LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as a shareholder(s) of **Sampada Chemicals Limited**. If you require any clarification(s) about the action to be taken, you should consult your stockbroker or investment consultant or the Manager to the Offer or Registrar to the Offer. In case you have sold your equity shares in Sampada Chemicals Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum- Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the said sale was effected.

CASH OFFER
BY
SHYAM ALCOHOL AND CHEMICALS LIMITED

Registered Office: A/10, Kavita Apartments, Natakwala Lane, Borivali (West), Mumbai – 400 092 (Tel: +91 22 2351 2867, Fax: +91 22 2351 9573)

TO ACQUIRE

Up to 9,96,000 fully paid up equity shares of Rs.10/- each representing 20.00% of the outstanding & voting equity share capital

OF

SAMPADA CHEMICALS LIMITED

Registered Office: 1076, Parijat House, Dr E Moses Road Worli, Mumbai - 400018 (Tel: +91 22 2492 0780, Fax: +91 22 2493 7743)

AT RS. 46.25/- (RUPEES FORTY SIX AND PAISE TWENTY FIVE ONLY) PER FULLY PAID UP EQUITY SHARE OF RS.10/- (RUPEES TEN ONLY)

Pursuant to and in compliance with Regulation 10 and 12 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendment thereto (the "SEBI (SAST) Regulations")

Notes:

1) This offer is being made by Acquirer pursuant to Regulation 10 & 12 of the SEBI (SAST) Regulations for the purpose of substantial acquisition of shares and voting rights of the Target Company accompanied with change in control and management of the Target Company consequent to Share Purchase Agreement executed on December 11, 2009 between Acquirer and Promoters of the Target Company.
2) This offer is not subject to a minimum level of acceptance by the shareholders of Sampada Chemicals Limited.
3) If there is any upward revision in the Offer Price by the Acquirer till the last date of revision i.e. Tuesday, March 30, 2010, or withdrawal of the Offer in terms of the SEBI (SAST) Regulations, the same would be informed by way of a public announcement in the same newspapers where the original Public Announcement (PA) had appeared on December 17, 2009. Such revised offer price would be payable for all the equity shares of Sampada Chemicals Limited, tendered anytime by the eligible shareholders during the Offer and accepted under the Offer.
4) Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the PA / Letter of Offer (LOO), can withdraw the same up to three working days prior to the date of closure of the Offer. Requests for such withdrawals should reach the designated collection centres before the close of business hours on Tuesday, i.e. April 6, 2010.
5) This is not a competitive bid.
6) **If there is a competitive bid:**
   - **The public offers under all the subsisting bids shall close on the same date.**
   - **As the offer price cannot be revised during the 7 working days prior to the closing date of the offer / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**
7) There has been no competitive bids.
8) There has been no revision in the offer price till the date of this Letter of Offer.
9) The Offer is subject to the approval of the Reserve Bank of India (RBI) and the Foreign Exchange Management Act, 2000 (FEMA) for acquiring the shares tendered under the Offer from non-resident persons.
10) As on the date of this Letter of Offer, no statutory approvals required for the purpose of this Offer. However, If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would be subject to such other statutory approvals.
11) The procedure for acceptance is set out in Part 9 of this LOO, Form of Acceptance cum Acknowledgement (FOA) and Form of Withdrawl (FOW) is enclosed with this Letter of Offer.
12) The PA, LOO, FOA and FOW would also be available on the website of SEBI i.e. www.sebi.gov.in and Manager to the Offer i.e. www.icfs.in

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

	Manager to the Offer		Registrar to the Offer
	Imperial Corporate Finance & Services Pvt. Ltd. 102, Mittal Chambers, Nariman Point, Mumbai – 400 021 **Contact Person**: Mr. Ramesh Satagopan **Tel**.:+91-22-40905656; **Fax**:+91-22-22875825 **Email**: imperial1@vsnl.com		**Sharex Dynamic (India) Pvt. Ltd.** Unit-1, Luthra Ind. Premises, 1st Flr, 44-E, M Vasanti Marg, Andheri-Kurla Rd., Safed pool,Andheri(E), Mumbai 400072 **Contact Person**: Mr. B.S. Baliga **Tel**: 022 2851 5606; **Fax**: 022-2851 2885 **Email**: sd_India@rediffmail.com
OFFER OPENS ON: MONDAY, MARCH 22, 2010		**OFFER CLOSES ON:** SATURDAY, APRIL 10, 2010	

- **SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER:**

Sr. No.	Activity	Original Date		Revised Date	
		Day	Date	Day	Date
1.	Public Announcement	Thu	Dec 17, 2009	Thu	Dec 17, 2009
2.	Specified date	Wed	Dec 23, 2009	Wed	Dec 23, 2009
3.	Last date for competitive bid	Thu	Jan 07, 2010	Thu	Jan 07, 2010
4.	Date by which Letter of Offer to be dispatched to shareholders	Fri	Jan 29, 2010	Tue	Mar 16, 2010
5.	Date of opening of the Offer	Tue	Feb 09, 2010	Mon	Mar 22, 2010
6.	Last date for revision of offer price / number equity shares	Wed	Feb 17, 2010	Tue	Mar 30, 2010
7.	Last date for shareholders to withdraw their acceptance of the Offer	Tue	Feb 23, 2010	Tue	Apr 06, 2010
8.	Date of closure of the Offer	Mon	Mar 01, 2010	Sat	Apr 10, 2010
9.	Date of communicating acceptance /rejection and payment of consideration for the applications accepted.	Tue	Mar 16, 2010	Sat	Apr 24, 2010

- **RISK FACTORS**

  - ✓ **Relating to the Transaction:**

    - The transfer of equity shares received from the Non – Resident Indian (NRI) shareholder(s) under the offer is subject to receipt of RBI approval for the same.

    - In the case of non compliance of any provision of the Regulations pertaining to the Open Offer being triggered by this Share Purchase Agreement, this agreement shall not be acted upon by either party to the Agreement (Seller or Acquirer)

  - ✓ **Relating to the Proposed Offer:**

    - In the event that either (a) a statutory / regulatory approval, if any, is not received in time, (b) there is any litigation leading to a stay on the Offer, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this LOO. Consequently, the payment of consideration to the shareholders of Sampada Chemicals Limited whose equity shares have been accepted in the Offer as well as the return of the equity shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by SEBI.

    - If the number of shares tendered by the shareholders are more than the Offer size, the acquisition from each shareholder will be as per regulation 21(6) of SEBI (SAST) Regulations on a proportional basis in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

    - Further, shareholders should note that after the last date of withdrawal i.e. Tuesday April 6, 2009 shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

    - The Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the Shareholders will not be able to trade such Shares. During such period there may be fluctuations in the market price of the Shares. The Acquirer makes no assurance with respect to the market price of the Shares both during the Offer period and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

✓ **Relating to the Acquirer:**

- Attrition of key personnel of the target company as a consequence of this acquisition could have impact on operations of Sampada Chemicals Limited.

- The Acquirer make no assurance with respect to the future financial performance of Sampada Chemicals Limited.

- SACL does not have an Internal Audit System as required under the Companies Auditor's Report Order, 2004 and any amendments thereto.

  The Acquirer is in the process of setting up Internal Audit systems. The matter regarding setting up of a system of Internal Audit will be taken up for discussion in the next board meeting of the Acquirer Company.

- SACL has not complied with the Section 383A [Certain companies to have Secretaries] and Section 211 (3C) [Compliance with the Accounting Standard issued by ICAI] of the Companies Act, 1956

  SACL has initiated the process for compliance, as required under Section 383A [Certain companies to have Secretaries] of Companies Act, 1956.

  The Auditor has observed in the Financial Year 2006-07 that "the company has complied with Accounting Standards referred to in Sub Section (3C) of Section 211 of the Companies Act 1956 except company has not provided depreciation on Fixed Assets. As explained by the acquirer company to us, the fixed assets were not put to use, therefore no depreciation has been provided by the Company".

- The company has not complied with the provisions of sction 372 A of Companies Act 1956 during the financial years ending 31st March 2006 & 2008.

  The Company had given Loans to corporate bodies during the Financial Year 2006 – 07 amounting to Rs. 2.97 Crore and during the Financial Year 2007 – 08 amounting to Rs. 5.22 Crore pending compliance under Section 372A.

  The above matter had been ratified Pursuant to the 2nd Provisio of the sub section (1) of the Section 372A of the Companies Act, 1956 in the Annual General Meeting for Financial Year 2006 – 07 & 2007 – 08 respectively and the same had been reported in the Annual Report for the said years.

  The Company had taken approval for Rs. 25 Crore, pursuant to the provision of Section 372A, at a general meeting of the company held on September 29, 2008 at Registered Office of the Company.

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

TABLE OF CONTENTS

1. DEFINITIONS / ABBREVIATIONS

The following definitions / abbreviations apply throughout this document, unless context requires otherwise.

TERM	DESCRIPTION
Acquirer / SACL	Shyam Alcohol and Chemicals Limited
BSE	Bombay Stock Exchange Limited, Mumbai
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
DP	Depository Participant
ECS	Electronic Clearing Service
Eligible Person(s) for the Offer	All owners (registered or unregistered) of equity shares of Sampada (other than Promoters of Sampada and the parties to SPA) anytime before the closure of the Offer
EPS	Earnings Per Share
Escrow Agent	HDFC Bank Limited
FEMA	Foreign Exchange Management Act, 2000 and subsequent amendments thereto
FII(s)	Foreign Institutional Investor(s)
Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement
FOW	Form of Withdrawal
FY	Financial Year
ICAI	Institute of Chartered Accountants of India
Letter of Offer / LOO	this Letter of Offer dated March 12, 2010
Ltd.	Limited
Imperial / Manager to the Offer	Imperial Corporate Finance & Services Pvt. Ltd.
NRI(s)	Non – Resident Indian(s) and Person of Indian Origin residing abroad
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Bodies
Offer / Open Offer	Open offer being made by the Acquirer to the sharehodlers of the Target Company for acquisition of 9,96,000 fully paid-up equity shares of face value of Rs.10/- each representing 20% of the paid up Equity and Voting Share Capital of Sampada at a price of Rs.46.25/- per fully paid-up equity share
Offer Price	Rs.46.25/- (Rupees Forty Six and Paise Twenty Five only) per fully paid-up equity share of Rs.10 each

TERM	DESCRIPTION
Offer Size	9,96,000 Equity Shares representing 20% of the paid up Equity and Voting Share Capital.
PACs	Person Acting in Concert(s)
Promoter Group	The Promoters of the Target Company consisting of Rajendra Somani HUF,Surendra Somani HUF, Adarsh Somani, Laxmidevi Somani, Vrinda Somani, Varun Somani, Susheel G Somani HUF, Suhrid Somani, , Jaya Somani, Kumkum Susheel Somani, Suhrid Susheel Somani, Mridula Somani, Vandana Somani, Adarsh Somani, Anushree Somani, Shantanu Somani, Susheel G Somani, and Himalaya Builders Pvt Ltd, Satyanarayana Properties Pvt Ltd, Korpan Laboratories Pvt Ltd, Rajendra Somani, Surendra Somani, S V Trading & Agencies Ltd, Svaraj Trading & Agencies Ltd, Shree Satayanarain Properties Pvt Ltd Himalaya Builders Pvt Ltd, Skyland Securities Pvt Ltd, Ridhi Sidhi Equifin Pvt Ltd, Premier Commercial Co Pvt Ltd.
Public Announcement / PA	Announcement of the Offer made on behalf of the Acquirer to the shareholders of the Target Company published on December 17, 2009 in all editions of Financial Express, Jansatta and Navshakti
RBI	Reserve Bank of India
Sampada / the Target Company	Sampada Chemicals Limited
Sharex / Registrar to Offer	Sharex Dynamic (India) Pvt. Ltd.
SEBI	Securities and Exchange Board of India
SEBI Act	SEBI Act, 1992 and subsequent amendments thereto
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto
SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Sellers	The exiting promoters of the Target Company viz., (1) S V Trading & Agencies Ltd, (2) Svaraj Trading and Agencies Ltd, (3) Himalaya Builders Pvt. Ltd, (4) Skyland Securities Pvt. Ltd and (5) Ridhi Sidhi Equifin Pvt. Ltd,
Share(s) / Equity Shares	Fully paid-up equity shares of Rs.10/- each of Sampada
SPA	The Share Purchase Agreement dated December 11, 2009 entered into between Shyam Alcohol and Chemicals Limited and the Sellers
SPA Shares	12,51,000 Equity Shares agreed to be sold by the Sellers to Shyam Alcohol and Chemicals Limited under the SPA
Specified Date	Wednesday December 23, 2009
Stakeholder	Ms. Pragnya Shah a person nominated by the Parties with whom all conditions precedent documents and purchase price relating to Shares of Sellers shall be delivered and who shall be authorized to distribute and/or to assist the Parties to achieve Completion of formalities

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SAMPADA CHEMICALS 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 (S), PACs OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, CATEGORY – I MERCHANT BANKER, M/S IMPERIAL CORPORATE FINANCE & SERVICES PVT. LTD, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 30, 2009 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER

DOES NOT HOWEVER ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. Background of the Offer

3.1.1. This Open Offer ("Open Offer" or "Offer") is being made by the Acquirer to the equity shareholders of Sampada Chemicals Limited ("Sampada" or the "Target Company") in compliance with Regulation 10 and 12 of the SEBI (SAST) Regulations.

3.1.2. On December 11, 2009, the Acquirer has entered into a Share Purchase Agreement ("SPA") with (1) S V Trading & Agencies Ltd, (2) Svaraj Trading and Agencies Ltd, (3) Himalaya Builders Pvt. Ltd., (4) Skyland Securities Pvt. Ltd & (5) Ridhi Sidhi Equifin Pvt. Ltd, who are all part of Promoter Group of the Target Company (collectively referred to as "**Sellers**") to acquire in aggregate 12,51,000 fully paid up equity shares ("**SPA shares**") having a face value of Rs.10/- per equity share representing 25.12 % of the total issued, subscribed and fully paid up equity & voting share capital of the Target Company at a price of Rs. 18./- (Rupees Eighteen Only) per equity share ("**Negotiated Price**") aggregating to consideration of Rs. 2,25,18,000/- (Rupees Two Crore Twenty Five Lac Eighteen Thousand Only) payable in cash ("**Share Consideration**") as detailed below:

Sr. No.	Name of the Shareholder & Permanent Account No. (PAN)	Address; Phone No. & Fax No.	No. of Shares	% of Paid up Capital	Consideration (In Rs.)
1	S V Trading & Agencies Ltd **PAN :AABCS6163N**	**Add:**1076, Parijat House, Dr. E. Moses Road, Worli, Mumbai – 400018. **Tel. No.:** +91 22 24964656 – 60 **Fax. No.:** +91 22 2496 3055	1,99,900	4.01	35,98,200
2	Svaraj Trading & Agencies Ltd **PAN: AAACS5412R**		2,00,000	4.02	36,00,000
3	Himalaya Builders Pvt Ltd **PAN: AAACH8670C**		6,98,100	14.02	1,25,65,800
4	Skyland Securities Pvt Ltd **PAN: AAACS9191B**		53,000	1.06	9,54,000
5	Ridhi Sidhi Equifin Pvt Ltd **PAN: AAACR4103L**		1,00,000	2.01	18,00,000
	TOTAL		**12,51,000**	**25.12**	**2,25,18,000**

3.1.3. Other salient features of SPA are as follows:

- The Acquirer will be termed as Promoters after the successful completion of the Open Offer and the existing promoters shall cease to be the Promoters of the Target Company.

- The Acquirer shall have a right to reconstitute the Board of Directors of the Target Company and appoint their nominees on the Board upon successful completion of Open Offer.

- The Acquirer has deposited total consideration and the Sellers have handed over the irrevocable delivery instructions to the Depository Participant to transfer the SPA shares, which are in dematerialised form, to the depository account of the Acquirer with with the Stake Holder. The same shall be released to them simultaneously with the credit of purchased shares to the Demat Account of the Acquirer on successful completion of the Open Offer.

- The SPA also, provides that the Promoters/ Promoters group are free to dispose off their shares, other than SPA Shares, held by them in any manner, including through open market any time, including during the period when the Open Offer is in progress.

- The SPA also provides that in the case of non compliance of any provision of the Regulations pertaining to the Open Offer being triggered by this Share Purchase Agreement, this agreement shall not be acted upon by either party to the Agreement (Seller or Acquirer)

3.1.4. Prior to the aforementioned acquisition, the Acquirer was not holding any shares in the target company.

3.1.5. Shyam Alcohol and Chemicals Limited is the sole Acquirer in this Open Offer and there are no other persons acting in concert (PAC) with the Acquirer for the purpose of this offer.

3.1.6. Neither the Acquirer nor the Target Company nor the Sellers have been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the SEBI Act.

3.1.7. The applicable provisions of Chapter II of the SEBI (SAST) Regulations vis-à-vis the Target Company have been complied by the Acquirer.

3.1.8. In terms of second proviso to Regulation 22(7) of SEBI (SAST) Regulations, the Acquirer shall have the right to deposit 100% of the consideration payable in cash to be entitled to nominate a person to the Board of Directors of Sampada, who shall be entitled to hold office as such forthwith from expiry of 21 days from the date of the PA at any time.

3.1.9. The Promoter / Promoter Group (including those who are not party to the SPA) of Sampada shall not be participating in the Open Offer.

3.2. Details of the Proposed Offer

3.2.1. The Public Announcement ("PA") dated December 16, 2009 was made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	Language	Editions	Date of Publication
Financial Express	English	All	Dec. 17, 2009
Janasatta	Hindi	All	Dec. 17, 2009
Navshakti	Marathi	Regional	Dec. 17, 2009

(The Public Announcement would be available on the SEBI website i.e. www.sebi.gov.in and on Website of Manager to Offer i.e. www.icfs.in)

3.2.2. Pursuant to the signing of SPA the Acquirer is making an open offer in terms of Regulation 10 & 12, among other regulations of SEBI (SAST) Regulations, to acquire equity shares of the Target Company from all the public shareholders of the Target Company excluding parties to the SPA. The open offer is for acquisition of up to 9,96,000 fully paid up equity shares of Rs.10/- each representing 20.00% of fully paid equity and voting share capital of the Target Company ("**Offer Size**") at a price of Rs. 46.25/- (Rupees Forty Six and Paise Twenty Five Only) per fully paid up equity share ("**Offer Price**") payable in cash, subject to the terms and conditions mentioned hereinafter in the PA and the LOO to be sent to the Shareholders of the Target Company as on the Wednesday December 23, 2009 alongwith Form of Acceptance cum Acknowledgement. The equity shares tendered in the valid form in terms of this Offer will be transferred to the Acquirer upon completion of the Open Offer formalities. The Offer is in accordance with Regulations 10 & 12 of the Regulations, consequent to the acquisition of equity shares by the Acquirer referred to in Clause 3.1.2 above.

3.2.3. The present issued, subscribed and paid up equity share capital of the Target Company, as on the date of the PA is Rs. 498.00 Lacs consisting of 49,80,000 fully paid-up equity shares of Rs. 10/- each.

3.2.4. There are no partly paid shares of Sampada as on the date of PA.

3.2.5. This is not a Competitive Bid.

3.2.6. The Offer is not conditional on any minimum level of acceptance and the Acquirer will acquire all the equity shares of the Target Company that are tendered in terms of the Offer up to 9,96,000 fully paid up equity shares representing in the aggregate 20.00% of the paid up equity and voting share capital, subject to the terms and conditions set out herein in the PA, LOO and Form of Acceptance cum Acknowledgement ("FOA") that would be sent to the shareholders of the Target Company on the Specified Date and receipt of approvals.

3.2.7. The Manager to the Offer does not hold any equity shares of the Target Company as on date of the PA. The Manager to the Offer declare and undertake that they shall not deal in the shares of the target company during the period commencing from the date of their appointment as Manager to the offer till the expiry of fifteen days from the closure of the offer.

3.2.8. Upon completion of the Offer, assuming full acceptance and taking into account the shares purchased under SPA, the Acquirer will hold 45.12 % of the fully paid up equity share capital of the Target Company.

3.2.9. This Offer is subject to receipt of the statutory and other approvals mentioned in Clause 8 of this LOO. In terms of Regulation 27 of the SEBI (SAST) Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

3.2.10. As on the date of the PA, the Acquirer does not hold any equity shares other than SPA shares of Sampada and they have not acquired any equity shares of Sampada during the 12 months preceding the date of the PA. Promoter or Director and / or Acquirer has not made any further acquisition of equity shares of Sampada in the open market or through negotiation or otherwise from the date of PA till the date of this LOO.

3.2.11. This offer is not a result of Global Acquisition resulting in indirect acquisition of shares of the Target Company.

3.2.12. The Acquirer does not have any representation on the Board of the Target Company as on the date of this LOO. However, the Acquirer proposes to reconstitute the Board of Directors of the Target Company as per Regulation 22(7) of SEBI (SAST) Regulations, 1997 and /or upon completion of the Open Offer formalities..

3.2.13. This Offer is made to all shareholders of the Target Company other than Promoters of Sampada and parties to SPA.

3.2.14. This LOO is being sent to those shareholders of the Target Company (other than Promoters of Sampada and parties to SPA) whose names appeared in the Register of Members of the Target Company at the close of business hours on Wednesday December 23, 2009, being the **Specified Date**, as required under the SEBI (SAST) Regulations.

3.3. Object of the Offer and Future Plan about the Target Company

3.3.1. The Offer to the Shareholders is being made following the transaction referred in Clause 3.1.2 above, which upon conclusion will result in substantial acquisition of equity shares & voting rights accompanied with change in control and management of the Target Company, enabling the Acquirer to exercise control over the Target Company. In accordance with Regulations 10 and 12 read with Regulation 14 (1) of the SEBI (SAST) Regulations, the Acquirer is making this Offer to the public shareholders of the Target Company.

3.3.2. The Acquirer would like to pursue and grow the business of the Target Company. However, for operational purposes and commercial reasons the Acquirer may reorganise the business of the Target Company.

3.3.3. To the extent required and to optimise the value to all shareholders, the Acquirer may, subject to applicable shareholders' consent, enter into any compromise or arrangement, reconstruction, restructuring, merger, rationalising and/or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. The Board of Directors of the Target Company will take appropriate decisions in these matters.

3.3.4. The Acquirer does not have any plan to dispose off or otherwise encumber any asset of the Target Company in the next two years except in the ordinary course of business of the Target Company. However, the Acquirer undertakes that it shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company and in accordance with and subject to the applicable laws, permissions and consents, if any.

3.3.5. Upon completion of the Transaction, the Acquirer will reconstitute the Board of Directors of the Target Company, in accordance with the relevant provisions contained in the SEBI (SAST) Regulations and the Companies Act, 1956.

4. <u>BACKGROUND OF THE ACQUIRER</u>

4.1. Shyam Alcohol and Chemicals Limited (SACL) was originally promoted by Mr. Pankaj M. Kadakia along with family members in the name & style Ashok Alkalies and Chemicals Limited (AACL) with its registered office situated at 5-B, Ram Kishan Chambers, BRC Road, Alkapuri, Vadodra Gujarat 390 007. The company incorporated on 21st September 1990. The name of AACL was changed to its present name on 21st December 1992. The main objects of the Company was to carry on business of manufacture, producer, distributor, importers, exporters and dealer in all kinds of chemical and bio chemical substances. The registered office was subsequently shifted to G/11, Dev Commercial Centre, Gothri Road, Vadodra, Gujarat-390 007 on December 20, 2004.

4.2. In December 2004, Mr. Vipul Bhatt along with associates(family members), acquired SACL at a consideration of Rs.5,50,000 for acquiring 55,000 equity shares of Rs. 10/- each, being the then paid up capital. Consequently, they became promoters of the company and the registered office was shifted to A/10, Kavita Apartments, Natakwala Lane, Borivali (West), Mumbai – 400 092. Tel: +91 22 2351 2867, Fax: +91 22 2351 9573 on May 6, 2005 and obtained a fresh certificate of registration on June 20, 2005.

Subsequently there has been additional capitalization by issue and allotment of additional equity shares and also reconstituted the Board of Directors.

4.3. As on the date of the PA, Mr. Vipul Bhatt, Mr. Vidur Bhatt (Father of Mr.Vipul Bhatt), Mrs.Bijal Bhatt (Wife of Mr.Vipul Bhatt) and Mrs. Malati Bhatt (Wife of Mr.Vidur Bhatt) are the promoters of the SACL. The Acquirer does not belong to any group.

4.4. The Main objects of the company at the time of incorporation to carry on business of manufacture, producer, distributor, importers, exporters and dealer in all kinds of chemical and bio chemical substances.

Presently SACL is engaged in the business of trading and investment in shares and securities. The current activities of the Acquirer are permitted under the Clause no.16 & 41 of the Memorandum of Association and Articles of Association under other objects.

4.5. The authorised share capital of SACL as on date of the PA is Rs. 1200.00 Lacs divided into 1,20,00,000 equity shares of Rs. 10 each. The present issued, subscribed and paid up equity share capital of SACL, as on the date of the PA is Rs.843.96 Lacs consisting of 84,39,600 fully paid-up equity shares of Rs. 10/- each. There are no partly paid up equity shares as on date of the PA.

4.6. The entire paid up equity share capital fo SACL is held in the following manner:

Particulars	No. of Shares	% holding
Promoter & PACs	71,76,600	85.03
Public / Body Corporates	12,63,000	14.97
Total	**84,39,600**	**100.00**

4.7. As on the date of the PA, the Board of Directors of SACL comprises of the following persons:

Sr. No	Name & Residential Address	Age	Original Date of Appointment	Director Identification Number	Designation	Qualification	Experience
1	**Vipul Bhatt** 42,3rd Floor Jariwala Bldg. Sane Guruji Road, Tardeo, Mumbai 400034	40	20th December 2004	00655304	Director	B.Com. and CFA	Financial Matters
2	**Bijal Bhatt** 42,3rd Floor Jariwala Bldg. Sane Guruji Road, Tardeo, Mumbai 400034	36	5th October 2009	00655407	Director	B.Com	Day to Day functioning
3	**Kaushik Madhani** 364,Cigarettewala Bldg., S.V.P. Road, Mumbai 400 004	34	20thDecember 2004	00656112	Director	B.Com	Exploring Opportunities.

Note: None of the Directors have track record of past performance.

4.8. None of the above directors are on the board of directors of the Target Company. None of the above directors has acquired any equity shares of the Target Company.

4.9. SACL has complied with all the applicable provisions of Chapter II of SEBI (SAST) Regulations within the time specified by the SEBI (SAST) Regulations.

4.10. The shares of SACL are not listed on any stock exchange.

4.11. Key financials highlights of SACL are as under:

				(Rupees in Lacs)
Particulars	**Unaudited** September 09**	**Audited 2008 - 09**	**Audited 2007 - 08**	**Audited 2006 – 07**
Income From Operations#	216.82	8.36	158.74	86.65
Other Income	9.87	104.78	29.01	9.58
Total Income	226.69	113.14	187.76	96.23
Total Expenditure	267.08	90.58	210.68	94.92
Profit Before Depreciation and Tax	(40.39)	22.56	(22.92)	1.31
Depreciation	0.07	0.08	0.09	0.09
Profit Before Tax	(40.46)	22.48	(23.01)	1.22
Provision for Tax	(18.17)	4.00	(6.75)	0.65
Profit After Tax	(22.30)	18.48	(16.26)	0.57
Income From Operations	216.82	8.36	158.74	86.65
Source: Annual Report for 2008 – 09; 2007 – 08; 2006 – 07 **Certified by Statutory Auditors				

Components of Other Income:

				(Rs. in Lacs)
Particulars	**Period ended Sept' 09**	**2008 – 09**	**2007 – 08**	**2006 – 07**
Interest Income	14.64	14.22	10.78	7.92
Dividend	-	0.01	0.79	0.001
Profit / (Loss) on sale of Investment	18.55	18.99	1.90	1.42
Share Trading Profit / (Loss)	-	2.84	1.74	0.72
F&O Trading Profit / (Loss)	-	-	(5.92)	(0.55)
Commission Income	-	-	8.76	-
	33.19	36.06	18.03	9.52
Adjustment for Stock:				
Closing Stock	-	68.72	10.98	0.06
Increase / (Decrease) in stock	(23.32)	-	-	-
Total	**9.87**	**104.78**	**29.01**	**9.58**
Source: Annual Report for 2008 – 09; 2007 – 08; 2006 – 07 **Certified by Statutory Auditors				

				(Rupees in Lacs)
Particulars	**Unaudited** September 09**	**Audited 2008 - 09**	**Audited 2007 - 08**	**Audited 2006 – 07**
SOURCES OF FUNDS				
Equity Share Capital	843.96	644.89	516.74	346.02
Share Application Money	256.28	227.74	131.66	75.10
Reserves & Surplus	-	3.90	-	1.68
Less: Miscellaneous Expenditure not written off	(18.40)	-	(14.59)	-
Net Worth	1,081.84	876.53	633.81	422.80
Unsecured Loans	120.00	-	-	-
Total	1,201.84	876.53	633.81	422.80
APPLICATION OF FUNDS				
Net Fixed Assets	0.08	0.15	0.23	0.26
Investments	197.89	465.14	398.90	319.65
Net Current Assets	1,003.87	411.24	234.68	102.89
Total	1,201.84	876.53	633.81	422.80
Source: Annual Report for 2008 – 09; 2007 – 08; 2006 – 07 **Certified by Statutory Auditors				

Particulars	Unaudited** September 09	Audited 2008 - 09	Audited 2007 - 08	Audited 2006 – 07
Return on Net Worth (%)	-2.06%	2.11%	-2.57%	0.14%
Earnings per share (EPS)	(0.26)	0.29	(0.31)	0.02
Book Value per Share	12.82	13.59	12.27	12.22
Source: Annual Report for 2008 – 09; 2007 – 08; 2006 – 07 **Certified by Statutory Auditors				

Notes:
1) EPS = Profit After Tax / No. of equity shares outstanding
2) Net worth = Equity Share Capital+ Share application Money+ Reserves & Surplus – Misc. Exp.
3) Return on Net Worth = Profit after Tax / Net Worth at year-end
4) Book Value per equity share = Net Worth / No. of equity shares outstanding
5) Net Current Assets includes the Deferred Tax Assets
6) Other Income consist of Commisssion Income; Increase / (Decrease) in Closing Stocks; Interest Income; Dividend; P/L on sale of Investments etc.
7) The financials for the period ended September 30, 2009 are certified by the Statutory Auditors

4.12. The summarized significant accounting policies of SACL, as per the audited financial statements for the year ended March 31, 2009, are as follows:

4.12.1. Method of accounting
The Financial Statements are prepared under the historical cost convention and on accrual basis of accounting and comply with the Accounting Standards referred in Section 211 (3C) of the Companies Act, 1956.

4.12.2. Income
Revenue is accounted on accrual basis. Other incomes are also accounted on accrual basis.

4.12.3. General
The Company follows the completed project method of accounting for projects. Under this method, revenue is recognized only when the project is completed or substantially completed. Costs and progress payments received are accumulated during the course of the project but revenue is not recognized until the project activity is substantially completed.

4.12.4. Use of Estimates:
The presentation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

4.12.5. Fixed Assets
Fixed assets are recorded at Cost of acquisition less depreciation.

4.12.6. Investments
Investments are stated at cost.

4.12.7. Inventory
Inventories are stated at cost or market value whichever is lower.

4.12.8. Taxation:
The Income Tax Liability is provided in accordance with the provisions of Income Tax Act.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Fringe Benefit Tax is determined at current applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961.

4.13. SACL is is not listed with any stock exchanges . The provisions of the Corporate Governance will be adhere to as and when the same becomes mandatory.

4.14. Comparison of results:

4.14.1. 9 month Period ended on September 30, 2009 compared to Financial Year ended on March 31,2009.

SACL's Income from Operations for the period ended September 30, 2009 was Rs. 216.82 Lacs, compared to Rs. 8.36 Lacs in the Financial Year ended March 31, 2009. There was a rise in 'Income from Operation' from Financial Year ended March 31, 2009 to period ended September 2009 since the company had revived their short term investments in view of the improvement in over all sentiment of capital markets. Other Income for the period ended September 30, 2009 was amounting to Rs. 9.87 Lacs, compared to Rs. 104.78 Lacs for the Financial Year ended March 31, 2009. Disproportionate drop in 'Other Income' from FY 2008 – 09 to September 09 was due to adjustment in value of stock, consisting of listed shares & securities.

4.14.2. Financial year ended on March 31,2009 compared to Financial Year ended on March31, 2008.

SACL's total income for the financial year ended March 31, 2009 was Rs.113.14 Lacs, compared to Rs. 187.76 Lacs in the previous year. There was a drop in 'Income from Operation' as compared to previous year, since the Income from Operation consist of short term investments in shares and securities. Despite decrease in total income for financial year ended on March 31, 2009 Profit After Tax (PAT) was increased to Rs.18.48 Lacs as compared to a Net Loss of Rs. 16.26 Lacs during the previous year, this was mainly due increase in Other Income to Rs. 36.06 Lacs for the period ended March 31, 2009 as compared to Rs. 9.28 Lacs in the previous year and also due to a decline in the total expenses to Rs. 90.66 Lacs as compared to Rs. 210.77 Lacs in Previous Year. The sudden increase in 'Other Income' from FY 2007 – 08 to FY 2008 – 09 was due to increase in Profit / (Loss) on sale of investment during the boom period of secondary market.

4.14.3. Financial year ended on March 31, 2008 compared to Financial Year ended on March 31, 2007.

SACL's total income for the financial year ended March 31, 2008 was Rs.187.76 Lacs, compared to Rs. 96.23 Lacs in the previous year. Despite increase in total income for financial year ended on March 31, 2008 Net Loss of Rs. Rs.16.26 Lacs as compared to Profit After Tax (PAT) of Rs. 0.57 Lacs during the previous year, this was mainly due to rise in the total expenses to Rs. 210.77 Lacs as compared to Rs. 95.01 Lacs in Previous Year.

4.14.4. Financial year ended on March 31, 2007 compared to Financial Year ended on March 31, 2006.

SACL's total income for the financial year ended March 31, 2007 was Rs.96.23 Lacs, compared to Rs. 6.42 Lacs in the previous year. Despite increase in total income for financial year ended on March 31, 2007 Profit After Tax (PAT) was dropped to Rs. 0.57 Lacs as compared to Rs.1.00 Lacs during the previous year, this was mainly due to rise in the total expenses to Rs. 95.01 Lacs as compared to Rs. 4.90 Lacs in Previous Year.

The Company is primarily engaged in activities of trading & investment in shares and securities and investment financing.The total income generated by the Company through sale of various investments is dependent on market sentiments and hence the total income cannot be commpared on a year on year basis.

4.15. There are no contingent liabilities as on date.

4.16. There are no mergers / demergers / spin offs involving SACL during last 3 years.

4.17. As on date, there are no litigations pending in any Court of Law or Competent Authority against / by the Company. However, there is a case pending against one of the promoter of the company as given below.

Nature of Dispute	Complainant / Appellant	Respondent	Amount Involved	Status of the Case	Brief Details of the Case
Income Tax	Income Tax Department	Vipul Bhatt	83,19,040	The first hearing has been fixed in the month of January, 2010. The date of hearing for the 2nd Appeal filed by the Income Tax department to ITAT was scheduled for hearing on November 17, 2009. The same was adjourned &	The claim against the Mr.Vipul Bhatt by the Income Tax Department is in respect of unexplained credits in his bank accounts. The Addition made by

				scheduled for hearing on March 3, 2010 It has now been adjourned again to March 12, 2010.	the A.O. were deleted by the CIT (A). The Income Tax Department has filed 2nd appeal before the honourable ITAT

4.18. The Acquirer has neither promoted nor controlled any companies / firms / venture / partnerships.

4.19. Disclosures in terms of Regulation 16(ix) of the SEBI (SAST) Regulations and Acquirers' Future Plans for Sampada:

The Acquirer would like to pursue and grow the business of the Target Company. However, for operational purposes and commercial reasons the Acquirer may reorganise the business of the Target Company.

For rest, please refer to paragraph 3.3 of this Letter of Offer.

5. DISCLOSURE IN TERMS OF REGULATION 21 (2) of SEBI (SAST) REGULATIONS

5.1. Assuming full acceptance, the Offer will not result in public shareholding being reduced to a level below the minimum limit prescribed in the Listing Agreement with the Stock Exchange for the purpose of listing on continuous basis. In the event, Acquirer acquires additional shares from the Target Company and Offer results in the public shareholding of the Target Company being reduced to less than the minimum public shareholding threshold, the Acquirer undertakes to comply with the continuous listing guidelines laid out in the Listing Agreement of the Target Company with stock exchanges and as required by Regulation 21(2) of the SEBI (SAST) Regulations.

6. BACKGROUND OF THE TARGET COMPANY

6.1. Sampada Chemicals Limited having its registered office presently at 1076, Parijat House, Dr E Moses Road Worli, Mumbai – 400 018 Tel: +91 22 2492 0780, Fax: +91 22 2493 7743, was incorporated as a public limited company on Feburary 22, 1983 with the Registrar of Companies, Maharashtra, Mumbai under the Companies Act, 1956 and obtained certificate of commencement of business on March 14, 1983. The registered office of the company at the time of incorporation was situated at 9/11 Vithobha Lane, Kalbadevi Road, Mumbai-400 002 and was shifted to its present address in the year 1984

6.2. Sampada was originally promoted by Mr. Purshottam Das Mundhra, Mr. Laxmi Lakhotia and Mr. Shyamlal Ghosh to carry on the business of producer, manufacturers, importers, exporters, buyers and sellers of and dealers of all kinds of chemicals, heavy or fine, organic or inorganic.

6.3. In December 1984, Somani group acquired Sampada. Somani group has promoted, amongst others, several listed companies like Kopran drugs Limited and Oricon Enterprise Limited under the name Parijat Enterprises. Mr. Adarsh Somani is the Chairman of Sampada.

6.4. Presently Sampada is engaged in the business of trading and investment in shares and securities. The total income for the Financial Year 2008 – 09 comprises of the Income from Trading and Investments of shares and securities. The current activities are permitted under the Clause no. 22 & 45 of the Memorandum of Association and Articles of Association under other objects.

6.5. The authorised share capital of Sampada is Rs. 500.00 Lacs divided into 50,00,000 equity shares of Rs. 10 each.

6.6. Sampada made its Initial Public Offer (IPO) in the year 1984 and the equity shares are listed on Bombay Stock Exchange Limited (BSE)

6.7. The present issued, subscribed and paid up equity share capital of Sampada, as on the date of the PA is Rs.498.00 lacs consisting of 49,80,000 fully paid-up equity shares of Rs. 10/- each.

6.8. There are no partly paid up equity shares as on date of the PA.

6.9. The shareholding of Sampada as on January 12 ,2010 is as follows:

Categories	Nos of Shares	% to Total Capital
Promoter/Promoter Group*	13,88,350	27.88
Public	35,91,650	72.12
Total	**49,80,000**	**100.00**

*The Promoter / Promoter Group shareholding includes the shares under SPA. In case promoter / promoter group dispose of the shares other than SPA Shares in any manner, including through open market at any time, including during the period when the Open Offer is in progress the above share holding pattern will undergo a change to that extent.

6.10. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc., which are convertible into equity at any later date. There are no shares under lock-in period.

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

Date of Allotment	No. of Equity Shares issued	% of Shares Issued	Face Value (Rs.)	Cumulative Paid up Capital (Rs.)	Mode of Allotment	Identity of Allottees (Promoters / ex-promoters/ others)	Status of compliance
22.02.1983	70	100	10	700	Subscription to MOA & AOA	Erstwhile Promoters / Others	Complied
08.03.1984	90,000	99.92	10	9,00,700		Existing	.
14.03.1984	1,50,000	62.48	10	24,00,700	Public Issue	promoters /	. Complied
23.03.1984	8,930	03.72	10	24,90,000		Others	
30.03.1995	47,31,000	95.00	10	4,98,00,000	Bonus Issue	Existing Promoters	Complied

6.12. Sampada has complied with relevant clauses of the stock exchange listing agreements from time to time. The shareholding of the Erstwhile Promoters(P.D Mundhra, Mr. L. Lakhotia and Mr. Shyamal Ghosh) as on date of listing was 39.76%. Somani Group acquired 86.79% stake (including erstwhile promoters holding of 39.76%), in the Target Company in 1984. During the period 1984 – 85 to 1994 – 95 they had sold 6,100 shares resulting in reducing their share holding to 84.34%. Pursuant to the revision in the Clause 40A, the Target Company had received the communication at various dates from BSE & responded to the same. The company was not in compliance with Clause 40A of Listing Agreement from the Year 1995 to September 9, 2009. During the period August 14, 2009 to September 9, 2009 Promoters have disposed 9.62% of their holding through open market, reducing their holding to 74.72%. Since then the company is in compliance with Clause 40A of Listing Agreement. The equity shares have not been suspended for trading by the stock exchange. Sampada has complied with the provisions of clause 49 of the stock exchange listing agreement in respect of corporate governance norms. There has been no penal action initiated against Sampada by stock exchange in respect of the compliance matters as on date

6.13. In the following instances the Promoters (including Sellers) and PACs, and/or Sampada have not complied with the applicable provisions of Chapter II of SEBI (SAST) Regulations;

Table – I A: Filings by the Promoter

Sl. No.	Regulation/ Sub Regulation	Due Date for compliance	Actual date of compliance	Delay, if any (in days)	Remarks
1	**2**	**3**	**4**	**5**	**6**
1	6(1)	20.04.1997			See Notes
2	6(3)	20.04.1997			
3	8(1)	21.04.1998			
4	8(2)	21.04.1998			
5	8(1)	21.04.1999			
6	8(2)	21.04.1999			
7	8(1)	21.04.2000			
8	8(2)	21.04.2000			
9	8(1)	21.04.2001			
10	8(2)	21.04.2001			
11	8(1)	21.04.2002			
12	8(2)	21.04.2002			
13	8(1)	21.04.2003			
14	8(2)	21.04.2003			
15	8(1)	21.04.2004			
16	8(2)	21.04.2004			
17	8(1)	21.04.2005			
18	8(2)	21.04.2005			
19	8(1)	21.04.2006			
20	8(2)	21.04.2006			
21	8(1)	21.04.2007			
22	8(2)	21.04.2007			
23	8(1)	21.04.2008			
24	8(2)	21.04.2008			
25	8(1)	21.04.2009			
26	8(2)	21.04.2009			
27	7(1) & (2)	There has been no change in the Shareholdings from 1995 till August 14, 2009			Nil
28	7(1A)&(2)				Nil

Notes:-

1. For the period 1997-2003, the promoters have not filed their declarations under Regulation 6(1); 6(3); 8(1) & 8(2) of SEBI (SAST) Regulations to the Target Company.

2. From the year 2003 to till date, the promoters have not filed their declarations under Regulation 8(1) & 8(2) of SEBI (SAST) Regulations to the Target Company.

Table – I A: Filings by the Promoter Group (Seller and/or PACs and/or Other Major Shareholders)

Sl. No.	Regulation/ Sub Regulation	Due Date for compliance	Actual date of compliance	Delay, if any (in days)	Remarks
1	**2**	**3**	**4**	**5**	**6**
1	6(1)	20.04.1997			See Notes
2	6(3)	20.04.1997			
3	8(1)	21.04.1998			
4	8(2)	21.04.1998			
5	8(1)	21.04.1999			
6	8(2)	21.04.1999			
7	8(1)	21.04.2000			
8	8(2)	21.04.2000			
9	8(1)	21.04.2001			
10	8(2)	21.04.2001			
11	8(1)	21.04.2002			
12	8(2)	21.04.2002			
13	8(1)	21.04.2003			
14	8(2)	21.04.2003			
15	8(1)	21.04.2004			
16	8(2)	21.04.2004			
17	8(1)	21.04.2005			
18	8(2)	21.04.2005			
19	8(1)	21.04.2006			
20	8(2)	21.04.2006			
21	8(1)	21.04.2007			
22	8(2)	21.04.2007			
23	8(1)	21.04.2008			

24	8(2)	21.04.2008			
25	8(1)	21.04.2009			
26	8(2)	21.04.2009			
27	7(1) & (2)	There has been no change in the Shareholdings from 1995 till August 14, 2009			Nil
28	7(1A)&(2)				Nil

Notes:-

1. For the period 1997-2003, the Promoter Group have not filed their declarations under Regulation 6(1); 6(3); 8(1) & 8(2) of SEBI (SAST) Regulations to the Target Company .

2. From the year 2003 to till date, the Promoter Group have not filed their declarations under Regulation 8(1) & 8(2) of SEBI (SAST) Regulations to the Target Company.

3. As regards the point 2, of notes above, the company has not pledged any shares. Therefore, the provisions of Regulation 8A of the SEBI (SAST) Regulations are not applicable.

Table – II : Filings by the Target Company

Sl. No.	Regulation/ Sub Regulation	Due Date for compliance	Actual date of compliance	Delay, if any (in days)	Remarks
1	**2**	**3**	**4**	**5**	**6**
1	6(2)	20.05.1997	11.07.2003	2243 days	Penalty paid of Rs. 10,000/- to BSE on 11.07.2003 vide Demand Draft in favour of "The Securities and Exchange Board of India, Mumbai" pursuant to the SEBI Regularization Scheme, 2002.
2	6(4)	20.05.1997	31.03.2003	2141 days	Penalty paid of Rs. 10,000/- to BSE on 31.03.2003 vide Demand Draft in favour of "The Securities and Exchange Board of India, Mumbai" pursuant to the SEBI Regularization Scheme, 2002.
3	8(3)	30.04.1998	31.03.2003	1796 days	Target Company has filed the declaration along with the requisite penalties under the SEBI Regularization Scheme, 2002 vide their letter dated March 31, 2003 as shown in the above table.
4	8(3)	30.04.1999	31.03.2003	1431 days	
5	8(3)	30.04.2000	31.03.2003	1065 days	
6	8(3)	30.04.2001	31.03.2003	700 days	
7	8(3)	30.04.2002	31.03.2003	335 days	
8	8(3)	30.04.2003	20.01.2004	265 days	
9	8(3)	30.04.2004	16.04.2004	0 days	
10	8(3)	30.04.2005	12.09.2005	135 days	
11	8(3)	30.04.2006	15.01.2009	991 days	
12	8(3)	30.04.2007	15.01.2009	626 days	
13	8(3)	30.04.2008	15.01.2009	260 days	
14	8(3)	30.04.2009	29.12.2009	243 days	

Table – III (A): Details of shares acquired / sold by promoter group

Financial Year	Mode of Acquisition: Open Market / Off Market	No. & % of shares acquired		No. & % of shares sold		Cumulative Nos of Shares	Compliance with SEBI (SAST) Regulations /other applicable regulations under SEBI Act, 1997 & other applicable Statutory requirements
		Number	%	Number	%		
2009 – 10	Open Market	17,600	0.35	25,76,200	51.73	25,76,300	COMPLIED
	Off Market	Nil	Nil	Nil	Nil	Nil	

Table – III (B): Details of Compliances for the period August 2009 till the date of this LOO:

Particulars	No of Shares Acquired / (Sold)	% of Shares Acquired / (Sold)	Cumulative Nos. of Shares	Remarks
Adarsh Somani	(20,000)	(0.40)	(20,000)	COMPLIED
Anushree Somani	(10,000)	(0.20)	(30,000)	
Himalaya Builders Pvt. Ltd.	(301,900)	(6.06)	(331,900)	
Hridai Somani	(10,000)	(0.20)	(341,900)	
Jaya Somani	(20,000)	(0.40)	(361,900)	
Kopran Laboratories Ltd.	(189,600)	(3.81)	(551,500)	
Kumkum Somani	(10,000)	(0.20)	(561,500)	
Mridula Somani	(40,000)	(0.80)	(601,500)	
Rajendra Somani	(10,000)	(0.20)	(611,500)	
Rajendra Somani HUF	17,500	0.35	(594,000)	
Rajendra Somani HUF	(17,500)	(0.35)	(611,500)	
Shree Satyanarayan Properties Pvt. Ltd.	(800,000)	(16.06)	(1,411,500)	
Skyland Securities Pvt. Ltd.	(147,000)	(2.95)	(1,558,500)	
Suhrid Somani	(10,000)	(0.20)	(1,568,500)	
Surendra Somani	(30,000)	(0.60)	(1,598,500)	
Susheel Somani HUF	(100)	(0.00)	(1,598,600)	
The Premier Commercial Co. Pvt. Ltd.	(900,100)	(18.07)	(2,498,700)	
The Premier Commercial Co. Pvt. Ltd.	100	0.00	(2,498,600)	
Vandana Somani	(50,000)	(1.00)	(2,548,600)	
Varun Somani	(10,000)	(0.20)	(2,558,600)	
Total	17,600 / (25,76,200)	0.35 / (51.73)		

The company has not pledged any shares. Therefore the provisions of Regulation 8A of the SEBI (SAST) Regulations are not applicable.

6.14. The Sellers and/or promoters and/or direcotrs of Sampada have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act.

6.15. The board of directors of Sampada as on the date of the Public Announcement was as under:

Sr. No	Name & Residential Address	Age	Original Date of Appointment	Director Identification Number	Designation	Qualification	Experience
1	**Shri Adarsh Somani** Shreeniketan, 5th Floor, 86A Marine Drive, Mumbai – 400 002	35	24.05.2008	00192609	Chairman / Non Executive Director	B. Com	10 Years Has Rich Experience in Real Estate & FMCG products
2	**Shri Vinod Mimani** 6, Burdwan Road, Kolkata – 700 038, West Bengal	59	24.05.2008	00053976	Non Executive Independent Director	B.E. (Mechanical)	20 Years Manufacturing & Marketing of Packaging Products
3	**Shri Varun Somani** Shreeniketan, 5th Floor, 86A Marine Drive, Mumbai – 400 002	27	24.05.2008	00015384	Non Executive Director	B.B.A.	5 Years Marketing & Distribution
4	**Shri Suhrid Somani** 403 Olympus Altamount Road, Mumbai – 400 026	42	06.06.1992	00217379	Non Executive Director	B. Com	21 Years Expertise in Marketing; Purchase & Finance
5	**Shri Gopaldas Mantri** 15 Mangalkarini, 17th Road Siddharth Nagar, Goregaon, Mumbai – 400 062	68	31.01.2009	00973363	Non Executive Independent Director	B. Com	50 Years Expertise in Manufacturing; Finance and Legal Matters
6	**Shri Radheshyam Sodhani** 1/103 Laxmi Estate Co – Operative Hsg. Soc. Ltd., Old, Nagardas Road, Verma Nagar, Andheri(E), Mumbai – 400 069	73	06.11.2003	00990452	Non Executive Independent Director	B.A.	52 Years Has Rich Epxerience in handling Legal Matters

Note: There are no directors representing the Acquirer on the board of Sampada.

6.16. There have not been any merger / acquisition /de-merger/spin-off in the last 3 years involving Sampada.

6.17. Key financials highlights of Sampada are as under:

				(Rupees in Lacs)
Particulars	**Unaudited** Sept. 09 (6 Months)**	**Audited FY 2008 - 09**	**Audited FY 2007 - 08**	**Audited FY 2006 - 07**
Income From Operations	79.49	290.61	4,803.71	-
Other Income	497.73	1,771.00	568.25	42.31
Total Income	577.22	2,061.61	5,371.95	42.31
Total Expenditure	124.45	1,025.90	5,024.99	24.30
Profit Before Depreciation Interest & Tax	452.77	1,035.71	346.97	18.00
Depreciation	0.01	0.02	0.02	0.02
Interest	504.54	1,015.89	336.88	43.70
Profit Before Tax	(51.78)	19.80	10.06	(25.72)
Provision for Tax	-	0.62	-	-
Profit After Tax	(51.78)	19.18	10.06	(25.72)
Source: Annual Reports for 2008-09; 2007-08; 2006-07. ** Certified by the Statutory Auditor for Half Year Ended September 09				

				(Rupees in Lacs)
Particulars	**Unaudited ** Sept. 09 (6 Months)**	**Audited 2008 - 09**	**Audited 2007 - 08**	**Audited 2006 - 07**
SOURCES OF FUNDS				
Equity Share Capital	498.00	498.00	498.00	498.00
Reserves & Surplus	411.68	463.46	444.28	434.22
Net Worth	909.68	961.46	942.28	932.22
Unsecured Loans	6697.20	7,082.99	5,669.69	2,933.91
Total	7606.88	8,044.45	6,611.97	3,866.13
APPLICATION OF FUNDS				
Net Fixed Assets	0.67	0.68	0.70	0.72
Investments	7111.22	6,889.80	5,746.12	2,345.73
Net Current Assets	494.99	1,153.96	865.15	1,519.68
Total	7606.88	8,044.45	6,611.97	3,866.13
Source: Annual Reports for 2008-09; 2007-08; 2006-07. ** Certified by the Statutory Auditor for Half Year Ended September 09				

Particulars	**Unaudited ** Sept 09 (6 Months)**	**Audited 2008 - 09**	**Audited 2007 - 08**	**Audited 2006 - 07**
Return on Net Worth (%)	-5.69 %	1.99%	1.07%	-2.76%
Earnings per share (EPS)	(1.04)	0.39	0.20	(0.51)
Book Value per Share	18.27	19.31	18.92	18.72
Source: Annual Reports for 2008-09; 2007-08; 2006-07. ** Certified by the Statutory Auditor for Half Year Ended September 09				

Note:

1) EPS = Profit After Tax / No. of equity shares outstanding
2) Return on Net Worth = Profit after Tax / Net Worth at year-end
3) Book Value per equity share = Net Worth / No. of equity shares outstanding
4) Other Income consist of Increase in Inventories; Income on Investment; Interest Income; Dividend (Long Term); Profit on sale of Investments; Speculation Business Income.

5) Financial for the Half Year Ended on September 30, 2009 has been Certified by the Statutory Auditor and the same have been subject to Limited Review.
6) Figures are regrouped and recasted wherever necessary to make them comparable.

6.18. Comparison of Results

6.18.1. Results for financial year ended March31, 2009 compared to financial year ended March31, 2008:

Sampada's total income for the financial year ended March 31, 2009 was Rs.1217.20 Lacs, as compared to Rs. 757.40 Lacs in the previous year. Increase in total income for financial year ended on March 31, 2009 leads to the increase in Profit After Tax (PAT) which is Rs.19.20 Lacs as compared to Rs. 10.10 Lacs during the previous year, this was mainly due to decline in the total expenses to Rs. 181.50 Lacs as compared to Rs. 410.50 Lacs in Previous Year.

6.18.2. Results for financial year ended March 31, 2008 compared to financial year ended March 31, 2007:

Sampada's total income for the financial year ended March 31, 2008 was Rs.757.40 Lacs, compared to Rs. 24.50 Lacs in the previous year. Increase in total income leads to the increase in Profit After Tax (PAT) which is Rs.10.10 Lacs as compared to a Net Loss of Rs. 24.70 Lacs during the previous year, this was mainly due to decline in the Interest Expenditure as a proportion to total income to Rs. 336.90 Lacs (Total Income Rs. 757.40 Lacs) as compared to Rs. 43.20 Lacs (Total Income Rs. 24.50 Lacs) in Previous Year.

6.18.3. Results for financial year ended March 31, 2007 compared to financial year ended March 31, 2006:

Sampada's total income for the financial year ended March 31, 2007 was Rs.24.50 Lacs, compared to Rs. 664.20 Lacs in the previous year. Decrease in total income leads to the decrease in Net Loss which is Rs. 24.70 Lacs as compared to a Net Loss of Rs. 63.10 Lacs during the previous year, this was mainly due to decline in total expenditure as a proportion to total income to Rs. 6.00 Lacs (Total Income Rs. 24.50 Lacs) as compared to Rs. 669.70 Lacs (Total Income Rs. 664.20 Lacs) in Previous Year..

The Company is primarily engaged in activities of trading & investment in shares and securities.The total income generated by the Company through sale of various investments is dependent on market sentiments and hence the total income cannot be commpared on a year on year basis.

6.19. The shareholding and voting pattern of Sampada prior to and following the proposed acquisition under the SPA and the Offer, is as under: (Based on shareholding pattern as on September 30, 2009)

Shareholders' category	Shareholding & voting rights prior to the agreement / acquisition and Offer (as on Sept. 30, 2009)		Shares / Voting rights agreed to be acquired / acquired which triggered off SEBI (SAST) Regulations		Shares / Voting rights to be acquired in the Open Offer (Assuming full acceptance)		Shareholding / Voting rights after the Share Purchase agreement / acquisition and offer	
	(A)		(B)		(C)		(A)+(B)+(C)= (D)	
	No.	%	No.	%	No.	%	No.	%
1) Promoter								
(a)Parties to SPA	12,51,000	25.12	(12,51,000)	(25.12)	Nil	Nil	Nil	Nil
(b)Promoters other than (a) above	18,96,550	38.08	Nil	Nil	Nil	Nil	Nil	Nil
Total 1 [(a)+(b)]	31,47,550	63.20	(12,51,000)	(25.12)	Nil	Nil	Nil	Nil
2) Acquirer								
(a)Shyam Alcohol & Chemicals Ltd.	Nil	Nil	Shares Under SPA 12,51,000	25.12	9,96,000	20.00	22,47,000	45.12
Total 2	Nil	Nil	12,51,000	25.12	9,96,000	20.00	22,47,000	45.12
3) Parties to the agreement other than 1(a) and 2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
4) Public* (other than parties to agreement & the Acquirer)								

(a)Mutual Funds and UTI, Banks, Financial Institutions, Insurance Companies (Central/ State Institutions/ Non-Govt. Institutions)/ FIIs	Nil	Nil	Nil	Nil				
(b)Private Corporate Bodies	1,01,900	2.05	Nil	Nil	(9,96,000)	(20.00)	27,33,000*	54.88
(c) Indian Public (including NRIs/ OCBs)	17,30,550	34.75	Nil	Nil				
Total 4 (a)+(b)+(c)	18,32,450	36.80	Nil	Nil	(9,96,000)	(20.00)	27,33,000	54.88
Grand Total 1+2+3+4	49,80,000	100.00	Nil	Nil	Nil	Nil	49,80,000	100.00

Source: www.bseindia.com and SPA
*after the completion of open offer formalities, the existing promoter ceased to be the Promoter & therefore they have been considered as a part of Public Shareholding.

The Acquirer confirms that the promoters who are not a party to SPA shall not be bestowed with any privileges, typically accorded to the promoters of a company, post the Open Offer.

6.20. The details of the corporate governance compliances as per listing agreement for Sampada, as per the Annual Report for the year ended March 31, 2009, are as follows:

Composition and Meetings of the Board:
The Board of Directors comprises of Chairman and Five Non Executive Directors. Out of the Five Non Executive Directors as aforesaid, three are Independent Directors. During the Financial Year under review eight Board Meetings were held on April 30, 2008, May 24, 2008, June 30, 2008, July 30, 2008, August 25, 2008, September 1, 2008, October 31, 2008, January 31, 2009.

Audit Committee
Mr. R. S. Sodhani was the Chairman of the Audit Committee for all the meetings and committee also compreises of Mr. Suhrid Somani and Mr. Gopaldas Mantri. All the members of the audit committee are Independent Directors except Mr. Suhrid Somani. The Statutory Auditors and Internal Auditors attend the meetings of the committee.

Remuneration & Investors Grievance Committee
The company has not formed Remuneration & Investor Grievance Committee as prescribed under the Listing Agreement as these functions are looked after by the Board of Directors directly.

Compliance Certificate of the Statutory Auditors
The Statutory Auditors of the company has certified vide their certificate dated June 30, 2009 that the company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement.

6.21. There are no pending litigation by / against the company and/or promoters

6.22. SEBI may initiate action against the Target Company and/or the Promoters (including Sellers) at a later stage in terms of the Regulations & Provisions of the SEBI Act for non compliance and / or delay in compliance with SEBI (SAST) Regulations.

6.23. The Compliance Officer of Sampada Chemicals Limited is:
Mr. Adarsh Somani
1076, Parijat House,
Dr E Moses Road Worli,
Mumbai - 400018
Tel: +91-22-2492 0780,
Fax: +91-22-2493 7743
sampada_cc@rediffmail.com

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1. Offer Price:

7.1.1. The equity shares of Sampada are listed on the Bombay Stock Exchange ("BSE")

7.1.2. The annualised trading turnover during the preceding six calendar months ended November 30, 2009 on BSE are as follows::

Name of the Stock Exchange	Total Number of Equity Shares Traded during the preceding six calendar months ended November 30, 2009	Total Number of Listed Equity Shares	Annualised Trading Turnover (In terms of % of Total Listed Equity Shares)
Bombay Stock Exchange	28,82,850	49,80,000	115.78%

Source:www.bseindia.com

Based on the above information the equity shares of Sampada are frequently traded on BSE within the meaning of Explanation to Regulation 20 (5) of the SEBI (SAST) Regulations.

7.1.3. The Offer Price of Rs. 46.25/- (Rupees Forty Six and Paise Twenty Five Only) per equity share is justified in terms of Regulation 20 (4) of the SEBI (SAST) Regulations as it is higher than the following:

Sr. No.	Particulars	Amount
1	Negotiated price under SPA	18.00
2	Highest Price paid by Acquirer or PACs for any acquisition (including by way of allotment in a public or rights or preferential issue) during the 26 weeks prior to the date of the PA.	Not Applicable
3	The average of the weekly high & low of the closing prices of shares of Sampada on BSE during the 26 weeks period preceding the date of the PA.	31.66
4	The average of the daily high & low of the shares of the Sampada on BSE during the 2 weeks period preceding the date of the PA.	46.21
Source: www.bseindia.com		

Sr. No.	Week Starting Day	Week End Day	Weekly High	Weekly High	Average	Volume
1.	18-Jun-09	24-Jun-09	NOT TRADED			
2.	25-Jun-09	1-Jul-09	NOT TRADED			
3.	2-Jul-09	8-Jul-09	NOT TRADED			
4.	9-Jul-09	15-Jul-09	NOT TRADED			
5.	16-Jul-09	22-Jul-09	NOT TRADED			
6.	23-Jul-09	29-Jul-09	NOT TRADED			
7.	30-Jul-09	5-Aug-09	NOT TRADED			
8.	6-Aug-09	12-Aug-09	NOT TRADED			
9.	13-Aug-09	19-Aug-09	14.58	13.23	13.91	86,150
10.	20-Aug-09	26-Aug-09	18.58	15.30	16.94	99,300
11.	27-Aug-09	2-Sep-09	22.50	19.50	21.00	1,450
12.	3-Sep-09	9-Sep-09	28.55	23.60	26.08	2,98,550
13.	10-Sep-09	16-Sep-09	29.95	26.00	27.98	3,42,750
14.	17-Sep-09	23-Sep-09	26.10	25.10	25.60	1,80,800
15.	24-Sep-09	30-Sep-09	25.70	24.50	25.10	1,22,850
16.	1-Oct-09	7-Oct-09	28.35	26.90	27.63	5,91,450
17.	8-Oct-09	14-Oct-09	33.85	29.75	31.80	1,56,250

Sr. No.	Week Starting Day	Week End Day	Weekly High	Weekly High	Average	Volume
18.	15-Oct-09	21-Oct-09	34.00	33.00	33.50	5,08,150
19.	22-Oct-09	28-Oct-09	34.80	33.90	34.35	1,64,900
20.	29-Oct-09	4-Nov-09	35.50	34.20	34.85	68,350
21.	5-Nov-09	11-Nov-09	37.55	36.20	36.88	73,350
22.	12-Nov-09	18-Nov-09	38.55	37.00	37.78	30,650
23.	19-Nov-09	25-Nov-09	41.60	39.30	40.45	8,400
24.	26-Nov-09	2-Dec-09	44.90	42.40	43.65	3,53,650
25.	3-Dec-09	9-Dec-09	45.10	43.95	44.53	86,200
26.	10-Dec-09	16-Dec-09	49.70	46.00	47.85	15,650
Average of 26 Week H/L of Closing Price					**31.66**	

.ate	High	Low	Average	Volume
December 03, 2009	44.90	43.20	44.05	18,900
December 04, 2009	45.00	43.30	44.15	34,800
December 07, 2009	44.80	44.75	44.75	1,700
December 08, 2009	45.65	44.00	44.85	29,800
December 09, 2009	45.10	45.10	45.10	1,000
December 10, 2009	46.00	46.00	46.00	4,700
December 11, 2009	46.90	46.90	46.90	100
December 14, 2009	47.80	47.80	47.80	300
December 15, 2009	48.75	48.75	48.75	8,500
December 16, 2009	49.70	49.70	49.70	2,050
Average of Daily H/L			**46.21**	

Based on the above, the Offer Price is justified in terms of Regulation 20(11) of the Regulations.

7.1.4. The Acquirer has not paid any other consideration and / or compensation either directly or indirectly to the Sellers (i.e. those selling shares under the SPA) apart from share consideration (i.e. Negotiated Price) mentioned on page no 6 under the clause no 3.1.2, whether by way of any non-compete fee or otherwise or pursuant to any non compete agreement, for acquiring of shares of the Target Company.

7.1.5. In the event the Acquirer acquires any equity shares of the Target Company after the date of the PA and up to 7 working days prior to the close of the Offer at the price higher than the Offer Price, then such highest price paid for such acquisition shall be payable for all valid applications received under the Open Offer. Further acquirer shall disclose within 24 hours of any such purchases made at a price equal to or less or more than the offer price, to the stock exchanges where the equity shares of the Target Company are listed and to the Manager to the Offer in accordance with Regulation 22(17) of the SEBI (SAST) Regulations. However, the Acquirer shall not be acquiring any equity shares of the Target Company during the period of 7 working days, prior to the date of closure of the Offer.

7.1.6. To the extent of the Offer Size, all equity shares of the Target Company that are validly tendered, pursuant to the Offer will be accepted by the Acquirer.

7.1.7. The equity shares will be acquired by the Acquirer, free from all lien, charges and encumbrances and together with all rights attached thereto, including all the rights to dividend, bonus and rights offer declared thereof.

7.1.8. The Acquirer is permitted to revise the Offer upwards up to 7 working days prior to the closure of the Offer. In the event of such revision, an announcement will be made in the same new papers where the PA has appeared and revised offer price would be paid for all the equity shares validly tendered any time during the Offer.

7.2. Financial Arrangements:

7.2.1. The total fund requirement for the acquisition of 9,96,000 equity shares (assuming full acceptance of the offer), being 20.00% of the paid up equity and voting share capital of the Target Company at Rs. 46.25/- (Rupees Forty Six and Paise Twenty Five only) per share is Rs. 4,60,65,000/- (Rupees Four Crore Sixty Lacs Sixty Five Thousand Only) **("Maximum Consideration")**. The Acquirer has adequate financial resources and has made firm financial arrangement for the implementation of the offer in full out of its own resources/ networth and has confirmed the same vide their letter dated December 11, 2009.

7.2.2. In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirer has established an Escrow Account under the name and title of Shyam Alcohol and Chemicals Limited Escrow Account **("Escrow Account")** with HDFC Bank Limited **("Escrow Bank")** and made a Cash deposit of Rs. 1,16,00,000/- (Rupees One Crore Sixteen Lacs Only) in the account being more than 25% of the total consideration payable in accordance with the SEBI (SAST) Regulations. Imperial, in terms of an Agreement dated December 15, 2009 amongst the Acquirer, and Manager to the Offer and the Escrow Bank **("Escrow Agreement").** Manager to the Offer has been solely authorized to operate and realize the value lying in the Escrow Account in terms of the SEBI (SAST) Regulations.

7.2.3. M/S R.R.Falod & Co, Chartered Accountants, Membership No. 31914, 108, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai – 400 053. Tel: +91 22 6698 9078 have certified vide their letter dated December 15, 2009, that on the basis of necessary information and explanation given by the Acquirer and on verification of assets, liabilities, requirement of funds, the Acquirer has adequate resources to meet the financial requirements of the Open Offer pursuant to SEBI (SAST) Regulations..

7.2.4. Manager to the Offer has satisfied itself about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

7.2.5. In case of a revision in the Offer price, the Acquirer would raise the amount in the escrow account to ensure compliance with Regulation 28 of the SEBI (SAST) Regulations.

8. TERMS AND CONDITIONS OF OFFER

8.1. This Offer, along with any obligation in terms of SEBI (SAST) Regulations to make payment for, or purchase the Shares tendered and accepted from NRIs, is subject to the receipt of approval from Reserve Bank of India ("RBI"), under the Foreign Exchange Management Act, 2000 ("FEMA").

8.2. There is no other Statutory or Regulatory approvals, which is required for the completion of the Transaction and the Offer. If any other statutory approval becomes applicable either for the Transaction or for the Offer, the Acquirer will have a right to not proceed with the Offer.

8.3. The Acquirer shall complete all procedures relating to the Offer within a period of 15 days from the closure of the Offer.

8.4. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the tendering shareholders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will become applicable.

8.5. The Acquirer does not require any approval from the banks or financial institutions for the offer.

9. PROCEDURE FOR ACCEPTANCE / WITHDRAWAL AND SETTLEMENT:

9.1. The Offer will be made to the shareholders of the Target Company (except promoters of Sampada and the parties to the SPA). LOO together with the FOA, the Form of Withdrawal ("FOW") and Transfer Deed ("TD") (for shareholders holding shares in physical form) will be mailed to those shareholders of the Target Company (except Promoters / Promoter Group of Sampada and the parties to SPA) whose names appear on the register of members of the Target Company and the beneficial owners of the shares whose names appear on the beneficial records of the respective share depositories, at the close of business hours on December 23, 2009 **(the "Specified Date")**.

9.2. Accidental omission to dispatch LOO to any member entitled to this Open Offer or non-receipt of the LOO by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Offer is subject to terms and conditions set out herein and in the LOO that would be sent to the shareholders of the Target Company as on the Specified Date.

9.3. All the shareholders, (except promoters of Sampada and the parties to the SPA) who own the equity shares of the Target Company before the closure of the Offer, are eligible to participate in the Offer.

9.4. The Acquirer has appointed Sharex Dynamic (India) Pvt. Ltd **("Sharex")** as Registrar to the Offer. Sharex has set up the following centres to collect the acceptances being tendered in this Offer. The documents can be tendered at the below mentioned centres between 10.00 am to 1.00 pm and 2.00 pm to 4.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturdays. The centres will be closed on Sundays and bank holidays.

Name & Address of Collection Centres	Contact Person & Contact Number	Mode of Delivery
Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Ind. Premises, 1st Flr, 44-E, M Vasanti Marg, Andheri-Kurla Rd., Safed pool, Andheri(E), Mumbai 400072	Mr.B.S.Baliga Tel No.: 022-2851 5606 Fax No.: 022-2851 2885 e-mail: sd_india@rediffmail.com	Hand Delivery/ Registered Post
Sharex Dynamic (India) Pvt. Ltd. 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai- 400 001	Mr. Ajith Kumar Tel No.: 022-2270 2485 Fax No.: 022-2264 1349 e-mail: sharexindia@vsnl.com	Hand Delivery/ Registered Post

The equity shareholders who cannot hand deliver their documents at the collection centres referred to above may send the same by registered post, at their own risk, to the Registrar to the Offer at their office at Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Ind. Premises,1st Flr, 44-E, M Vasanti Marg, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400072 and not to any other collection centre so as to reach their office before the close of the Offer i.e. 4 pm on Saturday, April 10, 2010.

Neither the Share Certificate(s) nor the Transfer Deed(s) nor the Form of Acceptance/ Withdrawal should be sent to the Sellers or the Acquirer or the Target Company or Manager to the Offer.

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

- Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

The share certificate(s), share transfer form, Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, at the collection centres mentioned above. **They should not be sent to the Manager to the Offer or the Acquirer or the Target Company.**

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

9.7. All owners of equity shares, demat/physical, registered/unregistered (except the parties to the SPA) are eligible to participate in the Offer anytime before closure of the Offer. All registered owners can send duly completed FOA, filled and signed in accordance with the instructions contained in the LOO and FOA, to the Registrar to the Offer, at the collection centres mentioned in Clause 9.4 either by hand delivery or post (as per respective mode of delivery specified above) before the Closure of the Offer i.e. March 01, 2010. No indemnity shall be required from the unregistered shareholders.

9.8. Sharex has opened a special depository account with following details

Name of A/c:	SCL Open Offer
Depository Name:	ARCADIA SHARE & STOCK BROKERS PVT. LTD.
DP Id Number:	1203440000616870
Beneficiary Name :	SHAREX DYNAMIC (INDIA) PVT. LTD.- SCL OPEN OFFER-ESCROW A/C

9.9. Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed:

9.9.1. For equity shares held in physical form:

- <u>Registered Shareholders should enclose:</u>
  - o Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
  - o Original share certificate(s).
  - o Valid share transfer deed / form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Sampada and duly witnessed at the appropriate place.
  - o In case of non-receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

- <u>Unregistered owners should enclose:</u>
  - o Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
  - o Original share certificate(s).
  - o Original broker contract note.
  - o Valid share transfer deed(s) as received from market. The details of buyer should be left blank failing which; the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.
  - o All other requirements for valid transfer will be precondition for acceptance.

9.9.2. For Equity shares held in demat form:

- <u>Beneficial owners should enclose:</u>
  - o Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository.
  - o Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by DP in favor of the special depository account (please see below) before the close of business hours on Saturday April 10, 2010.
  - o In case of non-receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to be accepted. The Form of Acceptance-cum-Acknowledgement for which corresponding Shares have not been credited to the special depository account as on the date of closure of the Offer will be rejected.

9.10. The shareholders tendering shares in demat form should ensure the credit of shares in favour of the special depository account mentioned above, before the close of business on Saturday April 10, 2010. FOA in respect of dematerialised equity shares not credited to the above Special Depository Account before the closure of Offer is liable to be rejected. Beneficial owners are therefore requested to tender the delivery instructions at least 2 working days prior to the date of closure of the Offer. Shareholders having their beneficiary account in National Depository Securities Ltd (“NDSL”) have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the above mentioned special depository account.

9.11. The shareholders tendering equity shares of the Target Company in the dematerialised form, will be required to send the FOA along with counterfoil / photocopy of the delivery instructions (in "Off-market" mode) in favour of special depository account mentioned above, duly acknowledged by the Depository Participant ("DP"), to the Registrar either by hand delivery or by registered post on or before the closure of the Offer. For shareholders of the Target Company holding physical certificates and who wish to accept the Offer and tender their shares will be required to send the FOA together with the share certificate (s) and transfer deed(s) to the Registrar.

9.12. In case of non-receipt of the LOO/FOA, the eligible persons may download the same from SEBI website or obtain a copy of the same by writing to Sharex Dynamic (India) Pvt. Ltd at any of the collection centres clearly marking the envelope **"Sampada - Open Offer"** or make an application on a plain paper duly signed and stating Name/Address/No. of shares offered/DP Name/DP ID/ together with the counterfoil/photocopy of the delivery instructions in "off market" in favour of special depository account mentioned above, duly acknowledged by the Depository Participant ("DP"). Unregistered owners holding shares in physical form can send their application in writing on plain paper, duly signed and stating Name/Address/No. of shares offered/Share Certificate No(s) /Distinctive No (s) /Folio No (s) together with the original Share Certificate(s), valid transfer deeds as received from the broker (Columns meant for transferee / buyer should be kept blank) to the Registrar to the Offer.

9.13. In case any person has lodged shares of the Target Company for transfer and the transfer has not yet been affected, the concerned person may apply on plain paper giving details as stated above along with a transfer deed duly signed (Columns meant for transferee / buyer should be kept blank) and the acknowledgement of the lodgement of shares of transfer. Such person should also instruct the Target Company and its Registrar and Transfer Agent to send the transferred share certificate(s) directly to the collection centres as mentioned in Clause 9.4 above. The applicant should ensure that the certificate(s) reach the designated collection centre before the closure of the Offer. In case any person has lodged shares of the Target Company for dematerialization and the dematerialisation has not yet been effected, the concerned person should send the completed FOA together with the photocopy of the dematerialisation request form acknowledged by shareholder's DP. The shareholder should ensure the credit of shares in favour of the special depository account mentioned above, before the closure of the Offer. A copy of the delivery instructions acknowledged by the DP should also be forwarded along with the FOA and other documents.

9.14. If the number of shares tendered by the shareholders are more than the Offer size, the acquisition from each shareholder will be as per regulation 21(6) of SEBI (SAST) Regulations on a proportional basis in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. Provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

9.15. The Registrar will hold in trust the share certificates, transfer deeds, shares lying in credit of the special depository account, FOA on behalf of the shareholders of the Target Company who have accepted the Offer, till the Acquirer completes the Offer obligations in accordance with the SEBI (SAST) Regulations.

9.16. Equity shares tendered by the shareholders of the Target Company in the Offer shall be free from lien, charges and encumbrances of any kind whatsoever. Equity shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of the Target Company may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such equity shares are received together with the equity shares tendered under the Offer prior to the date of closure of the Offer.

9.17. The consideration received by shareholders for shares accepted in the Offer will be subject to the capital gains tax applicable as per the Income-tax Act, 1961. Further, the securities transaction tax will not be applicable on shares accepted in this Offer.

9.18. While tendering the Shares under the Offer, NRIs/OCBs/foreign Shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the Shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirer/PAC reserves the right to reject such Shares tendered.

9.19. **TAX TO BE DEDUCTED AT SOURCE**:

As per the provisions of section 195(1) of the Income Tax 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 applicable section of the Income Tax Act or as business profits as the case may be, Acquirer may need to deduct tax at source (including surcharge and education cess) at the applicable rate on the gross consideration payable to the following categories of shareholders, as given below:

- Non resident Indians
- Overseas Corporate Bodies (OCBs) / Non-domestic companies
- Other persons who are not resident in India

9.20. Accordingly, while tendering Shares under the Offer, NRI/OCBs/foreign Shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by Acquirer under the Income Tax Act, 1961, before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the Shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such Shareholder.

9.21. In respect of **Foreign Institutional Investors ("FII"):** The Acquirer will not deduct tax at source if the Shares are held by the FII on investment/capital account. FIIs will have to certify in the Form of Acceptance cum Acknowledgment that the said shares are held on investment/capital account and enclose the certificate of registration by SEBI as FII.

9.22. The Acquirer will purchase the shares from the shareholders of the Target Company who have validly tendered the shares in the Offer (i.e. equity shares and/or other documents are in order in terms of the Offer) and remit, to the acceptors of offer having their Bank accounts at any of the Centres where Clearing Houses are managed by the RBI will get payment of consideration through ECS, except where the acceptor is otherwise eligible to get payments through Direct Credit ("**DC**"), National Electronic Funds Transfer ("**NEFT**") or Real Time Gross Settlement ("**RTGS**") or Cheque or Demand Draft or Pay Order, the consideration in respect thereof within 15 days from Offer closure. Consideration in excess of Rs.1,500/-, unaccepted share certificates, transfer deeds and other documents, if any, will be returned by registered post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder/unregistered owner. All dispatches involving payment of a value up to Rs. 1500/- will be made under certificate of posting at the shareholders' sole risk. Equity shares held in dematerialised form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished in the FOA.

9.23. In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, equity shareholders desirous of withdrawing the acceptance tendered by them in the Offer, may do so up to 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before Tuesday April 6, 2010.

- The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the LOO.

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

In case of Physical Shares: Name, Address, Distinctive numbers, Folio number, number of shares tendered; and
In case of Dematerialized Shares: Name, Address, number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Account.

9.24. Payment of consideration will be made by ECS / DC / NEFT / RTGS / Crossed Account Payee Cheques / Demand Drafts / Pay Order and sent by Registered Post as applicable, to those shareholders/unregistered owners and at their risk, whose shares/ share certificates and other documents are found in order and accepted by Acquirer in part or in full. In case of joint holders ECS / DC / NEFT / RTGS / Crossed Account Payee Cheque / Demand Draft / Pay Order will be drawn in the name of the first holder / unregistered owner.

It is advised that shareholders provide bank details in the FOA, so that the same can be incorporated for ECS / DC / NEFT / RTGS / Crossed Account Payee Cheque / Demand Draft / Pay Order. In respect of shareholders holding shares in demat form the banking acount number

registered with their respective depositories will be taken as the designated account for payment of consideration.

9.25. Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Shares held in demat form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the FOA. It will be the responsibility of the equity shareholders to ensure that the unaccepted equity shares are accepted by their respective DP when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the offer formalities are completed.

10. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of Sampada at the office of the Manager to the Offer, Imperial Corporate Finance & Services Pvt. Ltd., 102, Mittal Chambers, Nariman Point, Mumbai 400 021, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and public holidays, from the date of opening of the Offer until the Offer closes:

- Undertakings from the Acquirer:
  - ✓ Confirming that no shares have been acquired directly or indirectly other than the shares under SPA dated December 11, 2009 entered with the Sellers.
  - ✓ Confirming the availability of liquidity with the company for meeting the obligation under the offer through realisation of funds from investments
  - ✓ Confirmation that Acquirer is not registered with SEBI in any capacity;
  - ✓ Confirmation that the promoters who are not a party to SPA shall not be bestowed with any privileges, typically accorded to the promoters of a company, post the Open Offer.
  - ✓ Confirmation that no ventures / firms / partnerships are promoted or controlled by the Acquirer.
- Copy of SPA dated December 11, 2009 between SACL and the Sellers;
- Certified copy of the Certificate(s) of Incorporation and the Memorandum and Articles of Association of the SACL;
- Certified copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Sampada;
- Copy of published Public Announcement dated December 16, 2009;
- Certified True Copy of annual reports of SACL for the financial years ended March 31, 2009, 2008 and 2007and certified financial for the period ended 30.09.09;
- Certified True Copy of annual reports of Sampada for the financial year ended March 31, 2009, 2008 and 2007;;
- Copy of the certificate dated December 15, 2009 issued by M/s R. R. Falod & Co., Chartered Accountants confirming that the Acquirer have adequate financial resources to finance the acquisition.
- Letter from HDFC Bank Limited, confirming the amount kept in an escrow account and empowering the Manager to the Offer in accordance with the SEBI (SAST) Regulations;
- SEBI observation letter no CFD/DCR/TO/RM/197646/10 dated March 8, 2010
- A copy of the agreement entered into by the Registrar to the Offer with depository participant for opening a special depository account for the purposes of the Offer.

11. DECLARATION BY THE ACQUIRER

11.1. The Acquirer represented by its Board of Directors severally and jointly accepts full responsibility for the information contained in this Draft Letter of Offer (except that which pertains to the Target Company and has been compiled from publicly available sources) and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations.

For and on behalf of **Shyam Alcohol and Chemicals Limited**.

Sd/-
Vipul Bhatt
Director

Place: Mumbai
Date: March 12, 2010

Encl:

1. Form of Acceptance-cum-Acknowledgement
2. Form of Withdrawal

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FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

[Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Sharex Dynamic (India) Pvt. Ltd. at any of the collection centres as mentioned in the Letter of Offer ("LOO")]

(All terms and expression used herein shall have the same meaning as described thereto in LOO and please read the instructions mentioned below before filling in this form of acceptance.)

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

Name: ______________________

Address: ______________________

____

____

OPEN OFFER TO THE SHAREHOLDERS OF SAMPADA CHEMICALS LIMITED	
Opens on	**Monday, March 22, 2010**
Closes on	**Saturday, April 10, 2010**

Tel No: (_____) ____________ Fax No.: (_____) ____________ E-mail: ______________________

To,

Shyam Alcohol and Chemicals Limited,
C/o. Sharex Dynamic (India) Pvt. Ltd.,
Unit-1, Luthra Ind. Premises,
1st Floor, 44-E, M Vasanti Marg,
Andheri-Kurla Road., Safed pool,
Andheri(E), Mumbai - 400 072.

Dear Sir/Madam,

SUB: OPEN OFFER TO ACQUIRE UP TO 9,96,000 EQUITY SHARES REPRESENTING 20% OF THE PAID UP EQUITY & VOTING CAPITAL (AS DEFINED IN LETTER OF OFFER) OF SAMPADA CHEMICALS LIMITED ("TARGET COMPANY" OR "SAMPADA") BY SHYAM ALCOHOL AND CHEMICALS LIMITED ("ACQUIRER" OR "SACL") AT A PRICE OF RS. 46.25/- (RUPEES FORTY SIX AND PAISE TWENTY FIVE ONLY) PER FULLY PAID UP EQUITY SHARES IN TERMS OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THERETO ("SEBI (SAST) REGULATIONS")

I/We refer to the LOO dated March 12, 2010 constituting an offer for acquiring the equity shares held by me/us in **SAMPADA CHEMICALS LIMITED.**

I/We, the undersigned have read the LOO and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

— — — — — — — — — — — — — — — — — — **TEAR ALONG THIS LINE** — — — — — — — — — — — — — — — — — —

Acknowledgment Slip: Sampada Chemicals Limited - Open Offer (to be filled in by the shareholders)

Sr. No.

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

Form of Acceptance cum Acknowledgement for Sampada Chemicals Limited Open Offer as per details below: -

Physical Shares: Folio No. ______________________

No. of Certificates Enclosed ____________ Certificate No.______________________ Total No. of Shares Enclosed __________

Demat Shares: Client ID ______________________

DP ID: ______________________

Copy of Delivery Instruction to DP ______________________

Total No. of Shares Enclosed ______________________ (Delete whichever is not applicable)

Date of Receipt : ____________

Stamp of collection centre: Signature of Official:

SHARES HELD IN PHYSICAL FORM

I/We accept the Offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Sr. No.	Folio No.	Share Certificate No.	Distinctive No(s)		No. of Equity Shares
			From	To	
				Total	

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

SHARES HELD IN DEMAT FORM

I/We, holding shares in demat form, accept the Offer and enclose a photocopy of the delivery instructions by my/our DP in respect of my/our equity shares as detailed below:

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

I/We have done an off-market transaction for crediting the Shares to the depository account with "Sharex Dynamic (India) Pvt. Ltd. - SCL Open Offer-Escrow A/C" whose particulars are:

DP Name: ARCADIA SHARE & STOCK BROKERS PVT LTD.	**DP ID: 12034400**	**Client ID: 00616870**	**Depository: Central Depository Services (I) Ltd.**

Shareholders having their beneficiary account with NSDL will have to use inter-depository slip for the purpose of crediting their Shares in favor of the Special Depository Account with CDSL.

Enclosures (Please tick as appropriate, if applicable)

☐ Power of Attorney

☐ Corporate authorization in Case of companies along With Board Resolution and specimen signatures of authorized signatories

☐ Death Certificate / Succession Certificate

☐ Others (Please specify) ____________

☐ No objection Certificate & Tax Clearance Certificate under Income-Tax Act, 1961, for NRIs /OCBs /Foreign Shareholders as applicable

— — — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — — —

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the following address quoting your reference Folio No./DP ID/ Client ID:

Sharex Dynamic (India) Pvt. Ltd.,
Unit-1, Luthra Ind. Premises,
1st Floor, 44-E, M Vasanti Marg,
Andheri-Kurla Road., Safed pool,
Andheri(E), Mumbai - 400 072.
Tel: +91 22 2851 5606
Fax: +91 22 2851 2885
Email: sd_india@rediffmail.com
Contact Person: Mr. B.S. Baliga

- I/We confirm that the equity shares of Sampada Chemicals Limited which are being tendered herewith by me/us under this offer are free from liens, charges and encumbrances of any kind whatsoever.
- I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me / us by the Registrar to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the LOO.
- I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.
- I/We authorize the Acquirer to send by registered post/ speed post/ UCP the draft/ cheque, in settlement of the amount to the sole/first holder at the address mentioned above.
- I/We note and understand that the shares would lie in the Special Depository Account until the Acquirer make payment of the purchase consideration as mentioned in the Letter of Offer.
- I/We authorize the Acquirer to accept the Shares so offered 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 LOO and I/We further authorize the Acquirer to return to me/us, equity share certificate(s) which is not found valid.
- My/Our execution of this Form of Acceptance shall constitute my/our warranty that the equity shares comprised in this application are owned by me/us and are transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I/We will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I/We agree that the Acquirer may pay the offer price only after due verification of the documents and signatures and on obtaining the necessary approvals as mentioned in the said LOO.
- I/We undertake to execute such further documents and give further assurance as may be required or expedient to give effect to my/our agreeing to sell the said equity shares.

So as to avoid fraudulent encashment in transit, Shareholder(s) should provide details of bank account of the first/sole shareholder and the cheque or demand draft will be drawn accordingly.

Name of Bank	Branch	City	Type of Account	Account Number

The Permanent Account No. (PAN / GIR No.) Allotted under the Income Tax Act 1961 is as under: -

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN/GIR No.			

Yours faithfully,
Signed and delivered

	FULL NAME (S) OF THE HOLDER	SIGNATURE (S)
First / Sole Holder		
1st Shareholder		
2nd Shareholder		
3rd Shareholder		

Note: In case of joint holdings, all shareholders must sign. In case of body corporate, the company seal should be affixed

Place: ___________________ Date _________________

INSTRUCTIONS

1. In the case of dematerialized shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account, before the Date of Closure of the Offer i.e. April 10, 2010 (Saturday). The Form of Acceptance-cum-Acknowledgment of such demat shares not credited in favour of the Special Depository Account, before the Date of Closure of the offer will be rejected.

2. Share holders should enclose the following:

I. For shares held in demat form:-

Beneficial owners should enclose

- **i) Form of Acceptance-cum-Acknowledgment** duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- **ii) Photocopy of the delivery instruction in "Off-market"** mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of offer.

II. For Shares held in physical form:-

Registered Shareholders should enclose

- **i) Form of Acceptance-cum-Acknowledgment** duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the share certificates.
- **ii) Original share certificate(s).**
- **iii) Valid 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 registered with Sampada Chemicals Limited and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done.

  The details of buyer should be left blank failing which the same will be invalid under the offer. The details of the Acquirer as buyer will be filled by Acquirer upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

III. Unregistered owners should enclose

- **i) Form of Acceptance-cum-Acknowledgment duly** completed and signed in accordance with the instructions contained therein.
- **ii) Original Share certificate(s).**
- **iii) Original broker contract note.**
- **iv) Valid Share transfer deed(s)** as received from the market leaving details of buyer blank. If the same is filled in then the share(s) are liable to be rejected.

3. The Share certificate(s), share transfer form(s) and the Form of Acceptance-cum-Acknowledgment should be sent only to the Registrar to the Offer and not to the Manager to the Offer or Acquirer or Sampada Chemicals Limited.

4. The Form of Acceptance-cum-Acknowledgment and other related documents should be submitted at any of the collection centres of Sharex Dynamic (India) Pvt. Ltd. as stated in the LOO.

5. Shareholders having their beneficiary account in NSDL have to use **"INTER DEPOSITORY DELIVERY INSTRUCTION SLIP"** for the purpose of crediting their Shares in favour of the Special Depository Account with CDSL.

6. It is mandatory for Shareholders to indicate the bank account details at the appropriate place in the Form of Acceptance-cum-Acknowledgment and the consideration would be made to the bank account of the sole/first shareholder. The payment would be made at par to all the shareholders.

7. Rejection of Shares

   If the shares are rejected for any of the following reasons, the shares will be returned to the holder(s) along with all the documents received from them at the time of submission. **Please note that the following list is not exhaustive**.

   a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of Sampada Chemicals Limited,

   b. The Transfer deed is not complete or that the signatures do not match with the specimen recorded with Sampada Chemicals Limited,

   c. The number of Shares mentioned in the Form of Acceptance-cum-Acknowledgment does not tally with the actual physical share certificate(s) submitted or in case of dematerialized shares; the shares in the Form of acceptance-cum-Acknowledgment do not tally with the instruction to the Depository Participant.

8. All documents/ remittances sent by or to shareholders will be **at their own risk**. Shareholders of Sampada Chemicals Limited are advised to adequately safeguard their interests in this regard. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective Depository Participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgment.

9. Neither The Acquirer, the Manager to the Offer, the Registrar to the Offer or Sampada Chemicals Limited will be liable for any delay/loss in transit resulting in delayed receipt/non-receipt by the Registrar of your Form of Acceptance-cum-Acknowledgment or for the failure to deposit your shares to the Special Depository Account or submission of original physical Share certificate(s) due to inaccurate /incomplete particulars/instructions on your part, or for any other reason.

10. Applicants who cannot hand deliver their documents at the collection Centres, may send their documents only by Registered post, **at their own risk**, to the Registrar to the Offer at Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Ind. Premises, 1st Floor, 44-E, M Vasanti Marg, Andheri-Kurla Road., Safed pool, Andheri(E), Mumbai – 400 072 so as to reach the Registrars to the offer on or before the last date of acceptance i.e. April 10, 2010 (Saturday).

11. Please read the enclosed LOO before filling up the form of Acceptance.

12. The Form of Acceptance should be filled up in English only.

13. Signature(s) other than in English, Hindi and thumb impression must be attested by notary public under his official seal.

PLEASE REFER TO THE DETAILED INSTRUCTIONS UNDER PARA 9 TITLED PROCEDURES FOR ACCEPTANCE/WITHDRAWAL AND SETTLEMENT ON PAGE 22 OF THIS LETTER OF OFFER.

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Withdrawal with enclosures to Sharex Dynamic (India) Pvt. Ltd .at any of the collection centres as mentioned in the Letter of Offer)

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

Name: ____________________

Address: ____________________

____

____

Tel No: (______) ____________________

Fax No.: (______) ____________________

E-mail: ____________________

OPEN OFFER TO THE SHAREHOLDERS OF SAMPADA CHEMICALS LIMITED	
Opens on	**Monday, March 22, 2010**
Last date of withdrawal:	**Tuesday, April 06, 2010**
Closes on	**Saturday, April 10, 2010**

THIS FORM SHOULD BE USED BY THE SHARE HOLDERS ONLY FOR EXERCISING THE WITHDRAWL OPTION AS PROVIDED IN THE LETTER OF OFFER

To,

Shyam Alcohol and Chemicals Limited,
C/o. Sharex Dynamic (India) Pvt. Ltd.,
Unit-1, Luthra Ind. Premises,
1st Floor, 44-E, M Vasanti Marg,
Andheri-Kurla Road., Safed pool,
Andheri(E), Mumbai - 400 072.

Dear Sir/Madam,

SUB: OPEN OFFER TO ACQUIRE UP TO 9,96,000 EQUITY SHARES REPRESENTING 20% OF THE PAID UP EQUITY & VOTING CAPITAL (AS DEFINED IN LETTER OF OFFER) OF SAMPADA CHEMICALS LIMITED ("TARGET COMPANY" OR "SAMPADA") BY SHYAM ALCOHOL AND CHEMICALS LIMITED ("ACQUIRER" OR "SACL") AT A PRICE OF RS. 46.25/- (RUPEES FORTY SIX AND PAISE TWENTY FIVE ONLY) PER FULLY PAID UP EQUITY SHARES IN TERMS OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENTS THERETO ("SEBI (SAST) REGULATIONS")

I/we refer to the LOO dated March 12, 2010 for acquiring the Shares held by me/us in **SAMPADA CHEMICALS LIMITED.**

- I/We the undersigned have read the LOO understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.
- I/We have read the procedure for withdrawal of shares tendered by me/us in the Offer as mentioned in the LOO and unconditionally agree to the terms and conditions mentioned therein.
- I/We hereby consent unconditionally and irrecoverably to withdraw my/our Shares from the offer and I/we further authorize the Acquirer to return to me/us, tendered Share certificate(s)/ Share(s) at my /our sole risk.

— — — — — — — — — — — — — — — — **TEAR ALONG THIS LINE** — — — — — — — — — — — — — — — —

Acknowledgment Slip: Sampada Chemicals Limited - Open Offer (to be filled in by the shareholders)

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

Form of Withdrawal cum Acknowledgement for Sampada Chemicals Limited Open Offer as per details below: -

Physical Shares: Folio No. ____________________

No. of Certificates Enclosed _______________ Certificate No. ____________________ Total No. of Shares Enclosed __________

Demat Shares: Client ID ____________________

DP ID: ____________________

Copy of Delivery Instruction to DP ____________________

Total No. of Shares Enclosed ____________________ (Delete whichever is not applicable)

Date of Receipt : _____________

Stamp of collection centre: Signature of Official:

- I/We note that upon withdrawal of my/our shares from the offer, no claim or liability shall lie against the Acquirer /Manager to the Offer / Registrar to the offer.
- I/We note that this Form of withdrawal should reach the Registrar to the offer at any of the collection centres mentioned in the LOO as per the mode of delivery indicated therein on or before the last date of withdrawal.
- I/We note that the Acquirer/Manager to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for non-receipt of shares held in the dematerialized form in the DP account due to inaccurate/incomplete particulars/instructions.
- I/We also note and understand that the Acquirer shall return original Share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position data as available from the Depository from time to time, respectively.
- The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Folio no.	Certificate No.	Distinctive Nos.		No. of Shares
		From	To	
Tendered:				
Withdrawn:				
Total No. of equity shares				

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

I/We hold the following shares in dematerialized form, have tendered the Shares in the offer and had done an off-market transaction for crediting the Shares to the Special Depository Account with **"Sharex Dynamic (India) Pvt. Ltd. - SCL Open Offer-Escrow A/C" whose particulars are:**

DP Name: ARCADIA SHARE & STOCK BROKERS PVT LTD.	**DP ID: 12034400**	**Client ID: 00616870**	**Depository: Central Depository Services (I) Ltd.**

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by the Depository Participant.
The particulars of the account form which my/our shares have been tendered are as detailed below:

— — — — — — — — — — — — — — — — TEAR ALONG THIS LINE — — — — — — — — — — — — — — — —

All queries in this regard to be addressed to the Registrar to the offer at the following address quoting your Reference Folio No./DPID/Client ID:

Sharex Dynamic (India) Pvt. Ltd.,
Unit-1, Luthra Ind. Premises,
1st Floor, 44-E, M Vasanti Marg,
Andheri-Kurla Road., Safed pool,
Andheri(E), Mumbai - 400 072.
Tel: +91 22 2851 5606
Fax: +91 22 2851 2885
Email: sd_india@rediffmail.com
Contact Person: Mr. B.S. Baliga

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

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

In case of dematerialized Shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,
Signed & Delivered

Full Name(s) of the holders	Address	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all must sign. A corporation must affix its common seal necessary BoardResolution should be attached.

Address of First/Sole Shareholder:

Place:

Date:

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. April 10, 2010 (Saturday)

2. Shareholders should enclose the following:

I. For Shares held in Demat Form:-

Beneficial owners should enclose

i) Duly signed and completed Form of Withdrawal.

ii) Acknowledgement slip in original Copy of the submitted Form of Acceptance –cum- Acknowledgement in case delivered by Registered A.D

iii) Photocopy of the delivery instruction in “Off-market” mode or Counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the **DP.**

II. For Shares held in Physical Form:-

Registered Shareholders should enclose.

i) Duly signed and completed Form of Withdrawal

ii) Acknowledgement **slip in Original / Copy** of the submitted Form of acceptance- cum- Acknowledgement in case delivered by Registered A.D.

iii) In case of partial withdrawal, valid share transfer form(s) for the remaining Shares (i.e. Shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Sampada Chemicals Limited and duly witnessed at the appropriate place.

III. Unregistered owners should enclose.

i) Duly signed and completed Form of Withdrawal.

ii) Acknowledgement slip in Original / Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer / Special Depository Account.
4. The intimation of returned Shares to the shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of Share certificates from the Target Company. **The facility of partial withdrawal is available only to registered shareholders**.
7. Shareholders holding shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
8. The Form of Withdrawal and other related documents should be submitted at any of the Collection Centres of Sharex Dynamic (India) Pvt. Ltd. as stated in the Letter of Otter.
9. Applicants who cannot hand deliver their documents at the Collection Centres, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Sharex Dynamic (India) Pvt. Ltd., Unit-1, Luthra Ind. Premises, 1st Floor, 44-E, M Vasanti Marg, Andheri-Kurla Road., Safed pool, Andheri(E), Mumbai – 400 072 on or before the last date of withdrawal i.e. April 10, 2010 (Saturday).

PLEASE REFER TO THE DETAILED INSTRUCTIONS UNDER PARA 9 TITLED PROCEDURES FOR ACCEPTANCE/WITHDRAWAL AND SETTLEMENT ON PAGE 22 OF THIS LETTER OF OFFER.

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