DRAFT LETTER OF OFFER

"THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION"

This Draft Letter of Offer ("**DLoF**") is sent to you as a shareholder(s) of **HITACHI HOME AND LIFE SOLUTIONS (INDIA) LIMITED**. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in Hitachi Home and Life Solutions (India) Limited, please hand over this Draft Letter of Offer and the accompanying form of acceptance and transfer deed to the member of stock exchange through whom the said sale was effected.

JOHNSON CONTROLS, INC. ("**Acquirer**"), having its registered office at 5757 N. Green Bay Avenue Milwaukee, WI 53209; Tel: +1-414-524-1200; Fax: +1(414) 524-2828

along with following persons acting in concert

HITACHI APPLIANCES, INC. ("**PAC1**"), having its registered office at Hitachi Atago Bldg., 15-12, Nishi Shimbashi 2-chome, Minato-ku, Tokyo 105-8410, Japan; Tel: +81-03-3506-1536; Fax: +81-03-3506-1585

AND

HITACHI, LTD. ("**PAC2**"), having its registered office at 6-6, Marunouchi 1-chome Chiyoda-ku Tokyo, 100-8280, Japan; Tel: +81-03-3258-1111; Fax: +81-3-4564-2148

AND

JCHAC INDIA HOLDCO LIMITED ("**PAC3**"), having its registered office at c/o Mofo Notices Limited, CityPoint, One Ropemaker Street, London EC2Y 9AW; Tel: +44 (0)20 7920 4000; Fax: +44 (0)20 7496 8500

AND

JOHNSON CONTROLS-HITACHI AIR CONDITIONING HOLDING (UK) LTD ("**PAC4**"), having its registered office at 2, The Briars, Waterberry Drive, Waterlooville, Hampshire PO7 7YH, UK; Tel: +44 (0)23 9223 0500; Fax: +44 (0) 23 9223 9339

(The PAC1, PAC2, PAC3 and PAC4 are collectively referred to herein as the "**PACs**")

make a cash offer to acquire up to 70,00,990 fully paid-up equity shares of face value of Rs. 10 (Rupees ten) each (each an "**Equity Share**"), representing 25.748% of the Voting Share Capital (as defined below)

OF

HITACHI HOME AND LIFE SOLUTIONS (INDIA) LIMITED ("**Target Company**"), having its registered office at 9th Floor, Abhijeet, Mithakhali Six Roads, Ahmedabad, Gujarat-380006
Tel: +91 79 2640 2024, Fax: +91 79 3041 4999

at a price of Rs. 880.12 per Equity Share ("Enhanced Offer Price")

in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended ("**SEBI (SAST) Regulations**")

NOTE:

1. The Offer is being made pursuant to Regulation 3, 4 and 5(1) of the SEBI (SAST) Regulations. The thresholds specified under Regulation 5(2) of the SEBI (SAST) Regulations are not applicable.

2. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

3. **No competing offer has been made to this Offer, as of date of this DLoF.** If there is a competing offer, the open offers under all subsisting bids will open and close on the same date.

4. This Offer is not conditional in terms of Regulation 19(1) of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.

5. In view of an application made by the Acquirer before the Competition Commission of India ("**CCI**") under section 6(2) of the Competition Act, 2002 read with the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 ("**Combination Regulations**"), the CCI vide its order dated May 7, 2015, opined that the proposed combination is not likely to have an appreciable adverse effect on competition in India and approved the same ("**CCI Approval**"). Other than the approval mentioned aforesaid, to the best of the knowledge of the Acquirer and the PACs, there are no statutory or regulatory approvals required by the Acquirer or the PACs to complete this Offer. However, in case of any statutory or regulatory approvals being required by the Acquirer or the PACs at a later date, this Offer shall be subject to such approvals.

6. Non-resident shareholders (including non-resident Indian ("**NRI**") and overseas corporate body ("**OCB**")) willing to tender their Equity Shares in this Offer, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the Reserve Bank of India ("**RBI**") or the Foreign Investment Promotion Board ("**FIPB**")) and submit such approvals along with the documents required to accept this Offer.

7. If the Equity Shareholders of the Target Company who are not persons resident in India (including NRIs, OCBs, foreign portfolio investors ("**FPIs**") and foreign institutional investors ("**FIIs**")) willing to tender their Equity Shares in this Offer, had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer.

8. As described in the public announcement ("**PA**") dated January 26, 2015, the Enhanced Offer Price shall be the Offer Price as enhanced by a sum computed at the rate of 10 percent per annum on the Offer Price in terms of regulation 8(12) of the SEBI (SAST) Regulations.

9. If there is any upward revision of the Offer Price or the number of Equity Shares sought to be acquired under this Offer up to 3 (three) Working Days prior to the commencement of the Tendering Period *i.e. Monday, November 30, 2015*, the same shall be informed by way of a public announcement in the same newspapers in which the detailed public statement in relation to this Offer ("**DPS**") was published. Such revised Offer Price shall be payable for all the Equity Shares validly tendered any time during the Tendering Period.

10. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS was published.
11. A copy of the PA, the DPS and this Draft Letter of Offer are also available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
BofA Merrill Lynch **DSP Merrill Lynch Limited** 16th Floor, Express Towers, Nariman Point, Mumbai 400 021 Telephone: +91 22 6632 8000 Fax: +91 22 2204 8518 Email: dg.hhil_openoffer@baml.com Contact Person: Abhijit Kedia SEBI Registration Number: INM000011625	BIGSHARE SERVICES PVT. LTD. Attensive. Able. Adaptive **Bigshare Services Pvt. Ltd** E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai- 400 072 Telephone: +91 22 4043 0200 Fax: +91 22 2847 5207 Email: openoffer@bigshareonline.com Contact Person: Ashok Shetty SEBI Registration Number: INR000001385

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER	
Activity	**Day and date**
Issue of PA	Tuesday, January 27, 2015
Date of publication of the DPS	Friday, October 9, 2015
Last date for a competing offer	Monday, November 02, 2015
Identified Date *	Friday, November 13, 2015
Last date by which Letter of Offer will be dispatched to the Eligible Shareholders	Friday, November 20, 2015
Last date by which the committee of independent directors constituted by the Board of Directors of the Target Company shall give its recommendation	Thursday, November 26, 2015
Date of publication of Offer opening public announcement	Friday, November 27, 2015
Date of commencement of Tendering Period	Monday, November 30, 2015
Date of expiry of Tendering Period	Friday, December 11, 2015
Last date of communicating the rejection/ acceptance and payment of consideration (net of applicable taxes) or refund of Equity Shares to the Eligible Shareholders	Monday, December 28, 2015
Last date for publication of post-offer public announcement in the newspapers in which the DPS had been published	Monday, January 4, 2016

** Identified Date falls on the 10th Working Day prior to commencement of the Tendering; it is only for the purpose of determining the names of the Shareholders as on such date to whom the DLoF would be sent. All owners (registered or unregistered) of Equity Shares except the Acquirer, the PACs and Promoters) are eligible to participate in this Offer any time before the closure of the Offer.*

RISK FACTORS

The risk factors set forth below pertain to the underlying transaction, this Offer and association with the Acquirer and the PACs and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in this Offer, but are merely indicative. Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for analyzing all the risks with respect to their participation in this Offer.

A. RISKS RELATING TO THE UNDERLYING TRANSACTION

Not applicable

B. RISKS RELATING TO THE OFFER

(a) As of the date of this DLoF, the Acquirer has obtained the CCI Approval and to the best of the knowledge of the Acquirer and the PACs, there are no statutory or regulatory approvals required by the Acquirer or PACs to complete this Offer. However, in case of any statutory or regulatory approvals being required by the Acquirer or the PACs at a later date, this Offer shall be subject to such approvals.

(b) In the event of non-receipt of any of the statutory approvals, which may become applicable, the Acquirer and the PACs shall have the right to withdraw the Offer in accordance with the provisions of Regulation 23(1) of the SEBI (SAST) Regulations.

(c) In the event of such a withdrawal of the Offer, the Acquirer and the PACs (through the Manager to the Offer) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2).

(d) Non-resident shareholders (including NRI and OCB) willing to tender their Equity Shares in this Offer, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI or the FIPB) and submit such approvals along with the documents required to accept this Offer.

(e) In the event that either: (a) there is any litigation leading to a stay or injunction on the Offer or that restricts or restrains the Acquirer or the PACs from performing its obligations hereunder, or (b) SEBI instructs the Acquirer or the PACs not to proceed with the Offer, then the Offer process may not proceed or may be delayed beyond the schedule of activities indicated in this DLoF. Consequently, in the event of any delay, the payment of consideration to the Eligible Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares not accepted under the Offer by the Acquirer or the PACs may be delayed.

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

(g) The Registrar to the Offer will hold the tendered Equity Shares and documents in trust until the process of acceptance of Equity Shares and the payment of consideration is completed. The Eligible Shareholders will not be able to trade in such Equity Shares, which are in the custody of the Registrar to the Offer. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Eligible Shareholders who have tendered their Equity Shares in this Offer.

(h) It is understood that the Eligible Shareholders will be solely responsible for their decisions regarding their participation in this Offer. Neither the Acquirer nor the PACs make any assurance with respect to the market price of the Equity Shares during or after the period that the Offer is open or upon completion of the Offer and disclaim any responsibility with respect to any decision by the Eligible Shareholders on whether or not to participate in the Offer.

(i) In the event that the number of Equity Shares validly tendered by the Eligible Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Eligible Shareholders on a proportionate basis in consultation with the Manager to the Offer in a fair and equitable manner. Therefore, there is no certainty that all the Equity Shares tendered in the Offer will be accepted. The unaccepted Equity Shares will be returned to the respective Eligible Shareholders in accordance with the schedule of activities for the Offer.

(j) The Eligible Shareholders should note that in terms of the SEBI (SAST) Regulations, the Eligible Shareholders who have lodged their acceptance to this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.

(k) In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, and subject to such terms and conditions as specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, grant an extension of time to the Acquirer / PACs pending receipt of such statutory approval(s) to make the payment of the consideration to the Eligible Shareholders whose Equity Shares have been accepted in the Offer.

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

(m) The Manager to the Offer, the Acquirer and the PACs do not accept any responsibility for the accuracy or otherwise of the statements relating to the Target Company which have been obtained from public sources.

(n) The Manager to the Offer, the Acquirer and the PACs accept no responsibility for statements made otherwise than in the PA, the DPS, and this DLoF or in the post issue advertisement or any corrigendum issued in connection with the Offer. Any person placing reliance on any other source of information will be doing so at its own risk.

(o) This Offer is subject to completion risks as would be applicable to similar transactions.

C. RISKS RELATING TO ACQUIRER AND THE PACs

(a) None of the Acquirer, PACs or the Manager to the Offer makes any assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

(b) None of the Acquirer, PACs or the Manager to the Offer makes any assurance with respect to the future financial performance of the Target Company.

(c) None of the Acquirer, PACs or the Manager to the Offer can provide any assurance with respect to the market price of the Equity Shares before, during or after the Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

(d) None of the Acquirer, PACs or the Manager to the Offer will be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The Eligible Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

CURRENCY OF PRESENTATION

Please note that all financial data contained in this DLoF has been rounded off to the nearest million or thousand (as applicable), except where stated otherwise.

In this DLoF, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

In this DLoF, all references to Rs. or INR are references to the Indian Rupee, all references to USD or $ are references to the United States Dollar and all references to JPY or Yen are references to the Japanese Yen

All the data presented in US$ and JPY in this DLoF have been converted into Rs. for purpose of convenience translation. The conversion has been assumed at the following rates as on October 6, 2015:

1 US$ = Rs. 65.3908 *(Source: Reserve Bank of India - http://www.rbi.org.in)*
1 JPY = Rs. 0.5441 *(Source: Reserve Bank of India - http://www.rbi.org.in)*

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KEY DEFINITIONS

TERM	DEFINITION
Acquirer	Johnson Controls, Inc., a company with its registered office at 5757 N. Green Bay Avenue Milwaukee, WI 53209
Board of Directors	Board of Directors of the Target Company
BSE	BSE Limited
BSE Website	http://www.bseindia.com/
CCI	Competition Commission of India
CCI Approval	In view of an application made by the Acquirer before the Competition Commission of India ("**CCI**") under section 6(2) of the Competition Act, 2002 read with the Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011 ("**Combination Regulations**"), the CCI vide its order dated May 7, 2015, opined that the proposed combination is not likely to have an appreciable adverse effect on competition in India and approved the same
CDSL	Central Depository Services (India) Limited
Combination Regulations	Competition Commission of India (Procedure in regard to transaction of business relating to combinations) Regulations, 2011
DP	Depository Participant as registered with SEBI
DPS	Detailed Public Statement, dated October 8, 2015, issued by the Manager to the Offer, on behalf of the Acquirer and the PACs in relation to the Offer and published on October 9, 2015, in compliance with the SEBI (SAST) Regulations
Eligible Shareholders	Shareholders of the Target Company in terms of Regulation 7(6) of the SEBI (SAST) Regulations
Enhanced Offer Price	Price of Rs. 880.12 (Indian Rupees Eight hundred eighty and twelve paise) per Equity Share. In compliance with Regulation 8(12) of the SEBI (SAST) Regulations, the Offer Price of Rs. 821.38 per Equity Share has been enhanced by Rs. 58.74 per share, being an interest determined at the rate of 10 per cent per annum on the Offer Price for the period between the date of MTA (agreement triggering the Offer) i.e. January 21, 2015 and October 9, 2015, being the date of publication of the DPS
Equity Share(s)	Each fully paid-up equity share of the Target Company, having a face value of Rs. 10 each
FI	Financial Institutions
FII	Foreign Institutional Investor

FIPB	Foreign Investment Promotion Board
FPI	Foreign Portfolio Investor
Form of Acceptance	Form of Acceptance-cum-Acknowledgement attached to this DLoF
Identified Date	Tenth Working Day prior to commencement of the Tendering Period for purpose of determining the Eligible Shareholders to whom this DLoF shall be sent i.e., Friday, November 13, 2015
IT Act	Income-tax Act, 1961
DLoF/Draft Letter of Offer	This Draft Letter of Offer dated October 15, 2015 including the Form of Acceptance
Manager to the Offer	DSP Merrill Lynch Limited, 16th Floor, Express Towers, Nariman Point, Mumbai – 400021, Telephone: +91 22 6632 8000, Fax: +91 22 2204 8518, Email: dg.hhil_openoffer@baml.com, Contact Person: Abhijit Kedia, SEBI Registration Number: INM000011625
MF	Mutual Funds
Mn / Million	1,000,000 units
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NSE Website	http://www.nseindia.com/
OCB	Overseas Corporate Body as defined in Foreign Exchange Management (Deposit) Regulations, 2000
Offer	The Offer being made by the Acquirer and the PACs for acquisition of up to 70,00,990 fully paid up Equity Shares representing 25.748% of the total equity share capital of the Target Company on a fully diluted basis
Offer Price	Price of Rs. 821.38 (Indian Rupees Eight hundred twenty one and Thirty Eight paise) per Equity Share
Offer Size/Offer Shares	70,00,990 (seventy lakh nine hundred and ninety) fully paid up Equity Shares representing 25.748% (twenty five point seven four eight percent) of the Voting Share Capital, as of the 10th (tenth) Working Day from the Closure of the Tendering Period
PA	Public Announcement dated January 26, 2015 issued by the Manager to the Offer on behalf of the Acquirer and the PACs, in relation to this Offer and filed with the stock exchanges on January 27, 2015
PACs/Persons Acting in Concert	Persons acting in concert with the Acquirer for this Offer collectively

	includes the PAC1, PAC2, PAC3 and PAC4
PAC1	Hitachi Appliances, Inc., having its registered office at Hitachi Atago Bldg., 15-12, Nishi Shimbashi 2-chome, Minato-ku, Tokyo 105-8410, Japan; Tel: +81-03-3506-1536; Fax: +81-03-3506-1585
PAC2	Hitachi, Ltd., having its registered office at 6-6, Marunouchi 1- chome Chiyoda-ku Tokyo, 100-8280, Japan; Tel: +81-3-3258-1111; Fax: +81-3-4564-2148
PAC3	JCHAC India Holdco Limited, having its registered office at c/o Mofo Notices Limited, CityPoint, One Ropemaker Street, London EC2Y 9AW; Tel: +44 (0)20 7920 4000; Fax: +44 (0)20 7496 8500
PAC4	Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd., having its registered office at 2, The Briars, Waterberry Drive, Waterlooville, Hampshire PO7 7YH, UK; Tel: +44 023 9223 0500; Fax: +44 023 9223 9339
RBI	Reserve Bank of India
Registrar to the Offer	Bigshare Services Limited registered with SEBI under SEBI (Registrar to Issue and Share Transfer Agents) Rules and Regulations, 1993 (Registration No: INR000001385) having its address at E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072.The Contact details of the Registrar to the Offer are Tel: +91-22 4043 0200 and Fax: +91-22 2847 5207
SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
Rs./Rupees/INR	The lawful currency of the Republic of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
Stock Exchanges	BSE and NSE
Takeover Regulations 1997	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Target Company	Hitachi Home and Life Solutions (India) Limited, a public limited company and having its registered office at 9th Floor, Abhijeet, Mithakhali Six Roads, Ahmadabad, Gujarat-380006 was incorporated on December 7, 1984 under the laws of India. Its telephone number is +91 79 2640 2024 and fax number is +91 79 3041 4999.
Tendering Period	The 10 (ten) Working Day period from November 30, 2015 to December 11, 2015 (both days inclusive)
Voting Share Capital	Total fully diluted voting equity share capital of the Target Company

Working Day	Working day as defined under the SEBI (SAST) Regulations

**All capitalized terms used in this DLoF, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI (SAST) Regulations.*

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THIS REQUIREMENT IS TO FACILITATE THE ELIGIBLE SHAREHOLDERS OF HITACHI HOME AND LIFE SOLUTIONS (INDIA) 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, THE PACs 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 DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PACs DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (DSP MERRILL LYNCH LIMITED) HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 16, 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1. BACKGROUND TO THE OFFER

2.1.1. This Offer is a mandatory open offer in compliance with Regulation 3(1), 4 and 5(1) of the SEBI (SAST) Regulations and is being made as a result of an indirect acquisition of voting rights in and control by the Acquirer and the PACs over the Target Company in terms of the Underlying Agreement (as defined below).

2.1.2. This Offer is being made in accordance with the master transaction agreement dated January 21, 2015 entered into by and among the PAC1, PAC2 and the Acquirer ("**MTA**"/"**Master Transaction Agreement**"/ "**Underlying Agreement**") as amended pursuant to the First Amendment to MTA on September 2, 2015 and the Second Amendment to MTA on September 30, 2015. Under the terms of the MTA, the parties agreed to establish a joint venture (the "**Joint Venture**") with respect to the PAC1's global air conditioning business. The assets to be contributed to the Joint Venture included, among other assets, all of the equity shares of the Target Company that were owned by PAC1 and its affiliates, which collectively constitute 74.252% of the Voting Share Capital of the Target Company (the "**Global Acquisition**").

2.1.3. The salient terms of the Underlying Agreement are as follows:

The Acquirer, the PAC1 and the PAC2 have entered into the Underlying Agreement to establish a global joint venture in which the Acquirer will obtain a 60% (sixty percent) ownership stake in the PAC1's more than ¥350 billion sales (approximately $2.8 billion) global air conditioning business, excluding sales and service operations in Japan. Pursuant to the terms of the Underlying Agreement, the allocation of the purchase price with respect to the entities within the scope of the Joint Venture occurred after the Acquirer, the PAC1 and the PAC2 entered into the Underlying Agreement.

2.1.4. In order to implement the Underlying Agreement, on March 5, 2015 Johnson Controls Air Conditioning Holding (UK) Ltd. (the "**PAC4**"), was incorporated by the Acquirer in form of a company limited by shares organized under the laws of United Kingdom, as contemplated under the MTA, and renamed Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd on October 1, 2015.

2.1.5. Pursuant to the transaction as set out in the Underlying Agreement and in order to facilitate the Global Acquisition, Hitachi Group restructured the holding of its global air-conditioning business across various jurisdictions and the holding in the Target Company was transferred under the Joint Venture as below:

i. On April 30, 2015, JCHAC India Holdco Limited, (the "**PAC3**") was incorporated and subsequently became an indirect subsidiary of the PAC1;

ii. On September 11, 2015, the PAC3 acquired 1,96,89,894 Equity Shares representing 72.414% of the Voting Share Capital of the Target Company from the PAC1 as an inter-se transfer of shares within the Hitachi Group;

iii. On September 16, 2015, the PAC1 acquired 5,00,000 Equity Shares representing 1.839% of the Voting Share Capital of the Target Company from Hitachi India Private Limited as an inter-se transfer of shares within the Hitachi Group;

iv. On September 18, 2015, the PAC3 acquired 5,00,000 Equity Shares representing 1.839% of the Voting Share Capital of the Target Company from the PAC1 as an inter-se transfer of shares within the Hitachi Group;

v. Subsequently on the closing of Global Acquisition, the PAC1 acquired 40% equity share capital of the PAC4 with the Acquirer indirectly owning the balance 60% equity share capital of the PAC4. Further, and subsequently, the PAC1 contributed the PAC3, along with certain other global air-conditioning businesses of the PAC1 to the PAC4 for the consideration as agreed under the MTA;

vi. This resulted in indirect acquisition of 74.252% of the Voting Share Capital and indirect change of control of the Target Company.

2.1.6. The Joint Venture will be governed by a shareholders' agreement (the "**Shareholders Agreement**") entered into between the Acquirer, the PAC1 and the PAC4, and joined by the wholly owned subsidiary of Acquirer that is the indirect owner of a 60% (sixty percent) ownership stake in PAC4. Pursuant to the Shareholders Agreement, the Acquirer (and such subsidiary), and the PAC1 will have the right to appoint three directors and two directors, respectively, on a five person board of directors of the PAC4, subject to maintaining certain minimum shareholding thresholds. The Shareholders Agreement also provides detailed terms in respect of the governance, management and other matters of the PAC4.

2.1.7. As mentioned above, as of the date of this Draft Letter of Offer, JCHAC India Holdco Limited holds 2,01,89,894 (two crore one lakh eighty nine thousand eight hundred and ninety four) Equity Shares, representing 74.252% of the Voting Share Capital. The Acquirer and the other PACs do not hold any Equity Shares directly in the Target Company.

2.1.8. None of the Acquirer or the PACs has been prohibited by the SEBI from dealing in securities, in terms of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended ("**SEBI Act**") or under any of the regulations made under the SEBI Act.

2.1.9. Except for Shinichi Iizuka and Atsushi Ohtsuka as already on the board of the Target Company, as of the date of this Draft Letter of Offer, there are no other directors of Acquirer and /or the PACs on the Board of Directors of the Target Company.

Shinichi Iizuka was originally appointed as a nominee director of the PAC1 on the Board of Directors of the Target Company with effect from June 21, 2010. Following the closing of the Global Acquisition, Shinichi Iizuka has also been appointed as a director of the PAC4 as nominee of PAC1.

Atsushi Ohtsuka was appointed as the Managing Director ('MD') of the Target Company by way of a resolution of the board of directors of the Target Company on July 24, 2015 and took over office from September 1, 2015. This appointment was made as a direct replacement to Shoji Tsubokuta as Managing Director of the Company following Shoji Tsubokuta's resignation as MD with effect from August 31, 2015, as he was recalled by the PAC1 as part of an internal reorganisation of resources. Shoji Tsubokuta was a nominee of the PAC1, one of the promoters of the Target Company. Atsushi Ohtsuka was also appointed as a nominee of the PAC1.

Following the closing of the Global Acquisition, Shinichi Iizuka is a director and Atsushi Ohtsuka is an employee of Hitachi-Johnson Controls Air Conditioning, Inc. which is an indirect subsidiary of PAC4. Both Shinichi Iizuka and Atsushi Ohtsuka (since his appointment as Managing Director of the Target Company) have not participated and shall not participate in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to this Offer.

2.1.10. The Acquirer and / or the PACs may reconstitute the Board of Directors of the Target Company after completion of this Offer. Otherwise as mentioned in this Draft Letter of Offer, the Acquirer and the PACs have not made any decision on the reconstitution of the Board of Directors of the Target Company and no persons have been identified for such nomination. Following the closing of the Global Acquisition, the PAC1 is no longer the majority shareholder of the Target Company, and hence its right to nominate directors on the Board of the Target Company has ceased. However, Mr. Shinichi Iizuka and Mr. Atsushi Ohtsuka continue as directors on the Board of the Target Company, until such time that a decision to reconstitute the Board is taken.

2.1.11. The indirect acquisition of voting rights in and control by the Acquirer over the Target Company is not through any scheme of arrangement.

2.1.12. This Offer for 70,00,990 (seventy lakh nine hundred and ninety) Equity Shares representing 25.748% (twenty five point seven four eight percent) of the Voting Share Capital of the Target Company ("**Offer Size**"), is being made to all Eligible Shareholders.

2.1.13. The committee of independent directors formulated by the Board of Directors of the Target Company in accordance with Regulation 26 of the SEBI (SAST) Regulations, is required to publish a reasoned recommendation for the Offer at least 2 (two) Working Days before the commencement of the Tendering Period in the same newspapers in which the DPS was published.

2.2. **DETAILS OF THE PROPOSED OFFER**

2.2.1. The public announcement dated January 26, 2015 (the "**PA**") in connection with the Offer was made on January 27, 2015 and filed with the Stock Exchanges, SEBI and the Target Company at its registered office on the same date.

2.2.2. The Acquirer and the PACs published the detailed public statement dated October 8, 2015 (the "**DPS"**) on October 9, 2015 in the following newspapers:

Newspaper	Language	Edition
Financial Express	English	All
Jansatta	Hindi	All
Financial Express	Gujarati	Ahmedabad
Mumbai Lakshadeep	Marathi	Mumbai

A copy of the PA and the DPS are also available on the SEBI website at www.sebi.gov.in.

2.2.3. As the Offer is pursuant to the Global Acquisition, the PA had envisaged that one or entities may join as a "person acting in concert" with the Acquirer for this Offer. Accordingly, JCHAC India HoldCo Limited and Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd have been added as persons acting in concert with the Acquirer for the purposes of this Offer. Details regarding these entities have been provided in the DPS as well as this DLoF.

2.2.4. This Offer is to acquire 70,00,990 (seventy lakh nine hundred and ninety) Equity Shares representing 25.748% (twenty five point seven four eight percent) of the Voting Share Capital of the Target Company at a price of Rs. 880.12 per Equity Share which includes an Offer Price of Rs. 821.38 per Equity Share and an enhancement of Rs. 58.74 per Equity

Share i.e. a sum of 10% (ten percent) per annum on the Offer Price for the period between January 21, 2015 (i.e. the date of execution of MTA for the Global Acquisition) and the date of publication of the DPS in terms of Regulation 8(12) of the SEBI (SAST) Regulations, payable in cash, in accordance with Regulation 9(1)(a) of Regulations and subject to the terms and conditions set out in the PA, the DPS and this Draft Letter of Offer.

2.2.5. This Offer is a mandatory indirect offer in compliance with Regulation 3(1), 4 and 5(1) of the SEBI (SAST) Regulations. The thresholds specified under Regulation 5(2) of the SEBI (SAST) Regulations are not applicable.

2.2.6. The Equity Shares, which will be acquired, by the PAC4 shall be fully paid-up, free from all liens, charges and encumbrances. The PAC4 shall acquire the Equity Shares of the Eligible Shareholders who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof.

2.2.7. There is no differential price for the Equity Shares.

2.2.8. This is not a competitive bid in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as of the date of this Draft Letter of Offer.

2.2.9. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of Regulations.

2.2.10. As of March 31, 2015, there are no outstanding partly paid-up Equity Shares of the Target Company or outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the Target Company. *(Source: BSE Website and the Target Company Annual Report 2014-15)*

2.2.11. The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of this DLoF.

2.2.12. The Acquirer and the PACs have not acquired any Equity Shares of the Target Company since the date of the PA and up to the date of this DLoF other than the Equity Shares acquired by the PAC1 and the PAC3 as mentioned in clause 2.1.5.

2.2.13. In terms of Regulation 18(4) of the SEBI (SAST) Regulations, the Acquirer and the PACs are permitted to make upward revisions to the Offer Price at any time prior to the commencement of the last 3 (three) Working Days before the commencement of the Tendering Period. In the event of such revision, the Acquirer and the PACs shall (i) make a public announcement in the same newspapers in which the DPS has been published; (ii) inform the Stock Exchanges, SEBI and the Target Company at its registered office of such revision; and (iii) make corresponding increases to the amount kept in the escrow account under Regulation 17 of Regulations.

2.2.14. The Equity Shares are listed on the Stock Exchanges. As per Clause 40A of the listing agreement read with Rule 19A of the Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto (the "**SCRR**"), the Target Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. In the event the public shareholding in the Target Company falls below 25% (twenty five percent) of the Voting

Share Capital pursuant to this Offer, the Acquirer and the PACs shall bring down the non-public shareholding in the Target Company to the level specified and within the time period prescribed in the SCRR.

2.3. **OBJECT OF THE GLOBAL ACQUISITION / OFFER**

2.3.1. The Johnson Controls-Hitachi joint venture will bring customers a full range of air conditioning products, including world-class variable refrigerant flow (VRF) technology, leading-edge room air conditioners as well as a broad line of chillers – on top of existing Johnson Controls products that meet global customer demands. With approximately 14,000 employees and 24 manufacturing plants, the joint venture will build on both organizations' technology, research and development leadership, as well as their expanding channels to market.

2.3.2. The Acquirer (itself and through its respective subsidiaries, affiliates and other investee entities) and the Target Company are engaged in the design, development, manufacture and sale of air conditioning products and components thereof (including compressors), as well as air conditioning system maintenance and other related services (the "**Business**"), with differing strengths and competitive focuses. The Acquirer believes that the inclusion of the Target Company within the joint venture is important given Target Company's experience in the Business backed by a trusted brand name, and a stable and motivated professional management team. The Acquirer believes that the Target Company's business complements its own business and the Target Company, will benefit from operational and strategic efficiencies gained as a result of synergies from shared resources across businesses and common management within the joint venture. The Acquirer, together with the other PACs will look to continue and expand the existing business of the Target Company

2.3.3. This Offer has been made by the Acquirer and the PACs in accordance with the Regulation 3(1), 4 and 5(1) of the SEBI (SAST) Regulations pursuant to the Global Acquisition resulting in an indirect acquisition of equity shares, voting rights and control of the Target Company. The Underlying Agreement for the Global Acquisition was signed on January 21, 2015. The Global Acquisition was completed on October 1, 2015.

2.3.4. The Offer to the Eligible Shareholders of the Target Company is to acquire up to 25.748% (twenty five point seven four eight percent) of the Voting Share Capital of the Target Company.

2.3.5. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, as of the date of the Draft Letter of Offer, neither the Acquirer nor the PACs have any intention to sell, lease, dispose-off or otherwise encumber any assets of the Target Company or any of its subsidiaries in the succeeding 2 (two) years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed or publicly announced by Target Company. The Acquirer and the PACs undertake that they will not restructure, sell, lease, dispose-off or otherwise encumber any material assets of the Target Company or any of its subsidiaries other than in the ordinary course of business and other than as already agreed, disclosed or publicly announced by the Target Company in the succeeding 2 (two) years from the completion of this Offer, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of a postal ballot and subject to the provisions of applicable laws.

2.3.6. The Acquirer and the PACs reserve the right to streamline/restructure their holding in the Target Company and/or the operations, assets, liabilities and/or businesses of the Target Company and/or its subsidiary through arrangements, reconstructions, restructurings, mergers (including but not limited to merger with its subsidiary), demergers, sale of assets or undertakings and/ or re-negotiation or termination of existing contractual/operating arrangements, at any time after the date hereof in accordance with applicable laws.

2.3.7. There are no selling shareholders, as the Offer is being made on account of the Global Acquisition resulting in an indirect acquisition of control over the Target Company by the Acquirer; and not as a result of any direct acquisition by the Acquirer of Equity Shares, voting rights in or control over the Target Company.

3. BACKGROUND OF THE ACQUIRER AND THE PACs

3.1. **Background of the Acquirer**: **JOHNSON CONTROLS, INC.**

3.1.1. The Acquirer was incorporated in the State of Wisconsin on July 31, 1900 as Johnson Electric Service Company to manufacture, install and service automatic temperature regulation systems for buildings. The Acquirer operated as Johnson Electric Service Company from July 31, 1900 to July 10, 1902. The Acquirer was renamed as Johnson Service Company on July 10, 1902, and operated as Johnson Service Company until November 11, 1974, on which date it was renamed as Johnson Controls, Inc.

3.1.2. The registered office of the Acquirer is located at 5757 N. Green Bay Avenue Milwaukee, WI 53209. Its telephone number is +1-414-524-1200 and fax number is +1(414) 524-2828.

3.1.3. The Acquirer is a global diversified technology and industrial leader serving customers in more than 150 countries. The Acquirer creates quality products, services and solutions to optimize energy and operational efficiencies of buildings; lead-acid automotive batteries and advanced batteries for hybrid and electric vehicles; and seat systems and components for automobiles. The Acquirer also provides residential air conditioning and heating systems and industrial refrigeration products.

3.1.4. The Acquirer is a widely held company with no identified promoter and does not belong to a particular group.

3.1.5. As of June 30, 2015, the paid-up equity share capital of the Acquirer is USD 715,775,004 divided into 715,775,004 shares of USD 1 each (approximately Rs. 46,805 billion).

3.1.6. The Acquirer is a public company whose shares are traded on the New York Stock Exchange (NYSE: JCI). As such, ownership of the Acquirer changes frequently. The shareholding pattern of the Acquirer as on June 30, 2015 is given below:

Sr. No.	Shareholder's Category	Number of shares held	Percentage
1.	Institutional Investors	532,608,738	81.43%
2.	Non-Institutional Investors including individuals and	121,460,693	18.57%

	employees		
	Total Outstanding Shares	**654,069,431**	**100.00%**

3.1.7. The details of the Board of Directors of the Acquirer are as follows. No Director of the Acquirer has a Director Identification Number.

- **Name of The Director:** Alex Molinaroli
  Designation: Chairman & Director
  Date of Appointment: Chairman since December 31, 2013 ; Director since January 10, 2013
  Qualifications: Master of Business Administration from the Kellogg School of Management at Northwestern University; Bachelor of Science in computer and electrical engineering from the University of South Carolina
  Experience: He joined the company in 1983 and prior to his current position, he served as president of the Power Solutions business, a role he held from 2007-2013. Molinaroli was elected a corporate officer in 2004 and held positions of increasing levels of responsibility in a wide range of areas within the Building Efficiency business
- **Name of The Director:** David P. Abney
  Designation: Director
  Date of Appointment: September 16, 2009
  Qualifications: Bachelor's degree in business administration, Delta State University
  Experience: Chief Executive Officer of United Parcel Service, Inc., Atlanta, Georgia (package delivery, supply chain and freight services provider), since 2014. Mr. Abney served as Chief Operating Officer from 2007-2014, President of UPS Airlines from 2007 to 2008, and Senior Vice President and President of UPS International from 2003 to 2007.
- **Name of The Director:** Natalie Black
  Designation: Director
  Date of Appointment: November 18, 1998
  Qualifications: Juris Doctor, Marquette University Law School; Bachelor’s Degree in economics and mathematics from Stanford University.
  Experience: Senior Vice President and Chief Legal Officer, Kohler Co., Kohler, Wisconsin (manufacturer and marketer of plumbing products, power systems and furniture and operator of hospitality facilities). Ms. Black has served as Chief Legal Officer since 2012 and as Senior Vice President since 2000. Ms. Black served as General Counsel from 1983 to 2012 and as Secretary from 2000 to 2012. Ms. Black also served as a Group President for Kohler Co. from 1998 to 2000 and as Group Vice President — Interiors from 1991 to 1998.
- **Name of The Director:** Julie Bushman
  Designation: Director
  Date of Appointment: November 14, 2012
  Qualifications: B.S. degree in Business Administration and a B.E. in Speech Therapy/Audiology, both from the University of Wisconsin, River Falls
  Experience: Senior Vice President, Business Transformation and Information Technology of 3M Company, St. Paul, Minn., (diversified technology company), since November 2013. Ms. Bushman served as Executive Vice President Safety & Graphics Business from October 2012 to November 2013; as Executive Vice President Safety, Security and Protection Services Business of 3M Company from 2011 to October 2012; as Vice President and General Manager, Occupational Health and Environmental Safety Division of 3M Company from 2007 to 2011; and as Division Vice President, Occupational Health and Environmental Safety Division from 2006 to 2007.
- **Name of The Director:** Eugenio Clariond

Designation: Director
Date of Appointment: July 27, 2005
Qualifications: B.S. Business, Instituto Tecnologico de Monterrey, Monterrey, NL, Mexico; M.S. Business, Instituto Tecnologico de Monterrey, Monterrey, NL, Mexico
Experience: Non-Executive Chairman of Grupo Cuprum, S.A. de C.V. (manufacturer of aluminum products), since 2010. Mr. Clariond served as Chief Executive Officer of Grupo IMSA, S.A., Nuevo Leon, Mexico (industrial conglomerate specializing in steel, aluminum and plastic products) from 1985 through 2006 and as Chairman from 2003 through 2006. Mr. Clariond serves as independent director of Texas Industries, Inc. (cement and concrete production) and Mexichem, S.A. (chemicals and petrochemicals). Mr. Clariond is a member of the Audit and Compensation Committees of Texas Industries, Inc., and serves on the Audit, Compensation and Executive Committees of Mexichem, S.A

- **Name of The Director:** Raymond Conner
  Designation: Director
  Date of Appointment: November 20, 2013
  Qualifications: Master's of business administration from the University of Puget Sound; Bachelor's degree from Central Washington University
  Experience: Raymond L. Conner is vice chairman of The Boeing Company and president and chief executive officer of Boeing Commercial Airplanes. He is responsible for the company's Commercial Airplanes programs and services, is a member of the Boeing Executive Council, and serves as Boeing's senior executive in the Pacific Northwest. Prior to his current role, he led Sales, Marketing and Commercial Aviation Services for Boeing Commercial Airplanes.
- **Name of The Director:** Richard Goodman
  Designation: Director
  Date of Appointment: January 23, 2008
  Qualifications: Ph.D. in English, M.A., M.B.A. in Finance and B.A. in English Degrees from Columbia University
  Experience: Retired senior executive of PepsiCo, Inc., Purchase, New York (food and beverage manufacturer). Mr. Goodman served as Executive Vice President of Global Operations, PepsiCo, Inc. from 2010 to December 31, 2011. From 2006 to 2010, Mr. Goodman served as Chief Financial Officer of PepsiCo. Prior to 2006, he served in a variety of senior financial positions at that company, including CFO of PepsiCo International, CFO of PepsiCo Beverages International, and General Auditor.
- **Name of The Director:** Jeffrey Joerres
  Designation: Director
  Date of Appointment: November 14, 2001
  Qualifications: Bachelor's degree from Marquette University's College of Business Administration
  Experience: Chairman, Chief Executive Officer and President of Manpower Inc. (d/b/a ManpowerGroup), Milwaukee, Wisconsin (provider of employment services). Mr. Joerres was elected Chairman in 2001 and has served as Chief Executive Officer and President since 1999. Mr. Joerres served as Senior Vice President of European Operations from 1998 to 1999 and as Senior Vice President of Major Account Development from 1995 to 1998. Prior to joining ManpowerGroup, Mr. Joerres held the position of Vice President of Sales and Marketing for ARI Network Services, a publicly held, high-tech electronic data interchange company. Mr. Joerres is a director of the Federal Reserve Bank of Chicago.
- **Name of The Director:** William Lacy
  Designation: Director
  Date of Appointment: November 19, 1997
  Qualifications: Bachelor's degree in Business Administration from University of Wisconsin–Milwaukee

Experience: Retired Chairman and Chief Executive Officer, MGIC Investment Corporation, Milwaukee, Wisconsin (holding company for private mortgage insurers). Mr. Lacy retired in 1999 after a 28-year career at MGIC Investment Corporation and its principal subsidiary, Mortgage Guaranty Insurance Corp. (MGIC), the nation's leading private mortgage insurer. Mr. Lacy is a Director of Ocwen Financial Corporation, where he is the Chairman of the Compensation Committee and serves on the Nomination/Governance Committee.

- **Name of The Director: Mark Vergnano**
  Designation: Director
  Date of Appointment: November 16, 2011
  Qualifications: Master's degree in Business Administration from Virginia Commonwealth University; Bachelor of Science degree in Chemical Engineering from the University of Connecticut
  Experience: Executive Vice President, E. I. du Pont de Nemours and Company, Wilmington, Delaware (agriculture and industrial biotechnology, chemistry, biology, materials science and manufacturing), since 2009. Mr. Vergnano is responsible for the Building Innovations, Protection Technologies, Sustainable Solutions, Electronics & Communications, Chemicals & Fluoroproducts, and Titanium Technologies businesses. He also leads the company's safety, health and environment, sales, marketing, sustainability and communication functions. He joined DuPont in 1980 as a process engineer in the former Fibers Department. Since joining DuPont, Mr. Vergnano has held a variety of manufacturing, technical and management assignments in DuPont's global organization. He was named vice president and general manager — Nonwovens in February 2003 and vice president and general manager — Surfaces and Building Innovations in October 2005. In June 2006 he was named group vice president of DuPont Safety & Protection. Mr. Vergnano serves as vice chairman of the National Safety Council board of directors.

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

3.1.9. The key financial information of the Acquirer, as derived from its audited consolidated financial statements as at and for the 12-month period ended September 30, 2012, September 30, 2013 and September 30, 2014 and the interim unaudited consolidated financial statements, which has been subjected to limited review by the Acquirer's auditors, as at and for the 9-month period ending June 30, 2015 are as set out below. The financials have been prepared in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP):

(In US$ millions unless stated otherwise)

Profit & Loss Statement	**For the 12-month period ended September 30,**			**For the 9-month period ended June 30, 2015**
Particulars	**2012**	**2013**	**2014**	
Income from Operations [(a)]	40,604	41,410	42,828	28,430
Other Income [(b)]	338	399	395	275
Total Income	40,942	41,809	43,223	28,705
Total Expenditure (excluding depreciation) [(c)]	(38,501)	(38,723)	(39,989)	(25,850)
Profit Before Depreciation, Interest Expenses and Taxes	2,441	3,086	3,234	2,855

Depreciation and amortization	(824)	(952)	(955)	(647)
Interest Expenses [(d)]	(231)	(247)	(244)	(215)
Profit Before Tax	1,386	1,887	2,035	1,993
Provision for Tax	(161)	(696)	(482)	(465)
Income (loss) from discontinued operations, net of tax	85	101	(218)	(214) [(e)]
Income from continuing operations attributable to non-controlling interests	(126)	(114)	(120)	(92)
Profit After Tax [(f)]	1,184	1,178	1,215	1,214
Basic Earnings Per Share (US$)	1.74	1.72	1.82	1.85
Dividend (%) [(n)]	72.0%	76.0%	88.0%	78.0%
Balance Sheet	**As at September 30,**			**As at June 30, 2015**
Particulars	**2012**	**2013**	**2014**	
Sources of funds				
Paid-up share capital [(g)]	688	700	707	716
Reserves and Surplus [(h)]	10,937	11,614	10,604	9,939
Net-worth [(i)]	11,625	12,314	11,311	10,655
Minority Interest[(j)]	401	417	445	405
Non-current financial liabilities [(k)]	5,321	4,560	6,357	5,734
Provisions for pensions[(l)]	1,248	750	865	776
Other non-current liabilities	1,504	1,360	2,132	2,265
Total	20,099	19,401	21,110	19,835
Uses of funds				
Net Fixed Assets [(m)]	14,369	14,173	15,080	14,317
Investments in partially-owned affiliates	948	1,024	1,018	1,339
Other non-current assets	2,894	2,623	3,599	3,370
Net current assets	1,888	1,581	1,413	809
Total	20,099	19,401	21,110	19,835

(In Rs. millions unless stated otherwise)

Profit & Loss Statement	**For the 12-month period ended September 30,**			**For the 9-month period ended June 30, 2015**
Particulars	**2012**	**2013**	**2014**	
Income from Operations [(a)]	2,655,128	2,707,833	2,800,557	1,859,060
Other Income [(b)]	22,102	26,091	25,829	17,982
Total Income	2,677,230	2,733,924	2,826,387	1,877,043
Total Expenditure (excluding depreciation) [(c)]	(2,517,611)	(2,532,128)	(2,614,913)	(1,690,352)
Profit Before Depreciation, Interest Expenses and Taxes	159,619	201,796	211,474	186,691

Depreciation and amortization	(53,882)	(62,252)	(62,448)	(42,308)
Interest Expenses [d]	(15,105)	(16,152)	(15,955)	(14,059)
Profit Before Tax	90,632	123,392	133,070	130,324
Provision for Tax	(10,528)	(45,512)	(31,518)	(30,407)
Income (loss) from discontinued operations, net of tax	5,558	6,604	(14,255)	(13,994) [e]
Income from continuing operations attributable to non-controlling interests	(8,239)	(7,455)	(7,847)	(6,016)
Profit After Tax [f]	77,423	77,030	79,450	79,384
Basic Earnings Per Share (Rs.)	113.78	112.47	119.01	120.97
Dividend (%) [n]	72.0%	76.0%	88.0%	78.0%
Balance Sheet	**As at September 30,**			**As at June 30, 2015**
Particulars	**2012**	**2013**	**2014**	
Sources of funds				
Paid-up share capital [g]	44,989	45,774	46,231	46,820
Reserves and Surplus [h]	715,179	759,449	693,404	649,919
Net-worth [i]	760,168	805,222	739,635	696,739
Minority Interest[j]	26,222	27,268	29,099	26,483
Non-current financial liabilities [k]	347,944	298,182	415,689	374,951
Provisions for pensions[l]	81,608	49,043	56,563	50,743
Other non-current liabilities	98,348	88,931	139,413	148,110
Total	**1,314,290**	**1,268,647**	**1,380,400**	**1,297,027**
Uses of funds				
Net Fixed Assets [m]	939,600	926,784	986,093	936,200
Investments in partially-owned affiliates	61,990	66,960	66,568	87,558
Other non-current assets	189,241	171,520	235,341	220,367
Net current assets	123,458	103,383	92,397	52,901
Total	**1,314,290**	**1,268,647**	**1,380,400**	**1,297,027**

Exchange Rate as on October 6, 2015: U$1 = Rs. 65.3908

Financials for the 9-month period ended June 30, 2015 has been restated to include Global Workplace Solutions (GWS) as a discontinued operation but the financials for the year ended September 30, 2012, 2103 and 2014 have not been restated.

(a) *Income from operations are the Net sales*
(b) *Other Income is Equity Income (net of equity losses)*
(c) *Total Expenditure (excluding depreciation and amortization) is sum of Cost of sales, Selling, general and administrative expenses, Gain/loss on business divestures (net) and Restructuring and impairment costs*
(d) *Interest expenses is the Net financing charges*
(e) *This includes income from discontinued operations attributable to non-controlling interests*
(f) *Profit after tax is the net income attributable to Johnson Controls, Inc. and hence excludes income attributable to non-controlling interests but includes income /loss from discontinuing operations*
(g) *Paid up share capital is Common stock*
(h) *Reserves and Surplus is sum of Capital in excess of par value, Retained earnings and Treasury stock (at cost) and Accumulated other comprehensive income*
(i) *Net Worth is sum of Common Stock, Capital in excess of par value, Retained earnings, Treasury stock and Accumulated other comprehensive income*
(j) *Minority Interest includes Non controlling interest and Redeemable non controlling interest*
(k) *Non-current financial liabilities is the long term debt*
(l) *Provisions for pensions includes long term portion of pensions and postretirement benefits and does not include any plans which are in a net asset position*
(m) *Net Fixed assets includes property, plant, equipment, goodwill and other intangible assets*
(n) *Dividend (%) calculated as Dividend per share divided by Par value of shares*

3.1.10. According to the latest available consolidated financial statements of the Acquirer for the quarter ending June 30, 2015, the details of major commitments and contingencies are as below:

3.1.10.1. The Acquirer accrues for potential environmental liabilities when it is probable a liability has been incurred and the amount of the liability is reasonably estimable. Reserves for environmental liabilities totaled $24 million, $24 million and $25 million at June 30, 2015, September 30, 2014 and June 30, 2014, respectively. The Acquirer reviews the status of its environmental sites on a quarterly basis and adjusts its reserves accordingly. Such potential liabilities accrued by the Acquirer do not take into consideration possible recoveries of future insurance proceeds. They do, however, take into account the likely share other parties will bear at remediation sites. It is difficult to estimate the Acquirer's ultimate level of liability at many remediation sites due to the large number of other parties that may be involved, the complexity of determining the relative liability among those parties, the uncertainty as to the nature and scope of the investigations and remediation to be conducted, the uncertainty in the application of law and risk assessment, the various choices and costs associated with diverse technologies that may be used in corrective actions at the sites, and the often quite lengthy periods over which eventual remediation may occur. Nevertheless, the Acquirer does not currently believe that any claims, penalties or costs in connection with known environmental matters will have a material adverse effect on the Acquirer's financial position, results of operations or cash flows. In addition, the Acquirer has identified asset retirement obligations for environmental matters that are expected to be addressed at the retirement, disposal, removal or abandonment of existing owned facilities, primarily in the Power Solutions business. At June 30, 2015, September 30, 2014 and June 30, 2014, the Acquirer recorded conditional asset retirement obligations of $67 million, $52 million and $54 million, respectively.

3.1.10.2. The Acquirer is involved in various lawsuits, claims and proceedings incident to the operation of its businesses, including those pertaining to product liability, environmental, safety and health, intellectual property, employment, commercial and contractual matters, and various other casualty matters. Although the outcome of litigation cannot be predicted with certainty and some lawsuits, claims or proceedings may be disposed of unfavorably to the Acquirer, it is management's opinion that none of these will have a material adverse effect on the Acquirer's financial position, results of operations or cash flows. Costs related to such matters were not material to the periods presented.

3.1.11. Upon completion of the Global Acquisition (defined below), on October 1, 2015, Acquirer indirectly holds 60% shares of the PAC4 and the PAC1 holds 40% shares in the PAC4. Upon completion of the Global Acquisition on October 1, 2015, the PAC4 indirectly controls the PAC3. PAC3 is the promoter of the Target Company.

3.1.12. The equity shares of the Acquirer are listed and traded on the New York Stock Exchange. The market price of such equity shares as of October 12, 2015 is US$ 44.07 per share. The Acquirer is in compliance with applicable corporate governance requirement set out in: (i) Chapter 180 of the Wisconsin Statutes, (ii) the Securities Exchange Act of 1934 (which governs the Acquirer's public disclosure filings with the United States Securities and Exchange Commission), and (iii) Rules of the New York Stock Exchange (which governs the Acquirer's listing on the New York Stock Exchange) to which it is subject. Brian W. Beeghly is the Vice President Compliance of the Acquirer. His contact details are: E-mail: Brian.W.Beeghly@jci.com; Tel. 1-414-524-2153; Fax. 1-414-524-2828

3.1.13. The Acquirer has not directly held any shares in the Target Company and has not acquired any equity shares of the Target Company directly. Accordingly, the Acquirer is not required to make disclosures related to acquisition under the provisions of Chapter II of the Takeover Regulations 1997 and Chapter V of the SEBI (SAST) Regulations

3.2. **Background of the PAC1**: **HITACHI APPLIANCES, INC.**

3.2.1. Hitachi Appliances, Inc., a Japanese stock corporation, headquartered in Tokyo, was established on April 1, 2006, through the merger of Hitachi Air Conditioning Systems Co., Ltd. and Hitachi Home and Life Solutions, Inc. that were both wholly owned by Hitachi, Ltd. Following the merger, the name of Hitachi Air Conditioning Systems Co., Ltd. was changed to Hitachi Appliances, Inc.

3.2.2. The registered office of the PAC1 is at 15-12, Nishi Shimbashi 2-chome, Minato-ku, Tokyo 105-8410, Japan. Its telephone number is +81-03-3506-1536 and fax number is +81-03-3506-1585.

3.2.3. The PAC1, together with its more than 10 subsidiaries and regional companies in three countries, is into the business of development, manufacture and sales of electrical home appliances business and new environment fields, including LED lighting business, residential solar power generation systems business and all-electric housing business, and the business of sales of comprehensive air conditioning business.

3.2.4. The PAC1 is a part of the Hitachi group of companies.

3.2.5. As on date of this DLoF, the paid-up share capital of the PAC1 is JPY 20,000,000,000 (Japanese Yen twenty billion) approximately Rs. 10,882,000,000 (Indian Rupees ten billion eight hundred eighty two million only) comprising of 200,000 equity shares.

3.2.6. As on the date of the DLoF, the PAC1 is a wholly owned subsidiary of the PAC2.

3.2.7. The details of the Board of Directors of the PAC1 are as follows. No Director of the PAC1 has a Director Identification Number.

- **Name of the Director**: Takanori Ninomiya
  Designation: Representative Director
  Date of Appointment: June 17, 2014 (Executive Managing Director from April 1, 2011 to April 1, 2013; President and Director from April 1, 2013)
  Qualifications: Master's of Engineering in Communications Technology from Osaka University
  Experience:
  April 1980 - Joined Hitachi, Ltd., Production Engineering Research Laboratory
  January 2007 - Head of Production Engineering Research Laboratory, at Hitachi, Ltd.
  January 2008 – Head of Hitachi Research Laboratory at Hitachi, Ltd.
  April 2011- Executive Managing Director of Hitachi Appliances, Inc.
  April 2013 (Current)–President and Director of Hitachi Appliances, Inc.
  October 2015 (Current) - Director of PAC4
- **Name of the Director**: Masatoshi Kato
  Designation: Director
  Date of Appointment: June 17, 2014 (Director since April 1, 2009)
  Qualifications: Graduated from Faculty of management of Yamaguchi University
  Experience:
  April 1979 - Joined Hitachi, Ltd., Tochigi Works
  April 2002 - Finance Division Manager at Hitachi Home & Life Solutions, Inc. Finance Division
  May 2003 - Accounting Division Manager at Finance Division, Planning II, Tochigi at Hitachi Home & Life Solutions, Inc.
  April 2006 - Accounting Division Manager at Air Conditioning Business Division, Tochigi Air Conditioning HQ at Hitachi Appliances, Inc.
  December 2008 - Finance Division Manager at Finance HQ, at Hitachi Appliances, Inc.
  April 2009 - Director at Hitachi Appliances, Inc.
  April 2013 (Current)- Executive Managing Director at Hitachi Appliances, Inc.
- **Name of the Director**: Michiya Matsuda
  Designation: Director
  Date of Appointment: June 17, 2014 (Director since April 1, 2013)
  Qualifications: Graduated from Faculty of electrical engineering of Kagoshima University
  Experience:
  April 1980 - Joined Hitachi, Ltd., Tochigi Works
  December 2000 - Cooling Business Division, IP Center Deputy Director at Hitachi, Ltd.
  April 2002 - Product Planning Division Manager of Refrigeration Business Group at Hitachi Home & Life Solutions, Inc.
  May 2004 - Planning Division Manager at Cooling Business Division, Refrigeration Business at Hitachi Home & Life Solutions, Inc.
  April 2006 - Deputy General Manager at Tochigi Home Appliances HQ at Hitachi Appliances, Inc.
  October 2007 - General Manager at Tochigi Home Appliances HQ at Hitachi Appliances, Inc.

April 2013 (Current) - Director at Hitachi Appliances, Inc.

- **Name of the Director**: Hisao Suka
  Designation: Director
  Date of Appointment: June 17, 2014 (Director since April 01, 2013)
  Qualifications: Graduated from Faculty of mechanical engineering of Saitama University
  Experience:
  April 1979 - Joined Hitachi, Ltd., Taga Works
  February 2001 - Printer Design Division Manager at Digital Media Technology HQ at Hitachi, Ltd.
  April 2002 - Group Manager Hitachi Home & Life Solutions, Inc., Washing Machine Business
  October 2004 - Development Project Leader, Hitachi Mechanical Innovation Center, Electronic Appliances at Hitachi, Ltd.
  April 2006 - Division Manager, Lifestyle Home Appliances Research at Hitachi, Ltd.
  April 2012 - Deputy General Manager, Taga Home Appliances HQ, at Hitachi Appliances, Inc.
  April 2013 (Current) - Director at Hitachi Appliances, Inc.
- **Name of the Director**: Kazuhiko Inoue
  Designation: Director
  Date of Appointment: June 17, 2014 (Director since April 1, 2013)
  Qualifications: Graduated from Faculty of mechanical engineering of Tokyo University of Science
  Experience:
  April 1979 - Joined Hitachi Household Equipment, Co. Ltd.
  April 2003 - Division Manager, Hitachi Air Conditioning Systems, Co., Ltd. Sales Control HQ Sales Development
  April 2004 - Sales Division Manager, Sales Control HQ, Wide-Area at Hitachi Appliances, Inc.
  April 2008 - Deputy General Manager, Air Conditioning Sales HQ, at Hitachi Appliances, Inc.
  April 2009 - Branch Manager, Air Conditioning Sales HQ, Kyushu at Hitachi Appliances, Inc.
  April 2012 - Deputy General Manager, Air Conditioning Sales HQ, at Hitachi Appliances, Inc.
  April 2013 - Director at Hitachi Appliances, Inc. (Current)
- **Name of the Director**: Makoto Fujioka
  Designation: Director
  Date of Appointment: June 17, 2014 (Director since April 1, 2014)
  Qualifications: Graduated from Faculty of sociology of Hitotsubashi University
  Experience:
  April 1981 - Joined Hitachi, Ltd., Tokai Works
  April 2002 - Display Group General Manager at Hitachi, Ltd.
  September 2002 - Transferred to Hitachi Displays, Ltd.
  April 2005 - Moved to Hitachi, Ltd. (Seconded to Hitachi Institute of Management Development)
  April 2007 - Group Strategy HQ, Group Companies Office Manager at Hitachi, Ltd.
  April 2010 - Personnel Control HQ, Group Personnel Planning Division Manager at Hitachi, Ltd.
  April 2011 – Director, Hitachi Consumer Electronics, Co. Ltd.
  April 2014 (Current) – Director at Hitachi Appliances, Inc.
- **Name of the Director**: Toyoaki Nakamura
  Designation: Director
  Date of Appointment: June 17, 2014 (Director since April 1, 2013)
  Qualifications: Graduated from Faculty of economics of Keio University
  Experience:
  April 1975 - Joined Hitachi, Ltd., Kokubu Works

June 1997 - Deputy Division Manager, Kokubu Works Accounting at Hitachi, Ltd.
June 1998 - Accounting Division Manager, Semiconductor Business Division, at Hitachi, Ltd.
April 2001- General Manager, System Solutions Group Finance HQ at Hitachi, Ltd.
June 2004 - Director, Hitachi Data Systems Solutions Holding Corp.
April 2005 – President, Hitachi Data Systems Solutions Holding Corp.,
January 2006 - Finance First Division Manager, Hitachi, Ltd.,
April 2008 - General Manager, Group Strategy HQ at Hitachi, Ltd.
April 2009 - Executive Officer and Senior Managing Director at Hitachi, Ltd.
April 2010 - Executive Officer and Senior Managing Director, and Finance Control HQ General Manager at Hitachi, Ltd.
April 2012 - Executive Officer and Vice President, and Finance Control HQ General Manager at Hitachi, Ltd.
April 2013 - Director at Hitachi Appliances, Inc. (Current)

- **Name of the Director**: Koichiro Nakamura
  Designation: Director
  Date of Appointment: June 17, 2014 (Director since October 1, 2012)
  Qualifications: Graduated from Faculty of humanities of Chiba University
  Experience:
  April 1981- Joined Hitachi Sales Co., Ltd.
  August 1998 - Global Sales HQ Member, Hitachi, Ltd., Home Appliances HQ (Seconded to Hitachi Home Electronics Europe)
  April 2002 - Sales Division Manager, Ubiquitous Platform Group Digital Media Sales HQ Europe at Hitachi, Ltd.
  April 2004 - General Manager, Ubiquitous Platform Group Ubiquitous Sales Control HQ, Sales Planning HQ at Hitachi, Ltd.
  July 2009- General Manager, Hitachi Consumer Electronics, Co. Ltd., Marketing Business Marketing HQ and Division Manager, Hitachi, Ltd. Consumer Business HQ, Sales Planning
  June 2010 - President and Director, Hitachi Consumer Marketing, Inc.
  October 2012 - Director at Hitachi Appliances, Inc. (Current)

3.2.8. None of the directors of the PAC1 are on the Board of Directors of the Target Company

3.2.9. The key financial information of the PAC1, as derived from its audited unconsolidated financial statements as at and for the 12-month periods ended March 31, 2013, March 31, 2014 and March 31, 2015 and the interim unaudited unconsolidated financial statements, as at and for the 3-month period ending June 30, 2015 are as set out below. The said financials have been prepared in accordance with the Japanese GAAP:

(In JPY Millions unless stated otherwise)

Profit & Loss Statement	12-month period ended March 31,			3-month period ended June 30,
Particulars	**2013**	**2014**	**2015**	**2015**
Income from Operations [(a)]	397,307	439,877	408,812	102,184
Other Income [(b)]	3,769	4,223	4,737	600
Total Income	401,076	444,100	413,549	102,784
Total Expenditure [(c)]	(398,400)	(435,107)	(409,842)	(103,677)
Profit Before Interest and	2,676	8,993	3,707	(893)

Taxes				
Interest Expenses	(299)	(290)	(250)	(96)
Extraordinary income / (loss) net	422	(504)	(533)	-
Profit Before Tax	2,799	8,199	2,924	(989)
Provision for Tax	(508)	(3,951)	(1,180)	340
Profit After Tax	2,291	4,248	1,744	(649)
Basic Earnings Per Share (JPY)	11,456.71	21,238.05	8,720.68	(3,243.36)
Dividend (%)	-	-	-	-
Balance Sheet	**As of period ended March 31,**			**As of period ended June 30,**
Particulars	**2013**	**2014**	**2015**	**2015**
Sources of funds				
Paid-up share capital[(d)]	20,000	20,000	20,000	20,000
Reserves and Surplus [(e)]	(491)	5,661	7,994	7,355
Net worth [(f)]	19,509	25,661	27,994	27,355
Non-current financial liabilities[(g)]	35,000	35,000	35,000	35,000
Other Non-current liabilities [(h)]	14,266	12,717	11,227	11,264
Total	**68,775**	**73,378**	**74,221**	**73,619**
Uses of funds				
Net Fixed Assets [(i)]	37,449	38,182	38,583	39,563
Investments and other assets	56,607	57,207	58,082	58,648
Net current assets	(25,281)	(22,011)	(22,444)	(24,592)
Total	**68,775**	**73,378**	**74,221**	**73,619**

(In Rs. Millions unless stated otherwise)

Profit & Loss Statement	**12-month period ended March 31,**			**3-month period ended June 30,**
Particulars	**2013**	**2014**	**2015**	**2015**
Income from Operations [(a)]	216,175	239,337	222,435	55,598
Other Income [(b)]	2,051	2,298	2,577	326
Total Income	218,225	241,635	225,012	55,925
Total	(216,769)	(236,742)	(222,995)	(56,411)

Expenditure [(c)]				
Profit Before Interest and Taxes	1,456	4,893	2,017	(486)
Interest Expenses	(163)	(158)	(136)	(52)
Extraordinary income / (loss) net	230	(274)	(290)	-
Profit Before Tax	1,523	4,461	1,591	(538)
Provision for Tax	(276)	(2,150)	(642)	185
Profit After Tax	1,247	2,311	949	(353)
Basic Earnings Per Share (Rs.)	6,233.60	11,555.62	4,744.92	(1,764.71)
Dividend (%)	-	-	-	-
Balance Sheet	**As of period ended March 31,**			**As of period ended June 30,**
Particulars	**2013**	**2014**	**2015**	**2015**
Sources of funds				
Paid-up share capital[(d)]	10,882	10,882	10,882	10,882
Reserves and Surplus [(e)]	(266)	3,080	4,350	4,002
Net worth [(f)]	10,615	13,962	15,232	14,884
Non-current financial liabilities[(g)]	19,044	19,044	19,044	19,044
Other Non-current liabilities [(h)]	7,762	6,919	6,109	6,129
Total	**37,420**	**39,925**	**40,384**	**40,056**
Uses of funds				
Net Fixed Assets [(i)]	20,376	20,775	20,993	21,526
Investments and other assets	30,800	31,126	31,602	31,910
Net current assets	(13,755)	(11,976)	(12,212)	(13,381)
Total	**37,420**	**39,925**	**40,384**	**40,056**

Exchange Rate as on October 6, 2015: JPY 1 = Rs. 0.5441

(a) Income from operations is Sales
(b) Other Income is the sum of Interest and dividend income, Foreign exchange profit and Miscellaneous revenue
(c) Total Expenditure is the sum of Sales cost, Selling, general and administrative expenses, Loss on disposal of fixed assets and Miscellaneous loss

(d) *Paid up share capital is Capital stock*
(e) *Reserves and Surplus is the sum of Capital surplus, Retained earnings and Valuation and translation adjustments*
(f) *Net Worth includes Capital stock, Capital surplus, Retained earnings and Valuation and translation adjustments*
(g) *Non-current financial liabilities is Long term debt*
(h) *Other Non-current liabilities is the sum of Asset retirement obligations, Deferred tax liabilities, Other fixed liabilities, Reserve for retirement benefits for employees and Reserve for retirement benefits for officers*
(i) *Net fixed assets is the sum of Tangible fixed assets and Intangible fixed assets*

3.2.10. In terms of major contingent liabilities regarding the PAC1, it is, from time to time, a party to routine legal proceedings arising out of the normal course of business, including labor matters, product liability, trade regulations and other matters. Although it is not possible to predict with certainty the outcome of any unresolved legal actions or the range of possible loss, the PAC1 believes at this time there are no such proceedings that, individually or in the aggregate, will have a material adverse effect on the financial condition, results of operations or cash flows of the PAC1. However, due to the difficult nature of predicting unresolved and future legal claims, the PAC1 cannot anticipate or predict the material adverse effect on its financial condition, results of operations or cash flows as a result of efforts to comply with or any liabilities pertaining to any legal judgments. The PAC1 also provides certain guarantees with respect to employee housing loans in an aggregate amount of approximately JPY 186 million (one hundred eighty-six million).

3.2.11. The equity shares of the PAC1 are not listed on any stock exchange.

3.2.12. Upon completion of the Global Acquisition, on October 1, 2015, Acquirer indirectly holds 60% shares of the PAC4 and the PAC1 holds 40% shares in the PAC4. Upon completion of the Global Acquisition on October 1, 2015, the PAC4 indirectly controls the PAC3. PAC3 is the promoter of the Target Company

3.2.13. The applicable provisions of Chapter V of the SEBI (SAST) Regulations and Chapter II of the Takeover Regulations 1997 have been complied with by the PAC1 within the time specified in the SEBI (SAST) Regulations and the Takeover Regulations 1997 respectively.

3.3. **Background of the PAC2**: **HITACHI, LTD.**

3.3.1. Hitachi, Ltd. is a public limited company incorporated outside India under the laws of Japan as a Japanese stock corporation (kabushiki kaisha), incorporated on February 1, 1920. The name of the PAC2 has not been changed.

3.3.2. The registered office of the PAC2 is at 6-6, Marunouchi 1- chome Chiyoda-ku Tokyo, 100-8280, Japan. Its telephone number is +81-3-3258-1111 and fax number is +81-3-4564-2148.

3.3.3. The PAC2, together with its more than 1,000 subsidiaries, affiliates and regional companies, engages in a broad range of business activities, from product development and manufacturing to sales and services, in 10 segments of Information & Telecommunication Systems, Power Systems, Social Infrastructure & Industrial Systems, Electronic Systems & Equipment, Construction Machinery, High Functional Materials & Components, Automotive Systems, Smart Life & Eco-friendly Systems, Logistics and Other services and Financial Services.

3.3.4. The PAC2 is the ultimate parent company in the Hitachi group.

3.3.5. As on the date of this DLoF, the paid-up share capital of the PAC2 is JPY 458,790 million (four hundred fifty-eight billion seven hundred ninety million) approximately Rs. 247,125,043,023 (two hundred forty-seven billion one hundred twenty-five million forty-three thousand and twenty-three) comprising of 4,833,463,387 equity shares.

3.3.6. The PAC2 is a widely held company with no identified promoter. The equity shares of the PAC2 are listed and traded on the Tokyo Stock Exchange and the Nagoya Stock Exchange. As such, ownership of the PAC2 changes frequently. The shareholding pattern of the PAC2 as on June 30, 2015 are as under:

Sr. No.	Shareholder's Category	Number of shares held (mm)	Percentage
1.	Financial Institution and Securities firm	1,416	29.3%
2.	Individual	1,063	22.0%
3.	Foreign Investors	2,263	46.8%
4.	Other	91	1.9%
	Total shares	**4,833**	**100%**

3.3.7. The details of the Board of Directors of the PAC2 are as follows. No Director of the PAC2 has a Director Identification Number.

- **Name of the Director:** Nobuo Katsumata
  Designation: Outside Director
  Date of Appointment: June 25, 2015 (Director since June 24, 2011)
  Qualifications: Graduated from Faculty of Economics, Keio University.
  Experience:
  April 2003 - Representative Director, President and CEO, Member of the Board, Marubeni Corporation
  April 2008 - Chairman, Member of the Board, Marubeni Corporation
  June 2011 - Director, Hitachi, Ltd.
  April 2013 - Senior Corporate Advisor, Member of the Board, Marubeni Corporation
  June 2013 - Senior Corporate Advisor, Marubeni Corporation (Currently in office)
- **Name of the Director:** Cynthia Carroll
  Designation: Outside Director
  Date of Appointment: June 25, 2015 (Director since June 21, 2013)
  Qualifications: Master's in Science in Geology from University of Kansas, and a Master's in Business Administration from Harvard Business School
  Experience:
  October 1991 - General Manager, Foil Products, Alcan Inc.
  January 1996 - Managing Director, Aughinish Alumina Ltd., Alcan Inc.
  October 1998 - President, Bauxite, Alumina and Speciality Chemicals, Alcan Inc.
  January 2002 - President & CEO, Primary Metal Group, Alcan Inc.
  March 2007 - CEO, Anglo American plc. (Retired in April 2013)
  June 2013 - Director. Hitachi. Ltd.
- **Name of the Director:** Sadayuki Sakakibara

Designation: Outside Director
Date of Appointment: June 25, 2015 (Director since June 21, 2013)
Qualifications: Master's of Applied Chemistry from Nagoya University
Experience:

June 2002 - President and Representative Member of the Board, Toray Industries, Inc.
June 2010 - Chairman of the Board and Representative Member of the Board, Toray Industries, Inc.
June 2013 - Director, Hitachi, Ltd.
June 2014 - Chairman of the Board and Member of the Board, Toray Industries, Inc.
June 2015 - Chief Senior Advisor and Chief Senior Counselor, Toray Industries, Inc. (Currently in office)

- **Name of the Director:** George Buckley
  Designation: Outside Director
  Date of Appointment: June 25, 2015 (Director since June 22, 2012)
  Qualifications: Ph.D. in Electrical Engineering from University of Huddersfield
  Experience:

  February 1993 - Chief Technology Officer, Motors, Drives and Appliances, Emerson Electric Company
  September 1994 - President, US Electrical Motors, Emerson Electric Company
  July 1997 - President, Mercury Marine Division and Corporate Vice President, Brunswick Corporation
  April 2000 - President and Chief Operating Officer, Brunswick - Corporation
  June 2000 - Chairman and Chief Executive Officer, Brunswick - Corporation
  December 2005 - Chairman of the Board, President and Chief Executive Officer, 3M Company
  February 2012 - Executive Chairman of the Board, 3M Company (Retired in May 2012)
  June 2012 - Chairman, Arle Capital Partners Limited (Currently in office), Director, Hitachi, Ltd.
- **Name of the Director:** Louise Pentland
  Designation: Outside Director
  Date of Appointment: June 25, 2015
  Qualifications: Post Graduate Diploma in Legal Practice from University of Northumbria
  Experience:

  August 1997 - Admitted as a Solicitor (UK)
  July 2001 - Senior Legal Counsel, Nokia Networks, Nokia Corporation
  January 2004 - Vice President and Head of Legal, Enterprise Solutions, Nokia Corporation
  September 2007 - Vice President, Acting Chief Legal Officer and Head of IP Legal, Nokia Corporation
  July 2008 - Senior Vice President and Chief Legal Officer, Nokia Corporation
  June 2009 - Admitted to New York State Bar Association
  February 2011 - Executive Vice President and Chief Legal Officer, Nokia Corporation (Retired in May, 2014)
  April 2015 - General Counsel, PayPal, eBay Inc. (Currently in office)
  June 2015 - Director Hitachi Ltd.
- **Name of the Director:** Harufumi Mochizuki
  Designation: Outside Director
  Date of Appointment: June 25, 2015 (Director since June 22, 2012)
  Qualifications: Graduated from Faculty of Law, Kyoto University
  Experience:

  July 2002 - Director-General for Commerce and Distribution Policy, Minister's Secretariat, Ministry of Economy, Trade and Industry of Japan ("METI")

July 2003 - Director-General, Small and Medium Enterprise Agency, METI
July 2006 - Director-General, Agency for Natural Resources and Energy, METI
July 2008 - Vice-Minister of Economy, Trade and Industry of Japan
August 2010 - Special Advisor to the Cabinet of Japan (Retired in September 2011)
October 2010 - Senior Adviser to the Board, Nippon Life Insurance Company (Retired in April 2013)
June 2012 - Director, Hitachi, Ltd.
June 2013 - President and Representative Director, Tokyo Small and Medium Business Investment & Consultation Co., Ltd. (Currently in office)

- **Name of the Director:** Philip Yeo
  Designation: Outside Director
  Date of Appointment: June 25, 2015 (Director since June 22, 2012)
  Qualifications: Master's of Science (System Engineering) from National University of Singapore, and a Master's in Business Administration from Harvard Business School
  Experience:
  June 1970 - Joined Ministry of Defense of Singapore
  September 1979 - Permanent Secretary, Ministry of Defense of Singapore
  January 1986 - Chairman, Economic Development Board of Singapore
  February 2001 - Chairman, Agency for Science, Technology and Research of Singapore
  April 2007 - Senior Advisor for Science and Technology to the Ministry of Trade & Industry, Singapore (Retired in September 2008), Special Advisor in Economic Development, Prime Minister's Office, Government of Singapore (Retired in August 2011), Chairman, SPRING Singapore (Currently in office)
  June 2012 – Director, Hitachi, Ltd.
- **Name of the Director:** Hiroaki Yoshihara
  Designation: Outside Director
  Date of Appointment: June 25, 2015
  Qualifications: Bachelor of Science in Economics from Osaka University
  Experience:
  November 1978 - Joined Peat Marwick Mitchell & Co.
  July 1996 - National Managing Partner, the Pacific Rim Practice, KPMG LLP
  October 1997 - The Board Member, KPMG LLP
  October 2003 - Vice Chairman and Global Managing Partner, KPMG International (Retired in April 2007)
  June 2014 - Director Hitachi Ltd.
- **Name of the Director:** Hiroaki Nakanishi
  Designation: Director
  Date of Appointment: June 25, 2015 (Director since June 29, 2010)
  Qualifications: Bachelor of Engineering in Electrical Engineering from the University of Tokyo, and a Master's of Science in Computer Engineering from Stanford University
  Experience:
  April 1970 - Joined Hitachi, Ltd.
  April 2003 - General Manager, Global Business at Hitachi, Ltd.
  June 2003 - Vice President and Executive Officer at Hitachi, Ltd.
  April 2004 - Senior Vice President and Executive Officer at Hitachi, Ltd.
  June 2005 - Senior Vice President and Executive Officer, Hitachi, Ltd. Chairman and Chief Executive Officer, Hitachi Global Storage Technologies, Inc.
  April 2006 - Executive Vice President and Executive Officer, Hitachi, Ltd. (Retired in December 2006)
  April 2009 - Executive Vice President and Executive Officer, Hitachi, Ltd.
  April 2010 - President, Hitachi, Ltd.

June 2010 - President and Director, Hitachi, Ltd.
April 2014 - Chairman & CEO and Director Hitachi Ltd.

- **Name of the Director:** Toshiaki Higashihara
  Designation: Director
  Date of Appointment: June 25, 2015 (Director since June 20, 2014)
  Qualifications: Graduated from Faculty of Engineering, Tokushima University and earned a Master's of Science in Computer Science from Boston University
  Experience:
  April 1977 - Joined Hitachi, Ltd.
  April 2006 - Chief Operating Officer, Information & Telecommunication Systems at Hitachi, Ltd.

  April 2007 - Vice President and Executive Officer Hitachi, Ltd. (Retired in March 2008)
  April 2008 - President, Hitachi Power Europe GmbH
  April 2010 - President and Chief Executive Officer, Hitachi Plant Technologies, Ltd.
  June 2010 - President and Representative Director, Hitachi Plant Technologies, Ltd.
  April 2011 - Vice President and Executive Officer, Hitachi, Ltd.
  April 2013 - Senior Vice President and Executive Officer, Hitachi, Ltd.
  April 2014 - President & COO, Hitachi, Ltd.
  June 2014 - President & COO and Director, Hitachi Ltd.
- **Name of the Director:** Takashi Miyoshi
  Designation: Director
  Date of Appointment: June 25, 2015 (Director since June 23, 2009)
  Qualifications: Graduated from Faculty of Economics, Kyoto University
  Experience:
  April 1970 - Joined Hitachi, Ltd.
  April 2003 - General Manager, Finance at Hitachi, Ltd.
  June 2003 - Executive Officer at Hitachi, Ltd.
  April 2004 - Senior Vice President and Executive Officer at Hitachi, Ltd.
  June 2004 - Senior Vice President and Executive Officer and Director at Hitachi, Ltd.
  April 2006 - Executive Vice President and Executive Officer and Director at Hitachi, Ltd.
  April 2007 - Director at Hitachi, Ltd. (Retired in June 2007)
  June 2007 - Chairman of the Board, Hitachi Global Storage Technologies, Inc.
  April 2008 - Executive Vice President and Executive Officer, Hitachi Systems & Services, Ltd. (Currently Hitachi Solutions, Ltd.)
  June 2008 - President, Chief Executive Officer and Director, Hitachi Systems & Services, Ltd.
  April 2009 - Executive Vice President and Executive Officer, Hitachi, Ltd.
  June 2009 - Executive Vice President and Executive Officer and Director, Hitachi, Ltd.
  April 2012 – Director, Hitachi, Ltd.
- **Name of the Director:** Nobuo Mochida
  Designation: Director
  Director Identification Number:
  Date of Appointment: June 25, 2015 (Director since June 20, 2014)
  Qualifications: Graduated from Faculty of Engineering, the University of Tokyo
  Experience:
  April 1970 - Joined Hitachi Metals, Ltd.
  June 2006 - President and Chief Executive Officer and Director, Hitachi Metals, Ltd.
  April 2010 - Executive Vice President and Executive Officer, Hitachi, Ltd. (Retired in March 2014), Chairman of the Board, Hitachi Metals, Ltd.
  April 2013 - Director, Hitachi Metals, Ltd. (Retired in June 2014)
  June 2014 – Director, Hitachi, Ltd.

3.3.8. None of the directors of the PAC2 are on the Board of Directors of the Target Company.

3.3.9. The key financial information of the PAC2, as derived from its audited consolidated financial statements as at and for the 12-month period ended March 31, 2013, March 31, 2014 and March 31, 2015 and the interim unaudited consolidated financial statements, which has been subjected to limited review by the PAC2's auditors, as at and for the 3-month period ending June 30, 2015 are as set out below. The financials for year ended March 31, 2014, March 31, 2015 and the interim unaudited consolidated financial statements for the period ended June 30, 2015 have been prepared in accordance with IFRS; however, with respect to the financials for the period ended March 31, 2013, the profit and loss statement was prepared in accordance with US GAAP while the balance sheet was prepared in accordance with IFRS:

(In JPY Millions unless stated otherwise)

Profit & Loss Statement	**12-month period ended March 31,**			**3-month period ended June 30,**
Particulars	**2013**	**2014**	**2015**	**2015**
Income from Operations [(a)]	9,041,071	9,666,446	9,774,930	2,314,023
Other Income [(b)]	32,635	252,900	63,799	43,476
Total Income	9,073,706	9,919,346	9,838,729	2,357,499
Total Expenditure (excluding depreciation and amortization) [(c)]	(8,297,672)	(8,772,773)	(8,823,649)	(2,089,581)
Profit Before Depreciation, Interest and Taxes	776,034	1,146,573	1,015,080	267,918
Depreciation and amortization	(418,019)	(455,343)	(481,021)	(121,450)
Interest Expenses (net) [(d)]	(13,478)	(12,732)	(15,065)	(3,774)
Profit Before Tax	344,537	678,498	518,994	142,694
Provision for Tax	(106,816)	(146,540)	(122,075)	(46,057)
Loss from discontinued operations	-	(6,955)	(53,501)	(1,603)
Profit After Tax	237,721	525,003	343,418	95,034
Basic Earnings Per Share (JPY)	37.28	85.69	45.04	11.38
Dividend Per Share (JPY)	10.00	10.50	12.00	-
Dividend (%)[(m)]	26.8%	12.3%	26.6%	-
Balance Sheet	**As at March 31,**			**As at June 30,**
Particulars	**2013**	**2014**	**2015**	**2015**
Sources of funds				
Paid-up share	458,790	458,790	458,790	458,790

capital [e]				
Reserves and Surplus [f]	1,599,918	2,209,867	2,483,491	2,555,166
Net worth [g]	2,058,708	2,668,657	2,942,281	3,013,956
Non-controlling interests	1,098,859	1,200,174	1,354,061	1,387,024
Long-term debt	1,423,688	1,717,020	2,096,134	2,117,069
Other non-current liabilities[h]	1,308,425	1,211,896	1,261,773	1,245,534
Total	**5,889,680**	**6,797,747**	**7,654,249**	**7,763,583**
Uses of funds				
Net Fixed Assets[i]	2,881,342	2,991,171	3,406,079	3,540,992
Investments[j]	1,289,472	1,890,490	2,131,357	2,177,645
Other non-current assets[k]	757,106	954,447	1,013,879	1,082,555
Net current assets[l]	961,760	961,639	1,102,934	962,391
Total	**5,889,680**	**6,797,747**	**7,654,249**	**7,763,583**

(In Rs. Millions unless stated otherwise)

Profit & Loss Statement	**12-month period ended March 31,**			**3-month period ended June 30,**
Particulars	**2013**	**2014**	**2015**	**2015**
Income from Operations [a]	4,919,247	5,259,513	5,318,539	1,259,060
Other Income [b]	17,757	137,603	34,713	23,655
Total Income	4,937,003	5,397,116	5,353,252	1,282,715
Total Expenditure (excluding depreciation and amortization) [c]	(4,514,763)	(4,773,266)	(4,800,947)	(1,136,941)
Profit Before Depreciation, Interest and Taxes	422,240	623,850	552,305	145,774
Depreciation and amortization	(227,444)	(247,752)	(261,724)	(66,081)
Interest Expenses (net) [d]	(7,333)	(6,927)	(8,197)	(2,053)
Profit Before Tax	187,463	369,171	282,385	77,640
Provision for Tax	(58,119)	(79,732)	(66,421)	(25,060)
Loss from discontinued operations	-	(3,784)	(29,110)	(872)
Profit After Tax	129,344	285,654	186,854	51,708
Basic Earnings Per Share (Rs.)	20.28	46.62	24.51	6.19
Dividend Per Share (Rs.)	5.44	5.71	6.53	-

Dividend (%)[(m)]	26.8%	12.3%	26.6%	-
Balance Sheet	**As at March 31,**			**As at June 30,**
Particulars	**2013**	**2014**	**2015**	**2015**
Sources of funds				
Paid-up share capital [(e)]	249,628	249,628	249,628	249,628
Reserves and Surplus [(f)]	870,515	1,202,389	1,351,267	1,390,266
Net worth [(g)]	1,120,143	1,452,016	1,600,895	1,639,893
Non-controlling interests	597,889	653,015	736,745	754,680
Long-term debt	774,629	934,231	1,140,507	1,151,897
Other non-current liabilities[(h)]	711,914	659,393	686,531	677,695
Total	**3,204,575**	**3,698,654**	**4,164,677**	**4,224,166**
Uses of funds				
Net Fixed Assets[(i)]	1,567,738	1,627,496	1,853,248	1,926,654
Investments[(j)]	701,602	1,028,616	1,159,671	1,184,857
Other non-current assets[(k)]	411,941	519,315	551,652	589,018
Net current assets[(l)]	523,294	523,228	600,106	523,637
Total	**3,204,575**	**3,698,654**	**4,164,677**	**4,224,166**

Exchange Rate as on October 6, 2015: JPY 1 = Rs. 0.5441

(a) *Income from operations is Revenues*
(b) *Other Income is the sum of Financial Income, Share of profits of investments accounted for using the equity method and Other income*
(c) *Total Expenditure (excluding depreciation and amortization) is the sum of Cost of sales, Selling, general and administrative expenses, Other expenses and Financial expenses excluding Depreciation and amortization*
(d) *Interest Expenses is net of Interest income and Interest charges*
(e) *Paid up share capital is the Common stock*
(f) *Reserves and Surplus is the sum of Capital surplus, Retained earnings, Accumulated other comprehensive income and, Treasury stock at cost*
(g) *Net Worth is the sum of Paid up share capital and Reserves and surplus*
(h) *Other Non-current liabilities is the sum of Retirement and severance benefits, other financial liabilities and Other non-current liabilities*
(i) *Net fixed assets is the sum of Property, plant and equipment and Intangibles assets*
(j) *Investments is the sum of Investments accounted for using the equity method and Investments in securities and other financial assets*
(k) *Other non-current assets the a sum of Lease receivables and Other non-current assets*
(l) *Net current assets is net of Total current assets and Total current liabilities*
(m) *Dividend (%) is Dividend Per Share divided by Consolidated Basic Earnings Per Share. Dividend as % of par value of the shares of Hitachi, Ltd. is not available*

3.3.10. According to the latest available audited consolidated financial statements of the PAC2 for the financial year ending March 31, 2015 the details of major contingent liabilities are as below:

1. Loan Commitments
    a. Loan Commitments to Associates and Others

PAC2 and Hitachi Capital Corporation provide loan commitments to associates and others. The outstanding balance of loan commitments as of March 31, 2015 is as follows:

In Millions of Yen	*As of period ended March 31,2015*
Total commitments available	110,427
Less amount utilized	48,906
Balance Available	61,521

Since some loan commitments require credit approval before execution, the amount of total commitments available may not be necessarily utilized in full.

    b. Commitments with Financial Institutions

PAC2 and certain subsidiaries have line of credit arrangements with banks in order to secure efficient financing for business operations. The total unused line of credit as of March 31, 2015 amounted to ¥524,705 million, primarily belonging to PAC2. PAC2 has commitment line agreements with a number of banks and pays commitment fees as consideration. These commitment agreements generally provide a one year term with renewal at the end of the term. The unused line of credit under these arrangements as of March 31, 2015 amounted to ¥200,000 million. PAC2 also maintains other commitment line agreements with several financial institutions, with terms of 3 years and 2 months ending in July 2016. The unused line of credit under these arrangements as of March 31, 2015 amounted to ¥200,000 million.

2. Commitments for Acquisition of Assets

As of March 31, 2015, outstanding commitments made to purchase property, plant and equipment were ¥57,947 million.

3. Guarantee Obligations

PAC2 and certain subsidiaries provide debt guarantees to their associates, joint ventures and third parties. As of March 31, 2015, the balance of the guarantee obligations was ¥135,242 million. It consisted of guarantees to associates of ¥41,095 million, to joint ventures of ¥66,088 million and to third parties of ¥28,059 million. The balance to associates included a guarantee obligation of ¥30,504 million related to the partial collection of trade receivables transferred due to the integration of the thermal power generation systems business.

Hitachi Capital Corporation and its subsidiaries provide guarantees to financial institutions for extending loans to customers making purchases with loans. As of March 31, 2015, the balance of loan guarantee obligations was ¥182,556 million. In providing these guarantees, they obtain collateral appropriate for the amount of the guarantees, and therefore, PAC2 considers the risk of default to be low. PAC2 accrued ¥5,649 million as a liability for these guarantees.

4. Litigations

In December 2006, the PAC2 and a subsidiary in Europe received requests for information from the European Commission in respect of alleged antitrust violations relating to liquid crystal displays.

In November 2007, a subsidiary in the U.S.A. received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the U.S. Department of Justice in respect of alleged antitrust violations relating to cathode ray tubes. In addition, in November 2007, two subsidiaries in Asia and in Europe received requests for information from the European Commission. Furthermore, in November 2007, a subsidiary in Canada received requests for information from the Canadian Competition Bureau.

In June 2009, a subsidiary in Japan received a grand jury subpoena in connection with the investigation conducted by the Antitrust Division of the U.S. Department of Justice and received requests for information from the European Commission in respect of alleged antitrust violations relating to optical disk drives. In November 2011, the subsidiary in Japan paid a fine in relation to the investigation from the Antitrust Division of the U.S. Department of Justice. In July 2012, the subsidiary in Japan received a statement of objections from the European Commission in respect of alleged antitrust violations. Two subsidiaries in Japan and in Korea accrued an amount, which was considered to be a reasonable estimate in respect of these claims.

In July 2011, a subsidiary in the U.S.A. was investigated by and received a grand jury subpoena from the Antitrust Division of the U.S. Department of Justice, the PAC2 and a subsidiary in Europe received requests for information from the European Commission, and a subsidiary in Canada received requests for information from the Canadian Competition Bureau, all in respect of alleged antitrust violations relating to automotive equipment. In November 2013, a subsidiary in Japan, which had been also primarily responsible for responding to the investigation from the Antitrust Division of the U.S. Department of Justice, paid a fine. The subsidiary in Japan made provision for estimated loss on a reasonable basis.

In June 2014, a subsidiary in Japan was investigated by the Japan Fair Trade Commission in respect of alleged antitrust violations relating to capacitors. The subsidiaries in Europe, the U.S.A., and others are being investigated by competition authorities in each country or region, all in respect of alleged antitrust violations relating to capacitors. The subsidiary in Japan made provision for estimated loss on a reasonable basis.

The PAC2, its subsidiaries and associates have cooperated with the competent authorities. Depending upon the outcome of these matters, fines or surcharge payments, the amount of which is uncertain, may be imposed on them. Also, in connection with pending and settled antitrust violations, civil disputes, including class action lawsuits, involving the PAC2 and some of these companies have arisen in a number of countries, including in the U.S.A. and Canada. An amount, which was considered to be a reasonable estimate in respect of these claims, was accrued for the potential losses in relation to certain of these civil disputes.

In August 2012, a subsidiary in Europe received a complaint filed by a customer in Europe seeking compensation for consequential losses of EUR 1,058 million (¥145,270 million), additional costs and interest allegedly incurred by the delay in the construction process of a power plant against, jointly and severally, the PAC2, the subsidiary in Europe, a consortium including the PAC2 and the subsidiary in Europe, and two other companies. In addition, in October 2013, the subsidiary in Europe received an additional complaint requesting compensation for consequential losses of EUR 239 million (¥32,865 million). Although the PAC2, the subsidiary in Europe and the consortium will vigorously defend themselves against this lawsuit, there can be no assurance that they will not be held liable for any amounts claimed.

In December 2013, the PAC2, a subsidiary in Europe and a consortium consisting of the PAC2 and the subsidiary in Europe, jointly and severally received a request from a customer in Europe to refer a dispute to arbitration seeking compensation for EUR 606 million (¥83,270 million) including consequential losses allegedly incurred by the delay in the construction process of a power plant. As of June 30, 2015, the amount of a request for compensation from the customer was changed to EUR 637 million (¥87,439 million). Although the PAC2, the subsidiary in Europe, and the consortium consisting of the PAC2 and the subsidiary in Europe, will vigorously defend themselves against this claim, there can be no assurance that they will not be held liable for any amounts claimed.

In November 2014, the PAC2 received a compensation claim from a customer in Japan for the consequential loss allegedly incurred by the delay in an operation system development. In March 2015, the dispute was settled, and in June 2015, the PAC2 paid a part of the settlement.

In June 2015, the PAC2, a subsidiary, associates, joint ventures in Asia, and one other entity received a summons from a partner in the joint ventures involving the PAC2 and the subsidiary demanding an injunction against certain competing business operations claiming these are in breach of the joint venture agreements. The PAC2, the subsidiary, the associates, the joint ventures, and one other entity will vigorously defend themselves against this claim.

The PAC2 and its subsidiaries execute a number of business reorganizations, including mergers, acquisitions and divestitures. Contracts for these reorganizations include clauses for transaction price adjustments subsequent to the reorganizations. The PAC2 had reasonably estimated a loss for the price adjustments in some business reorganizations and accrued liabilities.

Depending upon the outcome of the above legal proceedings, there may be an adverse effect on the consolidated financial position or results of operations. Currently the PAC2 is unable to estimate the adverse effect, if any, of many of these proceedings. Accordingly, except as otherwise stated, no accrual for potential loss has been made. The actual amount of fines, surcharge payments or any other payments resulting from these legal proceedings may be different from the accrued amounts.

In addition to the above, the PAC2 and its subsidiaries are subject to legal proceedings and claims which have arisen in the ordinary course of business and have not been finally adjudicated. These actions when ultimately concluded and determined will not, in the opinion of management, have a material adverse effect on the consolidated financial position or results of operations of the PAC2 and subsidiaries.

3.3.11. The equity shares of the PAC2 are listed and traded on the Tokyo Stock Exchange and the Nagoya Stock Exchange. The market price of the PAC2's shares as of October 9, 2015 is JPY 688.0 per share. The PAC2 is in compliance with applicable corporate governance requirement set out in the Companies Act of Japan (Act No. 86 of 2005) to which it is subject. The Head of Risk Management (compliance officer) for PAC2 is Toshiaki Kuzuoka. His business address is 6-6, Marunouchi 1- chome Chiyoda-ku Tokyo, 100-8280, Japan.

3.3.12. The PAC2 owns 100% of the PAC1. Upon completion of the Global Acquisition, on October 1, 2015, Acquirer indirectly holds 60% shares of the PAC4 and the PAC1 holds 40% shares in the PAC4. Upon completion of the Global Acquisition on October 1, 2015, the PAC4 indirectly controls the PAC3. PAC3 is the promoter of the Target Company

3.3.13. The PAC2 has not directly held any shares in the Target Company and has not acquired any equity shares of the Target Company directly. Accordingly, the PAC2 is not required to make disclosures related to acquisition under the provisions of Chapter II of the Takeover Regulations 1997 and Chapter V of the SEBI (SAST) Regulations herein.

3.4. **Background of the PAC3**: **JCHAC INDIA HOLDCO LIMITED**

3.4.1. The PAC3 is a private company limited by shares, was incorporated on April 30, 2015, under the Companies Act, 2006 of England and Wales. The name of the PAC3 has not been changed.

3.4.2. The registered office of the PAC3 is at c/o MoFo Notices Limited, CityPoint, One Ropemaker Street, London EC2Y 9AW, United Kingdom. Its telephone number is +44 (0)20 7920 4000 and fax number is +44 (0)20 7496 8500.

3.4.3. The PAC3 is a newly incorporated company established in connection with the Global Acquisition for the purpose of acquiring the shares of the Target Company held by the PAC1 prior to the completion of the Global Acquisition. It has not engaged in any business activity prior to the Global Acquisition, except for entering into transactions relating to the Global Acquisition.

3.4.4. Before completion of the Global Acquisition, the PAC3 was part of the Hitachi group and an indirect subsidiary of the PAC1. Post completion of the Global Acquisition, the PAC3 will be controlled by PAC4 and does not belong to any particular group.

3.4.5. As on date of this DLoF, the paid-up share capital of the PAC3 is USD 24,37,71,748 (two hundred forty-three million seven hundred seventy-one thousand seven hundred forty-seven point fifty-five) approximately Rs. 15,790,912,217 (Rupees fifteen billion seven hundred ninety million nine hundred twelve thousand two hundred seventeen only) comprising of 24,37,71,747 equity shares.

3.4.6. The PAC3 is a wholly owned subsidiary of the PAC4.

3.4.7. The details of the Board of Directors of the PAC3 are as follows. No Director of the PAC3 has a Director Identification Number.

Name of the Director: Yukio Toyoshima

Designation: Director
Date of Appointment: July 2, 2015
Qualifications: Graduated from Faculty of Economics from Seikei University.
Experience:
April 1980 - Joined Hitachi, Ltd.
April 1999 - Global Business HQ, Asia Division Senior Manager at Hitachi, Ltd.
July 2005 – Member of Urban Planning and Development Systems Group at Hitachi, Ltd. (Seconded to Siam-Hitachi Elevator Co., Ltd.)
October 2008 – Senior Manager at Marketing Control Headquarters, Global Business Headquarters and Regional Strategy Center at Hitachi, Ltd.
April 2010 - General Manager at Global Business Strategy Headquarters at Hitachi, Ltd.
October 2012 - Global Business Strategy HQ Member at Hitachi, Ltd. (Seconded to Hitachi Asia Ltd. (President))
April 2014 -Director of Hitachi Appliances, Inc. (resigned September 2015)
July 2015 - Director at JCHAC India HoldCo Ltd.

3.4.8. None of the directors of the PAC3 are on the Board of Directors of the Target Company.

3.4.9. The PAC3 has been incorporated on April 30, 2015 and this being its first year of operations, no financial statements are available.

3.4.10. The equity shares of the PAC3 are not listed on any stock exchange.

3.4.11. As on the date of the DLoF, the PAC4 indirectly owns 100% of the PAC3 and the Acquirer indirectly holds 60% shares of the PAC4 and the PAC1 holds the remaining 40% shares of the PAC4. Upon completion of the Global Acquisition on October 1, 2015, the PAC4 indirectly controls the PAC3. PAC3 is the promoter of the Target Company.

3.4.12. The PAC3 holds 2,01,89,894 shares representing 74.252% (seventy four point two five two percent) of the Voting Share Capital of the Target Company and is a promoter of the Target Company.

3.4.13. The applicable provisions of Chapter V of the SEBI (SAST) Regulations and Chapter II of the Takeover Regulations 1997 have been complied with by the PAC3 within the time specified in the SEBI (SAST) Regulations and the Takeover Regulations 1997 respectively.

3.5. **Background of the PAC4**: **JOHNSON CONTROLS-HITACHI AIR CONDITIONING HOLDING (UK) LTD**

3.5.1. The PAC4, a private company limited by shares, was incorporated on March 5, 2015 as Johnson Controls Air Conditioning Holding (UK) Ltd, under the Companies Act, 2006 of England and Wales. On October 1, 2015, the name of the PAC4 was changed to Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd

3.5.2. The PAC4 has its registered office at 2, The Briars, Waterberry Drive, Waterlooville, Hampshire PO7 7YH, UK. Its telephone number is +44 023 9223 0500 and fax number is +44 023 9223 9339.

3.5.3. The PAC4 is a newly incorporated company established in connection with the Global Acquisition and is not engaged in any business activity prior to the Global Acquisition, except for entering into transactions relating to the Global Acquisition.

3.5.4. The PAC4 is a joint-venture between Acquirer and PAC1 and is jointly controlled by the Acquirer and the PAC1.

3.5.5. As on date of this DLoF, the paid-up share capital of the PAC4 is USD 929,328,229 (US Dollar nine hundred and twenty nine million, three hundred and twenty eight thousand, two hundred and twenty nine only) or approximately Rs. 60,769,516,357 divided into 929,328,229 ordinary shares of USD 1 each.

3.5.6. The shareholders of the PAC4, as on the date of the DLoF, are as under:

Sr. No.	Name of the Shareholder	No. of Shares	% shareholding
1.	Johnson Controls International Holdings Ltd. (1)	557,596,937(2)	60%
2.	PAC1	371,731,292	40%
	TOTAL	**929,328,229**	**100%**

Notes:

(1) Johnson Controls International Holdings Ltd. is ultimately 100% owned by the Acquirer

(2) Includes 2,267,883 shares which have been transferred to Johnson Controls International Holdings Ltd and will be registered upon stamping

3.5.7. The details of the Board of Directors of the PAC4 are as follows:

- **Name of the Director:** Franz Wolfgang Cerwinka
  Designation: Director
  Director Identification Number: Not Applicable
  Date of Appointment: October 1, 2015
  Qualifications: BS in Industrial Engineering Universidad de las Americas, Puebla, MBA University of Michigan, Ann Arbor
  Experience: Franz has served in a variety of operations, commercial and finance leadership positions within Automotive Experience and Building Efficiency during his tenure with the company. Franz is currently leading the Hitachi JV Due Diligence and integration efforts. An XLP graduate of 2006, Franz has had experience leading significant change across multiple regions and cultures, having worked for JCI based in Mexico, US and Japan, with responsibilities over NA, Asia Pacific, China, Japan and Europe in various capacities. Throughout his career, Franz has led initiatives that significantly improved profitability and performance in various businesses, such as AE Japan turn-around (from loss of $20m/yr to $100m profit), AE China growth, BE Europe restructuring and disposal of non-core businesses (merged S&S, Refrigeration and Solutions into one organization, reduced SGA by $70m and divested France ComRef) and BE NA Customer Strategy. During his 4-year assignment in Japan, he led the Finance function for AE Asia and represented JCI in most of the JVs in China, SEA, India and Korea.Since joining BE in 2009, Franz led finance groups for Global Lines of Business, Global Manufacturing, Service, UPG, Europe and North America Controls, Stief worked at Pricewaterhouse Coopers, joining the firm in 1979, becoming a partner in 1989. During his career there, he served many of the firm's largest clients, primarily publicly-held multinational manufacturers.
- **Name of the Director:** Brendan Patrick McNulty
  Designation: Director
  Director Identification Number: Not Applicable
  Date of Appointment: October 1, 2015
  Qualifications: Higher National Certificate Air Conditioning & Refrigeration, Solihull College of Technology

Experience: Currently Vice President & General Manager North & West Europe for Johnson Controls Building Efficiency Division since April 2014. Previously served as Vice President & General Manager for Johnson Control UK & Ireland Building Efficiency business and has held positions with increasing levels of responsibility from technical roles through to senior and progressive leadership roles across Service, Sales and Operations since joining the company in 1986.

Mr. McNulty brings to the board extensive knowledge and experience of the HVACR market across Europe. In addition with 30 years of service with Johnson Controls he has a wealth of knowledge and experience of Johnson Controls business, products and services with a practical understanding on how to translate these into developing successful growth strategies in the market. Mr. McNulty has also served as a Director of Johnson Controls UKI Building Efficiency business for a number of years.

- **Name of the Director:** Rodney Neil Rushing
  Designation: Director
  Director Identification Number: Not Applicable
  Date of Appointment: October 1, 2015
  Qualifications: Southern Illinois University Edwardsville
  Experience: As the global vice president and general manager of the Acquirer's Direct Expansion (DX) product organization, Rod leads strategic growth of the Acquirer's ducted and ductless product offerings, including unitary products, applied rooftop units and DX advanced technology. He also oversees the joint venture formation with Hitachi for the ductless product portfolio in key global markets. After joining Johnson Controls in 1990 as a member of the St. Louis branch, Rod has held numerous leadership positions for the Building Efficiency business across the United States, including regional general manager and vice president and general manager for Systems in the West region. He and his teams focused on improving the discipline and execution of the Acquirer's systems strategies, including overseeing the Acquirer's controls, equipment, products and fire and security businesses. Rod served as vice president and general manager of Unitary Products, where he led the team toward an integrated business strategy, improving cost, quality and delivery of the Acquirer's products and expanding its distribution. Most recently, he was the vice president and general manager of Products and Distribution in North America where he was responsible for building and leading initiatives that provide a competitive advantage to both Johnson Controls and its customers through the breadth of its line card and make it easier for its customers to do business, thus driving their profitability. Rod is an executive sponsor of the Hispanic Business Resource Group at Johnson Controls whose mission is to create and sustain a diverse and inclusive workplace. He has previously presented on distribution channel management, general management, and construction management and building technology. In addition to his duties with Johnson Controls, Rod is a member of the AHRI executive committee and Make-A-Wish Wisconsin board. Rod holds a Bachelor of Science degree in Electrical Engineering from the University of Missouri-Rolla and a Master of Business and Science degree from Southern Illinois University.
- **Name of the Director:** Shinichi Iizuka
  Designation: Director
  Director Identification Number: 00266660
  Date of Appointment: October 1, 2015
  Qualifications: Graduated from faculty of Science and Technology of Sophia University

Experience:
April 1979 - Joined Hitachi, Ltd., Tochigi Works
August 2001 – Senior Division Manager, Home Appliances Group, Air Conditioning and Cooling Business Division, Environmental Devices Department at Hitachi, Ltd.
October 2002 - Division Member, Hitachi Home & Life Solutions, Inc., Global Business (Seconded to Amtrex Hitachi Appliances Ltd.)
October 2006 – Member, Air Conditioning Global Division at Hitachi Appliances, Inc. (Seconded to Hitachi Home & Life Solutions (India) Ltd.(HHLI) (President)
April 2010 - General Manager, Tochigi Air Conditioning Division at Hitachi Appliances, Inc.
April 2011 - Director of Hitachi Appliances, Inc.
April 2013 - Executive Managing Director at Hitachi Appliances, Inc. (resigned as of September 2015)
October 2015- Director (Current) of PAC4

- **Name of the Director:** Takanori Ninomiya
  Designation: Director
  Director Identification Number: Not Applicable
  Date of Appointment: October 1, 2015
  Qualifications: Master's of Engineering in Communications Technology from Osaka University
  Experience:
  April 1980 - Joined Hitachi, Ltd., Production Engineering Research Laboratory
  January 2007 - Head of Production Engineering Research Laboratory at Hitachi, Ltd.
  January 2008 – Head of Hitachi Research Laboratory, at Hitachi, Ltd.
  April 2011 - Executive Managing Director of Hitachi Appliances, Inc.
  April 2013 - President and Director (Current) of Hitachi Appliances, Inc.
  October 2015 - Director (Current) of PAC4

3.5.8. None of the directors of the PAC4 except Shinichi Iizuka is on the Board of Directors of the Target Company.

3.5.9. The PAC4 has been incorporated on March 5, 2015 and this being its first year of operations, no financial statements are available.

3.5.10. The equity shares of the PAC4 are not listed on any stock exchange.

3.5.11. As on the date of the DLoF, the PAC4 indirectly owns 100% of the PAC3 and the Acquirer indirectly holds 60% shares of the PAC4 and the PAC1 holds the remaining 40% shares of the PAC4. Upon completion of the Global Acquisition on October 1, 2015, the PAC4 indirectly controls the PAC3. PAC3 is the promoter of the Target Company.

3.5.12. The PAC4 has not directly held any shares in the Target Company and has not acquired any equity shares of the Target Company directly. Accordingly, the PAC4 is not required to make disclosures related to acquisition under the provisions of Chapter II of the Takeover Regulations 1997 and Chapter V of the SEBI (SAST) Regulations herein.

4. BACKGROUND OF THE TARGET COMPANY: HITACHI HOME AND LIFE SOLUTIONS (INDIA) LIMITED

4.1. The Target Company, a public limited company, was incorporated on December 7, 1984 under the laws of India. The Target Company was incorporated as Acquest Air-conditioning Systems Private Limited on December 7, 1984 and subsequently the Target Company was converted into a deemed public limited company on April 18, 1990. On September 14, 1990, the name of the Target Company was changed to Amtrex Appliances Limited and further to Amtrex Hitachi Appliances Limited on January 25, 1999. On March 12, 2003, the name of the Target Company was further changed to its present name Hitachi Home and Life Solutions (India) Limited.

(Source: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1355484572947.pdf)

4.2. The registered office of the Target Company is located at 9th Floor, Abhijeet, Mithakhali Six Roads, Ahmadabad, Gujarat-380006. Its telephone number is +91 79 2640 2024 and fax number is +91 79 3041 4999. (Source: www.bseindia.com, www.nseindia.com)

4.3. The Target Company manufactures various kinds of products, including room air-conditioners, commercial air-conditioners, chillers and is into trading of VRF systems, chillers, rooftops and refrigerators. The Target Company's manufacturing facility is situated at Kadi, Gujarat, India. The Target Company performs its marketing activities through twenty branches and forty two service centers spread across India.
(*Source: Target Company website; Target Company Annual Report March 31, 2015*)

4.4. The share capital structure of the Target Company is as follows:

Paid-up Equity Shares of Target Company	No. of Shares	% of shares or voting rights
Fully paid-up Equity Shares	27,190,884	100%
Partly paid-up Equity Shares	Nil	Nil
Total paid-up equity	**27,190,884**	**100%**
Total voting rights	**27,190,884**	**100%**

(*Source: Target Company confirmations, BSE Website and NSE Website and Target Company Annual Report March 31, 2015*)

4.5. The Equity Shares are currently listed on the NSE (Symbol: HITACHIHOM) and the BSE (Scrip Code: 523398). The ISIN of the Target Company is INE782A01015. (Source: www.bseindia.com, www.nseindia.com).

4.6. There are no Equity Shares of the Target Company that are not listed on the BSE or the NSE.

4.7. Trading of Equity Shares is not currently suspended on the Stock Exchanges. (Source: www.bseindia.com, www.nseindia.com)

4.8. As of the date of this DLoF, there are no (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants / fully convertible debentures / partly convertible debentures / employee stock options) issued by the Target Company. (*Source: BSE Website, NSE Website and Target Company Annual report 2014-15*)

4.9. The Board of Directors of the Target Company comprises the following directors:

- **Name of the Director:** Shinichi Iizuka
  Designation: Chairman
  Director Identification Number: 00266660
  Date of Appointment: June 21, 2010
- **Name of the Director:** Atsushi Ohtsuka
  Designation: Managing Director
  Director Identification Number: 06584346
  Date of Appointment: September 1, 2015
- **Name of the Director:** Anil Shah
  Designation: Executive Director
  Director Identification Number: 01603039
  Date of Appointment: June 1, 2007
- **Name of the Director:** Gurmeet Singh
  Designation: Executive Director
  Director Identification Number: 06938403
  Date of Appointment: July 21, 2014
- **Name of the Director:** Varghese Joseph
  Designation: Executive Director
  Director Identification Number: 03278962
  Date of Appointment: August 1, 2015
- **Name of the Director:** Vinay Chauhan
  Designation: Executive Director
  Director Identification Number: 00267806
  Date of Appointment: May 15, 2006
- **Name of the Director:** Ashok Balwani
  Designation: Independent Director
  Director Identification Number: 02292791
  Date of Appointment: July 28, 2008
- **Name of the Director:** Devender Nath
  Designation: Independent Director
  Director Identification Number: 02310301
  Date of Appointment: July 28, 2008
- **Name of the Director:** Indira Parikh
  Designation: Independent Director
  Director Identification Number: 00143801
  Date of Appointment: November 4, 2014
- **Name of the Director:** Mukesh Patel
  Designation: Independent Director
  Director Identification Number: 00053892
  Date of Appointment: March 27, 2003
- **Name of the Director:** R S Mani
  Designation: Independent Director
  Director Identification Number: 00645097
  Date of Appointment: December 15, 2010
- **Name of the Director:** Ravindra Jain
  Designation: Independent Director
  Director Identification Number: 00281279
  Date of Appointment: May 15, 2006
- **Name of the Director:** Vinesh Sadekar

Designation: Independent Director
Director Identification Number: 00046815
Date of Appointment: December 15, 2010

4.10. As of the date of this DLoF, Shinichi Iizuka and Atsushi Ohtsuka are directors on the Board of Directors of the Target Company. However, given their historical association with the PAC 1 and their current association with the PAC4, both Shinichi Iizuka and Atsushi Ohtsuka (since his appointment as the Managing Director of the Target Company), in terms of Regulation 24(4) of the SEBI (SAST) Regulations, have recused themselves and have not participated, and will not participate in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to the Offer.

4.11. The Target Company was not involved in any merger/demerger/spin offs during the last 3 (three) years.

4.12. Brief audited financial details of the Target Company for the last 3 (three) financial years (ending 31 March) and 3 months (ending 30 June) and limited reviewed Balance Sheet for3 months (ending 30 June), as derived are as set forth below:[1]

(In Rs. million unless stated otherwise)

Profit & Loss Statement	12-month period ended March 31,			3-month period ended June 30,
Particulars	**2013**	**2014**	**2015**	**2015**
Revenue from operations	9,300	10,997	15,728	7,088
Other Income	16	57	71	3
Total Income	9,316	11,055	15,800	7,091
Total Expenditure (excluding depreciation and amortization) [(a)]	(8,835)	(10,522)	(14,348)	(6,253)
Profit Before Depreciation, Interest and Taxes	481	533	1,452	838
Depreciation and amortization expense	(202)	(300)	(359)	(113)
Interest Expense (net)	(72)	(119)	(83)	(29)
Profit Before Tax	207	113	1,010	696
Tax Expenses	(54)	(33)	(232)	(231)
Profit After Tax	153	80	778	465
Earnings Per Share (Rs.)	6.67	2.97	28.60	17.11
Dividend (%)[(b)]	15.0%	15.0%	15.0%	-

Balance Sheet	As of period ended March 31,		
Particulars	**2013**	**2014**	**2015**
Sources of Funds			
Share Capital	230	272	272
Reserves and Surplus	1,587	2,128	2,856

Net Worth[(c)]	1,817	2,400	3,129
Share Application Money	547	0	0
Long-term borrowings	552	276	276
Other non-current liabilities[(d)]	138	277	341
Total	3,054	2,953	3,746
Uses of Funds			
Net Fixed Assets	1,884	1,976	2,456
Long term loans and advances	179	306	247
Other Non-Current Assets[(e)]	0	6	0
Net Current Assets	991	665	1,042
Total	3,054	2,953	3,746

(a) Total Expenditure (excluding depreciation and amortization) is sum of Cost of raw material and components consumed, Purchase of stock-in-trade, Decrease / (Increase) in inventories of finished goods, work-in-progress and stock-in-trade, Employee benefits expense and Other expenses
(b) Dividend (%) calculated as Dividend per share divided by Par value of shares
(c) Net worth is sum of Share Capital and Reserves & Surplus
(d) Other Non-current liabilities is a sum of Deferred tax liabilities (net), Other long-term liabilities and Long-term provisions
(e) Other Non-current assets is Deferred tax assets (net)

4.13. The shareholding pattern of the Target Company before (i.e. as of September 30, 2015) and after this Offer, is as follows:

(*Source: BSE website*)

Shareholders' category	**Shareholding and voting rights Prior to the agreement/ acquisition and offer.**		**Shares /voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations**		**Shares/voting rights to be acquired in this Offer (Assuming full acceptances)**		**Shareholding/voting rights after the acquisition and this offer.**	
	(A)		(B)		(C)		(A)+(B)+(C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								
a. Parties to agreement, if any	-	-	-	-	-	-	-	-
b. Promoters other than 1(a) above *	20,189,894	74.252%	-	-	-	-	20,189,894	74.252%
Total 1(a+b)	**20,189,894**	**74.252%**	-	-	-	-	**20,189,894**	**74.252%**
(2) Acquirer / PACs								
a. Acquirer	-	-	-	-	-	-	-	-
b. PAC1	-	-	-	-	-	-	-	-
c. PAC2	-	-	-	-	-	-	-	-
d. PAC3 *	-	-	-	-	-	-	-	-
e. PAC4	-	-	-	-	7,000,990	25.748%	7,000,990	25.748%
Total 2 (a+b)	-	-	-	-	**7,000,990**	**25.748%**	**7,000,990**	**25.748%**
(3) Parties to agreement other than(1)(a) & (2)(a)	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, Acquirer & PAC)								
a. FIs/MFs/FII/FPI Banks, SFIs	2,457,693	9.039%	-	-	-	-	-	-
b. Others	4,543,297	16.709%	-	-	-	-	-	-
Total (4) (a+b)	**7,000,990**	**25.748%**	-	-	-	-	-	-
Grand Total (1+2+3+4)	**27,190,884**	**100%**					**27,190,884**	**100%**

** Includes the holding of JCHAC India Holdco Limited which is PAC3. Please refer to Section*

2.1.5 for details of acquisition by PAC3

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1. Justification of Offer Price

5.1.1. The Equity Shares of the Target Company are listed and traded on BSE and NSE ("**Stock Exchanges**"). As on the date of the DPS, the Equity Shares are listed on NSE having a symbol: HITACHIHOM and on BSE having a Scrip Code of 523398. The ISIN of the Target Company is INE782A01015.

5.1.2. The Offer is a mandatory offer being made under Regulation 3(1) and 4 read with Regulations 5(1) of the SEBI (SAST) Regulations, pursuant to an indirect acquisition of voting rights in and control by the Acquirer over the Target Company under Regulation 5(1) of the SEBI (SAST) Regulations.

5.1.3. The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.

5.1.4. The annualized trading turnover in the Equity Shares on the Stock Exchanges are based on trading volume during the twelve calendar months prior to the month of PA (January 1, 2014 to December 31, 2014) is as given below:

Stock Exchange	Total number of Equity Shares traded during the twelve calendar months prior to the month of PA (A)	Weighted average of total number of listed Equity Shares during this period (B)	Annualised trading turnover (in %) (as % of total listed Equity Shares)
NSE	33,290,129	27,190,884	122.4%
BSE	10,603,939	27,190,884	39.0%

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

5.1.5. Based on the above information, the Equity Shares were frequently traded on both the Stock Exchanges within the meaning Regulation 2(1)(j) of the SEBI (SAST) Regulations, during the 12 (Twelve) months preceding the date on which the PA was made.

5.1.6. The Offer Price of Rs. 821.38 (Indian Rupees Eight hundred twenty one and thirty eight paise) per Equity Share is justified in terms of Regulations 8(3) and 8(4) of the SEBI (SAST) Regulations, in view of the following:

1.	Highest negotiated price per Equity Share, if any, of the Target Company under the Global Acquisition	Not applicable
2.	Volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by any person	Not applicable

	acting in concert with the Acquirer, during the fifty-two weeks immediately preceding January 21, 2015 (being the earlier of the date on which the Global Acquisition is contracted, and the date on which the intention or the decision to enter into the Global Acquisition is announced in the public domain)	
3.	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, during the twenty-six weeks immediately preceding January 21, 2015 (being the earlier of the date on which the Global Acquisition is contracted, and the date on which the intention or the decision to enter into the Global Acquisition is announced in the public domain)	Not applicable
4.	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, between January 21, 2015 (being the earlier of the date on which the Global Acquisition is contracted, and the date on which the intention or the decision to enter into the Global Acquisition is announced in the public domain) and the date of the PA (being January 26, 2015)	Not applicable
5.	Volume-weighted average market price of the Equity Shares for a period of 60 (sixty) trading days immediately preceding January 21, 2015 (being the earlier of the date on which the Global Acquisition is contracted, and the date on which the intention or the decision to enter into the Global Acquisition is announced in the public domain) as traded on the NSE, where the maximum volume of trading in the Equity Shares of the Target Company are recorded during such period, provided that such Equity Shares are frequently traded	Rs. 821.38 per share
6.	Per Equity Share value, as required under Regulation 8(5) of the SEBI (SAST) Regulations.	Rs. 821 per share (1)

Note:

(1) In terms of Regulation 8(5) of the SEBI (SAST) Regulations, the (i) proportionate net asset value of the Target Company as a percentage of the consolidated net asset value of entity / business being acquired as part of Global Acquisition (ii) proportionate sales turnover of the Target Company as a percentage of the consolidated sales turnover of entity / business being acquired as part of Global Acquisition; or (iii) proportionate market capitalization of the Target Company as a percentage of the enterprise value of entity / business being acquired as part of Global Acquisition is more than fifteen percent. The parties to the Underlying Agreement have allocated a price of Rs. 821 per Equity Share to the Target Company

5.1.7. Additionally, with reference to Regulation 8(8) of the SEBI (SAST) Regulations, please note that pursuant to the transaction as set out in the Underlying Agreement and in order to facilitate the Global Acquisition, Hitachi Group restructured the holding of its global air-conditioning business across various jurisdictions:

i. On September 11, 2015, the PAC3 acquired 1,96,89,894 Equity Shares representing 72.414% of the Voting Share Capital of the Target Company from the PAC1 at a price of Rs. 821 per Equity Share as an inter-se transfer of shares within the Hitachi Group;

ii. On September 16, 2015, the PAC1 acquired 5,00,000 Equity Shares representing 1.839% of the Voting Share Capital of the Target Company from Hitachi India Private Limited at a price of Rs. 821.38 per Equity Share as an inter-se transfer of shares within the Hitachi Group;

iii. On September 18, 2015, the PAC3 acquired 5,00,000 Equity Shares representing 1.839% of the Voting Share Capital of the Target Company from the PAC1 at a price of Rs. 821 per Equity Share as an inter-se transfer of shares within the Hitachi Group.

iv. Subsequently, the holding in the Target Company was transferred under the PAC4 as detailed in section 2.1.5 above.

5.1.8. In terms of Regulation 8(12) of the SEBI (SAST) Regulations, in case of an indirect acquisition other than indirect acquisition referred in Regulation 5(2) of the SEBI (SAST) Regulations, the offer price shall stand enhanced by an amount equal to a sum determined at the rate of 10% (ten percent) per annum for the period between the earlier of the date on which the primary acquisition is contracted or the date on which the intention or the decision to make the primary acquisition is announced in the public domain, and the date of the detailed public statement, provided that such period is more than five working days.

5.1.9. The Underlying Agreement was executed on January 21, 2015 and the PA with respect to the Underlying Agreement was also made on January 27, 2015. The Global Acquisition contemplated in the Underlying Agreement was concluded on October 1, 2015. In compliance with Regulation 8(12) of the SEBI (SAST) Regulations, the Offer Price of Rs. 821.38 per Equity Share has been enhanced by Rs. 58.74 per share, being the interest determined at the rate of 10 per cent per annum on the Offer Price for the period between the date of MTA (agreement triggering the Offer) i.e. January 21, 2015 and the date of publication of the DPS. Therefore the Enhanced Offer Price is Rs. 880.12 per Equity Share.

5.1.10. The price and volume data of the Equity Shares on NSE, i.e. where the Equity Shares are most frequently traded, for a period of 60 (sixty) trading days immediately preceding the date of the PA, as per Regulation 8(3)(e) of the SEBI (SAST) Regulations, are set forth below:

Sr. No	Date	Total Traded Quantity (Numbers)	Turnover (Rs. in Lakhs)
1.	Wednesday, January 21, 2015	100,766	984.77
2.	Tuesday, January 20, 2015	147,180	1,442.01
3.	Monday, January 19, 2015	465,593	4,539.57
4.	Friday, January 16, 2015	148,876	1,362.54
5.	Thursday, January 15, 2015	90,026	808.46
6.	Wednesday, January 14, 2015	167,046	1,493.18
7.	Tuesday, January 13, 2015	86,008	754.04
8.	Monday, January 12, 2015	47,978	420.86
9.	Friday, January 09, 2015	53,904	475.81
10.	Thursday, January 08, 2015	82,860	731.59
11.	Wednesday, January 07, 2015	69,332	598.09
12.	Tuesday, January 06, 2015	76,413	664.47

13.	Monday, January 05, 2015	100,785	902.51
14.	Friday, January 02, 2015	148,195	1,343.77
15.	Thursday, January 01, 2015	69,668	620.92
16.	Wednesday, December 31, 2014	246,654	2,213.40
17.	Tuesday, December 30, 2014	483,085	4,477.35
18.	Monday, December 29, 2014	633,986	5,671.42
19.	Friday, December 26, 2014	30,343	250.33
20.	Wednesday, December 24, 2014	50,767	419.57
21.	Tuesday, December 23, 2014	67,117	554.49
22.	Monday, December 22, 2014	49,417	415.21
23.	Friday, December 19, 2014	66,556	563.23
24.	Thursday, December 18, 2014	86,313	744.58
25.	Wednesday, December 17, 2014	223,346	1,863.78
26.	Tuesday, December 16, 2014	188,985	1,574.61
27.	Monday, December 15, 2014	471,924	4,207.76
28.	Friday, December 12, 2014	552,141	4,812.79
29.	Thursday, December 11, 2014	47,416	388.74
30.	Wednesday, December 10, 2014	48,438	397.50
31.	Tuesday, December 09, 2014	99,740	819.11
32.	Monday, December 08, 2014	98,602	812.73
33.	Friday, December 05, 2014	185,268	1,529.31
34.	Thursday, December 04, 2014	201,580	1,657.33
35.	Wednesday, December 03, 2014	251,297	2,027.09
36.	Tuesday, December 02, 2014	119,645	939.81
37.	Monday, December 01, 2014	79,060	620.58
38.	Friday, November 28, 2014	95,446	767.90
39.	Thursday, November 27, 2014	117,750	950.69
40.	Wednesday, November 26, 2014	185,439	1,490.56
41.	Tuesday, November 25, 2014	180,991	1,454.10
42.	Monday, November 24, 2014	332,927	2,770.66
43.	Friday, November 21, 2014	319,558	2,624.77
44.	Thursday, November 20, 2014	463,576	3,759.29
45.	Wednesday, November 19, 2014	781,630	6,769.34
46.	Tuesday, November 18, 2014	1,318,790	11,237.91
47.	Monday, November 17, 2014	1,125,040	8,773.82
48.	Friday, November 14, 2014	174,001	1,220.22
49.	Thursday, November 13, 2014	555,984	3,889.24

50.	Wednesday, November 12, 2014	62,260	410.32
51.	Tuesday, November 11, 2014	55,488	364.53
52.	Monday, November 10, 2014	78,788	523.77
53.	Friday, November 07, 2014	145,589	958.47
54.	Wednesday, November 05, 2014	229,340	1,536.90
55.	Monday, November 03, 2014	224,723	1,480.82
56.	Friday, October 31, 2014	255,530	1,631.84
57.	Thursday, October 30, 2014	220,296	1,363.54
58.	Wednesday, October 29, 2014	162,425	979.37
59.	Tuesday, October 28, 2014	139,381	828.40
60.	Monday, October 27, 2014	61,435	360.75

Volume weighted average market price based on the above is Rs. 821.38 per Equity Share.

5.1.11. In the event of acquisition of the Equity Shares by the Acquirer or the PACs during the Offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and the PACs shall not acquire any Equity Shares after the 3rd (third) working day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 (three) working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PACs shall: (i) make corresponding increases to the amount kept in the escrow account under Regulation 17 of the SEBI (SAST) Regulations; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform BSE, NSE, SEBI and the Target Company at its registered office of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.

5.1.12. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. (*Source: BSE Website, NSE Website and the Target Company confirmations*)

5.1.13. There has been no revision in the Offer Price or to the Offer Size as of the date of this DLoF.

5.2. **Financial Arrangements**

5.2.1. Assuming full acceptance, the total funds requirements (including the Enhanced Offer Price) to meet the Offer is Rs. 6,161,711,318.80 (Indian Rupees six hundred sixteen crore seventeen lakhs eleven thousand three hundred eighteen and paisa eighty only) ("**Maximum Consideration**").

5.2.2. The Acquirer has made firm financial arrangements for fulfilling the payment obligations under the Offer, in terms of regulation 25(1) of the SEBI (SAST) Regulations, and hence the Acquirer is able to implement the Offer. The Acquirer shall meet its obligation to acquire such shares through internal accruals and / or borrowings from a bank and/or financial institution.

5.2.3. The Acquirer has given an undertaking to the Manager to the Offer to meet the payment obligations under the Offer in accordance with its terms. Source of funds shall be undrawn credit lines available with the Acquirer. J.P. Morgan, by its letter dated October 8, 2015, has confirmed that the Acquirer has committed credit lines available in aggregate of US$ 2,500 million (US Dollar two thousand and five hundred million) and the undrawn amount as of this date is approximately US$ 2,464 million (US Dollar two thousand four hundred and sixty four million), which is equal to or more than 100% (one hundred percent) of the Maximum Consideration (based on the RBI's exchange rate of US$1= Rs. 65.3908 as on October 06, 2015) is available with PAC4 for the purposes of fulfilling its payment obligations under the Offer.

5.2.4. On behalf of the PAC4, Bank of America N.A., a national banking association organized under the laws of the United States of America, having its head office at Charlotte, North Carolina, USA and carrying on the business of banking in India as a scheduled commercial bank and acting through its branch in India located at Express Towers, Nariman Point, Mumbai ("**Escrow Bank**") has issued an unconditional, irrevocable and on demand bank guarantee dated October 06, 2015 having Bank Guarantee No.: GT111523/15 in favour of the Manager to the Offer for an amount of Rs. 1,400 million (Rs. One thousand and four hundred million only) ("**Bank Guarantee**"). The Bank Guarantee is valid up to February 1, 2016. The Manager to the Offer has been duly authorized to realize the value of the Bank Guarantee in terms of the SEBI (SAST) Regulations. The Guarantee entitles the Manager to the Offer to realize the value thereof in terms of the SEBI (SAST) Regulations. The PAC4 undertakes that in case the Offer is not completed within the validity of Bank Guarantee, then the Bank Guarantee will be further extended at least up to thirty (30) days from the date of payment of consideration to Eligible Shareholders who have validly tendered the Equity Shares in the Offer, as required under Regulation 17(6) of SEBI (SAST) Regulations.

5.2.5. In addition to the Guarantee, the PAC4, Manager to the Offer and the Escrow Bank, have entered into an escrow agreement dated October 6, 2015 ("**Escrow Agreement**"). Pursuant to the Escrow Agreement, the PAC4 has established an escrow account under the name and title of "JCH-ACH IND OPEN OFFER ESCROW AC" ("**Escrow Account**") with the Escrow Bank and has deposited cash of an amount of Rs. 62 million (Indian Rupees sixty two million only) being more than 1% (one percent) of the Maximum Consideration, in the Escrow Account in accordance with Regulation 17(4) of the SEBI (SAST) Regulations. The Manager has been duly authorized to realize the value of the aforesaid Escrow Account in terms of the SEBI (SAST) Regulations.

5.2.6. The amount deposited in the Escrow Account, along with the Bank Guarantee amount are in excess of a sum total of (i) 25% of Rs. 500,00,00,000/- (Rupees five hundred crore) out of the Maximum Consideration; and (ii) 10% of the balance of the Maximum Consideration, as required under Regulation 17(1) of the SEBI (SAST) Regulations.

5.2.7. In case of any upward revision in the Offer Price or the size of the Offer, the cash in the Offer Escrow Account shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded via the Offer Escrow Account by the PAC4, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

5.2.8. The Acquirer and the PACs are aware of, and will comply with their obligations under the SEBI (SAST) Regulations. The Acquirer and the PACs have adequate financial resources to meet the Offer obligations under the SEBI (SAST) Regulations.

5.2.9. The Escrow Bank is neither an associate company nor a group company of the Acquirer, the PACs or the Target Company.

5.2.10. PricewaterhouseCoopers LLP, having office at 100E. Wisconsin Ave., Ste. 1800, Milwaukee, WI 53202, United States vide certificate dated October 6, 2015 has certified that the Acquirer has undrawn committed credit lines which can be utilized by the Acquirer for the purpose of fulfilling the obligations under the Offer ("**Chartered Accountants' Certificate**").

5.2.11. The Acquirer has, by certificates dated October 8, 2015, given undertakings to the Manager to the Offer to meet their financial obligations under this Offer.

5.2.12. On the basis of the aforesaid financial arrangements and the Chartered Accountants' Certificate, the Manager to the Offer confirms that firm arrangements for funds for payment through verifiable means are in place to implement this Offer.

6. TERMS AND CONDITIONS OF THE OFFER

6.1. The Acquirer shall accept the Offer subject to the following:

6.1.1. This Offer is a mandatory indirect offer in compliance with Regulation 3(1), 4 and 5(1) of the SEBI (SAST) Regulations.

6.1.2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

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

6.1.4. The Acquirer / PACs will acquire the Equity Shares which are free from all liens, charges, equitable interests and encumbrances. The Acquirer / PACs shall acquire the Equity Shares of the Eligible Shareholders who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof and the tendering Eligible Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.

6.1.5. There shall be no discrimination in the acceptance of locked-in and non locked-in Equity Shares in the Offer. The acceptance of locked-in Equity Shares by the Acquirer / PACs is subject to applicable law and the continuation of the residual lock-in period in the hands of the Acquirer. As per the filings made by the Target Company with BSE and NSE, there are no Equity Shares which are under lock-in.

6.1.6. All Eligible Shareholders may participate in the Offer any time during the Tendering Period but before the closure of the Tendering Period.

6.1.7. Each Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.

6.1.8. The acceptance of this Offer by Eligible Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

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

6.1.10. The Acquirer / PACs reserve the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 3 (three) Working Days prior to the commencement of the Tendering Period, i.e., up to November 30, 2015 in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer / PACs would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the DPS and the Draft Letter of Offer.

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

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

6.1.13. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.

6.1.14. **Statutory and other approvals:**

6.1.14.1. The Acquirer has obtained the CCI Approval and as on the date of this DLoF, subject to the paragraph 6.1.14.2 below, to the best of the knowledge of the Acquirer and the PACs, there are no statutory or regulatory approvals required by the Acquirer or the PACs to complete this Offer. However, in case of any statutory or regulatory approvals being required by the Acquirer or the PACs at a later date before the closure of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer or the PACs shall make the necessary applications for such approvals without undue delay.

6.1.14.2. NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them, in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit such approvals along with the documents required to accept this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, FPIs and FIIs) had required any approvals (including from the RBI or the FIPB) or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Offer.

6.1.14.3. In the case of delay in receipt of any statutory approvals to complete this Offer, which may be required by the Acquirer or the PACs at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PACs agreeing to pay interest to the Eligible Shareholders of the Target Company for delay beyond 10 (ten) working days at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirer or the PACs will have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.

6.1.14.4. The Acquirer and the PACs will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are refused. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) working days of such withdrawal, in the same newspapers in which the DPS was published and simultaneously BSE, NSE, SEBI and the Target Company at its registered office, will also be informed in writing of such withdrawal, respectively.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

7.1. All Eligible Shareholders holding Equity Shares, whether holding the Equity Shares in dematerialized or physical form, registered or unregistered, are entitled to participate in this Offer, at any time during the tendering period of this Offer.

7.2. A tender of Equity Shares pursuant to any of the procedures described in this DLoF will constitute a binding agreement between the Acquirer, the PACs and the tendering Shareholder, including the tendering Shareholder's acceptance of the terms and conditions of this DLoF. The acceptance of this Offer is entirely at the discretion of the Eligible Shareholders. The acceptance of this Offer by the Eligible Shareholders must be absolute and unqualified. In the event any change or modification is made to the Form of Acceptance or if any acceptance to this Offer which is conditional and incomplete in any respect, the Manager to the Offer, the Acquirer and the PACs reserve the right to reject the acceptance of the Offer by such Shareholder.

7.3. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of this DLoF.

7.4. This DLoF together with the Form of Acceptance, will be mailed on or before November 20, 2015 to all the Eligible Shareholders of the Target Company whose names appear in the register of members of the Target Company and the beneficial owners of the Equity Shares, whose names appear on the beneficial records of the respective depositories, in each case at the close of business hours on November 13, 2015, i.e., the Identified Date. Accidental omission to dispatch this DLoF to any Shareholder to whom this Offer has been made or non-receipt of this DLoF by any such Shareholder shall not invalidate this Offer in any way.

7.5. The Registrar to the Offer has opened a special depository account with DSP Merrill Lynch at the National Securities Depository Limited, called "HHLI OPEN OFFER ESCROW" ("**Special Account**"). The DP ID is IN302638 and the Client ID is 10069528. Eligible Shareholders having their beneficiary account in CDSL have to use the inter-depository Delivery Instruction slip for the purpose of crediting their Equity Shares in favor of the Special Account with NSDL.

7.6. The Offer shall open on November 30, 2015 and will remain open until December 11, 2015. All Eligible Shareholders who are owners (registered or unregistered) of Equity Shares, regardless of whether he/she held Equity Shares on the Identified Date, are eligible to participate in the Offer any time during the Tendering Period but before the closure of the Tendering Period.

7.7. Eligible Shareholders can also download this DLoF and Form of Acceptance placed on the SEBI website www.sebi.gov.in and send in their acceptance by completing the same.

7.8. **Procedure for Acceptance**

7.8.1. The Eligible Shareholders who wish to avail themselves of and accept the Offer can deliver the Form of Acceptance, along with all the relevant documents, to any of the collection centers specified below in accordance with the procedure as set out in this DLoF and the Form of Acceptance on or before the closure of the Tendering Period, i.e., no later than 5 p.m. on December 11, 2015. Eligible Shareholders holding Equity Shares in dematerialized form who wish to tender their Equity Shares will also be required to send a photocopy of the delivery instruction in "Off-market" mode, or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Account ("**Delivery Instruction**"). It is the sole responsibility of the Shareholder to ensure credit of the delivered Equity Shares is in the Special Account on or before the closure of the Tendering Period (i.e., no later than December 11, 2015). Should there be any addition to the collection centers mentioned below, the same will be published by way of a corrigendum to this DLoF. All the centers mentioned herein below would be open as follows:

Timings: Weekdays, Monday to Friday (except public holidays): 10:30 A.M. to 4:30 P.M., and Saturday: 10:30 A.M. to 1:00 P.M

Sr. No.	Collection Centres	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of Delivery
1.	Mumbai	**Bigshare Services Pvt. Ltd.** E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka	Mr. Vipin Gupta	022-40430200	022-28475207	Hand Delivery /Registered Post/ Sped Post/ Courier

		Andheri (E), Mumbai- 40072				
2.	Delhi	**Bigshare Services Pvt. Ltd.** 4E /8, 1st Floor, Jhandewalan extension, New Delhi -110 055	Mr. Prem Kumar / Mr. Kailash Madan	011-42425004 011-23522373	Nil	Hand Delivery
3.	Kolkata	**Maheshwari Datamatics** 6, Mangoe Lane, 2nd Floor, Kolkata 700 001	Mr. S. Rajagopal	033-22435029 / 5809	033-22484787	Hand Delivery
4.	Chennai	**Bigshare Services Pvt. Ltd.** 4-H, Rear Block, Prince Arcade Commercial Complex, 4th Floor, Cathedral Road, (next to Stella Maris College) Chennai -86	Mr. N. Gnanasekaran Pillai	044-4203 2427	Nil	Hand Delivery
5.	Hyderabad	**Bigshare Services Pvt. Ltd.** 306, 3rd Floor, Right Wing, Amrutha Ville Apt., Opp. Yashodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad -500 082	Mr. Srinivas	040-40144967	Nil	Hand Delivery
6.	Baroda	**SKYSTOCK SERVICES (I) PVT LTD** 45 Taskent Society, Near Dave Deep Shopping Complex, Baroda - 390002	Mr. Sanjay Suthar	09825450718	Nil	Hand Delivery

Applicants who do not live in any of cities referred to above, may send the Form of Acceptance, along with all the relevant documents, by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: c/o E/2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072. (Contact nos.: Tel: +91-22 4043 0200; Fax: +91-22 2847 5207, email: openoffer@bigshareonline.com) so as to reach the Registrar to the Offer on or before December 11, 2015 i.e., closure of the Tendering Period.

7.8.2. Documents to be delivered by all Eligible Shareholders:

A. For Equity Shares held in the dematerialized form:

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

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

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

Please note the following:

(a) For each Delivery Instruction, the beneficial owner should submit a separate Form of Acceptance.

(b) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Equity Shares have not been credited to the Special Account or for Equity Shares that are credited in the Special Account but the corresponding Form of Acceptance has not been received as on the closure of the Tendering Period.

(c) In the case of registered resident Eligible Shareholders, non-receipt of the Form of Acceptance, but credit of the Equity Share to the Special Account, may be deemed to be acceptance of the Offer by such Eligible Shareholders.

B. In case of Equity Shares held in the physical mode by Eligible Shareholders:

(i) Form of Acceptance should be duly completed and signed as per the specimen signatures lodged with the Target Company, in accordance with the instructions contained therein, by all Eligible Shareholders. In case of Equity Shares held in joint names, names should be filled up in the same order which appears on the Equity Share Certificates and signed as per the specimen signatures lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;

(ii) Original Equity Share certificate(s);

(iii) Valid Share transfer form(s) duly signed by transferor (by all the Eligible Shareholders in case the Equity Shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s). The transfer form(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer form(s)) (for example, thumb impressions, signature difference, etc.)

should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer;

(iv) A copy of the PAN card, power of attorney, corporate authorization (including board resolutions / specimen signatures) and no objection certificate / tax clearance certificate from the income authorities, as applicable; and duly attested power of attorney if any person apart from the Shareholder has signed the acceptance form or transfer deed; and

(v) For Equity Shares held in physical mode by resident Eligible Shareholders, in case of non-receipt of the duly completed Form of Acceptance, but receipt of other documents including the original share certificates, valid share transfer deeds and permanent account number prior to the closure of the Tendering Period, the Acquirer may, in its sole discretion, deem the Equity Shares to have been accepted under the Offer.

C. Non-resident Eligible Shareholders should enclose a copy of the permission received from RBI or other regulatory authority for the Equity Shares held by them. If the Equity Shares are held under the general permission of RBI, the non- resident Shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis. OCBs/NRIs are requested to seek a specific approval of the RBI for tendering their Equity Shares in the Offer and a copy of such approval must be provided along with other requisite documents in the event that any OCB/NRI Shareholder tenders its Equity Shares in the Offer. In case the above approvals from the RBI are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered.

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

(i) Duly attested death certificate and succession certificate/probate/ letter of administration (in case of single Shareholder) if the original Shareholder has expired;

(ii) Duly attested power of attorney if any person apart from the Shareholder has signed the Form of Acceptance or transfer deed(s);

(iii) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance;

(iv) In case of companies, the necessary corporate authorization (including certified copy of Board of Directors or general meeting resolution(s)); and

(v) Any other relevant documents including those listed in this paragraph 7.

7.8.3. Equity Shares should only be submitted to the Registrar to the Offer and not be submitted or tendered to the Manager to the Offer, the Acquirer, the PACs or the Target Company.

7.9. **Procedure for acceptance of the Offer by unregistered Eligible Shareholders, owners of Equity Shares who have sent them for transfer or those who did not receive this DLoF:**

7.9.1. The unregistered Eligible Shareholders holding Equity Shares in physical form may send the Form of Acceptance along with the required documents to the Registrar to the Offer on a plain sheet of paper stating the name, address, number of Equity Shares held, distinctive numbers, number of Equity Shares offered, number of Equity Shares tendered, distinctive numbers, folio number, together with the original Equity Share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their Equity Shares and valid share transfer forms as received from the market, so as to reach the Registrar to the Offer on or before the closure of the Tendering Period, i.e., no later than 05:00 P.M. on December 11, 2015. Unregistered Eligible Shareholders holding Equity Shares in dematerialized form may send the application in writing to the Registrar to the Offer, on a plain sheet of paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the Delivery Instruction, so as to reach the Registrar to the Offer, on or before the closure of the Tendering Period, i.e., no later than December 11, 2015.

7.9.2. Alternatively, Eligible Shareholders can also download the DLoF and Form of Acceptance placed on the SEBI website www.sebi.gov.in and send in their acceptance by completing the same.

7.9.3. In case of Equity Shares held in the physical mode by unregistered Eligible Shareholders who have sent their share certificates and transfer deeds for transfer to the Target Company/its transfer agents, the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s).

7.9.4. No indemnity will be required from unregistered Eligible Shareholders.

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

7.9.6. The Registrar to the Offer will hold in trust the Equity Shares/share certificates, held in credit of the Special Account and transfer form(s) and the Form of Acceptance if any, on behalf of the Eligible Shareholders who have accepted the Offer, until the Acquirer and the PACs complete their obligations under the Offer in accordance with the SEBI (SAST) Regulations.

7.9.7. Eligible Shareholders who have sent their Equity Shares for dematerialization need to ensure that the process of getting their Equity Shares dematerialized is completed well in time so that the credit in the Special Account is received on or before the closure of the Tendering Period (i.e., no later than December 11, 2015), else their application would be rejected. It is the sole responsibility of the Eligible Shareholders to ensure credit of their Equity Shares in the depository account above, prior to the closure of the Tendering Period.

7.9.8. Pursuant to Regulation 18(9) of the SEBI (SAST) Regulations, Eligible Shareholders who have accepted the Offer by tendering the requisite documents in terms of the PA and DLoF are not allowed to withdraw the same.

7.10. **Compliance with tax and other regulatory requirements**

7.10.1. General

(a) As per the provisions of Section 195(1) of the IT Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under Section 45 of the IT Act or as business profits or interest income (if any) as the case may be, the Acquirer and PACs are required to deduct taxes at source (including surcharge and education cess). For purposes of clarification, the sum of Rs. 58.74 per Equity Share being paid as enhancement to Offer Price in accordance with the Regulation 8(12) of the SEBI (SAST) Regulations, will be considered as interest.

(b) Resident and non-resident Eligible Shareholders (including FIIs and FPIs) are required to submit their Permanent Account Number ("**PAN**") for income-tax purposes. In case a PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer and the PACs will arrange to deduct tax at the rate of 20% (twenty percent) as per Section 206AA of the IT Act (including surcharge and education cess as applicable) or at the rate in force or at the rate specified in the relevant provisions of the IT Act, whichever is higher.

(c) In case of ambiguity, incomplete or conflicting information or the information (including any additional information or documents which may be requested by the Acquirer and the PACs from a Shareholder for ascertaining the taxes to be deducted) not being provided to the Acquirer and the PACs, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the IT Act, on the entire consideration and interest if any, payable to such Shareholder.

(d) In the event the Acquirer or the PACs, on the basis of any misrepresentation, inaccuracy or omission of information provided by a Shareholder, fail to withhold/deduct the required tax, and as a result of such failure the Acquirer or the PACs are called upon by the Income-tax authorities (by way of a demand notice or otherwise) for recovery of the shortfall in the taxes withheld/deducted by the Acquirer or the PACs, the Acquirer or the PACs shall be entitled to seek indemnification from such Shareholder towards any payments made by the Acquirer or the PACs to the Income-tax authorities towards such shortfall, together with any interest, penalties, costs and expenses payable or incurred or to be incurred by the Acquirer or the PACs in connection therewith.

(e) The Acquirer and the PACs will not accept any request from any Eligible Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower or nil rate, on the basis of any self computation/computation by any tax consultant, of capital gain or business income and/or interest, if any, and tax payable thereon

(f) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

7.10.2. Withholding tax implications for Non-resident Eligible Shareholders (other than FII)

(a) While tendering Equity Shares under the offer, non-resident shareholders shall be required to submit a No Objection Certificate ("**NOC**")/Tax Clearance Certificate ("**TCC**") from the Income-tax authorities under Section 195(3) or Section 197 of the IT Act along with the Form of Acceptance, indicating the amount of tax to be deducted by the Acquirer and the PACs before remitting the consideration. The Acquirer and the PACs will arrange to deduct taxes at source in accordance with such NOC/TCC.

(b) In case the aforesaid NOC or TCC is not submitted, the Acquirer and the PACs will arrange to deduct tax at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the IT Act, on the entire consideration and interest if any, payable to such Shareholder. For purposes of clarification, the sum of Rs. 58.74 per Equity Share being paid as enhancement to Offer Price in accordance with the Regulation 8(12) of the SEBI (SAST) Regulations, will be considered as interest.

(c) The Acquirer and the PACs will not take into consideration any other details and documents (including self-certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by the Eligible Shareholder for deducting a lower amount of tax at source. NRIs, OCBs and other non-resident Eligible Shareholders (excluding FIIs) holding Equity Shares as capital asset will be required to certify the period of its holding (i.e., whether Equity Shares are held for more than 12 (twelve) months of Equity Shares.

(d) Any NRIs, OCBs and other non-resident Eligible Shareholders (excluding FIIs) claiming benefit under any DTAA between India and any other foreign country should furnish the 'Tax Residence Certificate' provided to him/it by the Government of such other foreign country of which it claims to be a tax resident and a self-declaration stating that it does not have a business connection in India as defined in Explanation 2 to section 9(1)(i) of the Income Tax Act (along with the provisos thereto) or a permanent establishment in India, in terms of the DTAA entered between India and the country of its tax residence. Further, the Eligible Shareholder will be required to furnish Form 10F as prescribed in terms of Section 90(5) of the Income Tax Act as detailed in Part VIII – Compliance with Tax Requirements – paragraph 1(d) of this Draft Letter of Offer. In the absence of such Tax Residence Certificate/certificates/declarations/

information/documents, the Acquirer and/or the PACs will arrange to deduct tax in accordance with the provisions of the Income Tax Act and without having regard to the provisions of any DTAA.

(e) As per a press release by the Government of India (*Ref: Notification No. 86/2013 dated 01 November 2013)* Cyprus has been notified as a notified jurisdictional area under Section 94A of the IT Act. Pursuant to the said notification, any transfer of Equity Shares from any non-resident shareholder to the Acquirer and the PACs shall be deemed as an international transaction and accordingly, transfer pricing provisions shall apply, including maintenance of documentation. In order to comply with the said notification and the related requirements thereof, the Acquirer and the PACs reserve the right to request the following information from any Shareholder who is a tax resident of Cyprus and any other jurisdiction which may be notified by the Government of India:

(i) description of the ownership structure, including name and address of individuals or other entities, holding more than 10% (ten percent) shareholding or ownership interests, either directly or indirectly;

(ii) profile of the multinational group to which the seller belongs to, along with name, address, legal status and country of tax residence of each of the group entities which are tendering shares in the open offer along with its relationship with the selling entity;

(iii) broad description of the business of the seller and the industry it operates in; and

(iv) any other information, data or document, which may be relevant for the transaction.

7.10.3. **Withholding tax implications for FII**

As per provisions of Section 196D(2) of the IT Act, no deduction of tax at source will be made from any income by way of capital gains arising from transfer of securities referred to in Section 115AD of the IT Act to a FII as defined in Section 115AD of the IT Act. Further, for the purposes of Section 115AD, FII will include FPIs as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014. The Acquirer and the PACs would not deduct tax at source on the payments to FIIs, subject to the following conditions:

(a) FIIs are required to furnish the copy of the registration certificate issued by SEBI (including for sub-account of FII, if any).

(b) As mentioned in Para 7.10.2(e) above, Cyprus has been notified as a notified jurisdictional area under Section 94A of the IT Act. Pursuant to the said notification, any transfer of Equity Shares from an FII shall be deemed as an international transaction and accordingly, transfer pricing provisions shall apply, including maintenance of documentation. In order to comply with the said notification and the related requirements thereof, the Acquirer and the PACs reserve the right to request the following information from any FII who is a tax resident of Cyprus and any other jurisdiction which may be notified by the Government of India:

(i) description of the ownership structure, including name and address of individuals or other entities, holding more than 10% (ten percent) shareholding or ownership interests; either directly or indirectly;

(ii) profile of the multinational group to which the seller belongs to, along with name, address, legal status and country of tax residence of each of the group entities which are tendering shares in the open offer along with its relationship with the selling entity;

(iii) broad description of the business of the seller and the industry it operates in; and

(iv) any other information, data or document, which may be relevant for the transaction.

(c) In respect of interest income, in the event that the FII submits a NOC or TCC from the Income-tax authorities indicating the amount of tax to be deducted by the Acquirer and the PACs under the IT Act, the Acquirer and the PACs will deduct tax in accordance with the NOC/TCC so submitted. In absence of such NOC/TCC, the Acquirer and the PACs will arrange to deduct tax at the maximum rate applicable to the category to which such FII belongs. For purposes of clarification, the sum of Rs. 58.74 per Equity Share being paid as enhancement to Offer Price in accordance with the Regulation 8(12) of the SEBI (SAST) Regulations, will be considered as interest.

(d) Any FII claiming benefit under any DTAA between India and any other foreign country / specified Territory should furnish a TRC provided to it by the Government of such other foreign country / specified Territory of which it claims to be a tax resident, in terms of Section 92F of the Act as well as the DTAA and the FII is eligible for claiming benefit under the DTAA entered between India and the foreign country / specified Territory of its tax residence. Further, the FII will also be required to furnish Form 10F as prescribed in terms of Section 90(5) or Section 90A(5) of the Act as detailed in clause 4 of Part A herein above. In the absence of such Tax Residence Certificate / certificates / declarations / information / documents, the Acquirer and/or the PACs will arrange to deduct tax in accordance with the provisions of the Act and without having regard to the provisions of any DTAA.

7.10.4. Tax to be deducted in case of resident Eligible Shareholders:

(a) In the absence of any specific provision under the IT Act, the Acquirer and the PACs will not deduct tax on the consideration payable to resident Eligible Shareholders in respect of gains arising on transfer of Equity Shares under this Offer.

(b) The Acquirer and the PACs will deduct the tax at the stipulated rates (including surcharge and education cess, if applicable) on interest, if any, payable to resident Eligible Shareholders , if the amount of interest payable is in excess of Rs. 5,000 (Rupees five thousand only). For purposes of clarification, the sum of Rs. 58.74 per Equity Share being paid as enhancement to Offer Price in accordance with the Regulation 8(12) of the SEBI (SAST) Regulations, will be considered as interest.

(c) The resident Shareholder claiming no tax is to be deducted or that tax is to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance a NOC or TCC from the Income-tax authorities indicating the amount of tax to be deducted by the Acquirer and / or the PACs or, in the case of resident Shareholder not being a company or firm, a self-declaration in form 15G or form 15H, as may be applicable. The self-declaration in form 15G or form 15H would not be valid unless the resident Shareholder furnishes PAN in such declaration. In case the aforesaid NOC or TCC or form 15G or 15H, if applicable, is not submitted, the Acquirer and the PACs will arrange to deduct tax at the stipulated rate (including surcharge and education cess, if applicable) on interest, if any, payable to resident Eligible Shareholders, if the amount of interest payable is in excess of Rs. 5,000 (Rupees five thousand only). Also, no tax is to be deducted on the interest amount in the case of resident Shareholder being a mutual fund as per Section 10(23D) of the IT Act or a bank/an entity specified under Section 194A(3)(iii) of the IT Act if it submits a copy of the relevant registration or notification along with the Form of Acceptance.

7.10.5. Notwithstanding anything contrary contained in paragraphs 7.10.1 to 7.10.4 above and in case the PAN of the Shareholder is not submitted or is invalid or does not belong to the Shareholder or in case of any ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer and the PACs, the provisions contained under clause (b) and (c) of paragraph 7.10.4 above, respectively, shall be applicable.

7.10.6. **Issue of withholding tax certificate**

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

7.10.7. **Withholding taxes in respect of overseas jurisdictions**

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

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

7.10.8. The tax rates and other provisions may undergo changes. Tax will be withheld as per the laws/rates prevailing at the time of making payment to the Eligible Shareholders.

7.10.9. Eligible Shareholders who wish to tender their Equity Shares must submit the information all at once as given in the Form of Acceptance and those that may be additionally requested for by the Acquirer and the PACs. The documents submitted by the Eligible Shareholders along with the Form of Acceptance will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer or the PACs will be accepted at the sole discretion of the Acquirer and the PACs.

7.10.10. The final decision to withhold tax or not, or the quantum of taxes to be withheld rests solely with the Acquirer and the PACs.

7.10.11. Taxes once withheld will not be refunded by the Acquirer and the PACs under any circumstances. The tax withheld under this Offer is not the final liability of the Eligible Shareholders or in no way discharges the obligation of Eligible Shareholders to disclose the amount received pursuant to this Offer.

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

7.10.13. Eligible Shareholders who wish to tender their Equity Shares must submit the following tax related information along with the Form of Acceptance:

(a) For non-resident Eligible Shareholders (other than FII)

(i) Self-attested copy of PAN card;

(ii) NOC or TCC from the Income-tax authorities;

(iii) Declaration in respect of residential status, status of Eligible Shareholders (e.g. individual, firm, company, FII, trust or any other - please specify); and

(iv) Any previous RBI Approval (specific or general) that they may have been required to obtain prior to acquiring the Equity Shares.

(b) For FIIs

(i) Self-attested copy of PAN card;

(ii) NOC or TCC from the Income-tax authorities (to the extent applicable);

(iii) Declaration in respect of residential status, status of Eligible Shareholders (e.g., individual, firm, company, FII, trust or any other - please specify);and

(iv) SEBI registration certificate.

(c) For resident Eligible Shareholders

(i) Self-attested copy of PAN card;

(ii) Declaration in respect of residential status, status of Eligible Shareholders (e.g., individual, firm, company, institutional investor, trust or any other - please specify);

(iii) If applicable, self-declaration form in form 15G or form 15H (in duplicate), as applicable;

(iv) NOC or TCC from the Income-tax authorities (applicable only for the interest payment, if any); and

(v) For mutual funds/banks/other specified entities under Section 10(23D)/194A(3)(iii), as applicable, of the IT Act – Copy of relevant registration or notification (applicable only for interest payment, if any).

(d) In case of any non-resident Shareholder (including FII) who is a tax resident of Cyprus or any other jurisdiction which may be notified by the Government of India in this regard, the Acquirer and the PACs reserve the right to request the following information:

(i) description of the ownership structure, including name and address of individuals or other entities, holding more than 10% (ten percent) shareholding or ownership interests; either directly or indirectly;

(ii) profile of the multinational group to which the seller belongs to, along with name, address, legal status and country of tax residence of each of the group entities which are tendering shares in the open offer along with its relationship with the selling entity;

(iii) broad description of the business of the seller and the industry it operates in; and

(iv) any other information, data or document, which may be relevant for the transaction.

7.10.14. All cheques/demand drafts/pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Eligible Shareholders provide bank account details in the Form of Acceptance for incorporation in the cheque/demand draft/pay order.

7.10.15. The payment to the Eligible Shareholders would be made, within 10 (ten) working days from the closure of the Tendering Period (i.e., December 11, 2015) through various modes as follows:

7.10.16. Payment to those Eligible Shareholders whose Equity Share are validly accepted, will be by way of a crossed account payee cheque / demand draft / pay order / through Direct Credit ("**DC**") / National Electronic Clearance System ("**NECS**") / National Electronic Funds Transfer ("**NEFT**") / Real Time Gross Settlement ("**RTGS**"). The Eligible Shareholders who opt for receiving consideration through NECS/NEFT/RTGS are requested to give the authorization for the same in the Form of Acceptance and enclose a photocopy of cheque along with the Form of Acceptance. In case of the

Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares or (ii) the Equity Share certificates for any rejected Equity Shares, will be dispatched to the Eligible Shareholders by registered post / speed post, at the Shareholder's sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

7.10.17. For Eligible Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected / not credited through DC / NECS / NEFT / RTGS, due to technical errors or incomplete / incorrect bank account details, payment consideration will be dispatched through registered / speed post at the Shareholder's sole risk.

7.10.18. The Acquirer and the PACs will not be responsible in any manner for any loss of share certificate(s) or offer acceptance documents during transit and the Eligible Shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae or defect or modifications in the documents or forms submitted, the acceptance is liable to be rejected.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Eligible Shareholders at the office of the Manager to the Offer situated at 16th Floor, Express Towers, Nariman Point, Mumbai -21 on all working days (i.e., Monday to Friday) between 10:00 A.M. to 04:00 P.M. during the Tendering Period:

8.1. Certified copies of the Charter documents of the Acquirer and the PACs;

8.2. Chartered Accountant certificate certifying the adequacy of financial resources with the Acquirer fulfill the Offer obligations;

8.3. Audited annual reports and financial statements of the Acquirer, the PACs and Target Company for the last three years;

8.4. A copy of PA, published copy of the DPS, issue opening PA and any corrigendum to these;

8.5. A copy of the recommendation made by the Target Company's committee of independent directors constituted by the Board of Directors;

8.6. A copy of the observation letter from SEBI;

8.7. A copy of the Underlying Agreement and subsequent amendments thereto;

8.8. A copy of the agreement entered into with the DP for opening a Special Account for the purpose of the Offer;

8.9. Escrow Agreement referred to in paragraph 5.2.5;

8.10. A copy of the Offer opening public announcement published by the Manager to the Offer on behalf of the Acquirer and the PACs on January 27, 2015; and

8.11. A copy of the CCI Approval.

9. DECLARATION BY THE ACQUIRER AND THE PACs

The Acquirer and the PACs accept full responsibility for the information contained in this Draft Letter of Offer (other than publicly available information in relation to the Target Company) and also accept responsibility for the obligations of the Acquirer and the PACs as laid down in the SEBI (SAST) Regulations. The Acquirer and the PACs shall be severally and jointly responsible for ensuring compliance with the SEBI (SAST) Regulations. The person(s) signing this DLoF are duly and legally authorized by the Acquirer and the PACs, as applicable, to sign the DLoF.

Signed by

For the Board of Directors of the Acquirer and the PACs

On behalf of JOHNSON CONTROLS, INC.

Authorised Signatory

Date: October 15, 2015

On behalf of HITACHI APPLIANCES, INC.

Authorised Signatory

Date: October 15, 2015

On behalf of HITACHI, LTD.

Authorised Signatory

Date: October 15, 2015

On behalf of JCHAC INDIA HOLDCO LIMITED

Authorised Signatory

Date: October 15, 2015

On behalf of JOHNSON CONTROLS-HITACHI AIR CONDITIONING HOLDING (UK) LTD.

Authorised Signatory

Date: October 15, 2015

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to the Registrar to the Offer at its address given overleaf)

(Capitalized terms and expressions used herein but not defined, shall have the same meaning as ascribed to them in the Letter of Offer)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

HITACHI HOME AND LIFE SOLUTIONS (INDIA) LIMITED

OFFER
Opens on: November 30, 2015
Closes on: December 11, 2015

To,
The Acquirer – Johnson Controls, Inc.
The PAC1 – Hitachi Appliances, Inc.
The PAC2 – Hitachi, Ltd.
The PAC3 – JCHAC India Holdco Limited
The PAC4 – Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd
C/o Bigshare Services Private Limited
E2, Ansa Industrial Estate, Sakivihar Road
Sakinaka, Andheri East
Mumbai - 400 072
India

Sub: Open offer (”Offer”) for acquisition of up to 70,00,990 (seventy lakh nine hundred and ninety only) fully paid-up equity shares of face value of Rs. 10/- (Rupees ten) each representing 25.748% of fully diluted voting equity share capital of Hitachi Home and Life Solutions India Limited (“Target Company”), from the public shareholders of the Target Company by Johnson Controls Inc. (“Acquirer”) along with Hitachi Appliances, Inc., Hitachi, Ltd., JCHAC India Holdco Limited, Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd as persons acting in concert with the Acquirer (collectively known as the “PACs”), under the provision of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (the “Takeover Code”)

Dear Sir,

I/We refer to the PA, DPS and the Letter of Offer to acquire the Equity Shares held by me/us.

I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

I/We, the undersigned, have read the Letter of Offer and understood its contents, including the terms and conditions mentioned therein and unconditionally agree to such terms and conditions.

Name (in BLOCK LETTERS	**Holder**	**Name of the Shareholder**	**Permanent Account Number (PAN)**
(Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s) / demat account)	Sole / First		
	Second		
	Third		
Contact Number(s)	**Tel No. (with STD Code):**		**Mobile No.:**
Full Address of the Holder (with pin code)			
Email address			

<u>For Equity Shares held in dematerialized form</u>

I/We, hold the following Equity Shares in dematerialized form and accept this Offer and enclose a photocopy or counterfoil of the delivery instructions in “Off-market” mode, duly acknowledged by my/our DP in respect of my/our Equity Shares, as detailed below:

DP Name	DP ID	Client ID	Name of the Beneficiary	No. of Equity Shares	Depositary

I/We have executed an off-market transaction for crediting the Equity Shares to the special depository account with DSP Merrill Lynch Limited called “HHLI OPEN OFFER ESCROW” **(“Depository Escrow Account”)** as detailed below (√ whichever is applicable):
☐ a delivery instruction from my / our account with NSDL
☐ an inter depository delivery instruction from my /our account with CDSL

Depository Name	National Securities Depository Ltd. (NSDL)
Account Name	HHLI OPEN OFFER ESCROW
DP Name	DSP Merrill Lynch Limited
DP ID Number	IN302638
Beneficiary Account Number	10069528.
ISIN	INE782A01015 EQ
Market	Off-market
Date of Credit	On or before December 11, 2015

Shareholders should ensure that the Equity Shares are credited in the aforementioned account, prior to the Closure of the Tendering Period, i.e. 4.30 pm on December 11, 2015.

I/We note and understand that the Equity Shares will be held in the credit of the Depository Escrow Account by the Registrar to the Offer on behalf of the Shareholders who have accepted this Offer, till completion of formalities relating to this Offer. I/We also note and understand that the consideration will be paid only to those Shareholders who have validly tendered their Equity Shares in this Offer, in accordance with the terms of the Letter of Offer.

Enclosures (√ whichever is applicable)
□ Photocopy or counterfoil of the delivery instructions in "off market" mode duly acknowledged by the Shareholders' DP, in favour of the Depositary Escrow Account
□ Duly attested power of attorney, if any person apart from the Shareholder, has signed the Form of Acceptance
□ Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorised signatories
□ Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired
□ No objection certificate / tax clearance certificate from the income authorities, as applicable
□ Photocopy of the PAN card
□ Photocopy of cheque from Shareholders who opt for receiving consideration through NEFT/RTGS
□ Other relevant documents (please specify):

<u>For Equity Shares held in physical form</u>

I/We hold the following Equity Shares in the physical form and accept this Offer and enclose the original Equity Share certificate(s) and duly signed Equity Share transfer deed(s) in respect of my/our Equity Shares, as detailed below:

Sr. No.	**Ledger Folio No.**	**Certificate No.**	**Distinctive Nos.**		**No. of Equity Shares**
			From	**To**	
1					
2					
3					
4					
				Total	

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We note and understand that the original Equity Share certificate(s), valid Equity Share transfer deed(s) and the Forms of Acceptance will be held in trust by the Registrar to the Offer, on behalf of the Shareholders who have accepted this Offer, till completion of formalities relating to this Offer. I/We also note and understand that the consideration will be paid only to those Shareholders who have validly tendered their Equity Shares in this Offer, in accordance with the terms of the Letter of Offer. In case of Equity Shares tendered in physical form, where the original Equity Share certificates are required to be split, all the documents will be returned only upon receipt of Equity Share certificates from the Target Company.

Enclosures (√ whichever is applicable)
□ Duly attested power of attorney, if any person apart from the Shareholder, has signed the Forms of Acceptance or Equity Share transfer deed(s)
□ Original Equity Share certificates
□ Valid Equity Share transfer deed(s) duly signed by transferor
□ Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorised signatories
□ Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired;
□ Self attested copy of PAN card of all the transferor(s)
□ No objection certificate / tax clearance certificate from the income authorities, as applicable
□ Other relevant documents (please specify):

For all Shareholders
I / We, confirm that our residential status under the Income Tax Act is:

□ Resident

□ Non-resident. If yes, please state country of tax residency - _______________

I / We, confirm that our status is:
□ Individual
□ Firm
□ Company
□ Association of Person / Body of Individual
□ Trust
□ NRI – Repatriable
□ NRI – Non Repatriable
□ FII – Corporate
□ FII – Others
□ Foreign Company
□ OCB
□ Any other - please specify ______________

<u>For Resident Shareholders</u>

I/We have enclosed the following documents (√ whichever is applicable):
□ Self–attested copy of PAN card
□ Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (Certificate for Deduction of Tax at Lower Rate)
□ Self declaration in Form 15G / Form 15H (in duplicate), if applicable
□ For specified entities under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for interest payment).

For NRIs/OCBs/other non-resident Shareholders (other than FIIs and sub-accounts):

I/We certify that the Equity Shares are held by me/us as □ Long Term Capital Asset OR □ Short Term Capital Asset (√ whichever is applicable).

I/We certify that the Equity Shares are held by me/us on "□ Investment/Capital Account OR □ Trade Account" (√ whichever is applicable).

In case the Equity Shares are held in capital account or trade account, kindly enclose a Tax Residency Certificate issued by the tax authorities of the country of which you are a tax resident in the format, prescribed by the Central Board of Direct Taxes ("**CBDT**"), if any, and also a certificate stating that you do not have a 'permanent establishment' in India in terms of the Double Tax Avoidance Agreement ("**DTAA**") entered into between India and your country of residence and business connection in India as defined in Section 9(1)(i) of the Income Tax Act, in case the DTAA relief is not available.

In order to avail of the benefit of lower rate of tax deduction under the DTAA, if any, at the sole discretion of the Acquirer and the PACs, kindly enclose a Tax Residency Certificate issued by the tax authorities of the country of which you are a tax resident, in the format, if any, prescribed by the CBDT in this regard, and Form 10F.

In case of ambiguity, incomplete or conflicting information or the information or Certificate for Deduction of Tax at Lower Rate is not submitted to the Acquirer and the PACs, capital gains shall be assumed to be short term and tax shall be deducted at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs, under the Income Tax Act on the entire consideration and/ or amount of interest payable to such Shareholder.

I/We have enclosed the following documents (√ whichever is applicable):

□ Self-attested copy of PAN card
□ Certificate from the income tax authorities under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable (Certificate for Deduction of Tax at Lower Rate) from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer and/or the PACs before remitting the consideration and/ or the amount of interest)
□ Previous RBI, FIPB or other regulatory approval, if any, for holding Equity Shares tendered in this Offer
□ Copy of any approvals (including approvals from the RBI) for tendering of Equity Shares in this Offer (since the Equity Shares validly tendered in this Offer may be acquired by a non-resident entity)
□Tax Residency Certificate and a no 'permanent establishment' / business connection declaration
□Banker's Certificate certifying inward remittances of funds for acquisition of Equity Shares of the Target Company

I / We, confirm that the details of Overseas Tax to be deducted on the consideration payable by the Acquirer and/ or the PACs is as follows:

	Amount of Overseas Tax
	Rate at which Overseas Tax is to be deducted on the gross consideration
	Country in which the Overseas Tax has to be deposited
	Details of Authority with whom such Overseas Tax has to be deposited

For FIIs and sub-accounts

Kindly enclose a Tax Residency Certificate issued by the tax authorities of the country of which you are a tax resident in the format, if any, prescribed by the CBDT and also a certificate stating that you do not have a 'permanent establishment' in India in terms of the DTAA entered into between India and your country of residence and business connection in India as defined in Section 9(1)(i) of the Income Tax Act, in case the DTAA relief is not available. In the event such confirmation is not provided tax will be deducted at the maximum rate applicable to the category to which such FII belongs.

In order to avail of the benefit of lower rate of tax deduction under the DTAA, if any, at the sole discretion of the Acquirer and the PACs, kindly enclose a Tax Residency Certificate issued by the tax authorities of the country of which you are a tax resident in the format, if any, prescribed by the CBDT, and Form 10F.

In case of ambiguity, incomplete or conflicting information or the information or Certificate for Deduction of Tax at Lower Rate is not submitted to the Acquirer and the PACs, tax shall be deducted at the maximum marginal rate as may be applicable to the relevant category to which the Shareholder belongs, under the Income Tax Act on the entire consideration and/ or amount of interest payable to such Shareholder.

I/We have enclosed the following documents (√ whichever is applicable):
□ Self –attested copy of the PAN card
□ Certificate from the income tax authorities under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable
□ SEBI registration certificate for FII (including sub-account of FII)
□ Previous RBI, FIPB or other regulatory approval, if any, for holding Equity Shares tendered in this Offer
□Tax Residency Certificate and no 'permanent establishment' / business connection declaration
□Banker's Certificate certifying inward remittances of funds for acquisition of Equity Shares

I / We, confirm that the details of Overseas Tax to be deducted on the consideration payable by the Acquirer and/ or the PACs is as follows:

	Amount of Overseas Tax
	Rate at which Overseas Tax is to be deducted on the gross consideration
	Country in which the Overseas Tax has to be deposited
	Details of Authority with whom such Overseas Tax has to be deposited

For All Shareholders

I/We confirm that this Offer is hereby accepted by me/us and that the Equity Shares which are being tendered by me/us under this Offer are free from all liens, charges and encumbrances of any kind whatsoever and are also not the subject matter of litigation, whereunder the transfer of Equity Shares may be prohibited during the pendency of such litigation.

I/We authorise the Acquirer and/or the PACs:

- to acquire all Equity Shares so tendered by me/us or such lesser number of Equity Shares, which it may decide to accept, in consultation with the Manager to the Offer and in terms of the Letter of Offer;
- to return to me/us by registered post, the Equity Share certificate(s), Equity Share transfer deed(s) and other documents, if any, and in the case of dematerialized Equity Shares, to credit such Equity Shares to the same account from which they were tendered, to the extent that the Equity Shares tendered by me/us are not found valid / accepted, in each case at my/our sole risk, without specifying the reasons thereof;
- to split/consolidate the Equity Share certificates comprising the Equity Shares that are not acquired or accepted and the Acquirer/PACs/Registrar to the Offer is hereby authorized to do all such things and execute such documents, as may be found necessary and expedient for the purpose.

I/We authorise the Acquirer, the PACs, the Manager to the Offer and the Registrar to the Offer to send by registered post / ordinary post (as described in the Letter of Offer), the bankers' cheque / demand draft / NEFT / RTGS as consideration to the sole/first holder at the address mentioned below. In case I have tendered my Equity Shares in dematerialized form, I authorize the Acquirer, the PACs, Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my DP for the purpose of mailing the aforementioned instruments.

Bank Details

In order to avoid fraudulent encashment in transit, the Shareholders holding shares in physical form are requested to provide details of bank account of the sole/first Shareholder and the consideration payment will be drawn accordingly.

Name of Bank	
Branch Address and PIN Code	
Type of Account	Savings / Current / NRE / NRO / Others (√ whichever is applicable)
Account Number	
9 digit MICR code	
IFSC Code (for RTGS/NEFT transfers)	

**If payment is through RTGS / NEFT, please also enclose a photo-copy of a cheque drawn on the account in which payments will be made.*

For the Equity Shares that are tendered in demat form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars, and not the details provided herein.

Yours faithfully,

Signed and Delivered	**Full Name**	**Signature**
1st Shareholder		
2nd Shareholder		
3rd Shareholder		

Note: In case of joint holders, all must sign. In case of body corporate, it must affix the corporate seal and also attach necessary corporate resolutions.

Place: Date:

--Tear Here---

Acknowledgement Receipt – Hitachi Home and Life Solutions India Limited Offer

Received from Mr./Ms./M/s ____

Form of Acceptance-cum-Acknowledgement for **Hitachi Home and Life Solutions India Limited Offer** as per details below: *(Delete whichever is not applicable)*

Folio No. _____________________No. of Equity Share certificates _____________________for __________________________ Equity Shares

Copy of delivery instruction to DP of Client ID _____________________for___________________________________ Equity Shares

Date of Receipt: _______________ Stamp of collection center: Signature of Official:

INSTRUCTIONS

NO EQUITY SHARES / FORMS SHOULD BE SENT TO THE ACQUIRER, THE PACS, THE MANAGER TO THE OFFER OR TO THE TARGET COMPANY.

1. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
2. The Registrar to the Offer is not bound to accept the Forms of Acceptance, for which corresponding Equity Shares have not been credited to the Depository Escrow Account or for Equity Shares that are credited in the Depository Escrow Account but the corresponding Forms of Acceptance have not been received as on the Closure of the Tendering Period.
3. Shareholders should enclose the following:-

   i. Shareholders holding Equity Shares in dematerialized form:-

   Beneficial owners should enclose

   - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by the sole/joint Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance has to be executed by the beneficial holder of the Equity Shares only.
   - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP of the Shareholder, in favour of the Depository Escrow Account.
   - For each delivery instruction, the beneficial owner should submit a separate Forms of Acceptance.
   - The Shareholders are advised to ensure that their Equity Shares are credited in favour of the Depository Escrow Account, before the Closure of the Tendering Period, i.e. December 11, 2015. The Forms of Acceptance of dematerialized Equity Shares not credited in favour of the Depository Escrow Account, before the Closure of the Tendering Period, is liable to be rejected.
   - Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Depository Escrow Account with NSDL

   ii. Shareholders holding Equity Shares in physical form:-

   Registered Shareholders should enclose:

   - Forms of Acceptance duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Equity Share certificates. In case of Equity Shares held in joint names, names should be filled up in the same order in which they hold Equity Shares in the Target Company and as per the specimen signature lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer.
   - Original Equity Share certificate(s).
   - Valid Equity Share transfer deed(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. A blank Equity Share transfer deed is enclosed along with this Letter of Offer. **Please ensure that no other details are filled in the Equity Share transfer deed(s), except name, signature and witness details.**

   Unregistered owners should enclose:

   Application in writing to the Registrar to the Offer on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, distinctive numbers and folio number **or** Forms of Acceptance duly completed and signed in accordance with the instructions contained therein.

   - Original Equity Share certificate(s).
   - Original broker contract note through whom they acquired their Equity Shares.
   - Valid Equity Share transfer deed(s) as received from the market, duly executed in favour of the unregistered owner as the proposed transferee(s), along with self attested copy of PAN card of all the proposed transferee(s).
   - An additional valid Equity Share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place.
   - In case the Equity Share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the Equity Share certificate(s) and the transfer deed(s).

   The details of buyer should be left blank failing which the same will be invalid under this Offer. The details of the buyer will be filled by the Acquirer and/or the PACs, upon verification of the Forms of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

3. **In case of Equity Shares held in joint names**, names should be filled up in the same order in the Forms of Acceptance and in the Equity Share transfer deed(s), as the order in which they hold Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer.
4. Attestation, where required (as indicated in the Equity Share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank.
5. **If Non Resident Shareholders** had required any approval from the RBI or the FIPB or any other regulatory body in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve the right to reject such Equity Shares tendered in this Offer. If, the Equity Shares are held under general permission of the RBI, the non-resident Shareholder should state that the Equity Shares are held under general permission and whether on repatriable basis or non repatriable.
6. **NRIs, OCBs and Foreign Shareholders** are required to furnish Banker's Certificate certifying inward remittances of funds for acquisition of Equity Shares of the Target Company.
7. **NRI/ OCB Shareholders**, if any, are required to submit all approvals required for tendering the Equity Shares in this Offer (including without limitation the approval from the RBI, since the Equity Shares validly tendered in this Offer may be acquired by a non-resident entity) and submit such approvals along with the Forms of Acceptance and other documents required to accept this Offer.
8. If the Equity Shares are rejected for any reason, the Equity Shares will be returned to the sole / first named Shareholder(s) along with all the documents received from them at the time of submission.
9. **In case of bodies corporate**, certified copies of appropriate authorizations (including board/shareholder resolutions, as applicable) authorizing the sale of Equity Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.
10. Shareholders are also advised to refer to paragraph [●] of the Letter of Offer, on tax provisions, regarding important disclosures on taxation of the consideration to be received by them.
11. All the Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
    - Duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single Shareholder) in case the original Shareholder is no more;
    - Duly attested power of attorney if any person apart from the Shareholder has signed the Forms of Acceptance and/or Equity Share transfer deed(s).
12. All documents / remittances sent by or to Shareholders will be at their own risk. Shareholders are advised to adequately safeguard their interests in this regard.

FOR DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THIS OFFER, REFER TO THE LETTER OF OFFER

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

Bigshare Services Pvt. Ltd.
E2, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri East
Mumbai 400 072
Tel. No.: +91 (22) 4043 0200
Fax No.: +91 (22) 2847 5207
Contact Person: Mr. Ashok Shetty
E-mail: openoffer@bigshareonline.com