POST OPEN OFFER REPORT

15 DAYS REPORT IN RESPECT OF OPEN OFFER TO THE SHAREHOLDERS OF HYDRO S & S INDUSTRIES LIMITED BY KINGA SCI. & TECH. CO., LIMITED, GUANGZHOU, CHINA PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011.

A. Names of the parties involved

1.	Target Company (TC)	Hydro S & S Industries Limited
2.	Acquirer(s)	Kingfa Sci. & Tech. Company Limited, Guangzhou, China
3.	Manager to the Open Offer	Master Capital Services Limited
4.	Registrar to the Open Offer	Skyline Financial Services Private Limited

B. Details of the offer

- Whether conditional offer : No
- Whether voluntary offer : No
- Whether competing offer : No

C. Activity Schedule

Sl. No.	Activity	Due dates as specified in the SAST Regulations	Actual Dates
1.	Date of the public announcement (PA)	Monday, May 20, 2013	Monday, May 20, 2013
2.	Date of publication of the Detailed Public Statement (DPS)	Monday, May 27, 2013	Monday, May 27, 2013
3.	Date of filing of draft letter of offer (LO) with SEBI	Monday, June 03, 2013	Monday, June 03, 2013
4.	Date of sending a copy of the draft LO to the TC and the concerned stock exchanges (SE)	Monday, June 03, 2013	Monday, June 03, 2013
5.	Date of receipt of SEBI Comments	Friday, August 02, 2013	Friday, August 02, 2013
6.	Date of dispatch of LO to the shareholders / custodian in case of Depositary Receipts	Wednesday, August 14, 2013	Tuesday, August 13, 2013
7.	Dates of price revisions / offer revisions (if any)	Monday, August 19, 2013	Not Applicable as there is no revision in price
8.	Date of publication of recommendation by the independent directors of the TC	Tuesday, August 20, 2013	Tuesday, August 20, 2013
9.	Date of issuing the offer opening advertisement	Wednesday, August 21, 2013	Wednesday, August 21, 2013
10.	Date of commencement of the tendering period	Thursday, August 22, 2013	Thursday, August 22, 2013
11.	Date of expiry of the tendering period	Wednesday, September 04, 2013	Wednesday, September 04, 2013
12.	Date of making payments to shareholders / return of rejected shares	Thursday, September 19, 2013	Thursday, September 19, 2013

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D. Details of the payment consideration in the open offer

(Value in Rs.)

Sl. No.	Item	Details
1.	**Offer Price** for fully paid shares of TC (Rs. per share)	42.70
2.	**Offer Price** for partly paid shares of TC, if any	Not Applicable
3.	**Offer Size** (no. of shares x offer price per share)	71132819.80
4.	**Mode of payment of consideration** (cash or shares or secured listed debt instruments or convertible debt securities or combination)	Cash
5.	**If mode of payment is other than cash, i.e. through shares / debt or convertibles:**	
a.	**Details of offered security** • Nature of the security (shares or debt or convertibles) • Name of the company whose securities have been offered • Salient features of the security	Not Applicable
b.	**Swap Ratio** (ratio indicating the number of securities of the offeree company vis-à-vis shares of TC)	Not Applicable

E. Details of market price of the shares of TC

1. Name of the stock exchanges where the shares of the target company have most frequently traded during 12 calendar months prior to PA, and the volume of trading relative to the total outstanding shares of the target company.

Name of the Exchange	Total number of shares traded during 12 calendar months prior to the month of PA i.e. May 2012 to April 2013	Total Number of listed shares as on April 30, 2013	Trading Turnover (% to total listed shares)
BSE	490366	64,07,204	7.65

2. Details of Market Price of the shares of TC are the aforesaid Stock Exchange in the following format:

Sl. No.	Particulars	Date	Rs. per share	
			Open	Close
1.	1 trading day prior to the PA date	May 17, 2013	17.30	16.20
2.	On the date of PA	May 20, 2013	15.89	15.45
3.	On the date of commencement of the tendering	August 22, 2013	42.10	42.10
4.	On the date of expiry of the tendering period	September 04, 2013	41.50	40.50
5.	10 working days after the last date of the tendering period.	September 19, 2013	38.40	37.00
6.	Average market price during the tendering period (*viz. Average of the volume weighted market prices for all the days*)	Rs. 42.13		

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F. **Details of escrow arrangements**

1. Details of creation of Escrow account, as under:

	Date(s) of creation	Amount (Rs.)	Form of escrow account - (Cash or Bank guarantee (BG) or Securities).
Escrow Account	May 21, 2013	711,32,820.00	**Cash** Since, remittance of funds from China required prior approval of Chinese Government/Authorities, the ICBC, Mumbai secured CNY 89,93,820.00 (equivalent to INR 7,86,95,925.00 at a conversion rate of 1CNY= 8.75 INR and being more than the Escrow Amount) in account no. 602028929200760973 of the Acquirer with ICBC, Third Sub Branch, Guangzhou, China. After the receipt of necessary approvals from Chinese Government/ Authorities an amount of INR 7,49,18,894.18 being more than the Offer Size was transferred by the ICBC, Third Sub Branch, Guangzhou, China to ICBC, Mumbai on 7th June, 2013.

2. For such part of escrow account, which is in the form of cash, give following details:
   i. Name of the Scheduled Commercial Bank where cash is deposited : Industrial Commercial Bank of China Mumbai Branch, located at Level 1, East Wing, Wockhardt Tower, C-2, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
   ii. Indicate when, how and for what purpose the amount deposited in escrow account was released, as under:

Release of escrow account		
Purpose	**Date**	**Amount (Rs.)**
Transfer to Special Escrow Account	September 17, 2013	445,92,976.40
Balance Amount released to Acquirer	To be released	

3. Details about Escrow Account which consists of Bank Guarantee/Deposit of Securities.

For Bank Guarantee:

Name of the Bank	Amount of Bank Guarantee	Date of Creation/ revalidation of guarantee	Validity period of Bank Guarantee	Date of release, if applicable	Purpose of release
Not Applicable					

For Securities:

Name of Company whose securities deposited	Type of Securities	Value of Securities as on date of creation of Escrow Account	Margin considered while depositing the securities	Date of release, if applicable	Purpose of release
Not Applicable					

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G. Details of response to the open offer

Shares proposed to be Acquired		Shares tendered		Response level (no of times)	Shares accepted		Shares rejected	
No of Shares	%	No of Shares	%	(C) / (A)	No.	% w.r.t '(C)'	No = (C) - (E)	Reasons
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
1665874	26.00	1045409	16.32	0.63	1044332	99.90	1077	Two applications were rejected due to signature mismatch

H. Payment of Consideration

Due date for paying consideration to shareholders whose shares have been accepted	Actual date of payment of consideration	Reasons for delay beyond the due date
September 19, 2013	September 18, 2013	Not Applicable

Details of special escrow account where it has been created for the purpose of payment to shareholders.

Name of the Bank : HDFC Bank Limited
Branch : Plot No 28, Phase 1, Industrial Area, Chandigarh 160002
Account No. : 08730350000285
Account Name : Kingfa Sci. & Tech. Co Ltd- Special Account -Master Capital Services Ltd.

Details of the manner in which consideration (where consideration has been paid in cash), has been paid to shareholders whose shares have been accepted:

Mode of paying the consideration	No. of Shareholders	Amount of Consideration (Rs)
Physical mode	10	222,296.20
Electronic mode (ECS/ direct transfer, etc.)	52	44370680.20

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I. Pre and post offer Shareholding of the Acquirer in TC

	Shareholding of acquirer	No of Shares	% of total share capital of TC as on closure of tendering period
1.	Shareholding before PA	NIL	NIL
2.	Shares acquired by way of an agreement, if Applicable	4260700	66.50%
3.	Shares acquired after the PA but before 3 working days prior to commencement of tendering period. - Through market purchases - Through negotiated deals/ off market deals	NIL	NIL
4.	Shares acquired in the open offer	1044332	16.30%
5.	Shares acquired during exempted 21-day period after offer (if applicable)	NIL	NIL
6.	Post - offer shareholding	5305032	82.80%

J. Give further details, as under, regarding the acquisitions mentioned at points 3, 4 & 5 of the above table -

1.	Name(s) of the entity who acquired the shares	Only Kingfa Sci. & Tech. Co., Limited
2.	Whether disclosure about the above entity(s) was given in the LOF as either Acquirer.	Yes, only Kingfa Sci. & Tech. Co., Ltd. is the Acquirer there is no PAC to the Acquirer. Disclosure made in LOF.
4.	No of shares acquired per entity	1044332
4.	Purchase price per share	Rs. 42.70
5.	Mode of acquisition	Off- Market and Physical Share Transfer
6.	Date of acquisition	Yet to be transferred in the name of the Acquirer
7.	Name of the Seller in case identifiable	Public Shareholders

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K. **Pre and post offer Shareholding Pattern of the Target Company**

	Class of entities	Shareholding in a TC			
		Pre- offer		Post offer (actuals)	
		No.	%	No.	%
1.	Acquirers	NIL	NIL	5305032	82.80
2.	Erstwhile Promoters (persons who cease to be promoters pursuant to the Offer)	4260700	66.50	NIL	NIL
3.	Continuing Promoters	N.A.	N.A.	NIL	NIL
4.	Sellers if not in 1 and 2	NIL	NIL	NIL	NIL
5.	Other Public Shareholders	2146504	33.50	1102172	17.20
	TOTAL	6407204	100.00	6407204	100.00

L. **Details of Public Shareholding in TC**

1.	Indicate the minimum public shareholding the TC is required to maintain for continuous listing	1601801	25%
2.*	Indicate the actual public shareholding and if it has fallen below the minimum public shareholding limit, delineate the steps which will taken in accordance with the disclosures given in the LOF	Pre Offer 2146504 (33.50%)	Post Offer 1102172 (17.20%)

*The Acquirer shall increase the level of public shareholding in the Target Company to the minimum level required under clause 40A of the Listing Agreement and Rule 19A of the SCRR within the time limits specified therein and through the permitted routes available under the Listing Agreement including any other such route as may be approved by SEBI from time to time.

For Master Capital Services Limited

Authorised Signatory

Date: 24.09.2013
Place: CHANDIGARH