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 Sunshield Chemicals Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager / Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER ("OFFER")

Rhodia Amines Chemicals Pte. Ltd. ("Acquirer")

A limited liability company, incorporated under the laws of Singapore

(**Registered Office**: *10 Collyer Quay, #10-01, Ocean Financial Centre, Singapore 049315; Tel: + 65 6535 0733, Fax: +65 6535 4906)*

along with

Solvay S.A. ("PAC")

a limited liability company incorporated under the laws of Belgium

(**Registered Office**: *Rue de Ransbeek 310, 1120 Brussels, Belgium, Telephone: (+32)22642111, Fax: (+32) 22643061)*

*Make a cash offer for acquisition of upto 19,11,796 fully paid-up equity shares of Rs 10/- each, representing 26% of the paid-up equity share and voting capital ("***the Offer Size***") at Rs 51/- (Rupees Fifty One Only) per fully paid-up equity share ("***the Offer Price***")*

of

Sunshield Chemicals Limited ("Target Company")

a public limited company incorporated under the Companies Act

(**Registered Office:** *NKM International House, 178, Backbay Reclamation, Babubhai Chinni Marg, Mumbai - 400020. Tel: +91 22 6145 7000; Fax: +91 22 2283 8291)*

Note:

- *This offer is being made pursuant to regulations 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof ("***the Regulations***").*
- *This Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of the Regulations*
- *The Offer is not a competing offer in terms of regulation 20 of the Regulations.*
- *This Offer is subject to certain statutory approvals and other conditions described in detail in paragraphs 6 and 93.*
- *If there is any upward revision of the Offer Price by the Acquirer and the PAC up to three working days prior to the commencement of the tendering period i.e. up to November 30, 2012 or in the case of withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the original Detailed Public Statement has appeared. Such revised Offer Price would be payable for all the equity shares validly tendered anytime during the period that the Offer is open and accepted under the Offer.*
- ***If there are competing offers: the public offers under all the subsisting bids shall open and close on the same date. As per the information available with the Acquirer / Target Company, no competitive bid has been announced as of the date of this Letter of Offer.***
- *A copy of Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance-cum-Acknowledgement) will be available on Securities Exchange Board of India ("SEBI") website: www.sebi.gov.in*

	Manager to the Offer	Registrar to the Offer
kotak® Investment Banking	**Kotak Mahindra Capital Company Limited** *Bakhtawar, 1st Floor,* *229, Nariman Point* *Mumbai 400 021* *Tel: +91 22 6634 1100,* *Fax: +91 22 2284 0492* *Contact Person: Mr. Ganesh Rane* *Email: project.sunshield@kotak.com*	**TSR Darashaw Private Limited** *6-10, Haji Moosa Patrawala Ind. Estate,* *20, Dr. E. Moses Road, (Nr. Famous Studio), Mahalaxmi,* *Mumbai - 400 011* *Tel: +91 22 6656 8484 Extn 411/ 412/ 413,* *Fax: + 91 22 6656 8494* *Contact Person : Ms. Mary George* *Email : project.sunshield@tsrdarashaw.com*

Activity	Original Schedule		Revised Schedule	
	Date	Day	Date	Day
Public Announcement (PA) date	September 13, 2012	Thursday	September 13, 2012	Thursday
Detailed Public Statement (DPS) date	September 21, 2012	Friday	September 21, 2012	Friday
Last date for a competing offer	October 15, 2012	Monday	October 15, 2012	Monday
Identified Date*	October 25, 2012	Thursday	November 21, 2012	Wednesday
Date by which Letter of Offer will be dispatched to the shareholders	November 02, 2012	Friday	November 29, 2012	Thursday
Last date by which Committee of Independent Directors of Target Company shall give its recommendation	November 07, 2012	Wednesday	December 04, 2012	Tuesday
Issue opening PA date	November 08, 2012	Thursday	December 05, 2012	Wednesday
Date of commencement of tendering period (Offer opening Date)	November 09, 2012	Friday	December 06, 2012	Thursday
Date of expiry of tendering period (Offer closing Date)	November 26, 2012	Monday	December 19, 2012	Wednesday
Date by which all requirements including payment of consideration would be completed.	December 11, 2012	Tuesday	January 03, 2013	Thursday

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

NOTE: *Duly signed Application cum Transfer Deed(s) together with share certificate(s) should be dispatched by registered post/courier or hand delivered to the Registrar to the Offer or their collection centres on or before closure of the tendering period (i.e. before Wednesday, December 19, 2012).*

Risk Factors

I. Risks relating to the transaction

- The Offer is subject to (i) the compliance of terms and conditions as set out under the Share Purchase Agreement, and (iii) receipt of approvals as more particularly set out in paragraphs 6 and 93 of this Letter of Offer. In accordance with the Share Purchase Agreement, the transaction under the Share Purchase Agreement shall be completed upon the fulfillment of conditions precedent agreed between the Acquirer and the Sellers. In terms of regulation 23(1) of the Regulations, if the statutory approvals and other conditions as stated in paragraphs 6 and 93 are not satisfactorily complied with for reasons beyond the control of the Acquirer / PAC, the Offer would stand withdrawn.

II. Risks relating to the Offer:

- The Offer is an offer to acquire not more than 26% of the fully paid-up voting equity share capital of the Target Company from the Eligible Shareholders. In the case of over subscription in the Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Shares tendered by the Eligible Shareholders in the Offer will be accepted.

- The Offer is subject to the receipt of certain statutory approvals and other conditions described in detail in paragraph 6 and 93. In the event that either: (a) statutory approvals are not received in time, (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer/PAC from performing its obligations hereunder, or (c) SEBI instructing the Acquirer/PAC not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Shares are accepted under the Offer as well as the return of Shares not accepted under the Offer by the Acquirer/PAC may get delayed. In case of delay, due to non-receipt of statutory approval(s), then in accordance with regulation 18(11) of the Regulations, SEBI may, if satisfied that non-receipt of the requisite approvals was not due to any willful default, failure or neglect on the part of the Acquirer/PAC to diligently pursue such approvals, grant an extension for the purpose of completion of the Offer subject to the Acquirer/PAC agreeing to pay interest to the validly tendering Shareholders.

- If at a later date, any other statutory approvals are required, the Offer would become subject to receipt of such other statutory approvals.

- The tendered Shares and documents would be held by the Registrar to the Offer, till the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Shares which are in the custody of the Registrar to the Offer. During such period, there may be fluctuations in the market price of the Shares. The Acquirer/PAC make no assurance with respect to the market price of the Shares both during the period that the Offer is open 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.

- The Acquirer, the PAC and the Manager to the Offer accept no responsibility for the statements made otherwise than in this Letter of Offer/ Detailed Public Statement/ Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirer, the PAC, or the Manager to the Offer) would be doing so at his/her/their own risk.

III. Risks relating to Acquirer/PAC and the Target Company

- Acquirer and the PAC make no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

- The Acquirer and the PAC cannot provide any assurance with respect to the market price of the Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

The risk factors set forth above are limited to the Offer and not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer and PAC, but are only indicative. The risk factors do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in the Offer. The Shareholders are advised to consult their stockbroker, or tax advisor or investment consultant, if any, for further risks with respect to their participation in the Offer.

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "US Dollars" or "USD" is to the United States Dollar and all references to "€" is to the Euro . Unless otherwise stated, the Rupee equivalent quoted in each case is calculated in accordance with the Reserve Bank of India reference rate as on September 12, 2012 i.e. USD 1 = Rs 55.2605 and Euro 1 = Rs 71.131 (source; www.rbi.org.in). In this Letter of Offer, any discrepancy in any table between the total and sums of amounts listed are due to rounding off.

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Key Definitions

Acquirer	Rhodia Amines Chemicals Pte. Ltd. (Acquirer), a limited liability company incorporated under the laws of Singapore (Registered Office: 10 Collyer Quay, #10-01, Ocean Financial Centre, Singapore 049315; Tel: + 65 6535 0733, Fax: +65 6535 4906)
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956, as amended
Current Equity Capital	The issued and paid-up equity share capital of the Target Company comprising of 73,53,060 Shares of Rs.10/- each as on the date of the Public Announcement as per the information from the Target Company
Depositories	CDSL and NSDL
DPS	Detailed Public Statement on behalf of the Acquirer and the PAC to the shareholders, which was published in all editions of Financial Express, all editions of Jansatta, and Mumbai edition of Mumbai Lakshadeep on September 21, 2012
Eligible Shareholders	All shareholders/beneficial owners (registered or otherwise) of shares other than the parties to the SPA
FEMA	Foreign Exchange Management Act, 1999, as amended
FII	Foreign Institutional Investor
Form of Acceptance-cum-Acknowledgment	Form of Acceptance-cum-Acknowledgement attached to this Letter of Offer
GAAP	Generally Accepted Accounting Principles
I-T Act	Income-tax Act, 1961, as amended
Identified Date	November 21, 2012 being the date for the purpose of identifying shareholders of the Target Company to whom the Letter of Offer will be sent
Lac / Lacs	1,00,000 units
Letter of Offer	This Letter of Offer dated November 27, 2012
Manager to the Offer/KMCC	Kotak Mahindra Capital Company Limited, the merchant banker appointed by the Acquirer and the PAC pursuant to the Regulations, having its registered office at Bakhtawar 1st Floor, 229 Nariman Point, Mumbai – 400 021, Tel: +91 22 6634 1100, Fax: +91 22 22840492; Email: project.sunshield@kotak.com, Contact Person: Ganesh Rane
Maximum Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is Rs. 9,75,01,596/- (Rupees Nine Crores Seventy Five Lacs One Thousand Five Hundred Ninety Six Only)
Mn / Million	1,000,000 units
NRI	Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body as defined in regulation 2 (xi) of the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/ Open Offer	The Offer being made by the Acquirer and the PAC for acquiring up to 19,11,796 Shares representing 26% of the voting share capital, from the Shareholders at the Offer Price payable in cash
Offer Price	Price of Rs. 51/- (Rupees Fifty One Only) per Share
Offer Size	19,11,796 shares representing 26% of the voting share capital of the Target Company
PAC/Person Acting in Concert	Persons acting in concert i.e. Solvay S.A., a limited liability company (société anonyme) that was formed and registered on 26 December 1863, for an unlimited period of time, under the laws of Belgium. The PAC is registered in the list of legal persons of Brussels under number 403 091 220, with its registered office located at Rue de Ransbeek 310, 1120 Brussels, Belgium. Tel: (+32) 22642111, Fax: (+32) 22643061
Paid-up Capital	Fully paid-up equity share capital of the Target Company of Rs. 7,35,30,600/- (Rupees Seven Crore Thirty Five Lacs Thirty Thousand Six Hundred Only) comprising of 73,53,060 Shares of face value of Rs.10/- each
Public	Public Announcement of the Open Offer made by the Manager to the Open Offer on

Announcement/PA	behalf of the Acquirer and the PAC on September 13, 2012 in accordance with the Regulations
RBI	Reserve Bank of India
Registrar to the Offer	TSR Darashaw Private Limited , the registrar appointed by the Acquirer, having its office at 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai – 400 011; Tel: +91 22 6656 8484 Extn 411/ 412/ 413: Fax: + 91 22 6656 8494; email: project.sunshield@tsrdarashaw.com; Contact Person: Ms. Mary George)
Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
Rs./ Rupees/ INR	The lawful currency of the Republic of India
Sale Shares	Equity Shares proposed to be acquired by the Acquirer from the Sellers under the Share Purchase Agreement are collectively referred to as Sale Shares
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
Sellers	As mentioned in paragraph 2 of this Letter of Offer
Share(s)	Each fully paid-up equity share of the Target Company having a face value of Rs.10/- each
Shareholder(s)	Shareholders of the Target Company
Share Purchase Agreement	Share Purchase Agreement entered between the Acquirer, the Sellers, and the Target Company dated September 13, 2012 for the acquisition of Sale Shares by the Acquirer from the Sellers
Stock Exchange	BSE
Target Company	Sunshield Chemicals Limited, a public limited company incorporated under the Companies Act (Registered Office: NKM International House, 178, Backbay Reclamation, Babubhai Chinni Marg, Mumbai - 400020. Tel: +91 22 6145 7000; Fax: +91 22 2283 8291)

Note: *All capitalized terms used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the Regulations.*

I. Disclaimer Clause

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SUNSHIELD CHEMICALS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PAC 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 AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

II. Details of the Offer

Background of the Offer

1) This Offer is a mandatory open offer being made by the Acquirer and the PAC in accordance with regulations 3(1) and 4 of the Regulations pursuant to the Share Purchase Agreement to acquire more than 25% of the voting rights of the Target Company and a proposed change in control, of the Target Company.

2) As of the date of the PA, the Sellers collectively hold 63.54% of the fully paid up equity share capital of the Target Company. As per stock exchange filings for the period ending June 30, 2012 with the BSE, the Sellers form part of the "Promoter and the Promoter Group" of the Target Company. Details of the Sellers are given as below:

No	Name, Nature of entity and Address of the Sellers	No of equity shares/ voting rights held	% of equity shares/ voting rights held
1	Aeonian Investments Company Limited is a public limited company having its registered office at NKM International House, 178, Backbay Reclamation, Babubhai Chinni Marg, Mumbai - 400020. There has been no change in the name of Aeonian Investments Company Limited since incorporation.	23,55,847	32.04%
2	Abhiraj Trading And Investment Private Limited is a private limited company having its registered office at NKM International House, 178, Backbay Reclamation, Babubhai Chinni Marg, Mumbai - 400020. There has been no change in the name of Abhiraj Trading And Investment Private Limited since incorporation.	16,04,700	21.82%
3	Mr Amit Champaklal Choksey is an individual residing at Geetanjali Co-op Hsg. Soc. Ltd., 9N Gamadia Road, Off. Peddar Road, Mumbai - 400026	5,09,100	6.92%
4	Ms Priti Amit Choksey is an individual residing at Geetanjali Co-op Hsg. Soc. Ltd., 9N Gamadia Road, Off. Peddar Road, Mumbai - 400026	114	0.00%
5	Mr Satish Manohar Kelkar is an individual residing at 26, White Lilly Society, D.S. Babrekar Marg, Dadar, Mumbai - 400028	94,570	1.29%
6	Kelkar Chemicals Private Limited is a private limited company having its registered office at 26, White Lilly Society, D.S. Babrekar Marg, Dadar, Mumbai - 400028. There has been no change in	68,950	0.94%

	the name of Kelkar Chemicals Private Limited since incorporation.		
7	Neokel Investments Private Limited is a private limited company having its registered office at 26, White Lilly Society, D.S. Babrekar Marg, Dadar, Mumbai - 400028. There has been no change in the name of Neokel Investments Private Limited since incorporation.	36,450	0.50%
8	Ms Radhika Bawa is an individual residing at 702, A Wing, Sai Sanskar, Opp. Saras Baug, Sion Trombay Road, Devnar, Mumbai - 400088	1,600	0.02%
9	Ms Mrinalini Vishwas Kelkar is an individual residing at 55/5 Matoshri, Ashok Path Erandwane, Near Film Institute, Pune - 411004	730	0.01%
	Total	46,72,061	63.54%

3) Out of the above Sellers, Abhiraj Trading And Investment Private Limited, Kelkar Chemicals Private Limited, and Neokel Investments Private Limited are corporate entities and are not listed on any stock exchange in India and Aeonian Investments Company Limited is a corporate entity listed on the BSE (Scrip code: 503655).

4) On September 13, 2012, the Acquirer entered into the Share Purchase Agreement with the Sellers and the Target Company to acquire such number of Shares from the Sellers which is either

a) such portion of the 46,72,061 Shares held by the Sellers (“**Maximum Sale Shares**”) aggregating to not less than 49% of the total issued share capital of the Target Company as would result in the Acquirer’s aggregate shareholding in the Target Company following closing under the Share Purchase Agreement (including the Shares acquired by the Acquirer pursuant to this Offer) being equal to 75% of the total issued equity share capital of the Target Company (the proportion of the Shares to be acquired from the Sellers as mentioned in Nos. 1 to 4 of paragraph 2 above *(“***ACC Group”***)* and the Sellers mentioned in Nos. 5 to 9 of paragraph 2 above *(“***SMK Group”***)* being equal, unless otherwise agreed in writing between the Acquirer and the Sellers no later than two (2) business days prior to the completion of this Offer); provided that the Acquirer shall be entitled (at its sole discretion) to not purchase all or any of 1,01,150 Shares held by the SMK Group, which represent 50% of the aggregate shareholding of the SMK Group as of the date of the Share Purchase Agreement (“**Balance SMK Group Shares”**); or

b) all of the Maximum Sale Shares in case the number of Shares validly tendered by the Shareholders pursuant to this Offer are less than or equal to 8,42,734 (i.e. 11.46% of the total issued equity share capital of the Target Company); provided that the Acquirer shall be entitled (at its sole discretion) to not purchase all or any of the Balance SMK Group Shares.

The Shares that the Acquirer shall acquire from the Sellers, subject to completion of this Offer, are referred to in this Letter of Offer as “**Sale Shares**”. The Acquirer has agreed to acquire the Sale Shares from the Sellers at a price of Rs. 51/- (Rupees Fifty One only) per Sale Share, payable in cash.

5) A summary of some of the salient features of the Share Purchase Agreement which are all subject to detailed terms in the Share Purchase Agreement, is as follows:

a) The purchase price payable shall be Rs.51/- (Rupees Fifty-One only) per Sale Share held by each of the Sellers.

b) The sale and purchase of the Sale Shares shall be completed subject to the fulfillment of certain conditions precedent agreed between the Acquirer and the Sellers in the Share Purchase Agreement including the receipt of the statutory and other approvals set out in paragraph 93 of this Letter of Offer.

c) The Sellers have undertaken to ensure that the Target Company shall not take certain actions between the date of execution of the Share Purchase Agreement and completion thereunder, including in relation to declaration of dividends, issuing shares or loan capital or other security (or granting any option over or right to subscribe for such security) and disposing of or acquiring any material assets.

d) The Share Purchase Agreement imposes a non-compete and non-solicit obligation on the Sellers and their respective affiliates in the territory of India for a period of 5 (five) years (in the case of the non-compete obligation) and a period of 3 (three) years (in the case of the non-solicit obligation) after the completion of the transaction envisaged under the Share Purchase Agreement. No separate consideration has been paid to the Sellers in relation to the non-compete or non-solicit obligation of the Sellers under the Share Purchase Agreement.

6) This Offer is subject to the following necessary approvals and conditions:

Statutory Approvals:

(a) the Acquirer having received the approval from RBI under the applicable foreign exchange rules and regulations for the acquisition of equity shares from any NRIs or erstwhile OCBs, if any, pursuant to this Offer, and if any conditions are imposed in the approval from RBI, then such conditions having been duly complied;

(b) the Acquirer having received the approval from RBI for the acquisition of the Sale Shares from the Sellers under the Share Purchase Agreement and if any conditions are imposed in the approval from RBI, then such conditions having been duly complied;

Other Approvals and Conditions:

(c) the Target Company having received the approval from all the creditors of the Target Company as per the terms of the respective finance/lender agreements for the acquisition of the Sale Shares under the Share Purchase Agreement and the Shares under this Offer and if any conditions are imposed in the approval/no-objections from the creditors, then such conditions having been duly complied with by the Target Company or waived by such creditor.

(d) the Target Company having received the approval of the Central Government pursuant to section 295 of the Companies Act in respect of Aeonian Investments Company Limited giving a loan of upto Rs. 10,00,00,000 to the Target Company; and

(e) No accident having occurred at the site that would lead to discontinuation of operations for more than 7 (seven) days

provided that the approvals and conditions in (c), (d) and (e) above may be waived by the Acquirer at its discretion.

7) The status of statutory and other approvals as of the date of this Letter of Offer is as follows:

Statutory Approvals

a) The Acquirer filed an application on September 25, 2012, to obtain RBI approval inter alia for the acquisition/transfer of the Shares tendered by shareholders who are NRIs and erstwhile OCBs pursuant to this Offer, as required. RBI through its letter dated November 05, 2012 has granted its approval for matters sought in the application, subject to the conditions stated in the approval, which include the Acquirer being required to seek further approval from the RBI if any NRI other than those declared by the Acquirer or any OCBs offer their Shares under the Offer.

b) The Acquirer also under the aforesaid application filed with RBI on September 25, 2012 sought a no-objection for the acquisition of the Sale Shares from the Sellers under the Share Purchase Agreement. RBI vide its aforesaid letter dated November 05, 2012 has also granted its no-objection for the same.

Other Approvals and Conditions

c) The Target Company has received the relevant approvals from all the creditors of the Target Company as per the terms of the respective finance/lender agreements for the acquisition of the Sale Shares under the Share Purchase Agreement and the Shares under this Offer.

d) The loan from Aeonian Investments Company Limited to the Target Company has since been repaid by the Target Company. Therefore, the approval of the Central Government will not be a condition to the Offer.

e) The Acquirer is not aware of any accident at the site following the date of the Public Announcement that has led to discontinuation of operations for more than 7 (seven) days.

8) In terms of regulation 23 of the Regulations, in the event any of the statutory approvals or other approvals and/or conditions mentioned in paragraph 6 above (all of which approvals and conditions are outside the reasonable control of the Acquirer) are not obtained (including, in the case of the statutory or other approvals, if such approvals are refused by the relevant statutory authorities or other parties, as applicable), or waived (as applicable), the Acquirer shall have the right to withdraw this Offer in terms of regulation 23 of the Regulations. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to SEBI, the BSE and the registered office of the Target Company.

9) There is no agreement between the Acquirer and the PAC with regard to Offer /acquisition of Sale Shares pursuant to the Share Purchase Agreement. The PAC will not acquire any Shares being tendered and accepted in the Offer. All the Open Offer Shares will be acquired by the Acquirer only. All Shares validly tendered in the Offer will be acquired by the Acquirer, in accordance with the terms and conditions set forth in the DPS and this Letter of Offer.

10) The Acquirer and PAC have not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 ("**SEBI Act**") as amended or under any other regulation made under the SEBI Act.

11) After the completion of this Offer and pursuant to the Share Purchase Agreement, the Acquirer shall hold the majority of the Shares by virtue of which it shall be in a position to exercise effective control over the management and affairs of the Target Company and shall consequently replace the Sellers as the promoters of the Target Company.

12) The Acquirer may reconstitute the board of directors of the Target Company after the closure of this Offer in accordance with the Regulations, and on closing as per the Share Purchase Agreement, by inter alia appointing persons nominated by the Acquirer as additional directors on the board of directors of the Target Company.

13) As per regulation 26(6) of the Regulations, the Board of Directors of the Target Company has constituted a committee of independent directors vide a board resolution dated September 13, 2012 to provide their written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the tendering period in the same newspapers where the DPS related to the Offer was published in compliance with regulation 26(7) of the Regulations.

Details of the Proposed Offer

14) The Acquirer and the PAC has released the DPS on September 21, 2012 which appeared in the following newspapers:

Sl. No.	Newspapers	Language	Editions
1	Financial Express	English	All
2	Jansatta	Hindi	All
3	Mumbai Lakshadeep	Marathi	Mumbai

A copy of the DPS is also available on the SEBI's website: www.sebi.gov.in

15) Pursuant to the Open Offer, the Acquirer proposes to acquire upto 19,11,796 Shares (Nineteen Lacs Eleven Thousand Seven Hundred and Ninety Six Only) from the Shareholders representing not more than 26% of the fully paid-up voting equity share capital of the Target Company, as of the tenth (10th) Working Day from the closure of the tendering period, at the Open Offer Price of Rs.51/- (Rupees Fifty One Only) per Share, to be paid in cash, in accordance with the Regulations and subject to the terms and conditions set out in the DPS and this Letter of Offer.

16) Based on the available information, the fully paid-up equity capital as on the date as of the tenth (10th) Working Day from the Closure of the Tendering Period will be Rs. 7,35,30,600/- (Rupees Seven Crores Thirty Five Lacs Thirty Thousand Six Hundred Only) consisting of 73,53,060 Shares.

17) The Offer is being made to all Shareholders other than the Sellers and persons acting in concert with the Sellers under the Share Purchase Agreement.

18) There are no partly paid-up Shares.

19) The Offer is not a competing offer in terms of regulation 20 of the Regulations.

20) This Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of the Regulations

21) The Acquirer and the PAC have not acquired any Shares after the date of PA i.e. September 13, 2012 and up to the date of this Letter of Offer.

22) In the event that the Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, the acquisition of Shares from the Eligible Shareholders will be on a proportionate basis, as detailed in paragraph 112 of this Letter of Offer.

23) The Shares are listed on BSE. As per Clause 40A of the listing agreement read with Rule 19A of Securities Contract (Regulation) Rules, 1957 ("**SCRR**"), the Target Company is required to maintain at least 25% public shareholding (i.e. Shares held by the public excluding the shares held by custodian against depository receipts issued overseas) as determined in accordance with the SCRR, on a continuous basis for listing. Consequent to this Offer, the shareholding of the Acquirer in the Target Company including the shares acquired under the Share Purchase Agreement will not exceed the maximum permissible non-public shareholding specified in the listing agreement entered into by the Target Company with the Stock Exchange, as per Rule 19A of the SCRR, for the purpose of listing on continuous basis. Hence, the provisions of regulation 7(4) of the Regulations are not applicable.

Object of the Acquisition/Offer

24) The proposed acquisition of the Shares by the Acquirer under the Share Purchase Agreement which triggers the Offer is intended to capitalize on the favourable long term growth prospects of the Target Company and to facilitate the long term growth plans of the Acquirer in India. The objective of the acquisition is to provide the Target Company significant benefit from the expertise of the Acquirer and the PAC in marketing and manufacturing of its products in the home & personal care, agro chemicals, coatings and industrial applications markets. The Acquirer intends to continue and further develop the existing line of business of the Target Company.

25) In terms of regulation 25(2) of the Regulations, as of the date of this Letter of Offer, the Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next 2 (two) years, except (i) in the ordinary course of business, (ii) with the prior approval of the Shareholders, (iii) to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities, business or otherwise of the Target Company, or (iv) in accordance with the prior decision of the board of directors of the Target Company. Further, subject to the requisite approvals, the Acquirer may evaluate options regarding disposal of any surplus assets.

26) The Acquirer reserves the right to streamline/restructure its holding in the Target Company and/or the operations, assets, liabilities and/or businesses of the Target Company through arrangement/reconstruction, restructuring, merger (including but not limited to merger with itself or any of its subsidiaries), demerger/delisting of the Shares from BSE and/or sale of assets or undertakings and/or re-negotiation or termination of existing contractual/ operating arrangements, at a later date. Such decisions will be taken in accordance with the procedures set out by applicable law, and pursuant to business requirements and in line with opportunities or changes in the economic scenario, from time to time.

III. Background of the Acquirer & PAC

Rhodia Amines Chemicals Pte. Ltd ("Acquirer")

27) The Acquirer, Rhodia Amines Chemicals Pte. Ltd, is a private limited company limited by shares, and was incorporated on June 9, 2010, under the laws of Singapore with its registered office at 10 Collyer Quay, #10-01, Ocean Financial Centre, Singapore 049315, Telephone: + 65 6535 0733, Fax: +65 6535 4906.The Acquirer's name has not changed since incorporation.

28) The Acquirer is an indirectly wholly owned subsidiary of the PAC.

29) The Acquirer is an investment holding company.

30) The issued and paid up capital of the Acquirer as of the date of this Letter of Offer consists of 354,560,001 (Three Hundred Fifty Four Million Five Hundred Sixty Thousand and One Only) ordinary shares of USD 1 each, aggregating to USD 354,560,001/-.

31) As on the date of this Letter of Offer, Rhodia SA, which is part of the Solvay Group, holds 100% of the Acquirer.

32) As the Acquirer does not hold any shares of the Target Company and has never held shares of the Target Company in the past, the provisions of chapter V of the Regulations and chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereto are not

applicable to the Acquirer as far as the Target Company is concerned.

33) The Acquirer and the PAC have not acquired any Shares after the date of PA i.e. September 13, 2012 and up to the date of this Letter of Offer, hence provisions of chapter V of the Regulations are not applicable.

34) Details of the board of directors of the Acquirer are as below:

Name of director	Work experience	Qualifications	Date of appointment	DIN, if applicable
Michel Bernard Maurice Ybert	39 years of experience	HEC, MBA, DECS in Chartered Accounting	9 June 2010	00319148
Ian Edward Brown	21 years of work experience	Chartered Institute of Management Accountants (CIMA)	9 June 2010	02392130

None of the above directors is a director of the Target Company as of the date of this Letter of Offer.

35) The key financial information of the Acquirer from inception viz June 9, 2010 – December 2011, and for the period ended June 30, 2012 as derived from its audited financial statements are as follows::

Profit & Loss Statement	**June 9, 2010 – Dec 31, 2010**		**Jan 1, 2011 – Dec 31, 2011**		**Jan 1, 2012 – June 30, 2012**	
	USD mn	**Rs Lacs***	**USD mn**	**Rs Lacs***	**USD mn**	**Rs Lacs***
Income from operations	-	-	-	-	-	-
Other Income (1)	0.004	2	0.554	306	-	-
Total Income	0.004	2	0.554	306	-	-
Total Expenditure (2)	6.205	3,429	5.732	3,167	0.568	314
Profit Before Depreciation, Interest and Tax	(6.200)	(3,426)	(5.178)	(2,861)	(0.568)	(314)
Depreciation	-	-	-	-	-	-
Interest (3)	0.083	46	0.820	453	0.425	235
Profit Before Tax	(6.283)	(3,472)	(5.998)	(3,314)	(0.992)	(548)
Provision for Tax	-	-	-	-	-	-
Profit After Tax	(6.283)	(3,472)	(5.998)	(3,314)	(0.992)	(548)

Balance Sheet Statement						
Sources of funds						
Paid up share capital	354.6	195,932	354.6	195,932	354.6	195,932
Reserves and Surplus (excluding revaluation reserves)	(6.3)	(3,472)	(12.3)	(6,787)	(13.3)	(7,335)
Networth	348.3	192,459	342.3	189,145	341.3	188,597
Secured loans	-	-	-	-	-	-
Unsecured loans	-	-	-	-	-	-
Total	**348.3**	**192,459**	**342.3**	**189,145**	**341.3**	**188,597**
Uses of funds						
Net fixed assets	-	-	-	-	-	-
Investments (4)	466.6	257,852	462.6	255,616	462.6	255,616
Net current assets (5)	(118.3)	(65,393)	(120.3)	(66,471)	(121.3)	(67,019)
Total miscellaneous expenditure not written off	-		-			
Total	**348.3**	**192,459**	**342.3**	**189,145**	**341.3**	**188,597**

Other Financial Data	USD	Rs	USD	Rs	USD	Rs
Dividend (%) (6)	-	-	-	-	-	-
Earning Per Share (7)	(0.02)	(0.98)	(0.02)	(0.93)	(0.00)	(0.15)
Return on Net worth (8)	-1.8%	-1.8%	-1.7%	-1.7%	-0.3%	-0.3%
Book Value Per Share (9)	0.98	54.28	0.97	53.35	0.96	53.19

** Reference rate of 1USD = Rs. 55.2605 (source: www.rbi.org.in) dated September 12, 2012*

Notes:

(1) Other income includes service income from a related corporation

(2) Total Expenditure includes administrative expenses, employee compensation, currency translation losses, and unwinding of discount on deferred payment on acquisition of subsidiary

(3)Interest expense includes interest on loan from holding company

(4) Investment includes equity investment in subsidiary at cost

(5) Net current assets is calculated as Current Assets Less Current Liabilities

(6) Dividend % is calculated as : Gross dividend per share/ face value per share

(7) Earnings per share is calculated as: Profit after tax/ shares outstanding at the end of the year

(8) Return on networth is calculated as: Net income/ average networth

(9) Book value per share is calculated as: Networth/ shares outstanding at the end of the year

36) The Acquirer had no contingent liabilities as of the date of Letter of Offer.

37) The equity shares of the Acquirer are not listed on any stock exchange.

38) Status of Corporate Governance: Acquirer is an unlisted company managed and controlled by its board of directors.

39) The Acquirer is not required to appoint a Compliance Officer.

40) The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 ("**SEBI Act**") as amended or under any other regulation made under the SEBI Act.

Solvay S.A. ("PAC")

41) The PAC is a limited liability company (société anonyme) that was formed and registered on 26 December 1863, for an unlimited period of time, under the laws of Belgium. It is registered in the list of legal persons of Brussels under number 403 091 220, with its registered ofice located at Rue de Ransbeek 310, 1120 Brussels, Belgium, Telephone: (+32)22642111, Fax: (+32) 22643061:

42) The PAC is an international chemical group committed to sustainable development with a clear focus on innovation and operational excellence. It generates over 90% (ninety per cent) of its sales in markets where it is among the top three leaders. The PAC offers a broad range of products that contribute to improving the quality of life and the performance of its customers in markets such as consumer goods, construction, automotive, energy, water and environment, and electronics. The Group is headquartered in Brussels, employs about 31,000 people in 55 countries and generated EUR 12.7 billion in net sales in 2011 (pro forma). It is organized in three sectors:

    a) Solvay Chemicals, which produces essential chemicals including soda ash, caustic soda, hydrogen peroxide and special chemicals such as fluorinated products, ultra-fine fillers, high purity barium and strontium.

    b) Solvay Plastics, which produces specialty polymers and vinyls.

    c) Solvay Rhodia, which produces specialty chemicals and is organized in five activity clusters: consumer chemicals, advanced materials, polyamide materials, acetow & eco services, and Solvay energy services.

43) The outstanding share capital of the PAC is Euro 1,270,516,995/- (Equivalent to Rs. 90,373,144,371/- using the RBI Reference rate 1 EUR = Rs.71.131 (source: www.rbi.org.in) dated September 12, 2012) fully paid up and divided into 84,701,133 ordinary equity shares. The PAC does not have par value for its common shares.

44) The latest shareholding pattern of the PAC is as follows:

Sl. No	Name of the Entity	Date	Number of shares held	Percentage Shareholding
1	Solvac S.A.	30 June 2012	25,559,257	30.18%
2	Others	30 June 2012	59,141,876	69.82%
	Total		**84,701,133**	**100%**

45) As the PAC does not hold any shares of the Target Company and has never held shares of the Target Company in the past, the provisions of chapter V of the Regulations and chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereto are not applicable to the PAC as far as the Target Company is concerned.

46) The PAC's principal shareholder is Solvac S.A., a Belgian limited liability company (société anonyme) whose shares are listed for trading on NYSE Euronext Brussels. No other shareholder (i.e., other than Solvac S.A.) has a shareholding exceeding 3% in the PAC.

47) Details of the board of directors of the PAC are as below:

Name of director	Work experience	Qualifications	Date of appointment	DIN, if applicable
M. Nicolas Boel, Chairman	Director Member of the Nomination Committee – 23 years of Experience	MA in Economics (Catholic University of Louvain), Master of Business Administration (College of William and Mary – USA)	4 June 1998	Not Applicable
Jean-Pierre Clamadieu Director	Chairman of the Executive Committee, Director, Member of the Finance Committee, guest of the Compensation and Nomination Committees – 28 years of Experience	Engineering degree from the Ecole des Mines (Paris)	May 09, 2012	Not Applicable
M. Bernard de Laguiche, Director	Member of the Executive Committee, Director and Member of the Finance Committee – 28 years of Experience	Commercial Engineering degree, MA in economics HSG (University of St. Gallen, Switzerland).	2 June 2005 (effective from 1 March 2006)	Not Applicable
M. Jean-Marie Solvay, Director	Independent Director and Member of the New Business Board – 28 years of Experience	Advanced Management Programme – Insead.	3 June 1991	Not Applicable
Chevalier Guy de Selliers de Moranville, Director	Director Member of the Finance and Audit Committees – 32 years of Experience	Civil engineering degree in mechanical engineering, and MA in Economics (Catholic University of Louvain).	7 June 1993	Not Applicable
M. Denis Solvay, Director	Director, Vice-Chairman of the Board of Directors and Member of the Compensation and Nomination Committees – 29 years of Experience	Commercial engineering degree (Free University of Brussels).	5 June 1997	Not Applicable
M. Jean Van Zeebroeck, Independent Director	Independent Director Member of the Compensation and Nomination Committees – 42 years of Experience	Doctorate of Law and diploma in Business Administration (Catholic University of Louvain), MA in Economic Law (Free University of Brussels), Master of Comparative Law (University of Michigan – USA).	6 June 2002	Not Applicable
M. Jean-Martin Folz, Independent Director	Independent Director Member of the Compensation and Nomination Committees – 40 years of Experience	Ecole Polytechnique and Mining Engineer (France).	6 June 2002 (effective from 30 October 2002)	Not Applicable
Prof. Bernhard Scheuble, Independent Director	Independent Director Chairman of the Audit Committee – 30 years of	MSc, Nuclear Physics & PhD, Display Physics (Freiburg University -	9 May 2006	Not Applicable

Name of director	Work experience	Qualifications	Date of appointment	DIN, if applicable
	Experience	Germany).		
M. Anton van Rossum, Independent Director	Independent Director Member of the Audit Committee– 40 years of Experience	MA in Economics and Business Administration (Erasmus University Rotterdam).	9 May 2006	Not Applicable
M. Charles Casimir-Lambert, Independent Director	Independent Director Member of the Audit Committee – 15 years of Experience	MBA Columbia Business School (New York) / London Business School (London), Master's degree (lic.oec.HSG) in economics, management and finance (University of St. Gallen – Switzerland).	8 May 2007	Not Applicable
Mme Petra Mateos-Aparicio Morales, Independent Director	Independent Director Member of the Finance Committee – 43years of Experience	PhD in Economics and Business Administration (Universidad Complutense, Madrid - Spain).	12 May 2009	Not Applicable
Baron Herve Coppens d' Eeckebrugge, Independent Director	Independent Director Member of the Finance Committee – 27 years of Experience	MA in Law from the University of Louvain-la-Neuve (Belgium), Diploma in Economics and Business, ICHEC (Belgium).	12 May 2009	Not Applicable
M. Yves-Thibault de Silguy, Independent Director	Independent director Member of the Compensation and Nomination Committees – 36 years of Experience	MA in Law from the University of Rennes, DES in public law from the Université de Paris I, graduate of the Institut d'Etudes Politiques de Paris and the Ecole Nationale d'Administration,	11 May 2010	Not Applicable
Mme Evelyn du Monceau, Independent Director	Director Member of the Nomination Committee – 30 years of Experience	MA in Applied Economics from the Catholic University of Louvain (Belgium).	11 May 2010	Not Applicable

None of the above directors is a director of the Target Company as of the date of this Letter of Offer.

48) The key financial information of the PAC for the last three years and the period ended June 30, 2012 as derived from its audited financial statements are as follows:

Profit & Loss Statement	**Dec-09**		**Dec-10**		**Dec-11**		**Jan 1, 2012- June 30, 2012**	
	Euro mn	***Rs Lacs***	***Euro mn***	***Rs Lacs***	***Euro mn***	***Rs Lacs***	***Euro mn***	***Rs Lacs***
Income from operations (1)	5,694	4,050,199	5,959	4,238,696	8,109	5,768,013	6,756	4,805,610
Other Income (2)	(5)	(3,557)	46	32,720	62	44,101	87	61,884
Total Income	5,689	4,046,643	6,005	4,271,417	8,171	5,812,114	6,843	4,867,494
Total Expenditure	4,831	3,436,339	5,144	3,658,979	7,154	5,088,712	5,794	4,121,330
Profit Before Depreciation, Interest and Tax	858	610,304	861	612,438	1,017	723,402	1,049	746,164
Depreciation (3)	496	352,810	607	431,765	455	323,646	415	295,194
Interest (4)	27	19,205	178	126,613	208	147,952	189	134,438
Profit Before Tax	333	236,866	76	54,060	354	251,804	446	317,244
Provision for Tax	85	60,461	(21)	(14,938)	19	13,515	148	105,274
Profit After Tax from Continuing Operations	248	176,405	97	68,997	335	237,578	298	211,970
Result from discontinued operations	305	216,950	1,726	1,227,721	(38)	(27,030)	3	2,134
Net Income (5)	553	393,354	1,823	1,296,718	296	210,548	300	213,393
Net income post Minority Interest	516	367,036	1,776	1,263,287	247	175,694	278	197,744

Balance Sheet	Dec-09		Dec-10		Dec-11[13,14]		Jan 1, 2012- June 30, 2012	
	Euro mn	*Rs Lacs*	*Euro mn*	*Rs Lacs*	*Euro mn*	*Rs Lacs*	*Euro mn*	*Rs Lacs*
Sources of funds								
Paid up share capital	1,271	904,075	1,271	904,075	1,271	904,075	1,271	904,075
Reserves and Surplus (excluding revaluation reserves)	3,347	2,380,755	5,017	3,568,642	4,885	3,474,749	4,927	3,504,624
Networth	4,618	3,284,830	6,288	4,472,717	6,156	4,378,824	6,198	4,408,699
Minority Interest	406	288,792	419	298,039	497	353,521	470	334,316
Long Term Loans	2,546	1,810,995	2,535	1,803,171	3,374	2,399,960	3,496	2,486,740
Other non-current liabilities [6]	1,831	1,302,409	1,995	1,419,063	4,094	2,912,103	4,312	3,067,169
Deferred Tax Liabilities	172	122,345	163	115,944	710	505,030	768	546,286
Total	**9,573**	**6,809,371**	**11,400**	**8,108,934**	**14,831**	**10,549,439**	**15,244**	**10,843,210**
Uses of funds								
Tangible Assets	3,380	2,404,228	3,276	2,330,252	5,652	4,020,324	5,627	4,002,541
Investments [7]	730	519,256	683	485,825	909	646,581	984	699,929
Net current assets	4,649	3,306,880	6,310	4,488,366	2,768	1,968,906	3,152	2,242,049
Goodwill	71	50,503	68	48,369	2,599	1,848,695	2,600	1,849,406
Intangible Assets [8]	176	125,191	179	127,324	4,304	3,061,478	4,233	3,010,975
Deferred Tax Assets	525	373,438	631	448,837	780	554,822	838	596,078
Loans & Other non-current assets	112	79,667	322	229,042	420	298,750	409	290,926
Total	**9,573**	**6,809,371**	**11,400**	**8,108,934**	**14,831**	**10,549,439**	**15,244**	**10,843,210**

Other Financial Data	Dec-09		Dec-10		Dec-11		Jan 1, 2012- June 30, 2012	
	Euro	*Rs*	*Euro*	*Rs*	*Euro*	*Rs*	*Euro*	*Rs*
Dividend (%) [9]	19.5%	19.5%	20.5%	20.5%	20.5%	20.5%	NA	NA
Earning Per Share	2.59	184.2	21.84	1,553.5	3.04	216.2	3.38	240.4
Return on Net worth [10]	11.8%	11.8%	33.4%	33.4%	4.8%	4.8%	4.9%	4.9%
Book Value Per Share [11]	54.5	3,878.1	74.2	5,280.6	72.7	5,169.7	73.2	5,205.0
Price-Earnings ratio [12]	11.5	11.5	3.7	3.7	18.2	18.2	NA	NA

** RBI Reference rate 1 EUR = Rs.71.131 (source: www.rbi.org.in) dated September 12, 2012)*

Notes:
1. Income from operations includes operations from continuing operations only
2. Other income includes income/ (loss) from available for sale investments in CY 2009. CY 2010, and CY 2011. For CY2010 and CY2011, other income also includes Earnings from associates and joint ventures accounted for using equity method
3. Depreciation includes depreciation, amortization, and impairment charges
4.Interest includes cost of borrowings, interest on lending and short term deposits, and cost of discounting provisions
5. Net Income is calculated as income from continuing operations plus Result from discontinued operations, and includes minority interest
6. Other non-current liabilities include provisions for employee benefits, health safety and environment, litigation, and other provisions
7. Investments include Available-for-sale investments, Investments in associates, and other investments
8. Intangible assets include Development Costs, Patents and Trademarks, other intangible assets, and Goodwill
9. Dividend % is calculated as : Gross dividend per share/ face value per share
10. Return on networth is calculated as: Net income/ average networth
11. Book value per share is calculated as: Networth/ shares outstanding at the end of the year
12. Price Earning ratio is calculated as: Market capitalization at the end of the year/ Net Income
13. Solvay S.A.'s acquisition of Rhodia was closed on Sept 16, 2011. Only Rhodia's fourth quarter results are included in the consolidated IFRS financial statements of the Solvay group
14. The December 2011 balance sheet includes first time consolidation of Rhodia

49) Contingent liabilities of the PAC as of June 30, 2012 are as follows:

Contingent Liabilities	**Euro mn**	**Rs Lacs***
Liabilities and commitments of third parties guaranteed by the company	373	265,319
Environmental contingent liabilities	38	27,030
Litigation and other major commitments	12	8,536

Within the framework of the annual review of HSE risk, environmental contingent liabilities for a total amount of ~ Euro 38 million have been identified. The risk related to these contingencies is considered as remote.

The liabilities and commitments of third parties guaranteed by the company relate mainly to VAT payment guarantees that have been issued.

The amounts relating to Joint Ventures are included in the table below.

	Euro mn	Rs Lacs*
Liabilities and commitments of third parties guaranteed by the company	4	2,845
Litigation and other major commitments	0	0

** RBI Reference rate 1 EUR = Rs.71.131 ((source: www.rbi.org.in) dated September 12, 2012)*

50) The Solvay Group has adopted the 2009 Belgian Corporate Governance Code as its reference code in governance matters. Solvay publishes yearly, as part of its annual report, a Corporate Governance Statement. This statement presents the application of the Belgian Governance Code in accordance with the “Comply or Explain” principle.

Since 2007 a compliance organization under the leadership of the Group General Counsel has been in place to enhance a group-wide ethics and compliance-based culture and to promote compliance with applicable laws, Solvay’s Group Code of Conduct and corporate values. Compliance Officers have been appointed in all four regions. Training courses and induction activities are organized to ensure that ethical and compliant conduct is embodied in the way business is done at Solvay and to address behavioral risks in certain specific areas, such as antitrust or corruption. Regular campaigns are organized to train new employees and to maintain the right level of awareness in the whole Solvay Group.

The compliance organization, in collaboration with internal audit, legal department and other departments or functions, is monitoring compliance with applicable laws and Solvay’s Group Code of Conduct. Any violation of this code will lead to sanctions in accordance with prevailing legislation. Reporting of violations is encouraged and various avenues are proposed to employees including the Compliance Officers. In most countries in which Solvay operates, Solvay has introduced the Solvay Ethics Helpline, an external resource where employees can report ethical or compliance concerns in their own language.

51) The details of the Compliance Officer of the PAC are as follows:
Katinka Tattersall,
Head of Ethics & Compliance, Solvay S.A.
Rue de Ransbeek 310, 1120 Bruxelles, Tel:+32-2-264-1441 ; Fax :+32-2-264-1548 ;
Email:katinka.tattersall@solvay.com

52) The PAC has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act as amended or under any other regulation made under the SEBI Act.

53) The shares of the PAC are listed for trading on NYSE Euronext Brussels and Paris.

IV. Background of the Target Company

54) The Target Company was incorporated on November 19, 1986 under the Companies Act. The registered office of the Target Company is located at NKM International House, 178, Backbay Reclamation, Babubhai Chinni Marg, Mumbai - 400020. Tel: +91 22 6145 7000; Fax: +91 22 2283 8291.

55) The Target Company is present in the specialty chemicals industry and manufactures and sells in India and exports surfactants and anti-oxidants.

56) As of the date of this Letter of Offer, the total authorized share capital of the Target Company is Rs. 20,00,00,000/- (Rupees Twenty Crores only) consisting of 1,50,00,000 equity shares of Rs 10/- each and 50,00,000 7% non-cumulative redeemable-preference shares of Rs.10/- each. The total paid-up share capital of the Target Company is Rs. 7,35,30,600/- (Rupees Seven Crores Thirty Five Lacs Thirty Thousand Six Hundred only) consisting of 73,53,060 Shares. There are no partly paid up Shares in the Target Company.

57) The capital structure of the Target Company as of the date of this Letter of Offer is:

Paid up Equity Shares of Target Company	**No. of Shares/voting rights**	**% of Shares/voting rights**
Fully paid up equity shares	73,53,060	100
Partly paid up equity shares	Nil	Nil
Total paid up equity shares	73,53,060	100

Paid up Equity Shares of Target Company	No. of Shares/voting rights	% of Shares/voting rights
Total voting rights in Target Company	73,53,060	100

58) The Shares of the Target Company are listed on the BSE (scrip code: 530845)

59) The Target Company has complied with the listing requirements and no penal / punitive actions have been taken by the BSE. There has not been any non-listing of any shares of the Target Company at the stock exchanges.

60) The Shares are infrequently traded on the BSE within the meaning of regulation 2(1)(j) of Regulations for the period commencing on September 01, 2011 and ending on August 31, 2012

61) As on the date of this Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

Sl. No	Name	Designation & date of appointment as director	Qualification	Experience	DIN
1	Amit Choksey	Chairman and Director 21.04.2005	B.com	32 Years	00001470
2.	Ashok Datar	Director 27.02.1992	B.A., M.A. (Economics)	38 Years	00007277
3.	Bipin Jhaveri	Director 21.04.2005	B.A. B. Com, FCA, FCS	45 Years	00001648
4.	Dhiren Mehta	Director 29.01.2008	B.Com, ACS, FCA, M.F.M	33 years	00001471
5.	Manubhai Patel	Director 21.04.2005	Chartered Accountant	45 years	00001662
6.	Sandeep Junnarkar	Director 27.02.1992	B.Sc.(Hon), LLB, Solicitor	29 years	00003534
7.	Satish Kelkar	Vice-Chairman, Director and Advisor 19.11.1986	B.Sc., MMS	36 Years	01307387
8.	Shrirang Belgaonkar	Whole time Director 24.07.2006	Bachelor of Chemical Engineering	27 years	00632585

62) There has been no merger/de-merger, spin off during last 3 years involving the Target Company.

63) The Target Company has not undergone any change of name since incorporation.

64) The brief audited financial statements of the Target Company for the three financial years ended on March 31,2010, March 31,2011 and March 31,2012, are as set forth below:

Profit & Loss Statement (Rupees Lacs)	**31-Mar-10**	**31-Mar-11**	**31-Mar-12**
Income from operations	6,450	7,914	9,429
Other Income (1)	1	65	93
Total Income	**6,451**	**7,979**	**9,522**
Total Expenditure (2)	5,532	7,112	8,665
Profit Before Depreciation, Interest and Tax	**919**	**868**	**858**
Depreciation & Amortization	181	194	224
Interest (3)	355	409	550
Profit Before Tax	**383**	**265**	**83**
Provision for Tax (4)	78	105	(13)
Profit After Tax (5)	**305**	**160**	**97**

Balance Sheet Statement (Rupees Lacs)	**31-Mar-10**	**31-Mar-11**	**31-Mar-12**
Sources of funds			
Paid-up share capital	735	735	735
Reserves and Surplus (excluding revaluation reserves)	1,070	1,220	1,326
Networth (excluding revaluation reserve)	**1,805**	**1,955**	**2,062**
Secured loans	2,112	1,062	1,116
Unsecured loans	1,040	801	797
Other Long Term Provisions (6)	20	20	27
Total	**4,977**	**3,838**	**4,002**
Uses of funds			
Net fixed assets (7)	3,298	3,209	3,680
Investments (8)	0	427	427
Long term Loans & Advances (9)	-	43	40
Deferred Tax Asset (Net)	211	157	189
Net current assets (10)	1,468	1	(334)
Total	**4,977**	**3,838**	**4,001**

Other Financial Data	**31-Mar-10**	**31-Mar-11**	**31-Mar-12**
Dividend (%) (11)	0%	0%	0%
Book Value per share (Rs.) (12)	24.6	26.6	28.0
Earnings per Share (Rs.) (13)	4.1	2.2	1.3
Return on Networth (%) (14)	18.37%	8.49%	4.82%

Notes :

(1) Other Income includes interest income, dividend income, and gain on exchange rate fluctuation
(2) Total Expenditure includes cost of materials consumed, change in inventories of finished goods and work in progress, employee benefits expense, and other expenses
(3) Interest Expense includes interest cost, other borrowing cost, and applicable net gain/ loss on foreign currency transactions and translation
(4) Provision for Tax includes current tax and deferred tax
(5) Profit after Tax does not include incremental provision for deferred sales tax, short/ excess provision of taxes, and prior year items
(6) Other Long Term Provisions include provision for employee benefits (leave encashment)
(7) Net Fixed Assets include tangible assets and capital work-in-progress
(8) Investments include investment in properties and investment in equity instruments
(9) Long Term Loans & Advances include capital advances and other loans and advances
(10) Net current assets include Current Assets Less Current Liabilities
(11) Dividend % is calculated as dividend per share/ face value of share
(12) Book value per share is calculated at networth/ number of shares at the end of the year
(13) Earnings per share is calculated as Profit after Tax/ number of shares at the end of the year
(14) Return on Networth is calculated as Profit after Tax/ average networth

65) Pre and Post Offer Shareholding Pattern of the Target Company as on date of this Letter of Offer shall be as follows:

Scenario I: Assuming full acceptance in Offer:

	Shareholding & voting rights prior to the agreement /acquisition and offer		Shares/voting rights agreed to be acquired/ which triggered off the Regulations		Shares/ voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding / voting rights after the acquisition and Offer (assuming full acceptances)	
	No	%	No	%	No	%	No	%
(1) Promoter Group								
Parties to the SPA:								
(a) ACC Group	4,469,761	60.79%					1,022,772	13.91%
(b) SMK Group	202,300	2.75%					46,289	0.63%
(c) Promoters other than (a) and (b)	-	0.00%	-				-	0.00%
(2) Acquirer	-	0.00%	3,602,999	49.00%	1,911,796	26.00%	5,514,795	75.0%
(3) Parties to agreement other than (1)(a) & (2)	-	0.00%	-	0.00%	-	0.00%	-	0.00%
(4) Public (other than parties to agreement, acquirers, and PACs)								
(a) FIs/MFs/FIIs/Banks, SFIs	700	0.01%	-	0.00%	-	0.00%	769,203	10.46%
(b**)** Others	2,680,299	36.45%	-	0.00%	-	0.00%		
Total 4(a) + 4(b)	**2,680,999**	**36.46%**	-	**0.00%**	-	**0.00%**	769,203	**10.46%**
Grand Total (1+2+3+4)	**7,353,060**	**100.00%**	**3,602,999**	**49.00%**	**1,911,796**	**26.00%**	**7,353,060**	**100.00%**

Scenario II: Assuming NIL acceptance in Offer:

	Shareholding & voting rights prior to the agreement /acquisition and offer		Shares/voting rights agreed to be acquired/ which triggered off the Regulations		Shares/ voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding / voting rights after the acquisition and Offer (assuming full acceptances)	
	No	%	No	%	No	%	No	%
(1) Promoter Group								
Parties to the SPA								
(a) ACC Group	4,469,761	60.79%					0	0.00%
(b) SMK Group	202,300	2.75%					0	0.00%
(b) Promoters other than (a)	-	0.00%	-				-	0.00%
(2) Acquirer	-	0.00%	4,672,061	63.54%	-	0.00%	4,672,061	63.54%
(3) Parties to agreement other than (1)(a) & (2)	-	0.00%	-	0.00%	-	0.00%	-	0.00%
(4) Public (other than parties to agreement, acquirers, and PACs)								
(a) FIs/MFs/FIIs/Banks, SFIs	700	0.01%	-	0.00%	-	0.00%	2,680,999	36.46%
(b**)** Others	2,680,299	36.45%	-	0.00%	-	0.00%		
Total 4(a) + 4(b)	**2,680,999**	**36.46%**	-	**0.00%**	-	**0.00%**	2,680,999	**36.46%**
Grand Total (1+2+3+4)	**7,353,060**	**100.00%**	**4,672,061**	**63.54%**	**-**	**0.00%**	**7,353,060**	**100.00%**

** Under the terms of the Share Purchase Agreement, the Acquirer is entitled (at its sole discretion) to not purchase all or any of 1,01,150 Shares held by SMK Group, which represents 50% of the aggregate equity shareholding of SMK Group as of the date of the Share Purchase Agreement ("**Balance Shares**").*

V. Offer Price and Financial Arrangements

Justification of Offer Price

66) The Shares of the Target Company are listed and traded on the BSE. The Shares of the Target Company are not frequently traded on the BSE within the meaning of regulation 2(1)(j) of the Regulations. The trading

turnover based on the trading volume in the Shares of the Target Company on the BSE during September 01, 2011 to August 31, 2012, (12 (twelve) calendar months preceding the month in which the PA is issued) is as under:

Name of the Stock Exchange	Total no. of Shares traded during the 12 (twelve) calendar months prior to the month in which the PA is issued	Total number of listed Shares during this period	Trading turnover (as a % to total listed Shares)
BSE	3,27,046	73,53,060	4.45%

Source: www.bseindia.com

67) Justification of Offer Price in terms of regulation 8(1) and 8(2) of the Regulations

S.No	Particulars	Price (in Rs. Per Share)
I.	The negotiated price under the Share Purchase Agreement	Rs. 51.00/-
II.	The volume-weighted average price paid or payable for acquisition whether by the Acquirer or by any persons acting in concert with him, during 52 weeks immediately preceding the date of the PA	Not Applicable
III.	The highest price paid or payable for any acquisition, whether by the Acquirer or by any persons acting in concert with him, during 26 weeks immediately preceding the date of the PA	Not Applicable
IV.	The volume-weighted average market price paid of such shares for a period of sixty trading days immediately preceding the date of the PA as traded on BSE, provided such shares are frequently traded	Not Applicable
V.	Other parameters based on the audited financials of the Target for year ended on March 31, 2012	
	a) Book Value per Share	Rs. 28.00/-
	b) Price to Earnings Ratio	38.72

**Implied price to earnings ratio calculated based on the Offer Price of Rs.51/- and the EPS for the year ended March 31, 2012*

68) Mr Biren Gabhawala, Partner, C.M. Gabhawala & Co., Chartered Accountants, 42, Nanik Niwas, 30, Dr. D.D. Sathe Marg, Girgaum, Mumbai – 400004 (Membership Number: 40496), has certified vide certificate dated September 12, 2012 that Rs.25/- (Rupees Twenty Five Only) per equity share is the fair price of the Shares.

a) For the purpose of said valuation, the following methodologies were used:

i) the Net Asset Value Method (NAV)

ii) Profit Earning Capacity Value Method (PECV)

iii) Comparable Trading Multiples Method (CTM) has been used

b) Equal weightage of ‘1’ was assigned to the value arrived under all the three methods viz., NAV, PECV, and CTM.

69) The Offer Price of Rs. 51/- (Rupees Fifty One Only) is more than the fair value as certified by M/s CM Gabhawala & Co. and is thus justified in terms of regulations 8(1) and 8(2) of the Regulations.

70) In the event of further acquisition of Shares by the Acquirer / PAC during the offer period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of regulation 8(8) of the Regulations. However, the Acquirer/PAC shall not acquire any Shares after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.

71) In the event of such a revision in the Offer Price on account of future purchases / competing offers, an announcement would be made in the same newspapers in which the DPS has appeared and the revised Offer Price would be paid for all Shares accepted under the Offer.

72) If the Acquirer and/or the PAC acquire Shares during the period of twenty-six weeks after the closure of the tendering period at a price higher than the Offer Price, then the Acquirer and the PAC shall pay the difference between the highest acquisition price and the Offer Price, to all Shareholders whose Shares have been accepted in this Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the

ordinary course on the stock exchanges, not being negotiated acquisition of Shares in any form.

73) If there is any revision in the Offer Price on account of future purchases / competing offers, such revision shall be done only up to the period prior to three (3) working days before the date of commencement of the tendering period and be notified to the shareholders.

Financial Arrangements

74) The maximum consideration payable under this Offer, assuming full acceptance, is Rs.9,75,01,596/- (Rupees Nine Crores Seventy Five Lakhs One Thousand Five Hundred and Ninety Six Only) ("**Maximum Consideration**").

75) In accordance with regulation 17(1) of the Regulations, the Acquirer has opened a "**Cash Escrow Account**" in the name and style as "Sunshield Chemicals Ltd Open Offer Payment A/c" bearing Account No. 09009 115211 001 37 with BNP Paribas India ("**Escrow Bank**"), Branch: French Bank Building, 62 Homji Street, Fort, Mumbai 400 001, and made a cash deposit of Rs 3,02,59,978.39 (Rupees Three Crores Two Lakhs Fifty Nine Thousand Nine Hundred Seventy Eight and Paise Thirty Nine Only) in the account in accordance with regulation 17(3)(a) of the Regulations, being more than 25% of the total consideration payable to the shareholders under the Offer. The cash deposit has been confirmed vide a confirmation letter dated September 5, 2012 issued by the Escrow Bank.

76) A lien has been marked on the said Cash Escrow Account in favour of the Manager to the Offer by the Escrow Bank. The Manager to the Offer has been solely authorised by the Acquirer to operate and realise the value of Cash Escrow Account in terms of the Regulations.

77) For the balance amount, the Acquirer has set aside an amount of USD 2,469,026.55/- (United States Dollar Two Million Four hundred Sixty Nine Thousand and Twenty Six and Cents Fifty Five Only) (equivalent to Rs. 13,64,39,641 (Rupees Thirteen Crores Sixty Four Lakhs Thirty Nine Thousand Six Hundred and Forty One Only using the RBI Reference rate of 1USD = Rs. 55.2605 (source: www.rbi.org.in) dated September 12, 2012)) in an account with HSBC Bank (Singapore) Limited, Account Number: 260-719349-178; Branch: Robinson Road P.O. Box 896, Singapore 901746 ("Account") which together with the amounts set aside in the Cash Escrow Account represent over 100% of the Maximum Consideration. The funds in the Account will be used solely towards fulfilling the obligations of the Acquirer for the Offer and shall be released only upon instructions received from the Manager to the Offer.

78) In case of any upward revision in the Offer Price or the Offer Size, the cash in the escrow account shall be increased by the Acquirer and the PAC such that it represents not less than 25% of the revised consideration calculated at such revised offer price or offer size prior to effecting such revision, in terms of regulation 17(2) of the Regulations.

79) The source of funds to meet the Acquirer's and the PAC's obligations under the Offer is foreign funds.

80) Mr Biren Gabhawala, Partner, C.M. Gabhawala & Co., Chartered Accountants, 42, Nanik Niwas, 30, Dr. D.D. Sathe Marg, Girgaum, Mumbai – 400004 (Membership Number: 40496), (the "**Accountant**") has confirmed vide certificate dated September 12, 2012 that the Acquirer and PAC have adequate financial resources through verifiable means available for meeting their obligations under the Regulations for a value up to the Maximum Consideration.

81) On the basis of the aforesaid financial arrangements and the Accountants' certificate, the Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to implement this Offer.

VI. Terms and Conditions of the Offer

82) The Offer is not conditional and is not subject to any minimum level of acceptance.

83) This Letter Of Offer specifying the detailed terms and conditions of this Offer along with the Form of Acceptance-cum-Acknowledgement will be mailed to all the Shareholders, except the Sellers and persons acting in concert with the Sellers, whose names appear on the register of members of the Target Company at the close of business hours on November 21, 2012 i.e. Identified Date, being registered equity shareholders as per the records of NSDL and CSDL, and registered Shareholders holding Shares in physical form as per the records of the Target Company, as on the Identified Date. Accidental omission to dispatch this Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the individual letter of offer would be dispatched to each of the shareholders of the Target Company is November 29, 2012

There shall be no discrimination in the acceptance of locked-in and non locked-in Shares in the Offer. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

84) This Offer is made to all Eligible Shareholders (other than the Sellers and persons acting in concert with the Sellers) as on the Identified Date, and also to persons who acquire Shares before the closure of the tendering period and tender these Shares into the Offer in accordance with this Letter of Offer. Persons who have acquired Shares (irrespective of the date of purchase) but whose names do not appear on the register of members of the Target Company on the Identified Date are also eligible to participate in this Offer.

85) The Acquirer reserves the right to revise the Offer Price and/or the Offer Size upwards up to 3 (three) working days prior to the commencement of the tendering period, i.e., upto November 30, 2012 in accordance with the Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the DPS and the Letter of Offer.

86) Shareholders to whom the Offer is being made are free to offer their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified.

87) Shareholders who hold Shares in **physical form** and who wish to tender their Shares will be required to send the Form of Acceptance-cum-Acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in Section VII of this Letter of Offer entitled “Procedure for Acceptance and Settlement of the Offer”, to the Registrar to the Offer at any of its collection centers, mentioned under paragraph 101 of this Letter of Offer so that the same are received by the Registrar to the Offer no later than the date of closure of the tendering period (i.e. December 19, 2012).

88) In respect of **dematerialized Shares**, Eligible Shareholders must ensure that the credit for the Shares tendered must be received in the Special Depository Account (as specified in paragraph 104) no later than December 19, 2012. If the Shareholders hold their Shares through CDSL, their Depository Participant Instruction will have to take the form of an inter-depository delivery instruction from CDSL for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL as mentioned in paragraph 104 below.

89) Shareholders who have acquired Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer, so as to reach the Registrar to the Offer on or before the closure of the tendering period i.e., no later than December 19, 2012. This is to be sent to the Registrar to the Offer together with:

    a. In case of Shareholders holding Shares in dematerialized form, the name, address, number of Shares held, number of Shares offered, Depository (“DP”) Participant name, DP ID number, beneficiary account number along with a photocopy of the Delivery instruction in “off-market” mode, duly acknowledged by the DP in favour of TSR Darashaw Limited Escrow Account Sunshield Chemicals Limited Open Offer, as per instructions mentioned below.

    b. In case of Shareholders holding Shares in physical form, the relevant share certificate(s) and transfer deeds, and the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired wherever applicable.

90) No indemnity would be required from unregistered shareholders regarding the title to the Shares.

91) The Acquirer and the PAC shall not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Shareholders are advised to adequately safeguard their interests in this regard.

92) The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute an integral part of this Letter of Offer.

Statutory Approvals

93) This Offer is subject to the following necessary approvals and conditions:

Statutory Approvals:

(a) the Acquirer having received the approval from RBI under the applicable foreign exchange rules and regulations for the acquisition of equity shares from any NRIs or erstwhile OCBs, if any, pursuant to this Offer, and if any conditions are imposed in the approval from RBI, then such conditions having been duly complied;

(b) the Acquirer having received the approval from RBI for the acquisition of the Sale Shares from the Sellers under the Share Purchase Agreement and if any conditions are imposed in the approval from RBI, then such conditions having been duly complied;

Other Approvals and Conditions:

(c) the Target Company having received the approval from all the creditors of the Target Company as per the terms of the respective finance/lender agreements for the acquisition of the Sale Shares under the Share Purchase Agreement and the Shares under this Offer and if any conditions are imposed in the approval/no-objections from the creditors, then such conditions having been duly complied with by the Target Company or waived by such creditor.

(d) the Target Company having received the approval of the Central Government pursuant to section 295 of the Companies Act in respect of Aeonian Investments Company Limited giving a loan of upto Rs. 10,00,00,000 to the Target Company; and

(e) No accident having occurred at the site that would lead to discontinuation of operations for more than 7 (seven) days.

provided that the approvals and conditions in (c), (d) and (e) above may be waived by the Acquirer at its discretion.

94) The status of statutory and other approvals as of the date of this Letter of Offer is as follows:

Statutory Approvals

a) The Acquirer filed an application on September 25, 2012, to obtain RBI approval inter alia for the acquisition/transfer of the Shares tendered by shareholders who are NRIs and erstwhile OCBs pursuant to this Offer, as required. RBI through its letter dated November 05, 2012 has granted its approval for matters sought in the application, subject to the conditions stated in the approval , which include the Acquirer being required to seek further approval from the RBI if any NRI other than those declared by the Acquirer or any OCBs offer their Shares under the Offer.

b) The Acquirer also under the aforesaid application filed with RBI on September 25, 2012 sought a no-objection for the acquisition of the Sale Shares from the Sellers under the Share Purchase Agreement. RBI vide its aforesaid letter dated November 05, 2012 has also granted its no-objection for the same.

Other Approvals and Conditions

c) The Target Company has received the relevant approvals from all the creditors of the Target Company as per the terms of the respective finance/lender agreements for the acquisition of the Sale Shares under the Share Purchase Agreement and the Shares under this Offer.

d) The loan from Aeonian Investments Company Limited to the Target Company has since been repaid by the Target Company. Therefore, the approval of the Central Government will not be a condition to the Offer.

e) The Acquirer is not aware of any accident at the site following the date of the Public Announcement that has led to discontinuation of operations for more than 7 (seven) days.

95) As of the date of this Letter of Offer, to the best knowledge of the Acquirer and the PAC, except for any additional statutory approvals which could become applicable as a result of any change in applicable law and/or any change in the underlying factual position, there are no other statutory approvals (i.e. other than those mentioned above) required to acquire the Shares that are validly tendered pursuant to this Offer.

96) The Acquirer and PAC will not proceed with the Offer in the event any statutory approval indicated herein is denied in terms of regulation 23 of the Regulations.

97) In case of delay/ non-receipt of any statutory approval, SEBI may, if satisfied that non-receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and the PAC to diligently pursue such approval, grant extension of time for the purpose of paying the consideration payable under this Offer, subject to the Acquirer agreeing to pay interest to the Shareholders as directed by SEBI, in terms of regulation 18(11) of the Regulations.

98) Where any statutory approval extends to some but not all the Shareholders who tender their Shares under this Offer, the Acquirer shall have the option to make payment to such Shareholders in respect of whom no such statutory approvals are required to complete this Offer.

99) In terms of regulation 23 of the Regulations, in the event any of the statutory approvals or other approvals and/or conditions mentioned in paragraph 93 above (all of which approvals and conditions are outside the reasonable control of the Acquirer) are not obtained (including, in the case of the statutory or other approvals, if such approvals are refused by the relevant statutory authorities or other parties, as applicable), or waived (as applicable), the Acquirer shall have the right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to SEBI, the BSE and the registered office of the Target Company.

100) There have been instances of delay/ non-compliance by the Sellers and the Target Company under Chapter II of SEBI (Substantial Acquisition of Shares & Takeover), 1997 and Chapter V of the Regulations as below:

By the Sellers:

Regulation	**Due Date of Compliance as mentioned in Regulations**	**Actual Date of Compliance**	**Delay**	**Remarks**
6(1) and 6(3)	Apr 20, 1997	May 21, 1998	397	
7(1), (1A), and 7(2)	Mar 16, 2000	Mar 17, 2000	1	Delay with respect to acquisition of 4,500 shares
7(1), (1A), and 7(2)	Apr 01, 2000	Apr 03, 2000	2	Delay with respect to acquisition of 3,800 shares
7(1), (1A), and 7(2)	May 04, 2000	May 05, 2000	1	Delay with respect to acquisition of 7,300 shares
7(1), (1A), and 7(2)	July 20, 2000	July 21, 2000	1	Delay with respect to acquisition of 700 shares
7(1), (1A), and 7(2)	Sep 02, 2000	Sep 04, 2000	2	Delay with respect to acquisition of 3,500 shares
7(1), (1A), and 7(2)	Aug 30, 2003	-	550	Delay with respect to acquisition of 500 shares
7(1), (1A), and 7(2)	Jan 05, 2004	Jan 06, 2004	2	Delay with respect to acquisition of 500 shares
7(1), (1A), and 7(2)	Jan 22, 2005	Jan 24, 2005	2	Delay with respect to sale of 22,500 shares
8(1) and 8(2)	Oct 19, 1998	Oct 29, 1998	11	

By the Target Company:

Regulation	**Due Date of Compliance as mentioned in Regulations**	**Actual Date of Compliance**	**Delay**	**Remarks**
6(2) and 6(4)	May 20, 1997	May 21, 1998	367	
7(3)	Mar 24, 2000	Mar 25, 2000	1	Delay with respect to acquisition of 4,500 shares

7(3)	Sep 11, 2000	Sep 14, 2000	3	Delay with respect to acquisition of 3,500 shares
7(3)	Nov 19, 2003	Jan 15, 2004	57	Delay with respect to acquisition of 600 shares
7(3)	Jan 13, 2004	Jan 15, 2004	2	Delay with respect to acquisition of 500 shares
8(3)	Apr 30, 1998	May 21, 1998	22	
8(3)	Oct 28, 1998	Oct 29, 1998	1	
8(3)	Apr 30, 2001	Jun 04, 2001	36	

For failure to comply with the provisions of Chapter II of SEBI (Substantial Acquisition of Shares & Takeover), 1997 and Chapter V of the Regulations by the then promoters/ promoter group shareholders as well as the Target Company, SEBI may initiate appropriate action at a later stage.

VII. Procedure for Acceptance and Settlement of the Offer

101) A tender of Shares pursuant to any of the procedures described in this Letter of Offer will constitute a binding agreement between the Acquirer and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the Letter of Offer.

Shareholders of the Target Company who wish to accept the Offer and tender their Shares can also send/deliver the Form of Acceptance-cum-Acknowledgment duly signed along with all the relevant documents at any of the collection centers of the Registrar to the Offer mentioned below during the working hours on or before the date of closure of the tendering period, i.e., no later than December 19, 2012, in accordance with the procedure as set out in the Letter of Offer.

Collection Centre	Name and Address of the Collection Centre	Contact Person	Mode of delivery	Working Days and Timing	Phone / Fax / Email
Mumbai	TSR Darashaw Private Limited 6-10, Haji Moosa Patrawala Industrial Estate, Nr. Famous Studio, 20, Dr. E. Moses Road, Mahalaxmi Mumbai - 400011	Ms. Mary George	Hand Delivery & Registered Post	Monday to Friday 10.00 a m to 3.30 p m	Tel: +91-22-6656 8484 Extn : 411 / 412 / 413 Fax: +91-22-6656 8494 Email : csg-unit@tsrdarashaw.com
Bangalore	TSR Darashaw Private Limited 503 Barton Centre, 5th Floor 84, Mahatma Gandhi Road, Bangalore - 560001	Mr. Jaymohan K.	Hand Delivery		Tel: +91-80-2532 0321 Fax: +91-80-2558 0019 Email : tsrdlbang@tsrdarashaw.com
Kolkata	TSR Darashaw Private Limited Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata - 700071	Mr. Rijit Mukherjee	Hand Delivery		Tel: +91-33-2288 3087 Fax: +91-33-2288 3062 Email : tsrdlcal@tsrdarashaw.com
New Delhi	TSR Darashaw Private Limited Plot No 2/42, Sant Vihar, Ansari Road Daryaganj, New Delhi - 110002	Mr. Shyamalendu Shome	Hand Delivery		Tel: +91-11-2327 1805 Fax: +91-11-2327 1802 Email : tsrdldel@tsrdarashaw.com
Jamshedpur	TSR Darashaw Private Limited Bungalow No. 1, 'E' Road, Northern Town Bistupur, Jamshedpur - 831001	Mr. Subrato Das	Hand Delivery		Tel: +91-657-2426 616 Fax: +91-657-2426 937 Email : tsrdljsr@tsrdarashaw.com
Ahmedabad	Shah Consultancy Services Ltd. 3, Sumatinath Complex, Pritam Nagar Akhada Road, Ellisbridge, Ahmedabad - 380006	Mr. Suresh Shah	Hand Delivery		Tel: +91-79-2657 6038 Fax: +91-79-2657 6038 Email : shahconsultancy8154@gmail.com

102) Shares should not be submitted/ tendered to the Manager to the Offer, the Acquirer, the PACs or the Target Company.

103) Applicants who cannot hand deliver their documents at the collection centers referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the

Registrar to the Offer at its address, TSR Darashaw Private Limited, 6-10 Haji Moosa Patrawala Industrial Estate, 20 Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai – 400 011; Tel: +91 22 6656 8484 Extn 411/ 412/ 413: Fax: + 91 22 6656 8494; email: project.sunshield@tsrdarashaw.com; Contact Person: Ms. Mary George

104) In respect of dematerialised Shares, Shareholders must ensure that the credit for the Shares tendered is received in the special depository account as specified below on or before December 19, 2012. If the Shareholders hold their Shares through CDSL, their Depository Participant Instruction will have to take the form of an inter-depository delivery instruction to CDSL for the purpose of crediting their Shares in favour of the special depository account with NSDL as mentioned below.

Depository Name	National Securities Depository Ltd. (NSDL)
Account Name	TSR Darashaw Limited Escrow Account Sunshield Chemicals Limited Open Offer
DP Name	BNP Paribas
DP ID Number	IN301799
Beneficiary Account Number	10077497
ISIN	INE199E01014
Market	Off-Market
Date of Credit	On or before December 19, 2012

It is the sole responsibility of the Shareholders to ensure credit of their Shares in the depository account above, prior to the closure of the tendering period.

105) Shareholders who are holding the Shares in physical form and who wish to tender the Shares in the Offer are required to submit the Form of Acceptance-cum-Acknowledgment together with the original share certificate(s), valid transfer deed(s), and such other documents as may be specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgment, duly signed and addressed to the Registrar to the Offer, either by hand delivery on weekdays or by registered post, so as to reach the Registrar to the Offer on or before the closure of the tendering period, i.e., no later than December 19, 2012 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgment.

106) Documents to be delivered by all Eligible Shareholders:

a. For Shares held in the DEMATERIALIZED FORM:

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

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

Please note the following:

(i) For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgment.

(ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Shares have not been credited to the above special account or for Shares that are credited in the above special account but the corresponding Form of Acceptance-cum-Acknowledgment has not been received as on the date of closure of the tendering period.

(b) In case of Shares held in the PHYSICAL MODE by REGISTERED SHAREHOLDERS:

(i) Form of Acceptance-cum-Acknowledgement should be duly completed and signed, in accordance with the instructions contained therein, by all shareholders. In case of Shares held in joint names, names should be filled up in the same order in which they hold Shares in the Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;

(ii) Original equity share certificate(s); and

(iii) Valid equity share transfer form(s) duly signed by transferor (by all the equity shareholders in case the Shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s).

PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.

107) **Procedure for acceptance of the offer by unregistered shareholders, owners of shares who have sent them for transfer or those who did not receive the Letter of Offer:**

a) In case of non-receipt of the Letter of Offer, the eligible shareholders holding the Shares in dematerialized form may (i) download the same from the SEBI website, (http://www.sebi.gov.in) (ii) obtain a copy of the same by writing to the Manager to the Offer or the Registrar to the Offer, or (iii) make an application to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, distinctive numbers, folio number, number of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the close of the tendering period, i.e., no later than December 19, 2012, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, 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, so as to reach the Registrar to the Offer, on or before the close of the tendering period, i.e., no later than December 19, 2012.

b) In case of non-receipt of the Letter of Offer, the eligible shareholders, holding the Shares in physical form, may send their consent on plain paper stating the name, address, number of Equity Shares held, distinctive numbers, certificate numbers and the number of Shares offered along with the share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the date of closure of the tendering period i.e no later than December 19, 2012. Also, alternatively, the eligible shareholders may download the Letter of Offer from the SEBI website (www.sebi.gov.in).

c) In case the share certificate(s) and transfer deeds are lodged with Target Company /its share transfer agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) the copy of share transfer deed(s) and (ii) the acknowledgement of the lodgement with, or receipt issued by Target Company/its Share Transfer Agent, for the share certificate(s) so lodged. Where the transfer deeds are signed by a constituted attorney, a certified copy of the power of attorney shall also be lodged. In the case of body corporate/limited company, a certified copy of the memorandum and articles of association together with a certified true copy of the resolution along with the specimen signatures of the authorized signatories duly certified, shall also be sent.

d) Documents to be delivered by all Eligible Shareholders in case of Shares held in the PHYSICAL MODE by PERSONS NOT REGISTERED AS SHAREHOLDERS:

i) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein;

ii) Original equity share certificate(s) accompanied by valid share transfer forms as received from the market, wherein the name of the transferee has not been filled in; and

iii) Original broker contract note of a registered broker of a recognized stock exchange in relation to the purchase of the Shares being tendered in this case.

iv) In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s).

v) No indemnity regarding title is required from persons not registered as Shareholders.

108) Non-resident Shareholders should, in addition to the above, enclose copy(ies) of permission(s), received from RBI or any other regulatory authority to acquire Shares held by them in the Target Company. OCBs / NRIs are requested to seek a specific approval of the RBI for tendering their Shares in the Offer and a copy of such approval must be provided along with other requisite documents in the event that any OCB / NRI shareholder tenders its Shares in the Open Offer. In case the above approvals from the RBI are not submitted, the Acquirer reserves the right to reject such Shares tendered.

109) Shareholders who have sent the Shares held by them for dematerialization need to ensure that the process of getting the Shares held by them dematerialized is completed in time for the credit in the special depository account, to be received on or before the closure of the tendering period, i.e., no later than December 19, 2012 or else their application will be rejected.

110) Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.

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

111) The 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. Such documents may include, but are not limited to:

- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder) if the original Shareholder has expired
- Duly attested power of attorney if any person apart from the Shareholder has signed the acceptance form and / 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 corporate authorization (including certified copy of board and/or general meeting resolution(s)); and
- Any other relevant documents

112) In case the number of Shares validly tendered in the Offer by the Shareholders are more than the Shares to be acquired under the Offer, the acquisition of Shares from each shareholder will be on a proportionate basis in such a way that the acquisition from any shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. As the Shares trade in the compulsory dematerialized settlement segment of BSE, the minimum marketable lot for the Shares is 1 (one).

113) Subject to the approvals and other conditions mentioned in paragraphs 6 and 93, the Acquirer and the PAC intend to complete all formalities, including the payment of consideration, within a period of 10 (ten) working days from the closure of the tendering period, (i.e., January 03, 2013) and for this purpose open a special escrow account as provided under regulation 21(1) of the Regulations, provided that where the Acquirer/ PAC are unable to make the payment to the Eligible Shareholders who have accepted the Offer before the said period of 10 (ten) working days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default, failure or neglect on the part of the Acquirer/ PAC to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer/ PAC agreeing to pay interest to the Shareholders for delay beyond such 10 (ten) working days period, at such rate as may be specified by SEBI from time to time.

114) The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the shareholders' sole risk. Unaccepted Shares held in dematerialised form will be credited back to the beneficial owners' depository account with the respective depository participant as per details received from their depository participant. It will be the responsibility of the Shareholders to ensure that the unaccepted Shares are accepted by their respective depository participants when transferred by the Registrar to the Offer. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for the 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.

115) The Registrar to the Offer will hold in trust the Form of Acceptance, Shares, share certificates, transfer deed(s) and/or other documents on behalf of the shareholders of the Target Company who have accepted this Offer, until the warrants/ cheques/ drafts for the consideration are dispatched and unaccepted share certificate/Shares, if any, are dispatched/ returned to the relevant Shareholders.

116) Payment to those Shareholders whose share certificates and/or other documents are found valid and in order and are approved by the Acquirer/ PAC, will be by way of a crossed account payee cheque/ demand draft/ pay order/ through Direct Credit ("**DC**")/ National Electronic Clearance System ("**NECS**")/ Electronic Clearing Services ("**ECS**")/ National Electronic Funds Transfer ("**NEFT**")/ Real Time Gross Settlement ("**RTGS**"). So as to avoid fraudulent encashment in transit, the Shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole shareholder as provided in the Form of Acceptance-cum-Acknowledgment and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in dematerialised form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment shall be processed with the said bank particulars, and not any details provided in the Form of Acceptance-cum-Acknowledgment. In case of shareholder(s) holding Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at their own risk). The decision regarding (i) the acquisition (in part or full), of the Shares tendered pursuant to the Offer, or (ii) rejection of the Shares tendered pursuant to the Offer along with (a) any corresponding payment for the acquired Shares and/or (b) return of share

certificates for any rejected Shares or Shares withdrawn or Shares accepted in part, will be dispatched to the Shareholders by registered post or by ordinary post as the case may be, at the Shareholder's sole risk. Shares held in dematerialized form to the extent not acquired will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgment.

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

118) All cheques / demand drafts / pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Shares, payment will be made in the name of the person stated in the contract note.

119) A copy of the Letter of Offer (including Form of Acceptance-cum-Acknowledgment) is expected to be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site.

120) Tax Provisions:

General

a. As per the provisions of section 195(1) of the I-T 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 or as business profits or interest income (if any), as the case, may be under the provisions of the I-T Act, Acquirer/PAC are required to deduct taxes at source (including surcharge and education cess), as applicable.

b. Resident and non-resident Shareholders (including FIIs and FII sub-accounts) as per the I-T Act are required to submit their Permanent Account Number ("**PAN**") for income-tax purposes. In case the PAN is not submitted (including where such PAN has been applied for but not obtained), or is invalid or does not belong to the Shareholder, Acquirer/PAC will arrange to deduct tax at the rate of 20% (twenty percent) or at the rates in force or at the rate specified in the relevant provisions of the I-T Act, or at the maximum rate as discussed below, whichever is higher.

c. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer/PAC, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the I-T Act, on the gross consideration towards acquisition of Shares and interest, if any, payable to such Shareholder under the Offer.

d. Securities transaction tax will not be applicable to the Shares accepted in this Offer.

e. The provisions contained under sub-paragraphs b and c above shall apply notwithstanding anything contrary contained in paragraphs 121 to 123 below.

f. All references to maximum rate include applicable surcharge and education cess, as may be applicable.

Withholding tax implications for Non-resident Shareholders (other than FIIs and FII sub-accounts)

a. While tendering Shares under the Offer, all non-resident Shareholders (other than FIIs and FII sub-accounts) including NRIs/OCBs/foreign Shareholders shall be required to submit a valid No Objection Certificate ("NOC") / Tax Clearance Certificate ("TCC") issued by the Income-tax Authorities under Section 195(3) or Section 197 of the I-T Act along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer/PAC before remitting the consideration (and the interest, if any). The Acquirer/PAC will arrange to deduct taxes at source in accordance with such NOC/TCC only if the NOC/TCC has been submitted alongwith the Form of Acceptance-cum-Acknowledgement and the NOC/TCC is valid and effective as of the date on which tax is required to be deducted at source.

b. In case the aforesaid NOC or TCC is not submitted as aforesaid or is otherwise not valid and effective as of the date on which tax is required to be deducted at source, the Acquirer/PAC will arrange to deduct tax at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the I-T Act, on the gross consideration towards acquisition of Shares and interest, if any, payable to such Shareholder under the Offer.

Withholding tax implications for FIIs and FII sub-accounts

a. As per the provisions of section 196D(2) of the I-T Act, no deduction of tax at source will be made from any income by way of capital gains arising from transfer of securities referred to in section 115AD of the I-T Act to a FII, as defined in section 115AD of the I-T Act. The Acquirer would not withhold tax on the purchase consideration to a FII or FII sub-account subject to the receipt of a certificate ("**FII Certificate**") from the FII or the FII sub-account, as the case may be, stating the following:

   i) Residential status of the FII / FII sub-account
   ii) FII / FII sub-account is holding the Shares in the Target Company on the capital account and not on the trade account as on the date of tendering the Shares under this Offer;
   iii) Income arising from sale of the Shares of the Target company is in nature of capital gain and not business income in the hands of the FII / FII sub-account; and
   iv) FII / FII sub-account neither has a business connection in India as defined in Explanation 2 to section 9(1)(i) of the I-T Act (alongwith the provisos thereto) nor a permanent establishment in India under any treaty (if applicable) to the FII / FII sub-account.

b. In the absence of the FII Certificate provided in the manner specified in sub-paragraph a above, the Acquirer/PAC will deduct tax at the maximum rate applicable to the category to which such FII / FII sub-account belongs on the gross consideration payable to such FII / FII sub-account towards acquisition of Shares under this Offer. Should the FII / FII sub-account submit a NOC or TCC from the Income-tax authorities while tendering the Shares, indicating the amount of tax to be deducted by the Acquirer under the I-T Act, the Acquirer/PAC will deduct tax in accordance with such NOC / TCC only if the NOC/TCC has been submitted alongwith the Form of Acceptance-cum-Acknowledgement and the NOC/TCC is valid and effective as of the date on which tax is required to be deducted at source.

c. In respect of interest income, should the FII / FII sub-account submit a NOC or TCC from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer/PAC under the I-T Act, the Acquirer/PAC will deduct tax in accordance with the NOC/TCC so submitted only if the NOC/TCC has been submitted alongwith the Form of Acceptance-cum-Acknowledgement and the NOC/TCC is valid and effective as of the date on which tax is required to be deducted at source. In absence of such NOC/TCC, the Acquirer/PAC will arrange to deduct tax at the maximum rate applicable to the category to which such FII / FII sub-account belongs.

Withholding tax implications for resident Shareholders

a. In absence of any specific provision under the I-T Act, Acquirer/PAC will not deduct tax on the consideration payable to resident Shareholders for acquisition of Shares under this Offer.

b. Acquirer/PAC will deduct the tax at the stipulated rates (including applicable surcharge, education cess and secondary higher education cess) on interest, if any, payable to resident Shareholders, if amount of interest payable is in excess of Rs.5,000 (Rupees Five Thousand only) as per the provisions of section 194A the I-T Act.

c. The resident Shareholder claiming no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance-cum-Acknowledgement an NOC or TCC from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer or, in the case of resident Shareholder not being a company or firm, a self declaration in Form 15G or Form 15H as may be applicable. The self declaration in Form 15G or Form 15H would not be valid unless the Shareholder furnishes PAN in such declaration. In case the aforesaid NOC or TCC or Form 15G or 15H, if applicable, is not submitted, and the amount of interest payable exceeds Rs. 5,000 (Rupees Five Thousand only), the Acquirer/PAC will arrange to deduct tax at the maximum rate as may be applicable to the category of the Shareholder under the I-T Act. Also, no tax is to be deducted on interest amount in the case of resident Shareholder being an entity specified under Section 194A(3)(iii) of the I-T Act if it submits a self attested copy of the relevant registration, or notification along with the Form of Acceptance-cum-Acknowledgement.

Issue of tax deduction at source certificate

The Acquirer/PAC will issue a certificate in the prescribed form to the Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of section 203 of the I-T Act read with the Income-tax Rules, 1962.

Withholding taxes in respect of overseas jurisdictions

Apart from the above, the Acquirer/PAC will be entitled (but not obligated) to withhold tax in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Shareholder is a resident for tax purposes ("**Overseas tax**") provided the non-resident Shareholder has represented in the Form of Acceptance-cum-Acknowledgement the quantum of the Overseas tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident and the Acquirer/PAC will be entitled to rely on this representation at their/its sole discretion.

121) Shareholders who wish to tender their Shares must submit the following information / documents, as applicable, along with the Form of Acceptance-cum-Acknowledgement:

Information requirement from non-resident Shareholder

a. Self attested copy of PAN card
b. NOC or TCC from the Income Tax authorities
c. Self attested declaration in respect of residential status (for tax purposes), status of Shareholders (e.g. Individual, HUF, Firm, Company, FII, Trust, or any other - please specify)
d. In case of FII / FII sub-account, self attested FII Certificate as referred in sub-paragraph a above
e. Self attested copy of SEBI registration certificate for FII / FII sub-account

Information requirement in case of resident Shareholder

a. Self attested copy of PAN card
b. Self attested declaration in respect of residential status (for tax purposes), status of Shareholders (e.g. Individual, Firm, Company, Trust, or any other - please specify)
c. If applicable, self declaration form in Form 15G or Form 15H (in duplicate), as applicable
d. NOC or TCC from the Income Tax authorities (applicable only for the interest payment, if any)
e. For specified entities under Section 194A(3)(iii) of the I-T Act – Self attested copy of relevant registration or notification (applicable only for the interest payment, if any)

122) The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the amount received pursuant to this Offer. The tax rates and other provisions may undergo change.

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

VIII. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Shareholders at the office of the Manager to the Offer at 1st floor, Bakhtawar, 229 Nariman Point, Mumbai 400 021 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer:

- Certified true copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Acquirer
- Certified true copy of the extract of the trade register for the PAC
- Certified true copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Target Company
- Audited financial statements of the Acquirer for the periods June 09, 2010 – December 31, 2010, January 01, 2011 – December 31, 2011, and January 01, 2012 – June 30, 2012
- Audited financial statements of the PAC for the periods January 01, 2009 – December 31, 2010, January 01, 2010 – December 31, 2010, January 01, 2011,- December 31, 2011, and January 01, 2012 – June 30, 2012
- Annual reports and audited financial statements of the Target Company for the last completed three financial

years

- Certificate from Mr Biren Gabhawala, Partner, C.M. Gabhawala & Co., dated 12 September 2012, certifying the adequacy of financial resources with Acquirer and the PAC to fulfill the Offer obligations
- Escrow Agreement between the Acquirer, BNP Paribas India. and the Manager to the Offer, dated May 22, 2012
- Copy of the agreement between the Acquirer, the Registrar to the Offer, the Depository Participant and the Manager to the Offer for opening the Special Depository Account for the purpose of the Offer
- Letter from BNP Paribas India, confirming the deposit of Rs 3,02,59,978.39 (Rupees Three Crores Two Lakhs Fifty Nine Thousand Nine Hundred Seventy Eight and Paise Thirty Nine only) in the Escrow Account
- Letters from HSBC dated May 24, 2012 and September 7, 2012 confirming deposit of USD 2,469,026.55 (United States Dollar Two Million Four Hundred Sixty Nine Thousand and Twenty Six and Cents Fifty Five Only) in offshore account
- Copy of the application filed with the RBI on September 25, 2012, for seeking its consent for the acquisition of Shares under the Share Purchase Agreement and/ or the Offer, as required
- A copy of the Share Purchase Agreement
- A copy of the Amendment Agreement between Acquirer, Sellers, and the Target Company dated November 07, 2012
- Published copy of the Detailed Public Statement dated September 21, 2012
- SEBI's observation letter dated November 19, 2012

Manager to the Offer, for and on behalf of the Acquirer and the PAC

kotak® Investment Banking

IX. DECLARATION BY THE ACQUIRER AND THE PACS

The Acquirer and, the PAC accept full responsibility for the information contained in this Letter of Offer and also accept responsibility for the obligations of the Acquirer and the PACs as laid down in the Regulations. The Acquirer and the PAC shall be severally and jointly responsible for ensuring compliance with the Regulations.

Signed by

Sd-

For and on behalf of the Acquirer

Name : C. Napoleon
Designation : Authorized Signatory
Date : November 27, 2012
Place : Mumbai

For and on behalf of PAC

Name : C, Napoleon
Designation : Authorized Signatory
Date : November 27, 2012
Place : Mumbai