be entitled to continue holding the shares of Fem Mitchell Group USA, LLC upto 25% of the total capital of Fem Mitchell Group USA, LLC, on a fully diluted basis.
     - Seller 1 shall be free to continue to carry on the business as currently conducted in the Specialty Division other than the manufacture, sell or supply any products and/or components that have been manufactured by the Specialty Division for use by the Target Company for the manufacture of its other products including without limitation, products manufactured using the brand “Fem”.
     - Seller 1 shall be free to solicit customers and/or suppliers of the Specialty Division for the Specialty Division and employ the employees listed in the BTA notwithstanding the restrictions set out in b (2) and b (3).
  d. Sellers shall be free to make any passive financial investments in a listed company not exceeding 5% of the total outstanding share capital of such company without any board or management rights/control.
  e. Ajay Motilal Ramnathkar (one of the Sellers) shall be free to continue to be engaged in the business of manufacturing liquid soaps, provided such manufacture is not in violation of the Technology Transfer Agreement (defined hereinafter).

- The Sellers have agreed to exercise their voting rights to vote on resolution(s) to ensure that the Target Company and its subsidiaries do not engage in certain actions without the prior written consent of the Acquirer. These, *inter-alia*, include change of the articles and memorandum of association of the Target Company; declaration of dividends; issuance of securities; disposing of or encumbering any assets; incurring capital expenditure; raising debt above an agreed value; constituting change in the Board of Directors except as previously agreed upon.

- Acquirer's obligations include compliance with SEBI Takeover Code and SEBI Insider Trading Regulations. Further, if the Acquirer fails to comply with the provisions of SEBI Takeover Code or withdraws the Open Offer or if the SPA is terminated, the Acquirer shall not for a period of five years from the date of termination, manufacture, sell or market hair removing products or skin bleaches or liquid soaps presently being manufactured by the Target Company and take all steps for removal of consultants/observer/ directors (as the case may be) appointed in terms of the SPA.

Termination

- The Acquirer can terminate the SPA if the Sellers Conditions Precedent have not been satisfied or if the Acquirer has not received the requisite approvals from RBI on or prior to the Long Stop Date i.e. six months from the date of SPA.

  The Sellers and the Acquirer have, vide a Letter Agreement dated April 11, 2009, agreed to extend the Long Stop Date, which shall be seven months from the date of SPA, instead of six months as contemplated earlier.

- Seller 1 and Seller 2 can terminate the SPA if the conditions precedent pertaining to the Acquirer have not been satisfied and the satisfaction notice by the Acquirer has not been provided to the Sellers on or prior to the Long Stop Date.

- The SPA provides for extension of the Long Stop Date by mutual consent

Representations and Warranties

The SPA contains various representations and warranties as are customary in similar transactions. There are certain covenants, representations and warranties of the Sellers and the Acquirer which are intended to protect the rights of the concerned Parties, material ones of which pertain to, not making announcements without other party's consent, facilitation of the open offer process by Sellers and Target Company, non competition commitment by Sellers (under which they have, jointly and severally, agreed that except for certain agreed business and holding financial investments within agreed limits, they shall not, engage in any business that competes with the business of the Target Company for a period of 5 years from the Completion Date), mutual conduct in relation to Excise Matters, amendment of certain terms of Aqua Agreement through an addendum etc.

Approvals

The principal transaction is subject to the following approvals: (a) the Target Company's Board and shareholders (if required) resolution for the issue & allotment of the Merger Shares, for the execution of the BTA and the Mumbai Flat Sale Agreement; (b) Jaquline's Board and shareholders (if required) resolution for execution and performance of the Fem Mitchell Shares Sale Agreement; (c) no-objection from the Corporation Bank and Standard Chartered Bank in relation to the transaction; (d) the RBI approval in relation to the transfer of the Fem Mitchell Shares; (e) Approval for the transaction from the relevant authority in relation to the deferred sales tax scheme being availed of by the Target Company; (f) Approval for the transaction from the relevant authority in relation to the octroi incentives being availed of by the Target Company; and (g) Approvals from any Governmental Authority that has leased or allotted or transferred any land to the Target Company, to the extent that such approvals are required for consummating the transaction.

Conditions Precedent

The SPA is conditional upon the fulfillment of the following conditions precedent by Seller 1 and Seller 2 and the Acquirer:

Sellers Conditions Precedent:

i. Receipt of all the approvals set out in paragraph above by Seller 1 and Seller 2 / Target Company. *As on the date of this Letter of Offer, except for (b) and (d) all the other approvals have been obtained. The Target Company's Board and shareholders' resolution (through postal ballot) for the sale of Speciality Division and Mumbai Flat, has been obtained. The no-objection from Standard Chartered Bank is subject to certain conditions which the Target Company is in the process of completion.*

ii. There being no material breach by the Sellers/Target Company of any provisions of the SPA; the Escrow Agreement; the BTA; the Mumbai Flat Sale Agreement; the Fem Mitchell Shares Sale Agreement or the Technology Transfer Agreement.

iii. The representations and warranties of the Sellers contained in the SPA shall be true in all respects at and as of the Completion Date.

iv. There shall not have been any proceeding, order, injunction, or other action issued, pending or to the best knowledge of Seller1 & Seller 2 which (i) prohibits, prevents, restrains, restricts, delays, makes illegal or otherwise interferes in any manner with the consummation of any of the transactions contemplated under the SPA or the Escrow Agreement, or (ii) seeks to impose conditions upon the ownership or operations of the Target Company or which affects the ability of the Acquirer to acquire Sale Shares.

v. Provide evidence that (i) the Fem Mitchell Agreements (any agreements executed between the Target Company or Jaquline Inc., USA and Fem Mitchell Group USA, LLC, Michael Farah or any of their Affiliates) have been terminated and (ii) there are no rights or claims or liabilities against the Target Company or its subsidiaries in relation to the Fem Mitchell Agreements. *This condition is not fulfilled as on the date of this Letter of Offer.*

vi. The Target Company allots the Merger Shares and obtains the relevant approvals for listing of the Merger Shares from the BSE. *As on the date of this Letter of Offer, Merger Shares have been allotted and all the relevant approvals from BSE have been received.*

vii. Deliver a satisfaction notice to the Acquirer certifying that all the above mentioned conditions have been fulfilled along with the relevant supporting documents.

Fulfillment of conditions ii, iii and iv would be ascertained at a stage subsequent to the completion of this Offer but before the Completion Date.

Acquirer Conditions Precedent:

i. Completion of the Acquirer's obligations under the SEBI Takeover Code.

ii. Receipt of all the approvals required from the RBI for the transfer of Shares, if any, including but not limited to the approval from the RBI for acquisition of the Shares from the non-resident shareholders in the Offer as well approval for transfer of Sale Shares (if required). *As on the date of this Letter of Offer, RBI approval for acquiring Shares under the Offer has been received.*

iii. The representations and warranties of the Acquirer contained in SPA shall be true in all respects on and as of the Completion Date. *Fulfillment of this condition would be ascertained at a stage subsequent to the completion of this Offer but before the Completion Date.*

The Acquirer may, at its sole discretion, without any request from Seller 1 and Seller 2 to do so, waive fulfilment of any of the Sellers Conditions Precedent and upon such waiver, the said Sellers Conditions Precedent shall, unless otherwise agreed by the Acquirer in writing, automatically become an obligation or covenant to be satisfied within a reasonable time period specified by the Acquirer, after the Completion Date. Similarly, Seller 1 & Seller 2 may, at their sole discretion, without any request from the Acquirer to do so, waive fulfilment of any of the Acquirer Conditions Precedent by the Acquirer other than the Acquirer Conditions Precedent relating to obligations under SEBI Takeover Code.

Summary of other agreements executed simultaneous with the SPA:

- Simultaneous with the SPA, the Target Company has also executed a technology transfer agreement (the "Technology Transfer Agreement") with Aqua In Process, a sole proprietorship of Mr. Ajay M. Ramnathkar (one of the Sellers), to cause the vesting of the essential formulae and technical know-how relating to the manufacturing of liquid soaps, with the Target Company, for an aggregate sum of Rs. 1,000.

- The Target Company had entered into an agreement dated August 16, 2006 with Aqua in Process ("Aqua Agreement") for manufacturing, selling and supply of specialty liquid soaps developed by it to the Target Company. Subsequently, through an addendum, the Target Company has amended certain terms of Aqua Agreement which *inter-alia* include:

  - Aqua In Process shall procure raw materials and packaging materials as per the directions of FPL;
  - Aqua Agreement shall be valid for a period of 5 years from the date of execution of the addendum;
  - Aqua In Process shall not do or cause any act, deed or thing in breach of the obligations cast on Aqua In Process under the Technology Transfer Agreement;
  - It should be an exclusive manufacturing contract between the parties as per mutually agreed terms and conditions unless there are compelling reasons for the buyer to source the products from a third party;
  - In the event of a breach of Aqua Agreement by Aqua In process, FPL shall give a written notice to Aqua In process and in the event of failure to rectify the breach within 15 days, FPL shall have the right to terminate the Aqua Agreement by communicating its intention to this effect and the Aqua Agreement shall stand terminated with immediate effect after such communication;
  - On termination of Aqua Agreement for any reason other than termination on account of breach by Aqua In process, FPL shall purchase the entire business of Aqua In Process at a mutually agreed price on mutually agreed terms and structure.

Developments subsequent to the signing of the SPA

- Merger Shares – Subsequent to the signing of the SPA, Sellers have informed the Acquirer that the Merger Shares were issued and allotted by FPL on October 24, 2008. Further, FPL has, vide letter dated January 9, 2009, made an application to BSE seeking their approval for transfer of the Locked-In Shares in favour of the Acquirer with the lock-in period on the Acquirer. Subsequently, BSE vide letter dated February 5, 2009 has permitted transfer of these Shares in favour of the Acquirer subject to continuation of the lock-in in the hands of the Acquirer for the remaining period i.e. upto January 15, 2012
- In terms of the SPA, the Board of Directors of Target Company in their meeting held on December 5, 2008, have appointed Mr. P D Narang, Group Director - Corporate Affairs of DIL, as an Observer.
- No-objection Certificates from Corporation Bank and Standard Chartered Bank for transfer of Shares from the existing promoters of the Target Company to Acquirer have been obtained. The no-objection from Standard Chartered Bank is subject to certain conditions which the Target Company is in the process of completion.
- The Sellers and the Acquirer vide a Letter Agreement dated April 11, 2009, have agreed to:
  - Consummate the Transaction "off market" within 15 (fifteen) business days from the date of issuance of the acceptance notice and the satisfaction notice by the Acquirer, whichever is later.
  - Extend the Long Stop Date, which shall be seven months from the date of SPA, instead of six months as contemplated earlier.
- The Target Company had appointed Anmol Sekhri Consultants Private Limited [Address: 3rd Floor, Sahakar Bazar, Opp. Railway station, Bandra (w), Mumbai – 400 050] to undertake an independent valuation of the Speciality Division and Mumbai Flat. As per the valuation report dated December 11, 2008 submitted by Anmol Sekhri Consultants Private Limited, the Mumbai Flat is valued at Rs. 2.91 crores and the Speciality Division is valued at Rs. 10.26 crores. The independent valuation is lower than the valuation agreed between the Acquirer and the Sellers. As per the valuation report dated January 8, 2009 submitted by Khozema Anajwalla, Certified Public Accountant [Address: 3731 Lake Pass Lane, Suwanee, GA 30024, USA; Certified Public Accountant Permit Number - CC-0001958], 25% holding of Jaquline Inc. in Fem Mitchell Group USA is valued at USD 10,00,000. These transactions are negotiated between Target Company/Jaquline Inc. & some of the Sellers and the consideration being paid for the same does not have any impact on the Offer Price.

3.1.6 Other than as stated above, the Acquirer has neither acquired nor has been allotted any Shares in the last 12 months. As on the date of the PA and this Letter of Offer, the Acquirer as well as the Manager to the Offer, did not hold any Shares in the Target Company.

3.1.7 The above acquisition by Acquirer would lead to a change of control of FPL. The Acquirer is making the Offer in terms of, among others, Regulations 10 and 12 of the SEBI Takeover Code.

3.1.8 The Acquirer and its directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act, 1992 or any other regulations made under the SEBI Act.

3.1.9 The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company have been complied by the Acquirer.

3.1.10 The SPA does not contain any restrictive covenants / clauses which may have a bearing on the shareholders interest.

3.2 Details of the Offer

3.2.1 The Public Announcement dated November 26, 2008 was made in the following newspapers on November 26, 2008, in accordance with Regulation 15 of the SEBI Takeover Code:

Publication	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Nav Shakti	Marathi	Mumbai
Gavakari	Marathi	Nasik

(The Public Announcement would be available at the SEBI website: www.sebi.gov.in)

The Corrigendum to the Public Announcement also appeared in the same publications.

3.2.2 Except the Shares to be acquired under the SPA, the Acquirer has not acquired or agreed to acquire any Shares since the date of the Public Announcement upto the date of this Letter of Offer. There has also been no other acquisition of shares of the Target Company by the Acquirer prior to the announcement of the Offer.

3.2.3 The Offer is for acquisition of upto 7,05,880 Shares (representing 20% of present issued and voting equity share capital of FPL) from the shareholders of FPL (other than the Sellers) at a price of Rs. 800 per fully paid up equity share (Rupees Eight Hundred only), payable in cash.

3.2.4 The Offer is not subject to any minimum level of acceptance and all Shares validly tendered in terms of the Offer shall be acquired subject to a maximum of 7,05,880 Shares at the Offer Price. If the number of Shares offered by the shareholders are more than 7,05,880 Shares, then the acquisition from each shareholder will be as per Regulation 21(6) of the SEBI Takeover Code, on a proportional basis. The minimum marketable lot for the purposes of acceptance, for both physical and demat shares would be one Share.

3.2.5 There has been no competitive bid within the time frame specified under the SEBI Takeover Code.

3.3 Object of the Offer and Acquirer's Future Plans for FPL

3.3.1 The Offer is being made in compliance with Regulations 10, 12 and other applicable provisions of the SEBI Takeover Code, for the purpose of substantial acquisition of Shares and voting rights, as disclosed earlier, accompanied with change in control and management of the Target Company and its subsidiaries, thereby enabling the Acquirer to exercise control over the Target Company inter-alia, through the right to appoint directors or through control over management or policy decisions, by virtue of their shareholding. The Acquirer will seek reconstitution of the Board of Directors of the Target Company and its subsidiaries, in accordance with the provisions contained in the SEBI Takeover Code and the Companies Act, 1956. The Acquirer may also consider changing the name of the Target Company and its subsidiaries at a later date subject to shareholders / other applicable regulatory approvals and compliance with the laid down laws.

3.3.2 The Acquirer proposes to strengthen the Target Company's position in the industry through various strategies and proposes to utilize its pool of experienced professionals who would contribute to the strategic decision making of the Target Company besides extending / arranging financial support as and when required.

3.3.3 The Acquirer does not have any plans to dispose off or otherwise encumber any assets of the Target Company in the next 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 may evaluate options regarding disposal of any surplus assets. The Acquirer reserves 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) / demerger / delisting of the Target Company Shares from BSE / sale of assets or undertakings, at a later date. Such decisions will be taken by the Board of Directors of the Target Company, in accordance with the business requirements and in line with opportunities or changes in the economic scenario, from time to time. The Acquirer will evaluate & consider such proposals, if appropriate.

3.3.4 DIL is engaged in a line of business that is similar to that of the Target Company. As such no conflict is foreseen with the activities of the Target Company since the segments catered by the FPL and DIL are different though on a broader level they cater to the consumer goods segment. The Target Company operates through three divisions - consumer products, pharmaceuticals and specialty chemicals. The acquisition of FPL will bring synergies and expand the product portfolio of DIL.

3.3.5 Except in the ordinary course of business, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company.

4 BACKGROUND OF THE ACQUIRER

4.1 Details of the Acquirer - Dabur India Limited

4.1.1 Dabur India Limited (www.dabur.com) is one of the leading consumer goods company in India. DIL is presently engaged in the manufacture of ayurvedic medicines, personal care products, health care products, home care products and food products covering a wide range of brands. DIL has 4 strategic business units - Consumer Care Division, International Business Division, Consumer Healthcare Division and Retail Division. DIL, directly or through subsidiaries, has manufacturing facilities in eight States / union territories of India and in seven other countries - Bangladesh, Nepal, Dubai, Sharjah, Ras-Al-Kheima, Egypt & Nigeria. Major markets of DIL include India, Nepal, Bangladesh, Middle East & North Africa, United States of America and United Kingdom.

4.1.2 In 1884, Late Dr. S.K. Burman had established a proprietary firm for the manufacture of chemicals and ayurvedic drugs. Subsequently on November 19, 1930 a private limited company was incorporated in the name and style of Dabur (Dr. S.K. Burman) Pvt. Ltd. ("DPL") which took over the business of the proprietary firm. On September 16, 1975 a company in the name and style of Vishal Chemicals (India) Limited ("VCIL") was incorporated and the management was taken over by DPL. The name of VCIL was changed to Vidogum & Chemicals Limited ("VCL") in 1981. In 1986, DPL was merged with VCL and the name was changed to Dabur India Limited ("DIL") and a fresh Certificate of incorporation was obtained on October 13, 1986.

4.1.3 The pharmaceutical division of DIL was demerged from the existing entity with the appointed date being April 1, 2003. In September 2006, the High Courts of Delhi and Mumbai approved the merger of the three companies - Balsara Hygiene Products Limited, Balsara Home Products Ltd and Besta Cosmetics Ltd with DIL with effect from April 1, 2006. Subsequently, in March 2008, Dabur Foods Limited, a wholly owned subsidiary of DIL, was amalgamated with DIL with effect from April 1, 2007.

4.1.4 The registered office of DIL is situated at 8/3, Asaf Ali Road, New Delhi-110002, Tel: +91 11 23253488, Fax: +91 11 23222051 and the corporate office is situated at Dabur Tower, Kaushambi, Sahibabad, Ghaziabad-201 010, Uttar Pradesh, Tel: +91 120 3982000 / 3001000 Fax: +91 120 4374935.

4.1.5 Presently, the issued and subscribed equity share capital of DIL consists of 86,50,76,249 equity shares of Re. 1 each aggregating Rs. 8,650.76 lacs. Since March 31, 2008, DIL has issued 10,53,276 equity shares to employees of DIL and its subsidiaries under the Employee Stock Option Scheme.

4.1.6 DIL is promoted by Mr. A C Burman, Mr. V C Burman, Mrs. Asha Burman, Mr. Pradip Burman and Mr. Siddharth Burman and is controlled by companies promoted and controlled by them and their family members. The shareholding details of entities forming part of the promoter and promoter group of DIL as on March 31, 2009 are as follows:

Sl. No	Name of the Shareholder	No. of shares held	Percentage (%)	No. of shares pledged as on the date of the PA
1	Chowdhry Associates	115,175,020	13.31	13,162,281
2	VIC Enterprises Pvt. Ltd	108,867,000	12.58	13,162,281
3	Gyan Enterprises Pvt. Ltd	104,218,990	12.05	25,912,281
4	Puran Associates Pvt. Ltd	94,606,000	10.94	13,162,281
5	Ratna Commercial Ent.Pvt. Ltd.	81,658,993	9.44	15,273,281
6	Milky Investment & Trading Company	53,020,485	6.13	-
7	Burmans Finvest Pvt Ltd	26,506,493	3.06	-
8	Windy Investments Pvt Ltd	13,253,246	1.53	-
9	M B Finmart Pvt Ltd	13,253,246	1.53	-
10	Gauri Tondon	339,000	0.04	-
11	Ashok Chand Burman	201,000	0.02	-
12	Pradip Burman	182,000	0.02	-
13	Sidharth Burman	156,000	0.02	-
14	Anand Burman	111,000	0.01	-
15	Asha Burman	77,000	0.01	-
16	Indira Burman	68,000	0.01	-
17	Sudha Burman	18,000	-	-
18	Chetan Burman	15,000	-	-
19	Vivek Chand Burman	15,000	-	-
20	Aditya Burman	15,000	-	-
21	Pradip Burman HUF	15,000	-	-
22	GC Burman HUF	15,000	-	-
23	Minnie Burman	15,000	-	-
24	AC Burman HUF	15,000	-	-
25	Sahiwal Investment and Trading Company	7,500	-	-
26	Upvan Farms & Services Pvt. Ltd.	7,500	-	-
27	Naresh Talwar	2,010	-	-
28	Umesh Talwar	990	-	-
	Total	**611,834,473**	**70.73**	**80,672,405**

4.1.7 As on March 31, 2009, the shareholding pattern is as follows:

Sl. No	Shareholder's Category	No. of Shares held	Percentage (%)
1.	Promoters & Promoter Group	611,834,473	70.73
2.	FIIs/ Mutual-Funds/ FIs/Banks	194,368,613	22.47
3.	Public	58,873,163	6.81
	Total Paid Up Capital	865,076,249	100.00

4.1.8 The Board of Directors of DIL, as on the date of the PA and this Letter of Offer, is as follows:

- **Mr. Pradip Burman**, aged 66 years, residing at 5/7, Shanti Niketan, New Delhi, is a Bachelor of Science (Mechanical Engineering) from MIT (USA). He has significant experience in the fields of operations, sales, distribution, and promotion of various ayurvedic & herbal products. He was appointed as a director on November 14, 1979.

- **Dr. Anand Burman**, aged 56 years, residing at 11, Gloucester Gate, Regent Park, London NW1 4 HG, United Kingdom, is a Master of Science in Chemistry from the University of Kansas, USA. The University of Kansas USA awarded him Doctorate in 1980. He joined Dabur Group in 1980. He set up the Pharmaceutical Division of the company in 1989 and was responsible for DIL's diversification into bulk drugs, phytochemicals, phytopharmaceuticals and oncology. He was appointed as a director on October 13, 1986.

- **Mr. Amit Burman**, aged 39 years, residing at E-83, Paschimi Marg, Vasant Vihar, New Delhi – 110057, is an Masters in Business Administration from Cambridge University, England. Under his leadership the foods business of the Dabur Group has achieved a phenomenal growth. He was appointed as a director on November 1, 2001.

- **Mr. Mohit Burman**, aged 40 years, residing at 43-A, Prithviraj Road, New Delhi – 110011, is a Graduate from Richmond College, London and Masters in Business Administration in Finance from Babson Graduate School of Business, Wellesley. He has been instrumental in expanding the Dabur Group's financial services business into asset management, general insurance and life insurance by setting up life insurance company with UK's largest insurance company AVIVA Plc. He has to his credit the acquisition of Balsara companies by Dabur Group. He was appointed as a director on July 23, 2007.

- **Mr. P. D. Narang**, aged 54 years, residing at B-117, Neeti Bagh, New Delhi – 110 049, is an FCA, FCS and FICWA. He joined the Dabur Group in 1983 and has around 30 years of experience in the fields of Corporate Finance & Tax planning, International Finance, Public Issues, Capital Markets, Strategic Planning & Management, Mergers & Acquisitions, Demergers etc. He was appointed as a director on April 1, 1998.

- **Mr. Sunil Duggal**, aged 51 years, residing at P-10, Hauz Khas Enclave, 1st Floor, New Delhi – 110 016, is an Electrical & Electronics Engineer from BITS Pilani and Masters in Business Administration from IIM Calcutta. He has an experience of around 27 years in sales and marketing in various corporates including Wimco, Bennett Coleman & Co. Ltd. and Pepsi Foods. He joined Dabur Group in 1995 and was appointed as the Chief Executive Officer of DIL in April 2002. Mr. Duggal has been instrumental in significantly enhancing the company's growth and brand equity. He was appointed as a director on July 31, 2000.

- **Mr. R. C. Bhargava**, aged 74 years, residing at House No. 220, Sector –15 –A, Noida - 201301, is an Master of Arts in Development Economics, Master of Science in Mathematics. He has served in Indian Administrative Services and has held the post of Joint Secretary in the Ministry of Energy and in the Cabinet Secretariat. He held various positions in Maruti Udyog Limited and retired in 1997 as its CEO. At present he is Chairman of Maruti Suzuki India Limited. He was appointed as a director on January 27, 2005.

- **Mr. P. N. Vijay**, aged 57 years, residing at 80, Sector 15-A, Noida-201301 is a postgraduate from IIT Chennai. He is a leading financial consultant on capital market, funds raising, mergers & acquisitions and investment & taxation matters. He has been a visiting faculty at various business schools like the Department of Business Economics & Department of Management & Financial Control in Delhi University, Institute of Management Technology, Ghaziabad & Indian Institute of Finance, Delhi. He is also a columnist of newspapers. He also carries out Budget Analysis & Presentation on the Annual Budget of India. He was appointed as a director on May 15, 2001.

- **Dr. S. Narayan**, aged 65 years, residing at 8, Golf Apartments, Sujan Singh Park, New Delhi – 110 003, is a Master of Science, Master of Business Management, Master of Philosophy and Ph.D. He belongs to Indian Administrative Services of 1965 batch and has served for nearly four decades in various positions in the State and Central Government. He retired in 2003-04 as Economic Advisor to the Prime Minister of India and was responsible for implementation of economic policies of over 30 ministries including finance, commerce & industry, petroleum, agriculture, shipping, road transport & highways, power etc. He has rich experience in formulation of macro-economic policy for the Government, tariff and taxation policies as well as initiatives for modernizing the capital markets. He was appointed as a director on July 26, 2005.

- **Mr. Albert Wiseman Paterson**, aged 50 years, residing at 604 A, The Aralias, DLF City V, Near DLF Golf Course, Gurgaon – 122009, is a Bachelor of Science in Mathematics (Honours) and holds Post Graduate certificate in Education and is an Associate member of the Chartered Insurance Institute. He has significant experience of managing businesses across the Globe. He was appointed as a director on October 30, 2008.

- **Mr. Analjit Singh**, aged 54 years, residing at 15, Aurangzeb Road, New Delhi – 110 011, is a Master in Business Administration from School of Management, Boston University, USA. He is a renowned industrialist and presently Chairman of Max India Limited and Max New York Life Insurance Co. Limited. He is a member of the Prime Minister's ten member Joint Indo-US CEOs forum and also executive board member of the Board of Governors, Indian School of Business, Hyderabad. He was appointed as a director on October 30, 2008.

  None of the above directors are on the Board of Directors of the Target Company. In terms of the SPA, the Board of Directors of the Target Company in their meeting held on December 5, 2008, has appointed Mr. P. D. Narang, Group Director - Corporate Affairs as an Observer.

4.1.9 The shares of DIL are listed on BSE and NSE. The closing price of DIL equity share on BSE was Rs. 103.55 and on NSE was Rs. 103.70, on April 29, 2009.

4.1.10 Key financials of DIL (on consolidated basis) as per the audit report of M/s G. Basu & Company, Chartered Accountants, statutory auditors of DIL are as follows:

INCOME STATEMENT	**Six months ended**	**Year ended**		
(Rs. in lacs)	**30-Sep-08**	**31-Mar-08**	**31-Mar-07**	**31-Mar-06**
	Audited	**Audited**	**Audited**	**Audited**
Income from operations	131,045.00	236,106.41	223,371.78	189,957.00
Other Income	1,115.00	3,401.27	2,591.23	1,336.68
Total Income	**132,160.00**	**239,507.68**	**225,963.01**	**191,293.68**
Total Expenses	108,656.00	195,740.02	189,047.24	161,300.52
Profit Before Depreciation Interest and Tax	**23,504.00**	**43,767.66**	**36,915.77**	**29,993.16**
Depreciation	2,064.00	3,643.40	3,429.05	2,692.46
Interest and finance charge	798.00	1,679.89	1,537.50	1,638.73
Profit before exceptional items and Tax	**20,642.00**	**38,444.37**	**31,949.22**	**25,661.97**
Exceptional Items (Loss on sale of 1,32,30,000 equity shares of Dabon International Pvt. Ltd)	-	-	-	(1,274.05)
Profit Before Tax	**20,642.00**	**38,444.37**	**31,949.22**	**24,387.92**
Current Tax	2,367.00	4,277.19	3,494.04	2,185.80
Fringe Benefit Tax	362.00	712.71	374.68	463.31
Deferred tax charge	100.00	75.32	(136.86)	353.04
Profit after tax before minority interest	**17,813.00**	**33,379.15**	**28,217.36**	**21,385.77**

Minority Interest	(33.00)	(13.05)	(87.10)	(32.47)
Profit after tax after minority interest	**17,779.00**	**33,366.10**	**28,130.26**	**21,353.30**

BALANCE SHEET	**As of**			
(Rs. in lacs)	**30-Sep-08**	**31-Mar-08**	**31-Mar-07**	**31-Mar-06**
	Audited	**Audited**	**Audited**	**Audited**
SOURCE OF FUNDS				
Share capital				
Equity Share capital	8,651	8,640.23	8,628.84	5,733.03
Reserves and surplus (excluding revaluation reserve)	71,833	53,117.30	39,327.88	43,972.79
Less: Miscellaneous expenditure	(1,379)	(1,395.27)	(1,981.92)	(3,287.48)
Networth	**79,105**	**60,362.26**	**45,974.80**	**46,418.34**
Minority Interest	443	475.25	447.19	546.08
Deferred tax liability	2,828	2,727.96	2,589.64	1,715.06
Secured loans	15,230	9,756.15	10,563.27	8,080.01
Unsecured loans	418	160.05	5,426.40	2,352.75
Total	**98,024**	**73,481.67**	**65,001.30**	**59,112.24**
APPLICATION OF FUNDS				
Net block of fixed assets (adjusted for revaluation reserve)	52,246	46,525.63	37,916.02	51,245.30
Investments	17,441	20,371.63	8,069.77	4,213.15
Deferred tax asset	2,401	2,400.73	144.50	131.72
Net current assets	25,936	4,183.68	18,871.01	3,522.07
Total	**98,024**	**73,481.67**	**65,001.30**	**59,112.24**

OTHER FINANCIAL DATA	**Six months ended**	**Year ended**		
	30-Sep-08	**31-Mar-08**	**31-Mar-07**	**31-Mar-06**
Dividend (% of face value)	-	150%	175%	250%
Earnings per share (Rs.)	2.06	3.86	3.26	3.72
Return on Networth (%)	22.48%	55. 28%	61.19%	60.60%
Book Value per share (Rs.)	9.14	6.99	5.33	8.10

Note I:

(1) Dividend (%) = Dividend paid per equity share / Par value per equity share
(2) Earnings per share = Profit after tax after minority interest / No. of equity shares outstanding at year-end
(3) Return on Networth = Profit after tax after minority interest / Networth at year-end
(4) Book Value per share = Networth at year-end / No. of equity shares outstanding at year-end
(5) NM = Not meaningful or not applicable.
(Source: Annual Report, company data)

Note II:

Changes in accounting policies during last three financial years ended on March 31, 2008:

- Change in Inventory valuation from FIFO to weighted average method in FY 2006-07, resulting in reduction of profit by Rs. 46.01 lacs and Rs. 36 lacs in the financial year 2005-06.
- Adoption of AS 15 (Revised) in Financial year 2007-08 - Consequent upon change in treatment of accounting of employee related liabilities (gratuity, leave salary and post separation benefits of director), with respect to defined benefit plan, profit of the year has been reduced by Rs 133.90 lacs in the financial year 2007-08, Rs 724 lacs in the financial year 2006-07 and Rs. 450 lacs in financial year 2005-06.

- Sales and Selling & Administration Expenses have been reduced by Rs. 14306 lacs in the year 2006-07 and Rs. 11996 lacs in the year 2005-06 due to change in Accounting Policy from 2007-08 without any impact on profit on the said years.

Impact on profits due to restatement and other material adjustments made to the audited financial statements:

Since there has been a change in accounting policy during the last three years, the profits or losses of these years have been 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:

	Six months ended	**Year ended**		
Particulars / Period	**30-Sep-08**	**31-Mar-08**	**31-Mar-07**	**31-Mar-06**
Profit as per the Audited accounts (A)	**17,813.00**	**33,379.14**	**28,217.36**	**21,385.76**
Adjustments for the change in accounting policy				
Additions:				
Minority Interest	32.52	13.05	87.10	32.47
Taxation of earlier years written back	-	68.55	22.82	148.53
Taxation of earlier years	-	(166.59)	(155.37)	(51.83)
Total Additions (B)	**32.52**	**(84.99)**	**(45.45)**	**129.17**
Deductions				
(i) Change in Sales	-	-	(14,306.00)	(11,996.00)
(ii) Change in Sales Tax	-	-	14,306.00	11,996.00
(iii) Change in employee cost	-	-	724.00	450.00
(iv) Change in Inventory Valuation	-	-	-	36.00
Total Deductions (B)	-	-	724.00	486.00
Re-stated Profit based on uniform accounting policy (A)+(B) - (C)	**17,845.52**	**33,294.16**	**27,447.91**	**21,028.94**
Adjustments for Minority Interest	32.52	13.05	87.10	32.47
Re-stated Profit after adjusting the Minority Interest	17,813.00	33,281.10	27,360.81	20,996.46
Reserves consequent to the above adjustments	**-**	**-**	**38,117.88**	**43,486.79**
Earnings per share (in Rs. Per share) consequent to the above adjustments	-	-	3.17	3.66
Return on Net worth (%) consequent to the above adjustments	22.52%	55.14%	61.12%	45.71%
Book Value per equity share consequent to the above adjustments	9.14	6.99	5.19	8.01

4.1.11 The significant accounting policies of DIL, as per the audited financial statements for the half year ended September 30, 2008 are as follows:

a) DIL has applied the same accounting policies in the half yearly financial statements as have been applied in its annual financial statements for the year ended March 31, 2008 except for the following :-

i. Liabilities in respect of retirement benefits to employees, which includes gratuity, leave salary, Superannuation fund and post separation benefits to directors, have been calculated on year to date basis by using the actuarially determined rates at the end of prior financial year adjusting for significant market fluctuation since the time and significant curtailment**,** settlement or other significant one time event if any.

ii. Deferred tax has been provided on estimated basis.

b) Preparation of Balance Sheet, Profit & Loss Account, Cash Flow Statement including disclosures made therefore in notes to accounts and condensed Balance Sheet and Profit and Loss Account have been made in terms of AS 25 issued by ICAI.

The significant accounting policies of DIL, as per the audited financial statements for the year ended March 31, 2008 are as follows:

1. Principles of Consolidation:

The Consolidated Financial Statement relates to Dabur India Limited (the parent company) and H&B Stores Limited (a wholly owned subsidiary company incorporated in India), Dabur International Ltd., (a wholly owned body corporate incorporated in Isle of MAN), Dabur (UK) Ltd. (a wholly owned subsidiary body corporate incorporated in British Virgin Island, 100% stake wherein is held by Dabur International Ltd.), Dabur Nepal Pvt. Ltd. (a subsidiary body corporate incorporated in Nepal, 97.5% stake wherein is held by Dabur International Ltd.), Dabur Egypt Ltd. (a wholly owned subsidiary body corporate incorporated in Egypt, 76% & 24% of stake wherein are held by Dabur (U.K.) Ltd. and Dabur International Ltd. respectively), Asian Consumer Care Pvt. Ltd. (a subsidiary body corporate incorporated in Bangladesh, 76% stake wherein is held by Dabur International Ltd.), Weikfield International (UAE) (a subsidiary body corporate incorporated in UAE, 38.41% stake wherein is held by Dabur International Ltd. which has control of composition of board of directors of the former being raison d'etre of subsidiary status) African Consumer Care Ltd (a wholly owned subsidiary body corporate incorporated in Nigeria, 90% stake wherein is held by Dabur International Ltd & 10% stake held by Dabur (UK) Ltd.), Asian Consumer Care Pakistan Pvt Ltd (a wholly owned subsidiary body corporate incorporated in Pakistan, 100% stake where in is held by Dabur International Ltd.) and Naturelle LLC (a subsidiary body corporate incorporated in Emirate of RAS Al Khaimah, 100% stake wherein is held by Dabur International Ltd.).

The consolidated financial statements have been prepared on the basis of AS-21, issued by ICAI under pooling of interest method read with the following basic assumptions:

I. The financial statements of the parent company and its subsidiary companies have been combined on a line by- line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting in unrealized profits or losses.

Investments of parent company in subsidiaries are eliminated against respective proportionate stake of parent company therein on the respective dates when such investments were made by way of debiting/crediting the difference of the two in goodwill/ capital reserve except for Dabur Nepal Pvt. Ltd. where the same is adjusted against share premium account.

In respect of foreign subsidiaries, rise in the value of stake of parent company in terms of reporting currency upto the date of commercial production (i.e. the date, their assets were due for capitalization) on account of exchange fluctuation has been credited to capital reserve. Subsequent generation of reserve other than that of the nature of capital reserve including gain/ loss arising on account of translating the transactions of the year, year-end assets and liabilities of the foreign subsidiaries for the purpose of consolidating with parent company's assets at exchange rates ruling on year-end-date has been recognized as reserve specifically earmarked for the purpose forming part of general reserve.

II. The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's separate financial statements unless stated otherwise.

III. Minority interest, where lying, in the net income of consolidated subsidiaries have been adjusted against the income of the group so as to arrive at net income attributable to the parent company. Minority interest, consisting of equity attributable to them on the date such investments were made by the parent company and movement in their equity since the date of parent subsidiary relationship, has been disclosed in the consolidated financial statement separately from liability and equity of shareholders of parent company.

IV. Current assets/liabilities and income/ expenses of overseas subsidiaries have been translated in reporting currency in terms of exchange rates prevailing on year-end date and average rate respectively on the basis of non-integral operation approach as per revised AS-11.

Fixed assets of the overseas subsidiaries have been accounted for in terms of the exchange rate prevailing at the point of commencement of production of relevant subsidiaries pertaining to assets appearing since that point of time and at purchase price (including cost of installation) for remaining fixed assets.

2. Accounting Convention:

The accounts have been prepared in accordance with the historical cost convention.

a. **Fixed Assets and Depreciation:**

- Fixed assets are stated at carrying amount subject to deduction of accumulated depreciation.
- Cost includes inward freight, duties, and taxes and expenses incidental to acquisition and installation.
- Depreciation has been provided at rates provided in schedule XIV of Companies Act.
- Capital Subsidy received against fixed capital outlay is deducted from gross value of individual fixed assets, forming part of subsidy scheme granted, by way of proportionate allocation of subsidy amount thereon. Depreciation is charged on net fixed assets which is subject to deduction of subsidy amount.
- In respect of the parent company and Asian Consumer Care Pvt. Ltd.,Dhaka depreciation on fixed assets has been provided on written down value method. For units at Baddi, Katni, 5/1 Sahibabad, Jammu, Rudrapur, Pitampur, Silvasa, Kanpur, Newai, Alwar, Jalpaiguri and Corporate Office of parent company, Dabur Egypt Limited, Dabur International Limited, Dabur Nepal Pvt. Ltd., Weikfield International UAE, African Consumercare Ltd, H&B Stores Limited and Asian Consumer Care Pakistan (Pvt) Ltd. depreciations have been provided on straight line method.
- Patent and trade marks are amortized equally over a period of 10 years.
- Moulds are depreciated 100% in the year of addition.
- Softwares are amortized over the period of five years on straight line basis.
- For Green field project, direct expenses and overheads (except for those relating to existing employees of company, the project relates to, deputed for implementation) are capitalized only.

b. Impairable assets are identified at the year-end in term of para-5 to 13 of AS –28 issued by ICAI for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss, when crystallizes, is charged against revenue of the year.

c. **Investments:**

Long term investments are held at cost. Provision is made against diminution in carrying cost of investment, if any, of permanent nature as required under AS-13 issued by the Institute of Chartered Accountants of India ("ICAI"). Current investments are held at lower of cost and NAV/Market value.

d. **Deferred Entitlement on LTC:**

In terms of the opinion of the Expert Advisory Committee of the ICAI, the parent company has provided liability accruing on account of deferred entitlement towards Leave Travel Conveyance in the year in which the employees concerned render their services.

e. **Inventories:**

Stocks are valued at lower of cost or net realizable value. Basis of determination of cost remain as follows:

- Raw materials, Packing materials, Stores & Spares:- On Weighted Average Basis
- Work-in-process:- At cost of input plus overhead upto the stage of completion.
- Finished goods:- At cost of input plus appropriate overhead.

f. **Research and Development Expenses:**

Contributions towards scientific research expenses are charged to the Profit & Loss Account in the year in which the contribution is made.

g. **Retirement Benefits:**

Liabilities in respect of retirement benefits to employees are provided for as follows :-

i. Defined Benefit Plans:

- Leave Salary of employees on the basis of actuarial valuation as per AS 15 (revised).
- Post separation benefits of directors, which is of the nature of long term employee benefit, on the basis of actuarial valuation as per AS 15 (revised).
- Gratuity Liability on the basis of actuarial valuation as per AS 15 (revised)

ii. Defined Contribution Plan:

- Liability for superannuation fund on the basis of the premium paid to the Life Insurance Corporation of India in respect of employees covered under Superannuation Fund Policy.
- Provident fund & ESI on the basis of actual liability accrued and paid to trust / authority.
- Other employees benefits as per actual liability accrued.

iii. VRS, if paid, is charged to revenue in the year of payment.

h. **Recognition of Income and Expenses:**

- Sales and purchases are accounted for on the basis of passing of title to the goods.
- Sales comprise of sale price of goods including excise duty and sales tax but exclude discount.
- All items of incomes and expenses have been accounted for on accrual basis except for those income recognized on realization basis on the ground of uncertainty as laid down under AS-9 issued by ICAI.

i. **Income Tax & Deferred Tax**

Income Tax is estimated considering the provisions of the Statute. Deferred tax is recognized for entities where the same is mandatorily applicable subject to the consideration of prudence, on time differences being the difference between taxable income and accounting income that originate in one period and capable of reversal in one or more subsequent periods.

j. **Contingent Liabilities:**

Disputed liabilities and claims including claims raised by fiscal authorities, pending in appeal/court, for which no reliable estimate can be made of the amount of obligation or which are remotely poised for crystallization are not provided in accounts but disclosed in notes on accounts. However, present obligation as a result of past event with possibility of outflow of resources, when reliably estimable, is recognized in accounts.

k. **Foreign Currency Translation:**

In respect of foreign branches/offices integral foreign operation approach has been adopted as per revised AS 11 and accordingly revenue items have been converted at average of month end exchange rates during the year. Fixed assets have been converted at the rates prevailing on dates of purchase. Assets & Liabilities other than fixed assets are converted at the year-end exchange rate. Exchange gain or loss arising out of above is accounted for in Profit & Loss Account.

Transactions of parent and domestic subsidiaries with overseas parties are recognized at currency rate ruling on the date of transaction. Gain or loss arising towards rise/fall of overseas currency vis a vis reporting currency is accounted for in profit and loss account.

Receivables/payables (excluding for fixed assets) in foreign currencies are translated at the exchange rate ruling at the year-end date and the resultant gain or loss is accounted for in the Profit & Loss Account. Increase / decrease in foreign currency loans on account of exchange fluctuation is debited / credited to profit and loss account. Overseas subsidiaries are incorporated on same basis as those of foreign branch and offices with the difference that the impact of exchange fluctuation are adjusted against general reserve.

Impact of exchange fluctuation is separately disclosed in notes to accounts.

l. **Employee Stock Option Purchase (ESOP):**

Aggregate of quantum of option granted under the scheme in monetary term (net of consideration of issue to be paid in cash) in terms of instrinsic value has been shown as Employees Stock Option Scheme outstanding in Reserve and Surplus head of the Balance Sheet by way of debiting deferred Employee Compensation under ESOP as per guideline to the effect issued by SEBI.

With the exercise of option and consequent issue of equity share corresponding ESOP outstanding is transferred to share premium account.

m. **Miscellaneous Expenditure:**

- Technical know-how fees paid to Technical Collaborators upto 31.03.2004 are being amortized equally over a period of six years. Subsequent such expenses are charged to revenue in the year of incurrence.
- Deferred Employees Compensation under ESOP is being amortized on straight-line basis over vesting period. Employee compensation in respect to option granted to subsidiary company employees is being reimbursed by subsidiary companies to holding company.
- Share issue and preliminary expenses are charged to revenue in the year of incurrence.

4.1.12 As per the report issued by the statutory auditors for the consolidated accounts, the contingent liabilities for the year ended March 31, 2008 and six months period ended September 30, 2008 are as follows:

	Amount (Rs. in Lacs)	
Particulars	As on March 31, 2008	As on September 30, 2008
Civil Suits	271	747
Claims by Employees	1	-
Letter of Credits	2,754	900
Bank Guarantee	1,833	2,359
Sales Tax	977	931
Excise Duty	2,135	2,054
Corporate Guarantees	5953.44	21
Income Tax	46	46
Estimated amount of contracts remaining to be executed on Capital Account (net of advances)	6,684	3,646
Bills Discounted	1,049	1,988
Total	**17,759**	**12,692**

The details of bank guarantees issued on behalf of the Acquirer and its subsidiaries are given below:

Issuing Bank	Amount (Rs. in Lacs)	
	As on March 31, 2008	As on September 30, 2008
HSBC	74.69	70.58
Punjab National Bank	125.75	59.19
IDBI	10.81	10.81
Sub-total	**211.25**	**140.58**
Issued on behalf of H & B Stores Ltd.		
HSBC	0.90	1.90
Issued on behalf of Dabur Nepal Pvt. Ltd.		
Nabil Bank Limited	160.75	565.83
Siddartha Bank Ltd.	1,454.30	1,274.81
Lumbini Bank	-	298.21
Issued on behalf of Weikfield International (UAE)		
ABN AMRO Bank	5.57	-
Issued on behalf of Naturelle LLC		
ABN AMRO Bank	-	4.86
Issued on behalf of Dabur International Ltd.		
ABN AMRO Bank	-	19.19
Standard Chartered Bank	-	53.71
Sub-total	**1,621.52**	**2,218.51**
Total	**1,832.77**	**2,359.09**

Corporate Guarantees given by DIL:

Sl. No.	Name of the entity for whom the Guarantee is given	Amount of Guarantee (Rs. in Lacs)	
		As on March 31, 2008	As on September 30, 2008
1.	Employees	20.75	20.75
2.	Dabur Egypt Ltd.	1,546.25	1,820.24
3.	Dabur Oncology Plc	1,988.25	-
4.	Naturalle LLC	2,398.20	2,817.60
5.	Dabur International Ltd.	-	4,696.00
	Total	**5,953.45**	**9,354.59**

4.1.13 Comparison of results (Consolidated) (Figures mentioned in the following comparison are consolidated figures, as adjusted for restatement and therefore these may be different from the figures appearing in summarised key audited financials mentioned in 4.1.10 above):

***Results for financial year 2008 compared to financial year 2007*:**

DIL's income from operations for the year ended March 31, 2008 was Rs. 236,106.41 lacs, compared to Rs. 209,065.78 lacs in the previous year due to organic growth. DIL recorded a profit after tax after minority interest of Rs. 33,281.10 lacs in the year ended March 31, 2008 as against Rs. 27,360.81 lacs in the year ended March 31, 2007 due to cost control, reduction in working capital cycle, increase in other income.

***Results for financial year 2007 compared to financial year 2006*:**

The results for the financial year period ended March 31, 2007 include financials of erstwhile Balsara Hygiene Products Limited, Balsara Home Products Ltd and Besta Cosmetics Ltd which have been merged with DIL w.e.f April 1, 2006 and therefore are not directly comparable with the results for year ended March 31, 2006.

DIL's income from operations for the year ended March 31, 2007 was Rs. 209,065.78 lacs, compared to Rs. 177,961.00 lacs in the previous year on account of strong growth in consumer care business, foods and international business. DIL recorded a profit after tax after minority interest of Rs. 27,360.81 lacs in the year ended March 31, 2007 as against Rs. 20,996.46 lacs in the year ended March 31, 2006 on account of improvement in operating margins and increase in other income.

4.1.14 Compliance with Corporate Governance

M/s G. Basu & Co., statutory auditors of DIL have vide their letter dated April 30, 2008 issued a certificate of compliance with the Corporate Governance requirements under clause 49 of the Listing Agreement. The certificate inter-alia states as follows: "*In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement*."

4.1.15 Following are the material litigations involving DIL:

DIL is party to various legal proceedings. These proceedings are pending at different levels of adjudication before various courts / other judicial forums. Details of the various legal proceedings involving DIL where the amount involved is above Rs. 100 lacs is given below:

1. A suit has been filed by Woodworth Trade Links before High Court, Delhi against DIL for recovery of Rs. 332.84 lacs for alleged non payment of his commission, reimbursement of expenses and other claims. The matter is pending.

2. A Writ Petition No. 51307/03 has been filed in the Allahabad High Court by DIL against the demand of Rs. 143 lacs from Nagar Nigam, Ghaziabad towards the use & occupation charges of land in front of Unit – I, Sahibabad. The demand has been stayed till further orders.

3. Balsara Hygiene Products Limited (now merged with DIL) has filed a suit against Nidivi Associates before High Court, Delhi claiming Rs. 981.82 lacs plus interest at 24% p.a. for damages and failure to discharge the payments against supply of goods. The matter is pending disposal.

4. Revision petition has been filed before High Court of Karnataka by the state/ Sales Tax Department against the order passed by the Hon'ble Tribunal (pertaining to erstwhile Balsara Home Products Ltd.). The amount involved is Rs. 387.58 lacs. The petition has been admitted & the matter is kept for hearing.

5. The company has filed an appeal with the Sales Tax Department, Indore against the order of Dy Commissioner of Sales Tax, imposing VAT on the sale of goods, which were purchased from an exempt unit. The amount involved is Rs.117.62 lacs.

6. Dispute on taxability of food products' 2004-05 (pertaining to erstwhile Dabur Foods Ltd.): The matter relates to classification of Juice sales by the Sales Tax Department as preserved food item attracting tax @12% whereas the company's classification is in the category of Juice, Sharbat and Squashes attracting tax @ 8%.

7. DIL has initiated legal proceedings against BSI Limited for recovery of Rs. 135 lacs plus interest thereon on account of non supply of goods by them. The appeal in the suit is pending disposal at District Court, Bhopal.

8. The central excise authorities have issued 8 show cause notices (SCNs) for the period 1993 to 2008 for excise duty amounting to Rs. 1,072 Lacs disputing the classification of Anmol coconut oil for exemption purposes. The Assistant Commissioner decided the classification against us in respect of first four SCNs confirming a demand of Rs. 515 Lacs. Aggrieved by the order, DIL filed appeals before the Commissioner (Appeals), who in turn remanded back the matter to original authority for re-adjudication vide Order-in-Appeal Nos. 738-CE/MRT/99 dated August 30, 1999 & 315-CE/MRT/00 dated May 25, 2000. Thereafter, no SCN has been adjudicated & all SCNs are pending with the Assistant Commissioner / Commissioner, Ghaziabad.

9. The central excise authorities have issued 5 show cause notices for the period 1997 to 2003 demanding an excise duty amounting to Rs. 498 Lacs disputing the valuation methodology for Paclitaxel / Docetaxael. Aggrieved by the order, DIL filed an appeal (no. E/284/2006- EX (DB) dated February 7, 2006) before the Tribunal, New Delhi. The matter is currently pending.

10. The central excise authorities have issued a show cause notice for the period 1994 to 1997 for excise duty amounting to Rs. 114 Lacs disputing the classification of Gulabari. Assistant Commissioner passed Order-in-Original No. 100/97 dated December 11, 1997. Aggrieved by the order, DIL filed an appeal before the Commissioner (Appeals). The Commissioner (Appeals) vide order dated May 25, 1999 confirmed the order passed by the Assistant Commissioner. DIL filed an appeal before Tribunal, which remanded back the matter to the Assistant Commissioner vide Order No 199/08 dated April 10, 2008. The matter is currently pending with Assistant Commissioner.

11. The central excise authorities have issued 3 show cause notices (SCNs) for the period 1999 to 2007 demanding an excise duty amounting to Rs. 458 Lacs in relation to the deduction availed by DIL on account of post manufacturing expenses. The Assistant Commissioner has decided first SCN against DIL. Aggrieved by the order, DIL filed an appeal before the Commissioner (Appeal), who upheld the order passed by the Assistant Commissioner vide OIA No. 288-CE/GZB/2008 dated December 16, 2008. DIL is now in the process of filing an appeal before the Tribunal, New Delhi.

12. The central excise authorities issued a show cause notice no. 46/GZB-III/05 dated October 10, 2005 demanding a duty amounting to Rs. 113 Lacs for the period 2004-05 disputing the classification of Hajmola candy. DIL cleared the product as per the earlier order passed by the Commissioner (Appeals). The show cause notice was challenged by filing a writ before Allahabad High Court. The stay has been granted and the matter is currently pending before Allahabad High Court.

13. The central excise authorities have issued 15 show cause notices (SCNs) for the period 1988 to 2000 demanding an excise duty amounting to Rs. 1173 Lacs disputing the classification of Chywanprash for calculation of excise duty. DIL has filed reply against these SCNs. However, the Commissioner / Assistant Commissioner has kept the matter pending.

14. The central excise authorities have issued 7 show cause notices for the period 1994 to 2005 demanding an excise duty amounting to Rs. 189 Lacs disputing the classification of Animal Feed Supplements. Aggrieved by the order, DIL filed an appeal before the Tribunal, New Delhi. The Tribunal by an order dated February 14, 2005 decided the matter in favour of DIL. The department however, has filed an appeal before the Hon'ble Supreme Court. The matter is still pending before the Apex Court.

15. The central excise authorities have issued 19 show cause notices for the period 2003 to 2008 demanding an excise duty amounting to Rs 128 Lacs disputing the classification of Processed Tamarind. The Assistant Commissioner has decided 12 SCNs against DIL vide various order-in-originals. Aggrieved by the orders, DIL filed appeals before the Commissioner (Appeals). The Commissioner (Appeals) passed various Order-in-Appeals wherein, he decided the matter in DIL's favour. However, in few cases, he passed orders against DIL. DIL has filed appeals before Tribunal against all such Order-in-Appeals. All the appeals (DIL's & department's) are now pending before the Tribunal, New Delhi. As regards, remaining SCNs, DIL has filed the replies and the same is pending for adjudication.

16. The central excise authorities issued a show cause notice dated March 31, 2008 demanding an excise duty amounting to Rs. 114 Lacs on the ground that duty exemption availed by DIL for its unit located at Khasra No. 1101, 1102 & 1103 is not valid. DIL has filed a reply to the said notice. The matter is pending before Commissioner, Jammu for adjudication.

A brief summary of the various legal proceedings involving DIL where the amount involved is less than Rs. 100 lacs is given below:

a) Litigations filed against DIL:

Particulars	No. of Cases	Amount (Rs. in Lacs)
Civil Cases	51	176.21
Income Tax Cases	5	137.59
Excise Cases	15	452.00
Sales Tax Cases	80	1,102.34
Total	**151**	**1,868.14**

b) Litigations filed by DIL:

Particulars	No. of Cases	Amount (Rs. in Lacs)
Civil Cases	22	344.49
Criminal Cases		
- Section 138 of Negotiable Instruments Act	33	224.86
Total	**55**	**569.35**

A brief summary of the various legal proceedings involving DIL where the amount involved is not quantifiable is given below:

a) Litigations filed against DIL:

Particulars	No. of Cases
Criminal Cases - concerning adulteration, mis-branding, breach of wholesale package declaration under Packaged Commodities Rules, etc	25
Labour Cases	1
Trademarks related cases	11

b) Litigations filed by DIL:

Particulars	No. of Cases
Trademarks related cases	40

4.1.16 Except as disclosed below, there are no mergers / demergers / spin offs involving DIL during the last 3 years:

- During September, 2006, three companies namely - Balsara Hygiene Products Limited, Balsara Home Products Limited and Besta Cosmetics Limited were amalgamated with DIL with effect from April 1, 2006 by the order of Hon'ble Courts of Delhi and Mumbai. The salient features of the scheme of amalgamation are as follows:

  The shareholders of Balsara Hygiene Products Limited (except DIL) received 7 (seven) equity shares of Re. 1/- each fully paid up of DIL for every 2 (two) equity share of Rs. 10/- each fully paid up held by them in Balsara Hygiene Products Limited. No shares were issued to the shareholders of Balsara Home Products Limited and Besta Cosmetics Limited upon amalgamation. In terms of the said scheme, DIL issued 63,336 Shares to the shareholders of Balsara Hygiene Products Limited.

- During March, 2008 a wholly owned subsidiary Company, Dabur Foods Limited was amalgamated with DIL with effect from April 1, 2007 by the order of Hon'ble High Court of Delhi. The salient features of the scheme of amalgamation are as follows:

  Pursuant to the said scheme with effect from Appointed Date, DFL was amalgamated with DIL with the entire business of DFL including all the assets, debts, liabilities, duties and obligations whatsoever concerning DFL transferred to and vested in DIL. No shares were issued upon amalgamation of DFL since it was a wholly owned subsidiary.

4.1.17 For details regarding the subsidiaries/ companies promoted / controlled by DIL: Request to refer to paragraph 4.2.

4.1.18 Name and contact details of Compliance Officer of DIL:

Mr. Ashok Kumar Jain, General Manager (Finance) and Company Secretary, Dabur India Limited, Punjabi Bhawan, 10 Rouse Avenue, New Delhi-110002, Tel: +91 11 42786000; Fax +91 11 23222051, Email: ashokj@dabur.com

4.2 Information on companies presently promoted / controlled by the Acquirer:

4.2.1 H&B Stores Limited

- Date of Incorporation: May 14, 2007
- Country of incorporation: India
- Nature of Business: Running of Retail Stores for health and beauty products
- It is not listed on any stock exchange

Key Financials *(Rs. In lacs)*

Particulars	**For the period * ended 31-Mar-2008**
Total Income	7.72
Profit after tax	(763.05)
Equity capital	2,200.00
Reserves (excluding revaluation reserve and adjusted for miscellaneous expenditure, debit balance in profit and loss account)	(763.05)
Earnings per equity share (in Rs.)	(0.35)
Net Asset Value per equity share (in Rs.)	0.65

* from May 14, 2007 (i.e., date of Incorporation of H&B Stores Ltd.) up to March 31, 2008

The Sick Industrial Companies Act is not applicable to H&B Stores Limited.

4.2.2 Dabur International Ltd.

- Date of Incorporation: November 1, 1989
- Country of incorporation: Isle of MAN
- Nature of Business: Manufacturing of Consumer care products
- It is not listed on any stock exchange

Key Financials *(Rs. In lacs)*

Particulars	Year ended 31-Mar-2008	Year ended 31-Mar-2007	Year ended 31-Mar-2006
Total Income	15,235.11	12,006.79	7,713.93
Profit after tax	1,745.32	1,221.42	569.93
Equity capital	1,216.80	1,216.80	749.40
Reserves (excluding revaluation reserve and adjusted for miscellaneous expenditure, debit balance in profit and loss account)	6,374.14	4,810.55	1,891.00
Earnings per equity share (in Rs.)	109.08	76.34	56.99
Net Asset Value per equity share (in Rs.)	474.43	376.71	264.04

The Sick Industrial Companies Act is not applicable to Dabur International Limited.

4.2.3 Dabur (UK) Ltd.

- Date of Incorporation: January 26, 1994
- Country of incorporation: British Virgin Island
- Nature of Business: Investment Company
- It is not listed on any stock exchange

Key Financials *(Rs. In lacs)*

Particulars	Year ended 31-Mar-2008	Year ended 31-Mar-2007	Year ended 31-Mar-2006
Total Income	0.13	0.48	0.88
Profit after tax	(5.56)	(6.78)	(4.20)
Equity capital	243.95	243.95	243.95
Reserves (excluding revaluation reserve and adjusted for miscellaneous expenditure, debit balance in profit and loss account)	(23.54)	(16.97)	(10.60)
Earnings per equity share (in Rs.)	(11.12)	(13.56)	(8.40)
Net Asset Value per equity share (in Rs.)	440.82	453.96	466.70

The Sick Industrial Companies Act is not applicable to Dabur (UK) Limited.

4.2.4 Dabur Nepal Private Ltd.

- Date of Incorporation: Asad 2046/1/26
- Country of incorporation: Nepal
- Nature of Business: Manufacturing of Fruit Juices and Consumer healthcare products
- It is not listed on any stock exchange

Key Financials *(Rs. In lacs)*

Particulars	Year ended 31-Mar-2008	Year ended 31-Mar-2007	Year ended 31-Mar-2006
Total Income	24,639.97	22,105.69	19,481.78

Profit after tax	440.81	532.94	484.69
Equity capital	499.08	499.08	499.08
Reserves (excluding revaluation reserve and adjusted for miscellaneous expenditure, debit balance in profit and loss account)	6,643.77	6,186.59	5,694.74
Earnings per equity share (in Rs.)	55.20	66.74	60.70
Net Asset Value per equity share (in Rs.)	894.51	837.26	775.66

The Sick Industrial Companies Act is not applicable to Dabur Nepal Private Limited.

4.2.5 Dabur Egypt Ltd.

- Date of Incorporation: July 4, 1994
- Country of incorporation: Egypt
- Nature of Business: Manufacturing of Consumer care products
- It is not listed on any stock exchange

Key Financials *(Rs. In lacs)*

Particulars	**Year ended 31-Mar-2008**	**Year ended 31-Mar-2007**	**Year ended 31-Mar-2006**
Total Income	3,168.29	2,108.32	1,324.96
Profit after tax	65.33	326.96	96.17
Equity capital	256.64	256.64	256.64
Reserves (excluding revaluation reserve and adjusted for miscellaneous expenditure, debit balance in profit and loss account)	506.27	427.62	108.07
Earnings per equity share (in Rs.)	1,242.02	6,215.97	1,828.33
Net Asset Value per equity share (in Rs.)	14,503.99	13,008.75	6,933.65

The Sick Industrial Companies Act is not applicable to Dabur Egypt Limited.

4.2.6 Asian Consumer Care Pvt. Ltd.

- Date of Incorporation: July 16, 2003
- Country of incorporation: Bangladesh
- Nature of Business: Manufacturing of consumer care products.
- It is not listed on any stock exchange

Key Financials *(Rs. In lacs)*

Particulars	**Year ended 31-Mar-2008**	**Year ended 31-Mar-2007**	**Year ended 31-Mar-2006**
Total Income	990.09	1,346.16	1,443.36
Profit after tax	(95.19)	(96.21)	(61.80)
Equity capital	279.92	108.92	108.92
Reserves (excluding revaluation reserve and adjusted for miscellaneous expenditure, debit balance in profit and loss account)	(269.40)	(195.90)	(122.27)
Earnings per equity share (in Rs.)	(2.12)	(6.42)	(4.13)
Net Asset Value per equity share (in Rs.)	0.23	(5.81)	(0.89)

The Sick Industrial Companies Act is not applicable to Asian Consumer Care Private Limited.

4.2.7 Weikfield International (UAE)

- Date of Incorporation: May 11, 1994
- Country of incorporation: United Arab Emirates
- Nature of Business: Manufacturing of Food and consumer care products
- It is not listed on any stock exchange

Key Financials *(Rs. In lacs)*

Particulars	Year ended 31-Mar-2008	Year ended 31-Mar-2007	Year ended 31-Mar-2006
Total Income	4,401.98	4,028.81	3,341.43
Profit after tax	28.19	(125.59)	(36.26)
Equity capital	199.96	199.96	199.96
Reserves (excluding revaluation reserve and adjusted for miscellaneous expenditure, debit balance in profit and loss account)	323.49	295.79	447.57
Earnings per equity share (in Rs.)	1,760.77	(7,844.47)	(2,264.83)
Net Asset Value per equity share (in Rs.)	32,695.19	30,965.02	40,445.35

The Sick Industrial Companies Act is not applicable to Weikfield International (UAE).

4.2.8 African Consumer Care Ltd.

- Date of Incorporation: June 11, 2004
- Country of incorporation: Nigeria
- Nature of Business: Manufacturing of consumer care products
- It is not listed on any stock exchange

Key Financials *(Rs. In lacs)*

Particulars	Year ended 31-Mar-2008	Year ended 31-Mar-2007	Year ended 31-Mar-2006
Total Income	2,179.01	989.36	802.07
Profit after tax	291.90	(116.74)	(105.43)
Equity capital	153.25	153.25	148.81
Reserves (excluding revaluation reserve and adjusted for miscellaneous expenditure, debit balance in profit and loss account)	111.09	(253.67)	(136.93)
Earnings per equity share (in Rs.)	0.66	(0.27)	(0.24)
Net Asset Value per equity share (in Rs.)	0.60	(0.23)	0.03

The Sick Industrial Companies Act is not applicable to African Consumer Care Ltd.

4.2.9 Asian Consumer Care Pakistan Pvt Ltd.

- Date of Incorporation: February 20, 2006
- Country of incorporation: Pakistan
- Nature of Business: Trading of Consumer care products
- It is not listed on any stock exchange

Key Financials *(Rs. In lacs)*

Particulars	Year ended 31-Mar-2008	Year ended 31-Mar-2007
Total Income	2,085.26	1,973.88
Profit after tax	(186.32)	248.18

Equity capital	68.72	68.72
Reserves (excluding revaluation reserve and adjusted for miscellaneous expenditure, debit balance in profit and loss account)	27.25	231.32
Earnings per equity share (in Rs.)	(2.07)	2.76
Net Asset Value per equity share (in Rs.)	1.07	3.34

The Sick Industrial Companies Act is not applicable to Asian Consumer Care Pakistan Pvt Ltd.

4.2.10 Naturelle LLC

- Date of Incorporation: December 14, 2006
- Country of incorporation: Emirate of Ras-Al-Kheima
- Nature of Business: Manufacturing of consumer care products
- It is not listed on any stock exchange

Key Financials *(Rs. In lacs)*

Particulars	**Year ended 31-Mar-2008**	**For the period ended 31-Mar-2007***
Total Income	2.53	-
Profit after tax	(188.25)	-
Equity capital	393.39	29.58
Reserves (excluding revaluation reserve)	(181.09)	(3.60)
Earnings per equity share (in Rs.)	(75.30)	-
Net Asset Value per equity share (in Rs.)	84.92	8.95

* from January 12, 2007 to March 31, 2007

The Sick Industrial Companies Act is not applicable to Naturelle LLC

Note for all companies covered in paragraph 4.2:

- *Although majority of the above companies are incorporated outside India, the financial details of the above companies are provided in Indian currency. The above figures are based on the audited figures of the respective companies converted into Indian currency for the purpose of consolidation in the Indian accounts of DIL. Further, the Central Government while exempting DIL to attach annual reports of its subsidiary companies with its annual report, has stipulated a condition to provide Indian rupees equivalent of the figures given in foreign currency in the accounts of subsidiary companies*
- *Earnings per equity share = Profit after tax / No. of equity shares outstanding at year-end*
- *Net asset value per equity share = Equity capital and Reserves less Misc. Expenses / No. of equity shares outstanding at year-end*
- *NM = Not meaningful or not applicable.*
  (Source: Annual Report & company data)

4.3 Disclosures in terms of Regulation 16 (ix) of the SEBI Takeover Code

Please refer to paragraph 3.3 of this Letter of Offer.

5 DISCLOSURE IN TERMS OF REGULATION 21

In terms of clause 40A of the listing agreement with the BSE (as amended) read with Circular No. SEBI/CFD/DIL/LA/2006/13/4 issued by the SEBI on April 13, 2006, the Target Company is required to maintain at least 25% of public shareholding for listing on a continuous basis.

In the event the public shareholding is found to be reduced below the minimum level required as per clause 40A of the listing agreement entered into by the Target Company with the stock exchange on which its shares are listed (the "Listing Agreement"), as a result of acquisition of Shares under (i) the Share Purchase Agreement; and/or (ii) acquisition of shares from open market from persons other than parties to the Share Purchase

Agreement, if any; and/or (iii) the Offer, the Acquirer shall take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreement and other applicable laws, within the time period stipulated therein.

Such acquisition would constitute a supervening extraordinary event (as defined in clause 40A of the Listing Agreement) and would therefore result in sub-clause (vii) of Clause 40A becoming applicable. In such case, the Acquirer will adopt any of the following methods prescribed in sub-clause (viii) of Clause 40A, in consultation with BSE, to raise the public shareholding to the minimum level: (a) issuance of Shares to the public through prospectus; (b) offer for sale of Shares held by promoters to the public through prospectus; (c) sale of Shares held by promoters through the secondary market; or (d) any other method which does not adversely affect the interest of minority shareholders. However, the Acquirer (in consultation with BSE) may at its discretion and depending on the market conditions at the relevant point in time, change the method to be adopted to raise the public shareholding in accordance with the Listing Agreement.

BSE may, after examining and satisfying itself about the circumstances of the case and after recording reasons in writing, extend the time for compliance with the requirement of minimum level of public shareholding by a further period not exceeding one year.

Further, the Acquirer may evaluate options to delist the Target Company in the next three years taking into account factors like the financial position of the Acquirer, market price of the Target Company, the regulatory framework for delisting, the post offer shareholding etc. However, no firm decision regarding any delisting proposal, after the closure of the Offer, has been presently taken.

6 BACKGROUND OF FEM CARE PHARMA LIMITED

6.1 FPL was originally incorporated as Fem Care Pharma Private Limited on September 3, 1986. Prior to the formation, the business was conducted as a partnership firm since 1982. Subsequently, it was converted to a public company on April 20, 1993 and the name was changed to its current name. The registered office of FPL is situated at Plot no. D-55, MIDC, Additional Industrial Area, Ambad, Nasik – 422010, Tel: +91 253 6623222, Fax: +91 22 2383146. The corporate office of FPL is situated at A/63-65 Mittal Tower, Nariman Point, Mumbai – 400021, Tel: +91 22 6637 4444, Fax: +91 22 6637 4400.

6.2 FPL has three divisions' i.e consumer products, pharmaceutical formulations and specialty chemicals. In the consumer products, FPL manufactures products such as cream bleaches, hair removing cream and liquid hand soaps which are marketed under its flagship brand "FEM". FPL also markets fabric care products under the brand name "Bambi" and herbal anti- wrinkle cream under the brand "Botanica". In the pharmaceutical category, FPL primarily focuses on dermatology products by manufacturing various aloe vera-based creams, hair oils and other prescription-based products. In the speciality chemicals, FPL manufactures bulk drugs and high value intermediates, which are also exported. FPL has two manufacturing facilities - at Nasik, Maharashtra and one at Baddi, Himachal Pradesh. FPL also exports its products to various countries.

6.3 FPL has two wholly owned subsidiaries - Jaquline Inc., USA and Fem Organics Limited. Jaquline Inc., USA was incorporated in Delaware, USA on March 21, 2005 and is engaged in the business of marketing consumer & pharmaceutical products and also owns brand name "Jaquline". Fem Organics Limited was incorporated in August 2008 and has not commenced any activity.

6.4 The present authorised share capital of FPL comprises 70,00,000 Shares aggregating to Rs. 700 lacs and the present subscribed and paid up capital comprises of 35,29,400 Shares aggregating Rs. 352.94 lacs. FPL had forfeited 5,100 Shares of which 2,000 Shares were re-issued and the balance 3,100 Shares have not been reissued and are not included in the subscribed and paid up capital of FPL. As on the date of the PA, there are no partly paid-up voting equity shares or outstanding convertible instruments and all the voting equity shares are listed on BSE.

6.5 The Shares are currently listed only on the BSE. Merger Shares have been admitted for dealing with effect from January 15, 2009 vide BSE's notice dated January 14, 2009. Further, 2,000 Shares that were re-issued against the forfeited shares were admitted for dealing with effect from December 10, 2008 listed vide BSE's letter no.DCS/Re-issue/SG/27/2008 dated December 8, 2008.

6.6 The voting equity share capital structure of FPL, as on the date of the Public Announcement, is as follows:

Particulars	No. of Shares	% of Shares
Authorised Voting Equity Shares	70,00,000	-
Issued Equity Shares*	35,29,400**	-
Subscribed and fully paid up Equity Shares	35,29,400	100%
Total Voting Rights	35,29,400	100%

* does not include the shares that have been forfeited and not re-issued

** Includes 5,21,300 Shares which have been issued to some of the Sellers pursuant to scheme of amalgamation between FPL and Mirasu Marketing Limited approved by the Hon'ble Bombay High Court, vide order dated July 7, 2008

(Source: Annual Report)

The shareholders of the Target Company in the Annual General Meeting held on September 11, 2006 have passed a resolution approving the sub-division of face value of the shares from Rs.10 per share to Re. 1 per share with effect from the date as decided by the Board of Directors of the Target Company. However, no such decision regarding the sub-division of the face value has been taken by the Board of Directors of the Target Company.

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

Date of Allotment	No. of voting equity shares issued	% of total voting equity shares issued*	Cumulative % of total voting equity shares issued*	Cumulative paid up Voting Equity Share Capital		Mode of Allotment	Identity of Allottees (Promoters Ex-Promoters/ Others)	Status of Compliance
				No. of voting equity shares	INR			
January 14, 1987	1,000	0.28%	0.28%	1,000	100,000	Other than Cash	Promoter Group (Please refer note a)	Complied
June 28, 1991	9,000	2.55%	2.83%	10,000	10,00,000	Cash	Promoter Group	Complied
April 3, 1992	10,000	2.83%	5.66%	20,000	20,00,000	Cash	Promoter Group	Complied
July 30, 1992	14,000	3.97%	9.63%	34,000	34,00,000	Cash	Promoter Group	Complied
August 27, 1992	23,000	6.52%	16.15%	57,000	57,00,000	Cash	Promoter Group & others	Complied
October 23, 1992	6,150	1.74%	17.89%	63,150	63,15,000	Cash	Promoter Group & Others	Complied
63,150 voting equity shares of face value of Rs. 100/- per share were sub-divided into 6,31,500 voting equity shares of face value of Rs.10/- each on November 24, 1992								
March 10, 1993	71,900	2.04%	19.93%	7,03,400	70,34,000	Cash	Others	Complied
April 16, 1993	7,03,400	19.93%	39.86%	14,06,800	1,40,68,000	Bonus	Bonus Issue (1:1)	Complied
July 29, 1994	16,04,400	45.46%	85.32%	30,11,200	3,01,12,000	Cash	Public Issue (including allotment to Promoter Group, directors, associates) (Please refer note b)	Complied
May 27, 1996	(5,100)	(0.14%)	85.18%	30,06,100	3,00,61,000	Cash	Shares Forfeited	Complied
April 27, 2004	1,000	0.03%	85.21%	30,07,100	3,00,71,000	Cash	Issue to independent directors	Complied
January 30, 2006	1,000	0.03%	85.24%	30,08,100	3,00,81,000	Cash	Non Promoters	Complied
October 24, 2008	5,21,300	14.77%	100.00%	35,29,400	3,52,94,000	Other than cash	Promoter Group (Please refer note c)	Complied
Total	**35,29,400**	**100.00%**						

* % of shares issued & Cumulative % of shares issued is calculated assuming the shares prior to split also had a face value of Rs. 10/- instead of the then face value of Rs.100/-.

Notes:

a. The assets and liabilities of the partnership firm as on December 31, 1986 were taken over by the Target Company (the then private limited company) at book value and the erstwhile partners – Seller 1 and Seller 2 were allotted 600 and 400 equity shares of Rs. 100 each respectively against the balance in their capital accounts in the partnership firm.

b. Target Company had made an issue of 16,00,000 Shares for cash at a premium of Rs. 30/- per Share aggregating Rs. 540 lacs vide prospectus dated May 6, 1994, out of which:
   - 2,50,000 Shares were allotted to promoters, directors, and associates
   - 5,98,300 Shares were reserved for allotment to:

Name of the institution	No. of Shares
ICICI Mutual Fund	1,00,000
BOI Mutual Fund	1,36,000
Industrial Development Bank of India	1,18,000
Technology Development & Information Company of India Limited	1,25,000
Morgan Stanley Asset Management Inc.	1,19,300

   - The balance 7,56,100 Shares were offered to public for subscription. Excess allotment of 4,400 Shares was made to the public category in cases that were entitled to fractional Shares.

c. 5,21,300 Shares were issued to some of the Sellers pursuant to scheme of amalgamation between FPL and Mirasu Marketing Limited (previously a 60% subsidiary of FPL), approved by the Hon'ble Bombay High Court, vide order dated July 7, 2008. For more details, please refer to paragraph 6.11.

6.8 The Promoter Group (including the Sellers) and FPL have complied with the applicable provisions of Chapter II of SEBI Takeover Code except in case of the following instances:

1. Compliances under Regulation 7

- There are instances where the Target Company claims that it has complied with the filings under Regulation 7 for acquisitions by some of Sellers, however, FPL has stated that the concerned documents cannot be traced. Accordingly, status of compliance for the same cannot be commented upon.
- There has been delay of 18 days by FPL for reporting the inter-se transfer of shares amongst the promoters in March 2000.
- There has been delay of 5 days in reporting by Raune, Cunniff & Golfarb Inc. to FPL, on crossing the limit prescribed under Regulation 7.
- No filing has been done under regulation 7(1A) by Seller 1 & Seller 2 for acquisition of 92,062 Shares on June 24, 2003 and 1,150 Shares on June 25, 2004 respectively.
- The Target Company has not received intimations from its Promoter Group for certain share purchases made by them and accordingly, respective compliance by the Target Company have not been done.

2. Compliances under Regulation 8

- FPL in its filings upto October 2001, gave information of only the promoter shareholders holding more than 10% and not the holdings of all the persons in control and acting in concert and forming part of promoter group.
- As regards compliance under Regulation 8(3), for the shareholding as on the record date for 2000 and 2001, the Company claims that it has complied with the filings for under Regulation 8, however, there are not able to trace the documents. Accordingly, status of compliance for the same cannot be commented upon.
- Further, for compliance under Regulation 8(3), there has been a delay of 10 days for year 1998-99, 38 days for the year 2000-01, 104 days for year 2007-08, Further, as regards intimation of shareholding for record date fixed for dividend payment, there has been delay of 40 days for record date fixed for financial year 1998-99, 6 days for the dividend payment record date for financial year 2002-03, 3 days for the dividend payment record date for financial year 2006-07 and 34 days for the dividend payment record date for financial year 2007-08.
- As regards compliance under Regulation 8 by the Seller 1, Seller 2, Meena Pophale, Ajay Ramnathkar,

Sudha Ramnathkar (part of the Sellers), there has been a delay of 1 day for reporting the shareholding as on the record date for the financial year 1996-97, 2 days for reporting the shareholding as on the record date for the financial year 1998-99, 7 days for reporting the shareholding as on the record date for the financial year 1999-00, 9 days for reporting the shareholding for the financial year 2000-01, 4 days for reporting the shareholding as on the record date for the financial year 2002-03, 39 days for reporting the shareholding as on the record date for the financial year 2007-08.

- As regards compliance under Regulation 8 by Sujata Pratap Achrekar, there has been a delay of 39 days for reporting the shareholding as on the record date for the financial year 2007-08.
- As regards compliance under Regulation 8 by Sonal Ramnathkar, Tejal Ramnathkar (part of the Sellers) there has been a delay of 4 days for reporting the shareholding as on the record date for the financial year 2002-03, 39 days for reporting the shareholding as on the record date for the financial year 2007-08.

The disclosures received from the Promoters are combined disclosures under Regulation 8(1) and 8(2) for every year.

The promoters of the Target Company have filed an 'application for consent' dated April 13, 2009 with SEBI in respect of the violations detailed above and in note (iv) under para 6.16 of this Letter of Offer. SEBI vide letter dated April 20, 2009 has returned the consent application, as certain mandatory enclosures were missing.

3. In July 2004, SEBI had issued a letter regarding non-compliance of filings by the Target Company under Regulation 6(2) and 6(4) for 1997 and 8(3) for 1998, 1999, 2000 and 2001. SEBI had also sought the Target Company's willingness for settlement through a consent order by paying a penalty of Rs.1.50 lacs. Subsequently, Target Company vide its letter dated August 27, 2004 filed the copies of the declarations made earlier by the Target Company under regulation 6(2) and 6(4) for 1997 and 8(3) for 1998, 1999,2000 and 2001 with BSE. Target Company vide its letter dated August 25, 2004 to SEBI had requested for waiver of the penalty imposed by SEBI and had prayed for condonation of delay

4. The Target Company has been making the relevant disclosures at every year end and at the time of book closure. However, in some cases, compliance by the Promoter Group with their reporting requirements could not be ascertained due to non-availability of relevant records.

   SEBI, in its letter dated April 23, 2009, has directed to disclose that for the non compliances, delay in compliances etc. by promoters/promoter group of the Target Company, SEBI may initiate appropriate action.

6.9 The Promoter Group (who are also the Sellers) and FPL have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, or any other regulations framed there under and there has been no suspension of trading of the Shares in any stock exchange. No penal action has been initiated for any of the compliance matters by any of the stock exchanges and none of the securities of FPL have been suspended from trading by any of the stock exchanges.

6.10 The Board of Directors of FPL as on the date of the PA and this Letter of Offer is as under:

Sr No	Name & Residential Address	Original Date of Appointment	Designation	Qualification	Experience
1	Mr. Sunil Hari Pophale Flat No. 12, 1st Floor Maison Belvedere Maharishi Karve Road, Mumbai-400 020	September 3, 1986	Chairman & Managing Director	B. Tech., IIT, Mumbai	He was instrumental in setting up of the cosmetics business, initially as Fem Enterprises, which is today FPL. He is primarily responsible for overall growth of FPL
2	Mrs. Sunita Ajay Ramnathkar 17, Parijat, 95 Marine Drive, G Road, Mumbai 400 002	September 3, 1986	Joint Managing Director	B. Sc., Diploma in Mass Communications	She was instrumental in setting up the cosmetics business along with Mr. Sunil Hari Pophale. She is associated with the ladies wing of The Indian Merchants Chamber and is a member of The Indo American Society and Maharashtra Economic

Sr No	Name & Residential Address	Original Date of Appointment	Designation	Qualification	Experience
					Development Council.
3	Shri. Dattatraya Bapurao Khade 6/S, Dilwara, Maharshi Karve Road, Cooperage, Mumbai 400 021	August 27, 1992	Director	B.A., L.L.B.	He has served as Prothonotary and Senior Master. He has also held the post of judge in various courts in Districts and Court Receiver in Mumbai. He is associated with M/s. Khade Bapat Kabe Sinha & Associates, providing service of Receivership & Commissioners.
4	Mr. Vijay Dattatraya Ajgaonkar A-10, Aparna, Veera Desai Road, Andheri (West), Mumbai 400 058	November 28, 1997	Director	M. Com, LL.B., CAIIB	He has experience in Merchant Banking and Corporate Financing and is a Financial Consultant.
5	Mr. Samaresh Chakrabarti Flat No.G/H-5, Juthika Apt., 11/1 Sunny Park, Kolkata 700 019	July 1, 2002	Director	BE - Chemical Engineering, MBA	He has approx. 40 years of experience in various aspects of cosmetics business with focus on marketing.
6	Mr. Murlidhar Narayan Chaini 29, The Chaini's, Kalanagar, Bandra (E), Mumbai 400 051	July 31, 2003	Director	BE - Chemical Engineering, DBM	He is a senior corporate executive with Reliance Industries Ltd. with more than 40 years of experience. He is President of Indian Merchants' Chamber.

As on the date of the PA and this Letter of Offer, the Acquirer does not have any representatives appointed on the Board. The SPA provides for appointment of 1 director as a nominee director of DIL subject to compliance with Regulation 22(7) of the SEBI Takeover Code. However, from the date of signing the SPA, no such directors have been appointed by the Acquirer. Further, in terms of the SPA, the Board of Directors of Target Company in their meeting held on December 5, 2008, have appointed Mr. P D Narang, Group Director - Corporate Affairs as an Observer.

6.11 Except as disclosed below, there are no mergers / demergers / spin offs involving FPL during the last 3 years:

Mirasu Marketing Limited (previously a 60% subsidiary of FPL) ("MML") has been amalgamated with FPL. The salient features of the scheme of amalgamation are as follows:

- Scheme of amalgamation was sanctioned by the Hon'ble High Court of Judicature at Bombay vide order dated July 7, 2008.
- The Scheme became effective on August 21, 2008, the Appointed Date of the Scheme being April 1, 2007.
- Pursuant to the said scheme with effect from Appointed Date, MML was amalgamated with FPL with the entire business of MML including all the assets, debts, liabilities, duties and obligations whatsoever concerning MML be transferred to and vest in FPL.
- The shareholders of MML received 65 (sixty five) voting equity shares of Rs. 10/- each fully paid up of FPL for every 1 (one) equity share of Rs. 10/- each fully paid up held by them in MML.
- Subsequent to the allotment of Merger Shares, the shareholding of the Promoter Group increased from 2,025,296 Shares representing 67.33% of the voting equity share capital to 2,546,596 Shares representing 72.15% of the voting equity share capital of the Target Company.

Dalal & Shah, Chartered Accountants, had vide their opinion dated December 6, 2007 recommended the above fair exchange ratio. In terms of the said scheme, FPL issued 5,21,300 Shares to the shareholders of MML.

6.12 Key audited standalone financials of FPL, as per the audit report of M/s. B S R & Co., Chartered Accountants, statutory auditors of FPL, are as follows:

INCOME STATEMENT	**Six months ended**	**Year ended**		
(Rs. in lacs)	**30-Sep-08**	**31-Mar-08**	**31-Mar-07**	**31-Mar-06**
	Certified*	**Audited**	**Audited**	**Audited**
Income from operations	5,444.73	9,375.05	6,879.47	5,185.84
Other Income	82.71	111.22	143.41	87.97
Total Income	**5,527.44**	**9,486.27**	**7,022.88**	**5,273.81**
Purchase of trading Goods	655.17	1,138.40	1,053.96	1,915.69
Material Cost	1,068.76	1,912.24	2,284.80	885.24
Dec/ Inc in Inventories	-	700.08	(206.01)	(89.12)
Personnel Cost	657.13	1,160.88	653.24	464.42
Manufacturing and other exp.	1,712.04	3,454.05	1,610.88	1,133.29
Total Expenses	4,093.10	8,365.64	5,396.87	4,309.51
PBIDT	**1,434.34**	**1,120.63**	**1,626.00**	**964.30**
Depreciation	118.57	172.73	112.76	59.09
Interest and finance charge	50.45	81.71	22.88	22.46
Profit before exceptional items and Tax	**1,265.32**	**866.19**	**1,490.37**	**882.75**
Exceptional Items	10.59	287.98	-	-
Profit Before Tax	**1,254.73**	**578.21**	**1,490.37**	**882.75**
Current Tax	141.00	63.00	157.00	313.00
Prior Period Tax adjustment	10.52	8.26	11.40	-
Fringe Benefit Tax	12.00	30.13	11.36	13.76
Deferred tax charge	7.86	17.26	57.22	(13.84)
Profit after tax	**1,083.35**	**459.56**	**1,253.39**	**569.83**

BALANCE SHEET	**As of**		
(Rs. in lacs)	**31-Mar-08**	**31-Mar-07**	**31-Mar-06**
	Audited	**Audited**	**Audited**
SOURCE OF FUNDS			
Share capital			
Equity Share capital	300.81	300.81	300.81
Share Forfeiture	0.15	0.15	0.15
Share Capital Suspense account	52.13	-	-
Reserves and surplus (excluding revaluation reserve)	2,536.42	2,391.91	1,384.87
Less: Miscellaneous expenditure	-	-	-
Networth	**2,889.51**	**2,692.87**	**1,685.83**
Deferred tax liability (net)	90.96	94.94	37.72
Secured loans	1,475.28	-	-
Unsecured loans	312.65	312.65	303.35
Total	**4,768.40**	**3,100.45**	**2,026.90**
APPLICATION OF FUNDS			
Net block of fixed assets (adjusted for revaluation reserve)	3,417.87	1,899.92	911.00
Capital work in progress	51.99	491.59	1,008.75
Investments	94.75	375.98	495.73
Net current assets	1,203.79	332.96	(388.58)
Total	**4,768.40**	**3,100.45**	**2,026.90**

OTHER FINANCIAL DATA	Year ended		
	31-Mar-08	31-Mar-07	31-Mar-06
Dividend (% of face value)	70%	70%	60%
Earnings per share (Rs.)	13.02	41.67	18.94
Return on Networth (%)	15.90%	46.54%	33.80%
Book Value per share (Rs)	81.87	89.52	56.04

Note:

1. *Dividend (%) = Dividend paid per equity share / Par value per equity share (including shares in Suspense Account)*
2. *Earnings per share = Profit after tax / No. of voting equity shares outstanding at year-end (including shares in Suspense Account)*
3. *Return on Networth = Profit after tax / Networth at year-end (including Share Capital Suspense Account)*
4. *Book Value per share = Networth at year-end (including Share Capital Suspense Account) / No. of voting equity shares outstanding at year-end (including shares in Suspense Account)*
5. *NM = Not meaningful or not applicable.*

(Source: Annual Report, company data & BSE)

** The results for the six months ended September 30, 2008 are as certified by the statutory auditors and reported to the Stock Exchanges by FPL as per the requirements of the listing agreement*

6.13 As per the report issued by the statutory auditors for the consolidated accounts, the contingent liabilities for the period ended March 31, 2008 are as follows:
(Source: Annual Report for FY2008)

Particulars	Amount (Rs. in Lacs)
Capital Commitments and Contingent liabilities	
I. Capital Commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for	46.96
II. Contingent Liabilities	
Income tax matters in appeal	10.52
Total	**57.48**

6.14 Comparison of Results

***Results for financial year 2008 compared to financial year 2007*:**

The results for the financial year period ended March 31, 2008 include financials of erstwhile Mirasu Marketing Limited which has been merged with FPL w.e.f April 1, 2007 and are not directly comparable with the results for year ended March 31, 2007.

FPL's income from operations for the year ended March 31, 2008 was Rs. 9,375.05 lacs, compared to Rs. 6,879.47 lacs in the previous year. The increase is mainly due to growth in sales volume and merger of Mirasu Marketing Limited. FPL recorded a profit after tax of Rs. 459.56 lacs in the year ended March 31, 2008 as against Rs. 1,253.39 lacs in the year ended March 31, 2007. The decline in profit was mainly due to increase in the cost of inputs, pressure on margins and higher spend on advertisement and publicity.

***Results for financial year 2007 compared to financial year 2006*:**

FPL's income from operations for the year ended March 31, 2007 was Rs. 6,879.47 lacs, compared to Rs. 5,185.84 lacs in the previous year. FPL recorded a profit after tax of Rs. 1,253.39 lacs in the year ended March 31, 2007 as against Rs. 569.83 lacs in the year ended March 31, 2007, the increase in sales, other income and profit was mainly due to new product launches, streamlining of business, cost controls.

6.15 The shareholding and voting pattern of FPL prior to and following the proposed acquisition under the SPA and the Offer, is as under:

	Shareholders' category	Shareholding & Voting rights as on the date of PA (as on November 26, 2008) (A)	Shares/ Voting rights agreed to be acquired which triggered off the SEBI Takeover Code (B)	Shares/ Voting rights to be acquired in the Open Offer (Assuming full acceptance) (C)	Shareholding/ Voting rights after the SPA and the Offer (Assuming full acceptance) (A)+ (B)+ (C) = (D)
1	**Promoter Group**				
a	Parties to the SPA	25,46,596 72.15%	(25,46,596) 72.15%	-	-
b	Promoters other than 1a above	Nil	Nil	-	-
	Total 1 (a+b)	25,46,596 72.15%	(25,46,596) 72.15%	**-**	**-**
2	**Acquirer**	Nil	25,46,596 72.15%	7,05,880 20.00%	32,52,476 92.15%
	Total 2	**Nil**	**25,46,596 72.15%**	**7,05,880 20.00%**	**32,52,476 92.15%**
3	**Parties to the SPA other than 1(a) and 2**	NA	NA	NA	NA
4	**Public* (other than parties to SPA and Acquirer)**				
a	Mutual Funds/UTI	500 0.01%	-		
b	Banks, Financial Institutions, insurance companies (central / state government institutions/ non-government institutions)	-		-	-
c	Foreign Institutional Investors	3,02,214 8.56%	-		
d	Private Corporate Bodies	1,95,695 5.55%	-		
e	Indian Public	4,64,044 13.15%	-		
f	NRI's/OCB's	20,151 0.57%			
g	Others (NSDL in Transit)	200 0.01%			
	Total 4 (a)+(b)+(c)+(d)+ (e) +(f) +(g)	**9,82,804 27.85%**	**-**	**(7,05,880) (20.00%)**	**276,924 7.85%**
	Grand Total (1+2+3+4)	**3,529,400 100.00%**	**25,46,596 72.15%**	**-**	**3,529,400 100.00%**

*Total number of public shareholders as on November 26, 2008 is 2,497.

As on the date of PA, none of the Sellers have pledged Shares held by them in the Target Company.

Note: Upon acquisition under the SPA and the Offer, the Acquirer shall be classified as the promoter of FPL.

6.16 The details of the changes in shareholding of the Promoter Group as and when it took place, is as follows: -

Financial Year	No. of Shares	Method	Cumulative holding
1987-1997	14,44,100	Subscriber to Memorandum, private placement to promoters, bonus, public issue, acquisition from other shareholders	14,44,100
1998	-	-	14,44,100
1999	60,500	Acquisition from other shareholders	15,04,600
2000	2,37,400	Acquisition from other shareholders	17,42,000
2001	36,300	Acquisition from other shareholders	17,78,300
2002	30,800	Acquisition / Sale from / to other shareholders. (Additions to the Promoter Group in FY 2002)	18,08,600
2003	53,875	Acquisition / Sale from / to other shareholders	18,62,475
2004	1,53,219	Acquisition / Sale from / to other shareholders	20,15,694
2005	40,715 ^	Acquisition / Sale from / to other shareholders	20,56,409
2006	14,531	Acquisition / Sale from / to other shareholders	20,70,940
2007	(25,708)	Acquisition / Sale from / to other shareholders	20,45,232
2008	(19,936)	Acquisition / Sale from / to other shareholders	20,25,296
Apr-2008 to Nov-2008	5,21,300	Allotment of Merger Shares	25,46,596

^ Please see Note ii below

Notes:

i. The above table shows the changes in the shareholding of persons constituting the present Promoter Group. Transactions of persons who earlier formed part of the Promoter Group but have since completely disposed off their shareholdings are not covered above. The above table also does not include inter se transfers, if any, within the Promoter Group. Further, the sale and purchase transactions shown above are the net figure of all the purchases and sales during the period disclosed. Figures in brackets indicate net disposal of Shares during the period.

ii. Disclosed acquisitions in FY 2005, includes 4,290 Shares acquired by Seller 1 and 4,000 Shares acquired by Seller 2, for which details of acquisition is not available. Based on discussions with Seller 1 and Seller 2, these Shares are included in the shareholding build-up during FY 2005.

iii. There has been an inter-se transfer of 27,000 shares from Seller 2 to Seller 1 on December 23, 2001. The said transfer was intended to be done in March 2001 and accordingly reflected in the shareholding pattern for the quarter ended March 31, 2001 onwards. However, due to oversight the actual transfer was executed subsequently and recorded in share transfer register only on December 23, 2001.

iv. In the above share capital build-up, certain members of the Promoter Group have acquired Shares at various points of time, including through inter-se transfer of Shares amongst themselves. The total Promoter Group shareholding has fluctuated over a period of time. Following transactions may not be in compliance Regulation 11 of the SEBI Takeover Code:

a. Seller 1 and Seller 2 acquired Shares aggregating 7.9% on various dates from September 1999 till March 2000.
b. Seller 1 and Seller 2 acquired Shares aggregating 7.36% during March 2001
c. During FY 2004, the aggregate Share purchases of Seller 1, Seller 2 and some other members of the Promoter Group was 5.69%.
d. Post notification of amendments to Regulation 11 of the SEBI Takeover Code in January 2005, various members of the Promoter Group have acquired Shares through market purchases through a number of transactions. 125 such buy transactions excluding inter-se transactions were effected on various dates. The Target Company has approached SEBI on July 18, 2008 with an 'application for consent' for the violations post January 2005. FPL has confirmed that there has been no further communication from SEBI on the same.

The above transactions include some shares which were acquired inter-se, for which compliance with all the conditions stipulated in Regulation 3 of the SEBI Takeover Code was not available on record.

v. There have been 15 instances of inter-se transfer of Shares amongst the members of the Promoter Group. In some of these instances, Regulation 11 of the SEBI Takeover Code appears to have been violated but compliance under Regulation 3(3) and 3(4) of the SEBI Takeover Code is not available on record.

vi. As the Target Company has not been following a system of "closure of trading window" for the purposes of trading in the Shares by Insiders, an independent verification of the compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992 was not feasible. Seller 1 and Seller 2, who are members of the Promoter Group and are directors on the board of the Target Company, have confirmed that none of the transactions in Shares were executed by them while in possession of price sensitive information. In certain instances of transactions in Shares undertaken by members of the Promoter Group, reporting requirements under Insider Trading were triggered but no filings either by the concerned insiders or by the Target Company, are available on record.

vii. Except for certain instances of non-compliances as disclosed above and in paragraph 6.8, applicable legal provisions, in particular the provisions of the SEBI Takeover Code, as in force at the relevant times and SEBI (Prohibition of Insider Trading) Regulations, 1992 were complied with, wherever applicable, by the Promoters, persons acting in concert with them and FPL, at the time of each change in the Promoters' shareholding.

SEBI, in its letter dated April 23, 2009, has directed to disclose that for the non compliances, delay in compliances etc. by promoters/promoter group of the Target Company, SEBI may initiate appropriate action.

6.17 Compliance with Corporate Governance: Ashok Surana, Practicing Company Secretary has issued a certificate dated August 1, 2008 regarding compliance with the Corporate Governance requirements under clause 49 of the Listing Agreement which has been included in the Annual Report for 2007-2008. The certificate inter-alia states as follows: "*In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement*".

Other compliances: FPL has been complying in all material respect with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement(s). FPL has in place three committees viz: Audit Committee, Remuneration Committee and Shareholders Committee as required under the provisions of clause 49 of the Listing Agreement.

Based on the compliance data for the last one year, FPL has complied with the applicable clauses of the listing agreement except for the following delayed compliances:

- Compliance under clause 22 for listing of shares reissued in 2004 and 2006 out of the forfeited shares was made in 2008
- Compliance under clause 47 - filing of Certificate from Practising Company Secretary for the half year

ended March 31, 2008 was submitted to stock exchange on June 23, 2008

Further, there have been delays in filing shareholding pattern with BSE for the following quarters:

Quarter ended	No. of days delay
December 2006	1 day
September 2001	2 days
March 2001	161 days

FPL has informed that the shareholding pattern for quarter ended March 2002 was filed vide letter dated April 14, 2002. However, a copy of the letter acknowledged by BSE is not traceable.

There are instances where the actual holding of the promoter group is in variance with the promoter group holding as reported by the Target Company in their quarterly filings under clause 35 of the Listing Agreement. The actual shareholding of the promoters has been filed with BSE by the Target Company vide its letter dated March 2, 2009.

SEBI has directed to disclose that SEBI and the exchange may initiate appropriate action for the non-compliances. FPL has confirmed that no penal action has been initiated for any of the compliance matters by any of the stock exchanges and none of the securities of FPL have been suspended from trading by any of the stock exchanges.

6.18 Following are the pending material legal cases and notices issued by FPL / against FPL, as on the date of the PA, where the amount involved is more than Rs. 25 lacs or otherwise considered material by the management of the Target Company. Unless specifically stated, the amounts of the claims do not include the interest that may be awarded by a court on these claims.

1. Litigation in relation to the Bandra Office Premises

M/s Elite Enterprises (“Elite”), a partnership firm, was in possession of Shed No. 10 (Tennary House) now called as Fem House (approx. 2500 sq. ft.) situated at Plot 3A, Survey No. 341, City Survey 595, in the compound of Mitra Pariwar Co-operative Housing Society (“Society”) since 1950. The Society never recognized Elite as a tenant but due to a fiction of law brought about by an amendment to the Bombay Rents, Hotel and Lodging House Rates Control Act, 1947, in 1973, Elite became a deemed tenant. The Society filed R.A.E. (ejection) suit no. 682/2216 of 1987 against Elite before the Small Causes Court. Elite assigned its running business and tenancy rights to one M/s. Acetop (“Acetop”), a proprietary concern, on December 16, 1991. Acetop converted into Acetop Distributors (P) Ltd. and assigned its said running business and tenancy rights to the Target Company by a deed of assignment dated July 25, 2001. The Target Company applied for transfer of membership of the Society from Acetop to itself in the year 2005. The Society did not respond in the statutorily specified time after which proceedings were filed by the Target Company before the Asst. Registrar of Co-operative Housing Societies, Bandra and the Joint Registrar, Mumbai (collectively the “Registrars”) wherein orders were passed confirming the transfer of the society membership to the Target Company and directing the Society to update its records to endorse the Target Company as a member. The Society filed a writ petition in February, 2007 before the Bombay High Court against the orders of the Registrars. The writ petition was admitted in March, 2007 by the Bombay High Court and the orders passed by the Registrars were stayed. The Bombay High Court also recorded that neither Elite nor Acetop had membership (shares) of the Society in the first place and therefore the question of transfer of membership from them to the Target Company does not arise.

2. Litigation with Franch Herbs Technologies Limited

An erstwhile subsidiary of the Target Company, namely Mirasu Marketing Limited (“MML”) entered into an agreement dated May 26, 2005 with Franch Herbs Technologies Limited (“Franch”) and their marketing subsidiary Franch Tech Marketing Services (“Franch Marketing”) for marketing their products namely Franch Oil and other allied products. Under the agreement, MML was engaged in marketing and selling activities of Franch’s product range on an all India level as a distribution / coordinator and was entitled to a commission on the percentage of sales. MML received only part payment of its first bill and did not receive any payments (payment outstanding being approximately Rs. 43 Lacs). Mr. Vasudevan, director of Franch has filed a suit against the Target Company and others in the Madras High Court praying for a declaration that the agreement dated May 26, 2005 is null and void and for consequential reliefs for permanent injunction restraining the agents, employees and others of MML from operating in pursuance of the said agreement with regard to marketing products of Franch. MML has filed its written statement refuting the allegations made against it in the plaint. MML has also filed a suit in the Bombay High Court against Franch for recovery of the dues as well as for injunction against Franch from appointing any new sole selling agent. As on date the above proceedings are pending and no significant orders have been passed in relation to the same.

3. Company Law Matters

The Target Company has received 12 show cause notices from the Registrar of Companies, Mumbai ("ROC") pursuant to inspection conducted under Section 209A of the Companies Act, 1956 ("Companies Act"). The Target Company has replied to all the show cause notices and has either sought time to regularize the non-compliances or contradicted the findings of the ROC. The said notices *inter alia* allege non compliance on part of the Target Company with Accounting Standard No. 2, anomalies in the notes of accounts pertaining to the companies balance sheet and profit and loss account for the year ended March 31, 2004, March 31, 2005 and March 31, 2006 under the head valuation of inventories, non maintenance of proper books of accounts with respect to its fixed assets for the years 2003-04, 2004-05 and 2005-06, not obtaining Central Government approval under Section 297 of the Companies Act, issuance of forfeited shares and failure of the Target Company to disclose these transactions under note no.12, violation of Section 309, 310 read with Section 198 of the Companies Act, violation of Section 269 read with schedule XIII with regard to the payment of excess remuneration that is in excess of limit prescribed by the members of the Companies Act, violation of Section Part I Schedule VI read with Section 211 of the Companies Act, violation of Section 295 of the Companies Act, violation of Section 294AA of the Companies Act and violation of Section 193 read with Section 80 of the Companies Act. The Target Company and its Directors are currently in the process of regularizing certain non compliances under the Companies Act. The ROC may impose such penalties as are prescribed under the Companies Act in relation to the said non compliances.

MML received 2 show cause notices both dated January 9, 2009, from the ROC for alleged violations *inter alia* of Section 193 read with Section 292 of the Companies Act. The Target Company has replied to both the show cause notices on February 9, 2009. The ROC may impose such penalties on MML as are prescribed under the Companies Act in relation to the said non compliances.

4. Excise

FPL received a show cause notice bearing reference no. C. No. V (30&33) 15/ CE/ ADJ/72/08/3453 dated November 4, 2008 from the Commissioner of Central Excise, Chandigarh ("Commissioner") stating that FPL has not sought any exemption from payment of excise duty under notification no. 50/2003- CE dated June 10, 2003 (as amended). The Commissioner has asked the Target Company to show cause as to why (i) an amount of Rs. 259.35 lacs should not be recovered under Section 11A of the Central Excise Act, 1944; (ii) interest under Section 11 AB of the Central Excise Act, 1944 should not be recovered; and, (iii) penalty under Rules 25 & 27 of the Central Excise Rules, 2002 should not be imposed. The Target Company has replied to the show cause notice on December 4, 2008. Pursuant to a personal hearing held before the Commissioner (Central Excise) on January 14, 2009, the Commissioner passed the order dated February 10, 2009 (received by the Target Company on February 20, 2009) (i) confirming the demand of Rs. 259.35 Lacs under Section 11 A of the Central Excise Act, 1944: (ii) allowing modvat credit of the duty paid on inputs or capital goods used in the manufacture of such goods *inter alia* subject to the condition that the Target Company was otherwise eligible for such credit; (iii) levying interest at the applicable rate on the Target Company under Section 11 B of the Central Excise Act, 1944; and, (iv) waiving penalty as the Target Company had not suppressed any facts from the department nor was there any evidence or intent of evading payment of excise duty. The Target Company is contemplating filing an appeal against this order dated February 10, 2009.

5. Income Tax

a. With regard to the Assessment year 2002-2003, the Target Company has received a notice from the Income Tax Department for rectification/amendment of the Assessment order for the relevant period in view of a mistake apparent from the record. The Target Company has filed its objection to the same.

b. FPL has filed 3 appeals before the Income Tax Appellate Tribunal (“ITAT”) pertaining to the assessment years 2003-04, 2004-05 and 2005-06 for amounts aggregating approximately Rs. 24.03 lacs, in respect of the disallowance of FPL’s claim regarding depreciation on tenancy rights and business expenditure. The appeals are currently pending before the ITAT. The Target Company received a notice from the ITAT fixing the date for hearing of the appeals pertaining to the assessment years 2003-04 and 2004-05 (bearing ITA Nos. 6050 and 6051/Mum/2007) on February 26, 2009. The Target Company made an application for adjournment on February 10, 2009 and *inter alia* requested the ITAT to place the appeals for hearing on any convenient date. The ITAT pronounced an ex-parte order on March 13, 2009, whereby the appeals pertaining to the assessment years 2003-04 and 2004-05 (bearing ITA Nos. 6050 and 6051/Mum/2007) were dismissed on the basis that the Assessee i.e. the Target Company was not interested in pursuing the appeals. The Target Company has by its letter dated April 21, 2009 made an application with the ITAT furnishing grounds for non-appearance on the date of hearing before the ITAT and sought restoration of the appeals pertaining to the assessment years 2003-04 and 2004-05 (bearing ITA Nos. 6050 and 6051/Mum/2007).

c. With regard to the assessment year 2006-07 the appeal lies with CIT (Appeals), Mumbai in respect of disallowance of depreciation on tenancy rights and the disallowance of the depreciation on the business centre treating as income on house property.

d. The Company has received a notice of demand dated March 31, 2009 under Section 156 of the Income Tax Act, 1961 from the Additional Commissioner of Income Tax (“CIT”) claiming an approximate amount of Rs. 11.86 lacs towards penalty levied under Section 271 (1) (c) of the Income Tax Act, 1961 for the assessment year 2004-05 for wrongfully claiming tax relief under certain heads. The CIT has levied the penalty on the basis of an order dated July 20, 2007, passed by the Commissioner (Appeals) upholding certain disallowances adjudged by the Assessing Officer in relation to the Target Company’s return of income for assessment year 2004-05. The CIT has held that the Target Company has sought to evade tax and therefore levied the aforesaid penalty. The Company has filed an appeal with the Commissioner (Appeals) against the order and the appeal is currently pending hearing.

6. Employee related disputes

a. The Target Company has filed criminal complaint no. 2730/2008 in the court of the Judicial Magistrate First Class, Nashik (“JMFC”) under Section 138 of the Negotiable Instruments Act, 1882 (dishonour of cheques) against Mr. K. V. Manian, Chennai (an ex-employee of the Target Company). The Target Company had sanctioned a loan of Rs. 0.50 lacs to Mr. K. V. Manian and in respect of which an amount of approximately Rs. 0.42 lacs was outstanding. An application seeking proclamation has been filed with the JMFC on April 15, 2009, and the application is currently pending.

b. Mr. A. Venkateswarlu – Area Sales Manager, Nellore (an ex-employee of the Target Company) has filed a civil complaint no. 1/2008 before the Authority appointed under Section 50 of the A.P. Shops and Establishments Act, 1988 and the Asst. Commissioner of Labour, Nellore (A.P.) claiming an amount of Rs. 0.64 lacs. The Target Company is contesting the claim and has contended that all amounts payable to Mr. A. Venkateswarlu have been cleared by the Target Company.

7. Trademark related disputes

a. The Target Company has filed a notice of opposition against Trade Mark application no. 1372399 of Trade Mark GETSBI filed in the name of Ospra Laboratories. The opposite party has filed a counter statement against the Target Company’s opposition. The Trade Mark is already registered in class 3 in the name of FPL. The matter is currently pending hearing.

b. The Target Company has filed a notice of opposition no. BOM- 59721 against Trade Mark application no. 658617 for the Trade Mark FEMTAC filed in the name of Nicholas Piramal India Limited. The opposition came up for hearing and the learned Assistant Registrar has reserved the order.

c. The Target Company has filed a notice of opposition against Trade Mark application no. 811062 for the Trade Mark FEMITEC filed in the name of Cipex Laboratories. The opposition came up for hearing and the learned Assistant Registrar has reserved the order.

d. The Target Company has filed an opposition to Application No. 1229261 dated February 2, 2003, filed in the name of Chirayu Pharmaceuticals for grant of registration of the Trade Mark FEMISCAN. The Target Company and Chirayu Pharmaceuticals have both filed their affidavits of evidence wherein Chirayu Pharmaceuticals has *inter alia* claimed that they adopted the trade mark FEMISCAN in the year 1995 and have been continuously using the same. The Target Company has *inter alia* denied the claim of Chirayu Pharmaceuticals. The evidence has been completed and the matter is currently pending hearing and disposal.

e. The Trade Mark VISCORIL has been assigned from M/s Sheron Care Pharma (P) Limited to the Target Company on April 15, 1993. Since the original assignment documents were not traceable, the Target Company filed a fresh application with the Trade Mark Registry. The Target Company has issued cease and desist letters to various parties who were misusing the Trade Mark. The Target Company's application for grant and registration of the Trade Mark was opposed by Glenmark Pharma Limited and Aristo Pharma Limited. The Target Company's application for grant of registration of the Trade Mark VISCORIL and the opposition filed by Glenmark Pharma Limited are pending adjudication before the Trade Marks Registry. The Target Company has filed a notice of opposition to Application No. 1378082 in the name of Astron Lifesciences Private Limited for the Trade Mark VISCORIL.

f. An opposition application has been filed by the Target Company to oppose the grant of registration of Trade Mark Application No. 1536044 filed by Mandom Corporation for grant of registration in respect of the Trade Mark GATSBY. Mandom Corporation has not filed their counter statement and the matter is currently pending.

g. An original application (O.A. No. ORA/56/05/TM/KOL) was filed by the Target Company seeking rectification of the Register of Trade Marks before the I.P. Appellate Board in respect of the Trade Mark GATSBY against Mandom Corporation. Mandom Corporation has filed its counter statement. The Target Company and Mandom Corporation have both filed their affidavits of evidence wherein each has claimed to be the prior user of the Trade Mark. The recording of evidence has been completed and the matter is currently pending hearing and disposal.

8. Drugs and Cosmetics Act, 1940 ("Drugs Act")

a. A complaint has been filed (C.C. No. 38/S/95) by the Food and Drugs Authority, Mumbai before the 6th Court of the Metropolitan Magistrate, Mazgaon, (the "Court") against the Target Company, Mr. Sunil H. Phophale and Mrs. Sunita Ajay Ramnathkar (hereinafter referred to as the "Accused") for alleged violations of the Drugs Act wherein it is contended that a sample of a certain product of the Target Company namely "Saka After Shave Moisturiser" collected by the Drugs Inspector under the relevant provisions of the Drugs Act, did not contain an element named Allantoin though the said product labelled it as a constituent. The Complaint therefore alleges that the said product was misbranded which is in violation of Section 18(a)(ii) read with Section 17-C(c) and punishable under Section 27-A(ii) read with Section 34 of the Drugs Act. The Accused filed an application for discharge with the Court which came to be dismissed by the Court on July 16, 1997. The Accused thereafter filed a revision application with the Court of Sessions, Mumbai which also came to be dismissed by the Court of Sessions on August 21, 1998. The Complaint is currently pending before the Court. Under the Drugs Act, the abovementioned violations are punishable with imprisonment of up to one year and/or fine of up to one thousand rupees.

6.19 Name and contact details of Compliance Officer of FPL:

Mr. Madan Vaishnawa, Head Finance & Company Secretary, Fem Care Pharma Limited, A/63-65 Mittal Tower, Nariman Point, Mumbai – 400 021, Tel: +91 22 66374444; Fax: +91 22 66374400, Email: madan.vaishnawa@femcareindia.com

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The Shares of FPL are listed on BSE. The annualised trading turnover during the preceding six months ended October 31, 2008 on BSE is as follows:

Name of Stock Exchange	Total number of Shares traded during the preceding six calendar months ended October 31, 2008	Total number of listed Shares	Annualised trading turnover (in terms of % of total listed Shares)
BSE	298,248	30,06,100*	19.85%*

** For the above calculation, 2,000 Shares which were admitted for dealings with effect from December 10, 2008 vide BSE's letter no.DCS/Re-issue/SG/27/2008 dated December 8, 2008 and Merger Shares which have been admitted for dealings with effect from January 15, 2009 vide BSE's notice dated January 14, 2009 have not been considered, as the listing took place post October 31, 2008.*

(Source: BSE website)

7.1.2 Based on the above information, the shares of FPL are frequently traded on BSE within the meaning of explanation (i) to Regulation 20 (5) of the SEBI Takeover Code.

7.1.3 The Offer Price of Rs. 800/- (Rupees Eight Hundred only) per Share is justified in terms of Regulation 20(4) of the SEBI Takeover Code as it is highest of the following 4 parameters (i through iv):

i.	Negotiated Sale Price payable for Sale Shares	:	Rs. 800 per Share
ii.	Highest price paid by the Acquirer for acquisition of Shares during the 26 weeks period preceding the date of the PA	:	Not applicable
iii.	The average of the weekly high and low of the closing prices of Shares on BSE during the 26 weeks preceding the date of the PA. (Please see the table below)	:	Rs.342.06
iv.	The average of the daily high and low prices of Shares on BSE during the 2 weeks preceding the date of the PA. (Please see the table below)		Rs. 630

The average of the weekly high and low of the closing prices of Shares on BSE during the 26 weeks preceding the date of the PA:

Week	Week Ended	High (Rs.)	Low (Rs.)	Avg (Rs.)	Volume (Shares)
1	Tuesday, June 03, 2008	285.00	275.05	280.03	1,319
2	Tuesday, June 10, 2008	282.00	270.00	276.00	9,127
3	Tuesday, June 17, 2008	302.65	270.10	286.38	3,120
4	Tuesday, June 24, 2008	290.00	279.70	284.85	4,152
5	Tuesday, July 01, 2008	269.65	240.00	254.83	2,478
6	Tuesday, July 08, 2008	264.00	242.55	253.28	1,421
7	Tuesday, July 15, 2008	274.95	251.15	263.05	575
8	Tuesday, July 22, 2008	283.85	259.00	271.43	807
9	Tuesday, July 29, 2008	263.75	248.95	256.35	1,968
10	Tuesday, August 05, 2008	277.90	250.00	263.95	1,636
11	Tuesday, August 12, 2008	266.40	241.05	253.73	13,258

Week	Week Ended	High (Rs.)	Low (Rs.)	Avg (Rs.)	Volume (Shares)
12	Tuesday, August 19, 2008	296.05	279.90	287.98	14,334
13	Tuesday, August 26, 2008	280.00	261.85	270.93	2,754
14	Tuesday, September 02, 2008	298.80	269.00	283.90	16,156
15	Tuesday, September 09, 2008	312.70	302.55	307.63	3,530
16	Tuesday, September 16, 2008	346.95	313.00	329.98	10,800
17	Tuesday, September 23, 2008	329.70	303.25	316.48	3,246
18	Tuesday, September 30, 2008	330.00	322.40	326.20	16,597
19	Tuesday, October 07, 2008	335.25	320.85	328.05	35,911
20	Tuesday, October 14, 2008	330.00	318.95	324.48	21,017
21	Tuesday, October 21, 2008	374.05	358.20	366.13	42,173
22	Tuesday, October 28, 2008	570.85	370.80	470.83	56,132
23	Tuesday, November 04, 2008	594.35	531.60	562.98	30,906
24	Tuesday, November 11, 2008	557.30	491.55	524.43	40,986
25	Tuesday, November 18, 2008	627.10	552.50	589.80	21,564
26	Tuesday, November 25, 2008	688.90	630.85	659.88	56,997
		26 weeks average		**342.06**	

(Source: BSE website)

The average of the daily high and low prices of Shares on BSE during the 2 weeks preceding the date of the PA:

Day	Date	High (Rs.)	Low (Rs.)	Avg (Rs.)	Volume (Shares)
1	Wednesday, November 12, 2008	580.00	550.00	565.00	2,632
2	Friday, November 14, 2008	600.00	555.50	577.75	8,244
3	Monday, November 17, 2008	639.00	590.10	614.55	5,477
4	Tuesday, November 18, 2008	630.00	605.00	617.50	5,211
5	Wednesday, November 19, 2008	638.00	620.00	629.00	4,994
6	Thursday, November 20, 2008	650.00	596.00	623.00	7,248
7	Friday, November 21, 2008	666.00	645.00	655.50	6,822
8	Monday, November 24, 2008	724.85	675.00	699.93	30,070
9	Tuesday, November 25, 2008	700.00	675.60	687.80	7,863
		2 weeks average		**630.00**	

(Source: BSE website)

7.1.4 No amount has been paid as Non-Compete Fees.

7.1.5 In the opinion of the Manager to the Offer and the Acquirer, the Offer Price is justified.

7.1.6 If the Acquirer acquires Shares after the date of the Public Announcement up to seven working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

7.2 Financial Arrangements

7.2.1 The total financial resources required for this Offer, assuming full acceptance at the Offer Price will be Rs. 56,47,04,000 (Rupees Fifty six crores forty seven lacs four thousand only) ("Maximum Consideration"). The Acquirer proposes to fund the Offer through internal accruals and has made firm arrangement for the Maximum Consideration. Financial obligations under the Offer would be met through investments made in "Liquid Assets" (i.e investments in fixed deposits and liquid schemes of the various mutual funds). Further, the Acquirer has passed a board resolution that funds equivalent of the Maximum Consideration will always be invested in Liquid Assets and will not be utilized for any other purpose till the completion of its obligation under the Offer.

7.2.2 In accordance with Regulation 28 of the SEBI Takeover Code, escrow arrangement has been created by DIL, which consists of the following:

- A bank guarantee procured by the Acquirer and issued by The Hongkong and Shanghai Banking Corporation Limited ("HSBC") through their branch office at 25, Barakhamba Road, New Delhi-110 001, in favour of the Manager to the Offer, for a sum of Rs. 14,11,76,000/- (Rupees Fourteen Crores Eleven lacs Seventy Six Thousand only) which is equal to the prescribed escrow amount in terms of Regulation 28 of the SEBI Takeover Code. The bank guarantee is valid till June 30, 2009.
- The Acquirer has also made a fixed deposit of Rs. 56,47,040 (Rupees Fifty Six lacs Forty Seven Thousand and Forty only) with HSBC, 3rd Floor Birla Towers, 25 Barakhamba Road, New Delhi-110001 being equal to 1% of the Maximum Consideration payable under the Offer. The Acquirer has arranged a lien on the fixed deposit in favour of the Manager to the Offer.

The Manager to the Offer has been authorised to realize the value of the escrow arrangement consisting of the Bank Guarantee and the fixed deposit, in terms of and as per the provisions contained in the SEBI Takeover Code.

7.2.3 G. Basu & Co., Chartered Accountants, [Address: Basu House, 3, Chowringhee Approach, Kolkata – 700 072], through Mr. Anil Kumar, Partner, membership number: 9390 (Tel:+91 33 22126253; Fax: +91 33 22127476; Email: gbasuco@rediffmail.com), have certified vide their letter dated November 21, 2008 that DIL has adequate liquid financial resources to fulfill all financial obligations arising out of the acquisition and Offer. Based on this certificate from the auditors, the Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to fulfill their financial obligations under the Offer in full.

8 TERMS AND CONDITIONS OF THE OFFER

8.1.1 The Offer is not conditional upon any minimum level of acceptance by the shareholders of the Target Company. During the Offer period, the Acquirer may purchase additional Shares of the Target Company in accordance with the SEBI Takeover Code.

8.1.2 The Offer is subject to receipt of approval from Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made there under for acquisition of Shares by the Acquirer from non-resident persons under the Offer. RBI, vide letter dated February 4, 2009, has given it's no objection for acquisition of 705,880 Shares by the Acquirer under the Offer. This approval does not cover tenders by erstwhile OCBs and therefore acceptance of Shares from erstwhile OCBs is subject to receipt of specific approval from the RBI.

8.1.3 Other than the approvals set out in paragraph 8.1.2, no other statutory approvals are required to acquire the Shares tendered pursuant to this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. In terms of Regulation 27 of the SEBI Takeover Code, the Acquirer will not proceed with the Offer in the event that such statutory approvals that are required are refused. No approvals are required by the Acquirer from Financial Institutions/Banks for the Offer.

8.1.4 The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the Offer Closing Date. It may be noted that if the Acquirer is unable to make payment to the shareholders who have accepted the Offer before the said period of 15 days, due to non-receipt of statutory approvals, the Securities and Exchange Board of India ("SEBI"), if satisfied that the non receipt of the statutory approvals was not due to willful default or negligence on part of the Acquirer, has a power to grant an extension of time to the Acquirer for payment of consideration to shareholders and the Acquirer shall pay interest for the delay, to the shareholders who have accepted the Offer, at such rates as may be specified by SEBI under Regulation 22(12) of the SEBI Takeover Code. Further, if the delay occurs due to willful default of the Acquirer in obtaining the requisite statutory approvals, Regulation 22(13) of the SEBI Takeover Code shall be applicable.

8.1.5 Other terms

8.1.4.1 The Offer is being made to the shareholders of FPL and the Letter of Offer, together with the Form of Acceptance and the Form of Withdrawal, will be mailed to the shareholders of FPL (excluding the Sellers), whose names appear on the Register of Members of FPL, and to the beneficial owners of the Shares, whose names appear as beneficiaries on the records of the respective depositories, at the close of business hours on Friday, December 12, 2008 ("Specified Date").

8.1.4.2 All eligible owners of Shares, registered or unregistered including beneficial owners (except the Acquirer and the Sellers), are eligible to participate in the Offer, at any time before the Offer Closing Date, as per the procedure set out in paragraph 9 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. The acceptance must be unconditional and should be absolute and unqualified. No indemnity is required from the unregistered owners.

8.1.4.3 Accidental omission to dispatch this Letter of Offer or the non-receipt or delayed receipt of this Letter of Offer will not invalidate the Offer in any way.

8.1.4.4 1,30,326 Shares out of the Merger Shares are under lock-in upto January 15, 2012 (i.e. 3 years from the date of listing of the Merger Shares) as per the conditions stipulated in the in-principle approval from BSE dated December 8, 2008 for listing of the Merger Shares.

8.1.4.5 Any Shares that are the subject matter of litigation or are held in abeyance due to pending court cases, attachment order(s)/ restriction from Court/ Forum/ ITO / relevant statutory authorities, etc., wherein the shareholder(s) may be precluded from transferring the Shares during the pendency of the said litigation are liable to be rejected in case directions/orders of the court / forum / ITO / relevant statutory authorities etc permitting transfer of these Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the relevant statutory authorities for further action at their end.

8.1.4.6 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Target Company. The Acquirer does not accept any responsibility for the decision of any shareholder to either participate or to not participate in the Offer. The Acquirer will not be responsible in any manner for any loss of Share certificate(s) and Offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

8.1.4.7 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.

8.1.4.8 The Acquirer will acquire the Shares, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8.1.4.9 The instructions and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Shareholders of FPL who wish to tender their Shares under this Offer should enclose the following documents duly completed so that the same are received by the Registrar to the Offer at any of their collection centres (as mentioned below) on or before close of business hours on the Offer Closing Date.

9.1.1 For Shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the Share certificates.
- Original Share certificate(s).
- Valid share transfer deed / form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with FPL and duly witnessed at the appropriate place. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate/ Notary Public/ Bank Manager under their Official Seal.

In case of non receipt of the aforesaid documents, but receipt of the original Share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

Unregistered owners should enclose:

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

The details of the buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for acceptance.

9.1.2 For Shares held in demat form:

Beneficial owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by DP in favour of the special depository account (please see below) before the close of business hours on Offer Closing Date.
  The Registrar to the Offer has opened a special depository account whose details are as follows:

DP Name	Ambit Capital Private Limited
DP ID / Client ID	1204750000003211
Account name	Femcare Pharma Ltd - Open Offer - Operated By Sharepro Services India Pvt. Ltd
Depository	Central Depository Services (India) Limited (“**CDSL**”)

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. **Beneficial owners having their beneficiary accounts with NSDL have to use inter-depository delivery instruction slip for the purposes of crediting their Shares in favour of the special depository account with CDSL.** In case of non receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to be accepted. The Forms of Acceptance of such demat shares not credited in favour of the special depository account, before the Offer Closing Date will be rejected.

9.1.3 Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Shares in respect of which the Form of Acceptance is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):

- Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form 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 certified corporate authorizations (including board and/or general meeting resolutions).
- Further, Shareholders who are opting for electronic receipt of Offer consideration should also enclose a cancelled cheque or a photocopy of a cheque, associated with the particular bank account where refund is desired

9.2 The Share certificate(s), share transfer form, Form of Acceptance and other documents, if any should be sent only to the Registrar to the Offer, at the collection centres mentioned below. **They should not be sent to the Manager to the Offer or the Acquirer or the Target Company.** The above-mentioned documents can be sent to the collection centres (as mentioned in paragraph 9.4 below) by hand delivery on all days except Sundays and public holidays.

9.3 The minimum marketable lot for the purposes of acceptance, for both physical and demat shares, would be one Share.

9.4 All owners of Shares, registered or unregistered who wish to avail of and accept the Offer can 'hand deliver' the Form of Acceptance along with all the relevant documents at any of the below mentioned collection centres of the Registrar to the Offer in accordance with the procedure as set out in this Letter of Offer. All centres mentioned herein below would be open during the Offer period on all working days (except Sundays and Bank Holidays) during business hours as shown below. Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects; otherwise the same are liable to be rejected.

Sl. No.	City	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of delivery
1	Mumbai	Sharepro Services (India) Private Limited Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400099	Mr. Ganesh Rane	grane_gr@sharepro services.com	022 –67720300 /420 /422	022 – 28508927	Hand Delivery & Registered Post
2	Mumbai	Sharepro Services (India) Private Limited 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400021	Mr. Ravi	-	022 – 22825163 / 66134700	022 – 22825484	Hand Delivery
3	New Delhi	Sharepro Services (India) Private Limited C/o. Skystock Financial Services. F-63, 1st Floor, Baghat Singh Market, Near Gol Market, New Delhi - 110001	Mr. Sridhar	sterlingservices2002 2002@yahoo.com	011 – 65058126	011 - 23341292	Hand Delivery
4	Kolkata	Sharepro Services (India) Private Limited C/o. Skystock Financial Services. 161, Rabindra Sarani Omkar Market, Near Canara Bank, Kolkata – 700007	Mr. Khimraj	krbaral@yahoo.com	033 –32930032	033 – 32445589	Hand Delivery
5	Ahmedabad	Sharepro Services (India) Private Limited C/o Sterling Services 305 Raj Kamal Plaza Opposite Sakar III Near Samruddhi Income Tax; Ahmedabad - 380 014	Mr. Vijay Iyer	sterlingservices@red iffmail.com	079-66052469	-	Hand Delivery

Sl. No.	City	Address of Collection Centre	Contact Person	Email Address	Phone No.	Fax	Mode of delivery
6	Nashik	Sharepro Services (India) Private Limited C/o. Skystock Financial Services. Vivek Cargo, Shop No. 1, Jagruti apts, Gurudwara road, Singada Talao, Nasik – 422002	Mr. Raj	comps_tech@yahoo.co.in	9823066475	-	Hand Delivery

Working Hours: Monday to Friday 10 AM to 5 PM, Saturday 10 AM to 2 PM
Holidays: Sundays and Bank Holidays

Shareholders who cannot hand deliver their documents at the collection centres referred to above may send the same by registered post, at their own risk, to the Registrar to the Offer at their office at Sharepro Services (India) Private Limited, Satam Estate, 3rd Floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099, and not to any other collection centre so that the same are received before the close of business hours on the Offer Closing Date.

9.5 In case of non-receipt of the Letter of Offer / Form of Acceptance / Form of Withdrawal eligible Shareholders and unregistered owners (including beneficial owners) may download the same from SEBI's website http://www.sebi.gov.in or obtain a copy of the same by writing to the Registrar to the Offer at the collection centres set out in paragraph above clearly marking the envelope "Fem Care Pharma Limited - Open Offer" by providing suitable documentary evidence of the acquisition of the Shares or send their acceptance on plain paper. In case of acceptance on plain paper: Shareholders holding Shares in physical form should state their name, address, folio number, number of Shares held, distinctive numbers, number of Shares offered, bank particulars along with original Share Certificate(s), duly signed & witnessed transfer form(s). Beneficial owners should state their name, address, DP name, DP ID, beneficiary account number, number of Shares held, number of Shares offered, bank particulars, photocopy of the delivery instructions in "Off-market" mode or a counterfoil of the delivery instructions in "Off-market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant, and submit the same to the collection centres on or before the close of business on the Offer Closing Date. The acceptance should be signed by all the shareholders as per the registration details available with FPL / Depositories and should be sent to the Registrar to the Offer in an envelope clearly marked "Fem Care Pharma Limited - Open Offer ".

9.6 In case any person has submitted Shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by the Shareholder's DP. Such Shareholders should ensure that the process of getting the Shares dematerialised is completed well in time so that the credit of the Shares to the special depository account is completed on or before the close of business hours on the Offer Closing Date, failing which such an acceptance would be rejected. A copy of delivery instructions acknowledged by the DP in favour of the special depository account should be forwarded to the collection centre where the Form of Acceptance and other documents were tendered, before the close of business on the Offer Closing Date.

9.7 In case any person has lodged Shares of FPL for transfer and such transfer has not yet been effected, the concerned person may apply as per the instructions to be contained in the Letter of Offer, together with the acknowledgement of the lodgement of Shares for transfer. Such persons should also instruct FPL and/or its registrar & transfer agents to send the transferred equity share certificate(s) directly to the collection centre located at Sharepro Services (India) Private Limited, Satam Estate, 3rd Floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099. The person should ensure that the Share certificate(s) reach the designated collection centre on or before the close of business hours on the Offer Closing Date. No indemnity is required from unregistered equity shareholders.

9.8 While tendering Shares under the Offer, shareholders are requested to give their Permanent Account No. ("PAN").

9.9 While tendering Shares under the Offer, NRIs/ OCBs/ foreign and other non resident shareholders will be also required to submit the RBI approvals, if any (specific or general) that they would have obtained for acquiring Shares. Further, OCB shareholders, if any, are also required to submit approval from RBI for tendering Shares in the Offer. In case the RBI approvals are not submitted, the Acquirer reserve the right to reject the Shares tendered. As per the extant provisions of the Income Tax Act, 1961 ("Income Tax Act"), no deduction of tax at source shall be made before remitting the consideration for Shares tendered under the Offer by Foreign Institutional Investors ("FIIs") as defined in the Income Tax Act for Shares held under "Investment / Capital Account" by FIIs. This exemption is not available for payment of consideration in respect of Shares held by FIIs under their "Trade Accounts". However, while tendering their Shares under the Offer, Non Resident Indians ("NRIs"), Overseas Corporate Bodies ("OCBs") and other non resident shareholders will be required to submit a No Objection Certificate ("NOC") / Tax Clearance Certificate ("TCC") indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, from Income Tax authorities under the Income Tax Act. In case the aforesaid NOC / TCC is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders, on the entire consideration amount payable to such shareholders. The Acquirer also reserves the right to reject such tenders from non-resident shareholders, where the aforesaid NOC / TCC is not submitted.

9.10 If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirer shall accept Shares on a proportionate basis from the valid acceptances, as per Regulation 21(6) of the SEBI Takeover Code. The Shares are compulsorily traded in dematerialised form and the minimum marketable lot for the purposes of acceptance, for both physical and demat will be one Share.

9.11 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post / Speed Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder (in case of joint shareholders). Shares held in dematerialised form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for 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.

9.12 Shareholders, while tendering their Shares in the Offer may indicate an option to receive the payment of Offer consideration through electronic form by indicating in the space provided in the FOA. The payment consideration for Shares accepted under the Offer, in such cases, may be made through Electronic Clearing Services (ECS), Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), as applicable, at specified centres where clearing houses are managed by the Reserve Bank of India, wherever possible. In other cases, payment of consideration would be made through cheque / demand draft / pay order sent by Registered post / speed post. Shareholders who opt for receiving consideration through electronic form are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance, provide the MICR / IFSC code of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance. In case of joint holders, payments will be made in the name of the first holder/ unregistered owner.

For the purposes of electronic transfer, in case of Shareholders opting for electronic payment of consideration and for purposes printing on the cheque / demand draft / payorder for the other cases, the bank account details will be directly taken from the Depositories' database, wherever possible. A Shareholder tendering Shares in the Offer, is deemed to have given consent to obtain the bank account details from the Depositories, for this purpose. Only if the required details cannot be obtained from the depositories' database then the particulars provided by the Shareholders would be used.

For Shareholders, who do not opt for electronic mode of transfer and for those Shareholders, whose payment consideration is rejected / not credited through ECS/Direct Credit/RTGS/NEFT, due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post/Registered Post. Such consideration payment will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered. It is advised that shareholders provide bank details in the Form of Acceptance, so that the same can be incorporated in the cheque/demand draft/pay order.

It will be the responsibility of the tendering Shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance.

9.13 In terms of Regulation 22(5A) of the SEBI Takeover Code, equity shareholders desirous of withdrawing the acceptance tendered by them in the Offer, may do so up to 3 (three) working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at the collection centre where the original tender was submitted on or before Thursday, May 21, 2009.

a) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer, duly signed by all the registered holders as per their specimen signature recorded with FPL for shareholders in case of physical holdings/ with the Depository in case of electronic holdings, so as to reach the Registrar to the Offer at the collection centre where the original tender was submitted, on or before Thursday, May 21, 2009. The signature of the beneficial holders on the Form of Withdrawal should be attested by the Depository Participant.

b) The withdrawal option can be exercised by submitting the Form of Withdrawal attached to this Letter of Offer, duly completed together with Acknowledgement slip in original / copy of the submitted Form of Acceptance in case delivered by Registered A.D.

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

i. In case of physical shares: Name, address, distinctive numbers, folio number and number of Shares tendered, number of Shares withdrawn.

ii. In case of dematerialised shares: Name, address, number of Shares tendered, number of Shares withdrawn, DP name, DP ID, Beneficiary Account no., and a photocopy of delivery instructions 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.

d) Shareholders who have tendered Shares in physical form and wish to partially withdraw their tenders, should also enclose valid share transfer form(s) for the remaining Shares (i.e. Shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with FPL and duly witnessed at the appropriate place.

e) The withdrawal of Shares will be available only for the Share certificates/ Shares that have been received by the Registrar to the Offer/ special depository account.

f) The intimation of returned Shares to the shareholders will be at the address as per the records of FPL or the Depositories as the case may be.

g) In case of partial withdrawal of Shares tendered in physical form, if the original Share certificates are required to be split, the same will be returned on receipt of Share certificates from FPL.

h) Partial withdrawal of tendered Shares can be done only by the registered shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

i) Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

9.14 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

9.15 The Registrar to the Offer will hold in trust the Shares/Share certificates, Shares lying in credit of the special depository account, Form of Acceptance, and the transfer form(s), if any, on behalf of the shareholders of FPL who have accepted the Offer, until the Acquirer complete the Offer obligations in accordance with the SEBI Takeover Code.

10 DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of FPL at the office of the Manager to the Offer at Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and public holidays, from the date of opening of the Offer until the Offer Closing Date;

1. Copies of SPA dated November 21, 2008 and Letter Agreement dated April 11, 2009 between the Acquirer and the Sellers;
2. Certified copy of the Certificate(s) of Incorporation and the Memorandum and Articles of Association of DIL;
3. Certified copy of the Certificate of Incorporation and the Memorandum and Articles of Association of the Target Company;
4. Copy of published Public Announcement and Corrigendum to the Public Announcement;
5. The audited financial statements for the year ended March 31, 2006, March 31, 2007 and March 31, 2008 and the certified results for the six months ended September 30, 2008 for the Acquirer;
6. The annual reports of the Target Company for the financial period ended March 31, 2006, March 31, 2007 and March 31, 2008 and the certified results for the six months ended September 30, 2008;
7. Copy of the certificate dated November 21, 2008 issued by M/s. G. Basu & Co., Chartered Accountants confirming the firm arrangements made by the Acquirer for meeting their obligations under the SEBI Takeover Code;
8. Copy of the bank guarantee issued by HSBC in favour of the Manager to the Offer (and extension documents thereof) and agreement between HSBC, the escrow banker; Acquirer and Manager to the Offer, authorising the Manager to the Offer to realize the value of the escrow account consisting of the fixed deposit, in terms of the SEBI Takeover Code;
9. SEBI observation letter no. CFD/DCR/TO/RKD/161345/2009 dated April 23, 2009;
10. A copy of the agreement entered into by the Registrar to the Offer with depository participant for opening a special depository account for the purposes of the Offer.

11 DECLARATION BY THE ACQUIRER

The Acquirer represented by its Board of Directors accepts responsibility for the information contained in this Letter of Offer and for its obligations under the SEBI Takeover Code. The Acquirer is responsible for fulfilment of its obligations in terms of the SEBI Takeover Code.

For and on behalf of Dabur India Limited

Sd/-
Authorised Signatory
Name: Arun Gupta
Designation: General Manager – Corporate Affairs

Sd/-
Authorised Signatory
Name: Ashok Kumar Jain
Designation: General Manager (Finance) and Company Secretary

Place: New Delhi

Date: April 29, 2009

Encl:

1. Form of Acceptance-cum-Acknowledgement
2. Form of Withdrawal
3. Transfer deed for shareholders holding Shares in physical form