Detailed Public Statement to the shareholders of
Sunshield Chemicals Limited

Registered Office: N.K.M. International House, 178, Backbay Reclamation, Babubhai Chinai Marg, Mumbai – 400 020, Maharashtra; Tel: +91 22 6145 7000 and Fax: +91 22 2283 8291

Open offer ("**Offer**") for acquisition of up to 19,11,796 equity shares of Sunshield Chemicals Limited ("**Target Company**") from the shareholders of the Target Company by Rhodia Amines Chemicals Pte. Ltd. ("**Acquirer**") along with Solvay S.A. in its capacity as the person acting in concert with the Acquirer ("**PAC**")

This Detailed Public Statement ("DPS") is being issued by Kotak Mahindra Capital Company Limited ("Manager to the Offer"), on behalf of Rhodia Amines Chemicals Pte. Ltd. ("Acquirer") along with Solvay S.A. hereinafter referred to as persons acting in concert ("PAC") pursuant to and in accordance with, among others, Regulation 13(4) and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto up to the date of this DPS ("SEBI (SAST) Regulations") as well as pursuant to the Public Announcement ("PA") filed on September 13, 2012 with the Bombay Stock Exchange ("BSE"), and the Securities and Exchange Board of India ("SEBI") and, submitted to the Target Company at its registered office in terms of Regulation 3(1) and 4 of the SEBI (SAST) Regulations.

Information about Acquirer/PAC

Acquirer

1. The Acquirer**,** Rhodia Amines Chemicals Pte. Ltd., is a private limited company limited by shares, and was incorporated on 09 June, 2010 under the laws of Singapore with its registered office at 10 Collyer Quay, #10-01, Ocean Financial Centre, Singapore 049315, Telephone: + 65 6394 3285, Fax: + 65 6394 3377. The Acquirer's name has not changed since incorporation.
2. The Acquirer is an investment holding company.
3. The Acquirer is an indirectly wholly owned subsidiary of Solvay S.A. Solvay S.A. is a person acting in concert with the Acquirer in relation to this Offer.
4. Rhodia SA, which is part of the Solvay Group, holds 100% of the Acquirer.
5. The equity shares of the Acquirer are not listed on any stock exchange.
6. The present directors of the Acquirer are Michel Bernard Maurice Ybert and Ian Edward Brown.
7. Presently, the Acquirer, its directors, and its key managerial employees do not have any ownership interest in the Target Company except to the extent of the proposal of the Acquirer to acquire equity shares in the Target Company under the Share Purchase Agreement (as defined in paragraph 47 below).
8. 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 regulations made under the SEBI Act.
9. The key financial information of the Acquirer for the years ended 31 December 2010 and 31 December 2011 and for the six month ending June 30, 2012 as derived from its audited consolidated financial statements are as follows:

	Year ended December 31, 2010		Year ended December 31, 2011		Six months ended June 30, 2012	
	USD mn	₹ Lacs	USD mn	₹ Lacs	USD mn	₹ Lacs
Total Revenue(1)	0.004	2	0.554	306	0	0
Net Income	(6.283)	(3,472)	(5.998)	(3,314)	(0.992)	(548)
Earnings per Share (In USD/₹) (2)	(0.02)	(0.98)	(0.02)	(0.93)	(0.003)	(0.15)
Networth/ Shareholders Funds	348.3	192,459	342.3	189,145	341.3	188,597

Note:

1. *Total Revenue includes Other Income which includes service income from a related corporation*
2. *Earnings per share is calculated as: Profit after tax/shares outstanding at the end of the respective period.*
3. *The above figures have been converted into ₹using the RBI Reference rate of 1USD = ₹55.2605 (source: www.rbi.org.in) dated September 12, 2012.*

Source: Financial information presented above have been derived from the Acquirer's audited financial statements prepared in accordance with Singapore Financial Reporting Standards and audited by the statutory auditors.

PAC

10. The PAC, Solvay S.A., 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. 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.
11. 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.
12. The outstanding share capital of the PAC is Euro 1,270,516,995/- (Equivalent to ₹ 90,373,144,371/- using the RBI Reference rate 1 EUR = ₹ 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.
13. The shares of the PAC are listed for trading on NYSE Euronext Brussels and Paris.
14. 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**	**100.00%**

15. 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.
16. The present directors of the PAC are (i) Nicolas Boël (Chairman), (ii) Jean-Pierre Clamadieu, (iii) Bernard de Laguiche, (iv) Jean-Marie Solvay, (v) Guy de Selliers de Moranville, (vi) Denis Solvay, (vii) Jean van Zeebroeck, (viii) Jean-Martin Folz, (ix) Bernhard Scheuble, (x) Anton van Rossum, (xi) Charles Casimir-Lambert, (xii) Ms. Petra Mateos-Aparicio Morales, (xiii) Baron Hervé Coppens d'Eeckenbrugge, (xiv) Yves-Thibault de Silguy, and (xv) Ms. Evelyn du Monceau.
17. Presently, the PAC, its directors and its key managerial employees do not have any interest in the Target Company except to the extent of the proposal of the Acquirer to acquire equity shares in the Target Company under the Share Purchase Agreement (as defined in paragraph 47 below).
18. 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 regulations made under the SEBI Act.
19. The key financial information of the PAC for the years ended 31 December 2009, 31 December 2010, and 31 December, 2011, and for six month ending June 30, 2012 as derived from its audited consolidated financial statements are as follows:

	Year ended Dec 31, 2009		Year ended Dec 31, 2010		Year ended Dec 31, 2011		Six months ended June 30, 2012	
	Euro mn	₹Lacs	Euro mn	₹Lacs	Euro mn	₹Lacs	Euro mn	₹Lacs
Total Revenue(1)	**5,689**	**40,46,643**	**6,005**	**42,71,417**	**8,171**	**58,12,114**	**6,843**	**48,67,494**
Net Income(2)	**553**	**3,93,354**	**1,823**	**12,96,718**	**296**	**2,10,548**	**300**	**2,13,393**
Earnings per Share (In Euro/₹](3)	**6.1**	**433.3**	**21.0**	**1,491.5**	**2.9**	**207.4**	**3.3**	**233.5**
Networth/ Shareholders Funds	**4,618**	**32,84,830**	**6,288**	**44,72,717**	**6,156**	**43,78,824**	**6,198**	**44,08,699**

Note:

1. *For the purposes of calculating Total Revenue:*
    a. *Income from operations includes income from continuing operations only.*
    b. *Other income includes income/(loss) from available sale investments in CY 2009, CY 2010 and CY 2011. For CY 2010 and CY 2011, other income also includes earnings from associates and joint ventures accounted for using equity method.*
2. *Net Income is calculated as income from continuing operations plus result from discontinued operations, and includes minority interest.*
3. *Earnings per share is calculated as: Net Income post minority interest/ shares outstanding at the end of the respective period.*
4. *The above figures have been converted into ₹ using the RBI Reference rate of 1Euro = ₹71.1310 (source: www.rbi.org.in) dated September 12, 2012*

Source: Financial information presented above have been derived from the PAC's audited financial statements prepared in accordance with International Finance Reporting Standards and audited by the statutory auditors.

Information about Sellers

20. The persons listed as "Sellers" under the Share Purchase Agreement (as defined in paragraph 47 below), together hold 46,72,061 equity shares of ₹10/- of the total issued equity share capital of the Target Company, representing approximately 63.54% of the total issued equity share capital in the proportion set forth hereunder:

No.	Name, Nature of entity and Address of the Sellers	No of equity shares/voting rights held	% of equity shares/voting rights held
1.	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%
2.	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%
3.	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%
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 the name of Kelkar Chemicals Private Limited since incorporation.	68,950	0.94%
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%**

21. 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 and is listed on the BSE (Scrip code: 503655).
22. As per stock exchanges 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.
23. The Sellers have not been prohibited by SEBI from dealing in securities, in terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.

Information about the Target Company

24. The Target Company was incorporated on 19 November 1986 under the Companies Act, 1956 ("**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. There have been no changes in the name of the Target Company during the last three years from the date of this DPS.
25. As of the date of this DPS, the total authorized share capital of the Target Company is ₹ 20,00,00,000/- (Rupees Twenty Crores only) consisting of 1,50,00,000 equity shares of ₹ 10/- each and 50,00,000 7% non-cumulative redeemable-preference shares of ₹10/- each. The total paid-up share capital of the Target Company is ₹ 7,35,30,600/- (Rupees Seven Crores Thirty Five Lacs Thirty Thousand Six Hundred only) consisting of 73,53,060 equity shares. There are no partly paid up equity shares in the Target Company.
26. The Target Company is present in the specialty chemicals industry and manufactures and sells in India and exports surfactants and anti-oxidants.
27. The shares of the Target Company are listed on the BSE.
28. The equity shares of the Target Company are not frequently traded on the BSE within the meaning of Regulation 2(1)(j) of SEBI (SAST) Regulations for the period commencing on 01 September, 2011 and ending on 31 August, 2012.
29. There are currently no outstanding partly paid up equity shares or any other instruments convertible into equity shares of the Target Company at a future date.
30. The key financial information of the Target Company on a consolidated basis, based on the audited financial statements, are as follows:

(All figures in Rupees Lacs except for per Share numbers)	Year ended Mar 31, 2010	Year ended Mar 31, 2011	Year ended Mar 31, 2012
	Audited	**Audited**	**Audited**
Total Revenue(1)	6,451	7,979	9,522
Net Income(2)	305	160	97
EPS(3)	4.14	2.17	1.32
Networth / Shareholders Funds(4)	1,805	1,955	2,062

Note:

1. *Total Revenue includes Other Income (including interest income, dividend income, and gain on exchange rate fluctuation)*
2. *Profit after Tax does not include incremental provision for deferred sales tax, short/ excess provision of taxes, and prior year items*
3. *Earnings per share is calculated as Profit after Tax/ number of shares at the end of the year*
4. *Networth excludes revaluation reserves*

Source: Audited financial statements of the Target Company

Details about the Offer

31. 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 SEBI (SAST) Regulations pursuant to the Share Purchase Agreement (as defined in paragraph 47 below) to acquire more than 25% of the voting rights of the Target Company and a proposed change in control, of the Target Company.
32. Pursuant to this Offer, the Acquirer proposes to acquire upto 19,11,796 (Nineteen Lacs Eleven Thousand Seven Hundred and Ninety Six Only) equity shares of the Target Company ("**Offer Size**") from the shareholders of the Target Company, representing 26.00% of the total share capital of the Target Company, at a price of ₹ **51/-** (Rupees **Fifty One** Only) for each equity share of the Target Company ("**Offer Price**"), to be paid in cash in accordance with the SEBI (SAST) Regulations. There are no partly paid-up equity shares of the Target Company.
33. The Offer is being made to all holders of equity shares of the Target Company other than the Sellers under the Share Purchase Agreement (as defined in paragraph 47 below).
34. As on the date of this DPS, there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company which are convertible into equity shares of the Target Company.
35. All equity shares validly tendered in the Offer will be acquired by the Acquirer, in accordance with the terms and conditions set forth in this DPS and the Letter of Offer.
36. The shareholders who tender their equity shares under this Offer shall ensure that such equity shares when acquired by the Acquirer will be acquired free and clear from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends, bonus and rights offers declared in relation thereto.
37. The Offer Price will be paid in cash, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.
38. This Offer and the transaction envisaged under Share Purchase Agreement (as defined in paragraph 47 below) are subject to the receipt of the statutory and other approvals mentioned in paragraph 41 and 70 of this DPS.
39. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
40. This Offer is not a competing offer in terms of Regulation 20 of SEBI (SAST) Regulations.
41. This Offer is subject to the following necessary approvals and conditions:

Statutory Approvals:

(a) the Acquirer having received the approval from the Reserve Bank of India ("**RBI**") under the applicable foreign exchange rules and regulations for the acquisition of equity shares from any non-resident Indians or erstwhile overseas corporate bodies, 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 the 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 equity 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, 1956 in respect of Aeonian Investments Company Limited giving a loan of upto ₹ 10,00,00,000 to the Target Company; and

(e) no accident having occurred which (i) is of an industrial nature and would significantly damage the assets at the factory site and discontinue the manufacturing activity of the Target Company for a period longer than seven (7) days since the occurrence of the accident; or (ii) would result in serious injury or death of a person or damage the environment.

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

42. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event any of the statutory approvals or other approvals and/or conditions mentioned in paragraph 41 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 SEBI (SAST) 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 this DPS has been published and such public announcement will also be sent to SEBI, the BSE and the registered office of the Target Company.
43. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, as of the date of this DPS, 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.
44. 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 equity shares of the Target Company from the 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.
45. The equity shares of the Target Company are listed on the 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. equity shares of the Target Company held by the public excluding the equity shares of the Target Company 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 (as defined in paragraph 47 below) will not exceed the maximum permissible non-public shareholding specified in the listing agreement entered into by the Target Company with the BSE, as per Rule 19A of the SCRR, for the purpose of being listed on BSE on a continuous basis. Hence, the provisions of Regulation 7(4) of the SEBI (SAST) Regulations are not applicable.

Background to the Offer

46. This Offer is a mandatory offer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations as a result of an agreement for a direct acquisition of the equity shares, voting rights and control of the Target Company by the Acquirer.
47. On September 13, 2012, the Acquirer entered into a share purchase agreement with the Sellers (as described in paragraph 20 above) and the Target Company ("**Share Purchase Agreement**") to acquire such number of equity shares of the Target Company from the Sellers which is either.
    (a) such portion of the 46,72,061 equity 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 equity shares of the Target Company 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 equity shares of the Target Company to be acquired from the Sellers as mentioned in Nos. 1 to 4 of paragraph 20 above *("***ACC Group***")* and the Sellers mentioned in Nos.5 to 9 of paragraph 20 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 equity 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 equity shares of the Target Company validly tendered by the shareholders of the Target Company in 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 equity shares of the Target Company that the Acquirer shall acquire from the Sellers, subject to completion of this Offer, are referred to in this DPS as "**Sale Shares**". The Acquirer has agreed to acquire the Sale Shares from the Sellers at a price of ₹ 51/- (Rupees Fifty One only) per Sale Share, payable in cash.
48. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of equity shares of the Target Company.
49. 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 ₹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 70 of this DPS.
    (c) The Sellers have undertaken to ensure that the Target Company shall not (except with the Acquirer's written consent) take certain actions between the date of execution of the Share Purchase Agreement, 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.
    (e) The Share Purchase Agreement contains customary representations and warranties from the Sellers including in relation to valid incorporation, authority, share capital, compliance with applicable laws, related party transactions, contracts, financial matters and intellectual property of the Target Company. The Acquirer has provided customary representations and warranties including in relation to valid incorporation and authority.
50. After the completion of this Offer and pursuant to the acquisition of equity shares of the Target Company under the Share Purchase Agreement, the Acquirer shall hold the majority of the equity shares of the Target Company by virtue of which they will 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.
51. The Acquirer may reconstitute the board of directors of the Target Company after the closure of this Offer in accordance with the SEBI (SAST) 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.
52. The proposed acquisition of the equity shares of the Target Company 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...

Shareholding and Acquisition Details

53. The current shareholding of the Acquirer and PAC in the Target Company and the details of their acquisition are as follows:

<table>
<tr><th rowspan="2"></th><th colspan="4">Acquirer</th><th colspan="2">PAC</th></tr>
<tr><th colspan="2">No.</th><th colspan="2">%</th><th>No.</th><th>%</th></tr>
<tr><td>Shareholding as on the PA date</td><td colspan="2">NIL</td><td colspan="2">NIL</td><td>NIL</td><td>NIL</td></tr>
<tr><td>Equity shares acquired between the PA date and the DPS date</td><td colspan="2">NIL</td><td colspan="2">NIL</td><td>NIL</td><td>NIL</td></tr>
<tr><td rowspan="2">Post Offer shareholding (On diluted basis, as on tenth (10th) working day after closure of tendering period)</td><td>Scenario 1</td><td>Scenario 2</td><td>Scenario 1</td><td>Scenario 2</td><td rowspan="2">NIL</td><td rowspan="2">NIL</td></tr>
<tr><td>55,14,795 equity shares if the number of equity shares validly tendered and accepted in the Offer is greater than 8,42,734 (i.e. 11.46% of total issued equity share capital of the Target Company).</td><td>46,72,061 to 55,14,795 equity shares if the number of equity shares validly tendered and accepted in the Offer range from 0 to 8,42,734 (i.e. 0% to 11.46% of the total issued equity share capital of the Target Company).</td><td>75% of total issued equity share capital if the number of equity shares validly tendered and accepted in the Offer is greater than 8,42,734 (i.e. 11.46% of total issued equity share capital of the Target Company).</td><td>63.54% to 75.0% of total issued equity share capital if the number of equity shares validly tendered and accepted in the Offer range from 0 to 8,42,734 (i.e. 0% to 11.46% of the total issued equity share capital of the Target Company).</td></tr>
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Note: Under the terms of the Share Purchase Agreement, the Acquirer is entitled (at its sole discretion) to not purchase all or any of Balance SMK Group Shares.

54. Neither the Acquirer nor its directors have acquired any equity shares of the Target Company during the twelve (12) months period prior to the date of this DPS.

Offer Price

55. The equity shares of the Target Company are listed and traded on the BSE. The annualised trading turnover based on the trading volume in the equity shares of the Target Company on the BSE during 01 September, 2011 to 31 August, 2012, (12 (twelve) calendar months preceding the month in which the PA is issued) is as under:

Stock Exchange	Number of equity shares traded during the 12 (twelve) calendar months prior to the month in which the PA is issued	Total number of listed equity shares during this period	Annualized trading turnover (as a % to total listed equity shares)
BSE	327,046	7,353,060	4.45%

Source: BSE website

56. Based on the parameters set out in the SEBI (SAST) Regulations for infrequently traded stocks, as of the date of the PA, the Offer Price of ₹ 51/- (Rupees Fifty-One Only) is justified in view of the following:

S. No	Particulars	Price (in ₹ Per Share)
I.	The negotiated price under the Share Purchase Agreement dated 13 September 2012	₹ 51/-
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 (As the maximum volume of trading in the shares of the target company is recorded on BSE during such period)	Not Applicable
V.	Other parameters based on the audited financials of the Target for the year ending on March 2012	
a.	Book Value per Share (₹)	28.0
b.	Price to Earnings Ratio*	38.72

* Implied Price to Earnings Ratio calculated based on Offer Price of ₹51/- per share and the Earnings per Share for the year ended 31 March, 2012.

57. Biren Gabhawala, Partner, C.M. Gabhawala & Co. Chartered Accountants , 42, Nanik Niwas, 30, Dr. D.D. Sathe Marg, Girgaum, Mumbai – 400004, Tel: +91 22 23880101, Fax: +91 22 23850931 (Membership Number: 40496) has certified via certificate dated September 12, 2012 that ₹ 25/- (Rupees Twenty Five only) is the fair price per equity share of the Target Company.
    a) For the purpose of said valuation, the following methodologies were used:
        (i) Net Asset Value (NAV)
        (ii) Profit Earning Capacity Value (PECV)
        (iii) Comparable Trading Multiples (CTM)
    b) Equal weightage of '1' was assigned to the value arrived under the three methods
58. The Offer Price of ₹ 51/- (Rupees Fifty One Only) per equity share is more than the fair value as certified by M/s Gabhawala & Co., and is thus justified in terms of Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations.
59. In the event of further acquisition of equity shares of the Target Company 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 SEBI (SAST) Regulations. However, it shall not be acquiring any equity shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
60. 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 this DPS has appeared and the revised Offer Price would be paid for all equity shares accepted under the Offer.
61. If there is any revision in the Offer Price on account of future purchases / competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the tendering period and would be notified to the shareholders of the Target Company.

Financial Arrangements

62. The maximum consideration payable under this Offer, assuming full acceptance, is ₹ 9,75,01,596/-(Rupees Nine Crores Seventy Five Lacs One Thousand Five Hundred and Ninety Six Only) ("**Maximum Consideration**").
63. In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has opened a "**Cash Escrow Account"** in the name "Sunshield Chemicals Limited Open Offer Payment Account" bearing Account No. 0900911521100137 with BNP Paribas India ("**Escrow Bank**"), Branch: French Bank Building, 62 Homji Street, Fort, Mumbai 400 001 and made a cash deposit of ₹ 3,02,59,978.39 (Rupees Three Crores Two Lakhs Fifty Nine Thousand Nine Hundred Seventy Eight and Thirty Nine Paise only) in the account in accordance with the Regulation 17(3)(a) of the SEBI (SAST) Regulations, being more than 25% of the total consideration payable to the shareholders of the Target Company under the Offer. The cash deposit has been confirmed vide a confirmation letter dated September 05, 2012 issued by BNP Paribas India.
64. 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 the Cash Escrow Account in terms of the SEBI (SAST) Regulations.
65. For the balance amount of Maximum Consideration, 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 ₹ 13,64,39,641/- (Rupees Thirteen Crore Sixty Four Lakhs Thirty Nine Thousand Six Hundred Forty One Only *using the RBI Reference rate of 1USD = ₹ 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 (the "**Balance Account**"), which, together with the amount set aside in the Cash Escrow Account, represents more than 100% of the cash required to fund the entirety of the Offer. The funds in the Balance 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.
66. In case of any upward revision in the Offer Price or the Offer Size, the value of the escrow amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded via the Balance Account and the Escrow Account by the Acquirer and the PAC prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
67. The source of funds to meet the Acquirer's and the PAC's obligations under the Offer is foreign funds.
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),(the "**Accountant**") has confirmed by the certificate dated September 12, 2012 that the Acquirer and PAC have adequate financial resources through verifiable means available for meeting their obligations under the SEBI (SAST) Regulations for a value up to the Maximum Consideration.
69. On the basis of the aforesaid financial arrangements and the Accountant's certificate, the Manager to the Offer confirms that adequate funds are available with the Acquirer through verifiable means to implement this Offer.

Statutory and Other Approvals

70. This Offer is subject to the following necessary approvals and conditions:

    Statutory Approvals:

    (a) the Acquirer having received the approval from the Reserve Bank of India ("**RBI**") under the applicable foreign exchange rules and regulations for the acquisition of equity shares from any non-resident Indians or erstwhile overseas corporate bodies, 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 the 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 equity 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, 1956 in respect of Aeonian Investments Company Limited giving a loan of upto ₹ 10,00,00,000 to the Target Company; and

    (e) no accident having occurred which (i) is of an industrial nature and would significantly damage the assets at the factory site and discontinue the manufacturing activity of the Target Company for a period longer than seven (7) days since the occurrence of the accident; or (ii) would result in serious injury or death of a person or damage the environment.

    Provided that the approvals and conditions in (c), (d) and (e) above may be waived by the Acquirer at its discretion.
71. As of the date of this DPS, to the best of the knowledge of the Acquirer and the PAC, there are no other statutory approvals (i.e., other than those mentioned above) which are required to acquire the equity shares that are validly tendered pursuant to this Offer.
72. Notwithstanding paragraphs 70 and 71, if any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer and PAC will not proceed with the Offer in the event any statutory approval indicated herein is not obtained in terms of Regulation 23 of the SEBI (SAST) Regulations.
73. 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 of the Target Company as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations.
74. Where any statutory approval extends to some but not all the shareholders who tender their equity 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.
75. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event any of the statutory approvals or other approvals and/or conditions mentioned in paragraph 70

Contd...

Detailed Public Statement to the shareholders of
Sunshield Chemicals Limited

Registered Office: N.K.M. International House, 178, Backbay Reclamation, Babubhai Chinai Marg, Mumbai – 400 020, Maharashtra; Tel. +91 22 6145 7000 and Fax: +91 22 2283 8291

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 this DPS has been published and such public announcement will also be sent to SEBI, the BSE and the registered office of the Target Company.

Tentative Schedule Of Activity

No.	Activity	Schedule (Day and Date)
1.	Date of the PA	Thursday, September 13, 2012
2.	Date of publication of this DPS in newspapers	Friday, September 21, 2012
3.	Filing of the draft letter of offer with SEBI along with the soft copies of the PA and this DPS	Friday, September 28, 2012
4.	Last date for public announcement of a competing offer(s) being made	Monday, October 15, 2012
5.	Identified Date*	Thursday, October 25, 2012
6.	Date by which letter of offer is to be posted to the equity shareholders of the Target Company	Friday, November 02, 2012
7.	Last date for upward revision of the Offer Price or any increase in the Offer Size	Monday, November 05, 2012
8.	Last date for public announcement by the independent directors committee of the Target Company on their recommendation to the shareholders of the Target Company for this Offer	Wednesday, November 07, 2012
9.	Date of publication of Offer opening public announcement in the newspapers where this DPS has been published	Thursday, November 08, 2012
10.	Date of commencement of the tendering period	Friday, November 09, 2012
11.	Date of closure of the tendering period	Monday, November 26, 2012
12.	Date of publication of post-offer public announcement in the newspapers where this DPS has been published	Tuesday, December 11, 2012
13.	Last date for communicating the rejection/ acceptance; completion of payment of consideration or refund of equity shares to the shareholders of the Target Company	Tuesday, December 18, 2012
14.	Last date for submission of the final report with SEBI	Tuesday, December 18, 2012

** "**Identified Date**" is only for the purpose of determining the shareholders of the Target Company as on such date to whom the Letter of Offer (as defined below in paragraph 77) would be mailed. It is clarified that all the shareholders of the Target Company (registered or unregistered) of the 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.*

Procedure for Tendering the Equity Shares in Case of Non Receipt of Letter of Offer

76. All shareholders holding equity shares of the Target Company (except the Sellers) whether in dematerialised form or physical form, registered or unregistered, are eligible to participate in this Offer at any time during the tendering period of this Offer.

77. A letter of offer ("**Letter of Offer**") specifying the detailed terms and conditions of this Offer along with the Form of Acceptance-cum-Acknowledgement ("**Form of Acceptance**") will be mailed to all the shareholders of the Target Company, except the parties of the Share Purchase Agreement, whose names appear on the register of members of the Target Company at the close of business hours on the Identified Date, being registered equity shareholders as per the records of National Securities Depository Ltd. ("**NSDL**") and Central Depository Services (India) Limited ("**CDSL**"), 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 02, 2012

78. This Offer is made to all shareholders of the Target Company (other than the Sellers under the Share Purchase Agreement) as on the Identified Date, and also to persons who acquire equity shares of the Target Company before the closure of the Offer and tender these equity shares into the Offer in accordance with this DPS, save and except for the parties to the Share Purchase Agreement. Persons who have acquired equity shares of the Target Company (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.

79. The shareholders of the Target Company who wish to tender their Shares pursuant to this Offer will be required to communicate their acceptance in the form and manner specified in the Letter of Offer to TSR Darashaw Limited acting as the Registrar to the Offer ("**Registrar to the Offer**") in accordance with the instructions contained in the Letter of Offer and Form of Acceptance. Applicants who cannot hand deliver their documents at the collection centers, as will be mentioned in the Letter of Offer, may send such documents by registered post or by courier, at their own risk and cost, to the Registrar to the Offer at its address mentioned in paragraph 86. In case of non-receipt of the Letter of Offer, the eligible shareholders 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 Open Offer, i.e., no later than November 26, 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 Offer, i.e., no later than November 26, 2012.

a) In respect of dematerialised shares shareholders of the Target Company must ensure that the credit for the equity shares tendered is received in the special depository account as specified below on or before November 26, 2012. If the shareholders of the Target Company 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 November 26, 2012

It is the sole responsibility of the shareholders of the Target Company to ensure credit of their equity shares of the Target Company in the depository account above, prior to the closure of the Offer.

b) Shareholders of the Target Company who are holding the equity shares of the Target Company in physical form and who wish to tender their equity shares of the Target Company in the Offer are required to submit the Form of Acceptance-cum-Acknowledgement 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 Offer, i.e., no later than November 26, 2012 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance-cum-Acknowledgment.

80. Shareholders of the Target Company who have acquired equity 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 Offer i.e., no later than November 26, 2012. This is to be sent to the Registrar to the Offer together with:

(a) In case of shareholders of the Target Company holding equity shares in dematerialized form, then, the name, address, number of equity shares held, number of equity 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 above.

(b) In case of shareholders holding equity shares in physical form, then, 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 equity shares were acquired wherever applicable.

81. No indemnity would be required from unregistered shareholders of the Target Company regarding their respective title to the equity shares.

82. **Equity shares of the Target Company should not be submitted/ tendered to the Manager to the Offer, the Acquirer and PAC or the Target Company**.

83. 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.

The detailed procedure for tendering equity shares of the Target Company in this Offer will be available in the Letter of Offer.

Other Information

84. For the purpose of disclosures in this DPS relating to the Target Company and the Sellers, the Acquirer and the PAC have relied on the information provided by the Target Company and/ or the Sellers and have not independently verified the accuracy of details of the Target Company and/ or the Sellers. The Acquirer and the PAC and their respective directors accept full responsibility for the information contained in the PA and this DPS, and for obligations of acquirers laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof in respect of this Offer.

85. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer/PAC have appointed Kotak Mahindra Capital Company Limited (Address: Bakhtawar 1st Floor, 229 Nariman Point, Mumbai – 400 021; Tel: +91 22 6634 1100; Fax No.: +91 22 2284 0492; email: project.sunshield@kotak.com; Contact Person: Ganesh Rane) as the Manager to the Offer.

86. The Acquirer/PAC have appointed TSR Darashaw as the Registrar to the Offer (Address: 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)

87. This DPS is expected to be available on the SEBI website at http://www.sebi.gov.in.

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

kotak®
Investment Banking

Kotak Mahindra Capital Company Limited
Bakhtawar 1st Floor, 229 Nariman Point
Mumbai - 400 021
Tel. No.: +91 22 6634 1100
Fax No.: +91 22 22840492
Email: project.sunshield@kotak.com
Contact Person: Ganesh Rane

Dated : September 20, 2012
Place : Mumbai

PRESSMAN