PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF SUNSHIELD CHEMICALS LIMITED

This Public Announcement (the "PA") is being issued by Ambit Corporate Finance Private Limited ("Manager to the Offer"/"Ambit"), on behalf of Mr. Amit Champaklal Choksey, Aeonian Investments Company Limited ("AICL") and Abhiraj Trading and Investments Private Limited ("ATIPL") who are acting in concert with each other for the purpose of this open offer (hereinafter collectively referred to as the "Acquirers" and individually referred to as the "Acquirer") pursuant to Regulation 10 and 12 and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI Takeover Code").

I. Background to the Offer

(a) This offer (the "Offer") is being made by the Acquirers to the equity shareholders of Sunshield Chemicals Limited (the "SCL" or the "Target Company"). Other than Mr Amit Choksey, AICL and ATIPL who are acting in concert with each other for the purpose of the Offer. No other person is acting in concert with the Acquirers for the Offer. Due to the operation of Regulation 2(1)(e)(2) of the SEBI Takeover Code, there could be persons who could be deemed to be acting in concert. However, they are not acting in concert for the purposes of the Offer.

(b) On January 25, 2005, the Acquirers have entered into a Share Acquisition Agreement (the "SAA") with some of the existing shareholders of SCL, of whom some are part of the present promoter group of the Target Company to acquire from them, subject to what stated in paragraph I(d) hereinafter appearing, 18,41,950 equity shares (50.10% of the present issued and voting equity share capital) at the price of Rs.10 per equity share, payable in cash, and acquire control over SCL. The proposed acquisition of shares is as follows:

Sr. No.	Name of the shareholder	No. of shares held as on the date of the SAA	Shares agreed to be sold under the SAA	Shares agreed to be acquired under the SAA by Mr. Amit Choksey	Shares agreed to be acquired under the SAA by AICL	Shares agreed to be acquired under the SAA by ATIPL	Total shares agreed to be acquired
1	Vinaykumar Patwardhan	9,00,220	9,00,220	2,40,000	6,60,220	-	9,00,220
2	Ashok M. Patwardhan	79,500	79,500	-	59,780	19,720	79,500
3	M.D.Kale-HUF*	12,190	12,190	-	-	12,190	12,190
4	Madhav D. Kale*	7,100	7,100	-	-	7,100	7,100
	Sub-Total (A)	9,99,010	9,99,010	2,40,000	7,20,000	39,010	9,99,010
5	Neokel Investments Pvt. Ltd.	4,46,800	4,21,470	-	-	4,21,470	4,21,470
6	Kelkar Chemicals Pvt. Ltd.	4,79,300	4,21,470	-	-	4,21,470	4,21,470
7	Satish M. Kelkar^	94,570	-	-	-	-	-
8	Radhika Bawa^	1,500	-	-	-	-	-
9	Mrinalini V. Kelkar^	500	-	-	-	-	-
10	Shobha Kelkar^	100	-	-	-	-	-
	Sub-Total (B)	10,22,770	8,42,940	-	-	8,42,940	8,42,940
	Total (A) + (B)	20,21,780 (54.99% of the voting equity share capital)	18,41,950 (50.10% of the voting equity share capital)	2,40,000 (6.53% of the voting equity share capital)	7,20,000 (19.58% of the voting equity share capital)	8,81,950 (23.99% of the voting equity share capital)	18,41,950 (50.10% of the voting equity share capital)

Persons / entities listed at Sr. no. 1-4 are referred to as "First Sellers", Persons / entities listed at Sr. no. 5-6 are referred to as "Second Sellers".

*Based on the filings made by SCL with the stock exchanges, information provided in the SAA, persons / entities listed at Sr. no. 3-4 are not part of the promoter group of SCL.

^Satish M. Kelkar, Radhika Bawa, Mrinalini V. Kelkar and Shobha Kelkar, together holding 96,670 shares (representing 2.63% of the present issued and voting equity share capital and voting rights) are other members of the present promoter group of SCL. These persons are not sellers under the SAA. Satish M. Kelkar and his family control the companies forming Second Sellers.

As per the SAA, the Acquirers have an option to acquire a lesser number of shares from the Second Sellers, but lesser only to the extent of shares offered in the Offer. This option is to be exercised by the Acquirers within 3 working days of certification by the Merchant Banker that all the formalities under the SEBI Takeover Code for the Offer have been duly completed.

The summary of major terms of the SAA, in addition to the option clause mentioned above, is as follows:

- The Acquirers shall pay a sum of Rs.5 Lacs to the First Sellers and Rs.1 Lac to the Second Sellers on the execution of this Agreement as earnest money or deposit
- The balance consideration would be paid by the Acquirers on completion of the sale and against delivery of the shares as agreed to be acquired under this SAA. The sell and transfer of shares by the First Sellers and Second Sellers would be on a "spot delivery" basis
- The sale of shares under the SAA shall be completed simultaneously, on or before the expiry of 3 (three) working days of certification by the Merchant Banker that all the formalities under the SEBI Takeover Code for the Offer have been duly completed
- The Acquirers shall comply with all obligations of an acquirer under the SEBI Takeover Code and in case of non-compliance with the provisions of the SEBI Takeover Code, this SAA shall not be acted upon by the parties.
- Mr. Vinaykumar Patwardhan, Mr. Madhav D. Kale and Mr. Ashok Patwardhan would resign as chairman and directors respectively from the board of the SCL on or before the expiry of 3 (three) working days of certification by the Merchant Banker that all the formalities under the SEBI Takeover Code for the Offer have been duly completed
- The Second Sellers will ensure that Mr. Amit Choksey of the Acquirers together with five other persons nominated by the Acquirers shall be appointed as directors on the board of the SCL
- Mr. Satish Kelkar, one of the existing promoters of SCL who also controls the Second Sellers, shall continue to be Managing Director of SCL
- The nominee of the Acquirers shall be Chairman of the board having a casting vote
- The Acquirers shall be entitled to appoint new auditors for SCL
- The Board of Directors of the SCL shall, with the assistance of the Managing Director and Chairman, be responsible for the restructuring of the present financial arrangements and borrowings of SCL and for arranging all future financial requirements of SCL and shall ensure that while restructuring the present financial arrangements and borrowings and arranging for future financial requirements, neither Mr. Amit Choksey nor Mr. Satish Kelkar shall be required to provide personal guarantees of any kind to the present or future lenders and all existing personal guarantees of Mr. Satish Kelkar and Mr. Vinaykumar Patwardhan as specified in SAA, shall be duly cancelled within a reasonable period of approximately 180 days from the date of certification by the Merchant Banker that all the formalities under the SEBI Takeover Code for the Offer have been duly completed.
- Mr. Satish Kelkar would not commence or carry on any business or act as consultant or advisor to any entity or person carrying on any business which is in direct competition with the business of SCL at any time after the completion of the sale as provided in Clause 5 of the SAA upto the expiry of a period of five years from the date of his ceasing to be a director in the Company
- The Acquirers shall acquire only such number of shares under the SAA so as to maintain the minimum specified public shareholding in the Target Company as specified in the Listing Agreement with the stock exchange for the purpose of listing on continuous basis.

(c) The Acquirers are making the Offer in terms of Regulations 10 and 12 of the SEBI Takeover Code. The Offer is for acquisition of upto 7,35,306 equity shares from the shareholders of SCL (other than the First Sellers and the Second Sellers) representing 20% of issued and voting equity share capital of 36,76,530 shares, at a price of Rs. 10 per share (Rupees Ten only) (the "Offer Price") payable in cash. ATIPL would be acquiring all the shares accepted under this Offer.

(d) Presently, the Acquirers do not hold any shares in SCL. As stated above, it is agreed in the SAA, that the Acquirers will have an option to reduce the acquisition from the Second Sellers to the extent of such number of shares as are offered under the Offer. The holding of the Acquirers in SCL, post the Offer and the acquisition under the SAA would depend on the response to the Offer and also on the extent to which the abovementioned option is exercised by the Acquirers. Assuming, full subscription to the Offer and the Acquirers choosing not to exercise their option to acquire lesser number of shares from the Second Sellers, the total holding of Acquirers would be 25,77,256 representing 70.10% of the present issued and voting equity share capital of SCL. On the other hand if the Offer receives nil response, the Acquirers will not exercise the aforesaid option to reduce the acquisition from the Second Sellers and will acquire all the shares agreed to be sold by the Second Sellers under the SAA, as a result of which, the holding of the Acquirers post the Offer and acquisition would be 18,41,950 shares representing 50.10% of the present issued and voting equity share capital of SCL.

(e) The Manager to the Offer does not hold any equity shares in the Target Company, as on the date of this PA.

(f) The equity shares of SCL are currently listed on The Stock Exchange, Mumbai ("BSE") and The Stock Exchange, Ahmedabad ("ASE") (together referred to as "Stock Exchanges"). Based on the application made for voluntary delisting, the equity shares of SCL have been delisted from The Hyderabad Stock Exchange Association Limited ("HSE") with effect from January 19, 2005 and from The Delhi Stock Exchange Association Limited ("DSE") with effect from January 20, 2005. SCL has also made an application for voluntary delisting of its equity shares from ASE. Based on the data available, the Target Company's equity shares are infrequently traded on both ASE and BSE as per explanation to Regulation 20 (5) of the SEBI Takeover Code (Source: www.bseindia.com and ASE). The Offer Price is justified in terms of Regulations 22(5) of the SEBI Takeover Code as follows:

Negotiated Price under the SAA	Rs 10 per equity share of SCL
Price paid by the Acquirers for any acquisitions, including by way of allotment in a public or a rights or preferential issue during the 26 weeks period prior to the date of PA	Not applicable

Other parameters of Target Company:

Period Ended	31-Mar-2004 (15 months period)	31-Dec-2002 (18 months period)
Profit / (Loss) from Operations (Rs. In Lacs)	(111.52)	(200.56)
Profit After Tax ^ (Rs. In Lacs)	22.86	(200.58)
Earnings per equity share (EPS) (Rs)	0.62	(5.46)
Book Value per equity share * (Rs)	4.08	7.84
Return on Networth* (RONW)	15.22%	Negative

^ In the audited accounts for the 15 months period ended March 31, 2004 there is profit after tax, inspite of loss from operations due to addition of provision for taxation - deferred - current period of Rs 48.38 lacs and an amount of Rs. 86.08 lacs which was further added as "Amount transferred from Deferred Tax Equalisation Account".

* Networth used for calculation of book value per share and RONW includes Share Premium Account, Capital Reserve (including Special Capital Incentive Grant) and Deferred Tax Equalisation Account

The Offer Price is 16.13 times the EPS for the audited 15 months period ended March 31, 2004. The Industry P/E ratio for trailing Twelve months as available on Capitaline for Manufacturing / Chemicals & Fertilizers / Chemicals / Speciality / Medium / Small - Chemicals Speciality consisting of 38 companies as on January 25, 2005 is 3.89. The Offer Price of Rs. 10 per equity share is 145% higher than the book value per share of SCL as on March 31, 2004.

Note:

1 The above figures are as disclosed in the Annual Report of the Target Company.

2 As per the Annual Report of the Target Company for the 15-months period ended March 31, 2004, the adjustments as shown above refer to note no.15 of Schedule 23. The same is reproduced below.

"15. a) In compliance with Accounting Standard 22 on "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India, the Company has during the current year followed Deferred Taxation in respect of taxes on income. As a consequence, the Company created deferred tax asset of Rs. 48,37,681/- in respect of temporary difference mainly due to brought forward business losses/unabsorbed depreciation existing as on 31.3.2004 by crediting it to P&L Appropriation account. The Break up of the same is as follows:

	(Rs.) Asset	*(Rs.) Liability*
Timing differences on account of :		
1. Unabsorbed depreciation and Business Loss	*125,115,025*	
2. Difference in Book & I. T Block of Assets		*86,421,180*
3. Deferred Revenue Expenses as per books		*1,219,809*
	125,115,025	*87,640,989*
4. Net Difference	***37,474,036***	
5. Net Deferred Tax Asset	***13,445,683***	
a) Related to Prior Years	*8,608,002*	
b) Related to current Year	*4,837,681*	

15. b) Transfer from "Deferred Tax Equalization Account" and its appropriation in Profit & Loss Account:

In the preceding accounting period, the Board of Directors had transferred a sum of Rs. 86,08,002/- to Deferred Tax Equalisation Fund from Profit and Loss Appropriation Account. This was equal to amount credited on account of Provision for Deferred Taxation. This meant the Deferred Tax Asset (DTA) created as per the requirements of "Accounting Standard 22(AS 22) gets nullified by creation of a matching Deferred Tax Equalization Fund / Account. In order to reflect the correct value of the DTA the Board has discontinued the practice of transferring the equal amount to Deferred Tax Equalization fund / Account. Therefore the said sum has been credited back to the profit & loss appropriation account. To the extent there has been change in accounting policy and consequently Dr. balance of profit & loss appropriation account is lower to the extent though it has no impact on profit before taxation."

(g) The Offer is not subject to any minimum level of acceptance and ATIPL will acquire all the fully paid-up equity shares of SCL that are validly tendered in terms of this Offer, up to a maximum of 7,35,306 equity shares at the Offer Price of Rs.10 per fully paid equity share.

II. Information on the Acquirers

A. Mr. Amit Champaklal Choksey

(a) Amit Champaklal Choksey is an industrialist aged fifty years. He is a Commerce Graduate and has more than 27 years of business experience in chemical industry.

(b) His Office address is NKM International House, Babubhai Chenai Marg, Mumbai- 400 020, Tel. No. 022-22838293/ 94/95, Fax No.022-22838291.

(c) His residential address is Geetanjali, N. Gamadia Road, Mumbai- 400 026.

(d) He is the Managing Director of Mazda Colours Ltd. - manufacturer and exporter of Phthalocyanine Pigments. He is on the Board of following companies:

Sr. No.	Name of the Company
1.	Mazda Colours Ltd. (Managing Director)
2.	Aeonian Investments Company Ltd.*
3.	Apcotex Lattices Ltd.*
4.	Cons Holdings Limited
5.	Sammelan Investments and Trading Limited
6.	Dhumravarna Trading and Investments Pvt. Ltd.
7.	Aquamarine Investments and Trading Company Pvt. Limited
8.	Bhuvantray Investments and Trading Co. Pvt. Limited
9.	Gauriputra Investments and Trading Co. Pvt. Limited
10.	Joshimath Trading and Investments Pvt. Ltd.
11.	Laxmanjhula Trading and Investments Pvt. Ltd.
12.	Abhiraj Trading and Investments Pvt. Ltd.
13.	Amisha Credit and Capital Pvt. Ltd.
14.	Mustang Investments Pvt. Ltd.
15.	Choksey Chemicals Pvt. Ltd.

* listed companies

(e) His net worth as on September 30, 2004 as certified by M/s Shah & Associates, Chartered Accountants (Membership No. 8152, Address: Maker Bhavan no.2, 18, New Marine Lines, Mumbai 400 020) , is Rs.600.80 Lacs.

B. Aeonian Investments Company Limited ("AICL")

(a) AICL is a listed public company limited by shares. The registered and corporate office is situated at NKM International House, Babubhai Chenai Marg, Mumbai- 400 020, Tel. No. 022-22838293/94/95, Fax 022-22838291.

(b) AICL was incorporated on July 25, 1981. It is an investment company listed on The Stock Exchange, Mumbai. The main activities of AICL are trading and investment in shares and securities. The quoted price for one equity share of Rs.10 each of AICL as on January 25, 2005 was Rs.1,623.40 on BSE.

(c) AICL is controlled by Mr. Amit Champaklal Choksey alongwith his family and persons acting in concert with him. They are Mrs. Priti A. Choksey, Abhiraj Trading & Inv. Pvt. Ltd., Amit C. Choksey-HUF, Namrata A. Choksey, Ankita A. Choksey, Ashvinaben C. Choksey, Dhumravarna Trading & Investments Pvt. Ltd. and Belt Trading & Investments Pvt. Ltd.

(d) The issued and paid up equity share capital of AICL consists of 2,40,000 equity shares of Rupees 10 each. As per the shareholding pattern filed with BSE for the quarter ended December 31, 2004, the paid-up share capital is held by Mr. Amit Champaklal Choksey (12.13%), Mrs. Priti A. Choksey (11.23%), Abhiraj Trading and Investments Pvt. Ltd (20.69%), Amit C. Choksey-HUF (11.35%), Namrata A. Choksey (13.19%), Ankita A. Choksey (13.25%), Ashvinaben C. Choksey (6.43%), Dhumravarna Trading & Investments Pvt. Ltd.(0.04%), Belt Trading & Investments Pvt. Ltd. (0.04%), private corporate bodies (0.21%) and Indian public (11.44%).

(e) The names of the directors of AICL are Mr. Amit Champaklal Choksey, Mr. Bhanushankar R. Trivedi, Mr. Arun C. Dalal, Mrs. Priti A. Choksey and Mr. Dhiren P. Mehta.

(f) As per the audited accounts for the year ended March 31, 2004, AICL, on a standalone basis, recorded total income of Rs.882.45 Lacs (Rs.187.86 Lacs for the corresponding period ended March 31, 2003), total expenditure of Rs. 111.75 Lacs (Rs.23.72 Lacs for the corresponding period ended March 31, 2003), profit before depreciation, interest and tax of Rs. 770.70 Lacs (Rs.164.14 Lacs for the corresponding period ended March 31, 2003), profit before tax of Rs. 750.55 Lacs (Rs.157.96 Lacs for the corresponding period ended March 31, 2003) and profit after tax of Rs.671.93 Lacs (Rs.145.96 Lacs for the corresponding period ended March 31, 2003). The paid-up share capital is Rs.24 Lacs and networth is Rs. 4,420.41 Lacs (Rs.3,988.48 Lacs for the corresponding period ended March 31 2003). The earnings per share was Rs.280, return on networth was 15.20% and book value per equity share was Rs.1,841.84 (Rs.61, 3.66% and Rs.1,661.87 respectively for the corresponding period ended March 31 2003). The price earnings multiple ratio is 5.80 (taking the price as quoted on BSE as of January 25, 2005 and EPS of Rs.280 for the year ended March 31, 2004). As per the certified accounts for the six months ended September 30, 2004, AICL recorded total income of Rs. 986.67 Lacs, total expenditure of Rs.527.25, profit before depreciation and tax of Rs. 459.42 Lacs, profit before tax of Rs.439.31 Lacs and profit after tax of Rs. 409.31 Lacs.

(g) SEBI has issued communication to AICL regarding non-compliance with Regulation 6(2) and 6(4) for 1997 and Regulation 8(3) for the years 1998, 2000, 2001 and 2002. The SEBI letter provides that a consent order could be passed by SEBI under section 15T (2) of the SEBI Act, provided AICL is willing to pay an amount of Rs.1,50,000 as penalty for the aforesaid violations. AICL has filed a reply with SEBI submitting inter-alia that the penalty is disproportionate and has requested SEBI to waive the same. BSE has sought comments from AICL regarding non-maintenance of non-promoter holding as was at the time of initial listing. AICL has responded to BSE giving details about the acquisition of shares by the promoters after 1991 and has stated that the promoters are taking necessary steps to reduce their shareholdings at a price not less than one arrived at on the basis of book value of shares (marked to market value of its investments) to bring down their holdings.

C. Abhiraj Trading and Investments Pvt. Limited ("ATIPL")

(a) ATIPL is a closely held private company limited by shares. The registered and corporate office is situated at NKM International House, Babubhai Chenai Marg, Mumbai- 400 020, Tel. No. 022-22838293/94/95, Fax 022-22838291.

(b) ATIPL was incorporated on February 22, 1979. The main activities of ATIPL are trading and investment in shares and securities.

(c) ATIPL is controlled by Mr. Amit Champaklal Choksey alongwith his family comprising of Amit C. Choksey-HUF, Namrata A. Choksey, Ankita A. Choksey, Mrs. Priti A. Choksey.

(d) The issued and paid up equity share capital of ATIPL consists of 1,00,000 equity shares of Rupees 10 each. The paid-up share capital is held by Mr. Amit Champaklal Choksey (23.08%), Amit C. Choksey-HUF (0.80%), Namrata A. Choksey (10.60%), Ankita A. Choksey (27.08%) and Mrs. Priti A. Choksey (38.44%).

(e) The names of the directors of ATIPL are Mr. Amit Champaklal Choksey, Mr. Girish Champaklal Choksey and Mrs. Priti A. Choksey.

(f) As per the audited accounts for the year ended March 31, 2004, ATIPL recorded total income of Rs.71.37 Lacs (Rs.27.74 Lacs for the corresponding period ended March 31, 2003), total expenditure of Rs.19.27 Lacs (Rs.1.07 Lacs for the corresponding period ended March 31, 2003), profit before tax of Rs.52.10 Lacs (Rs.26.67 Lacs for the corresponding period ended March 31, 2003) and profit after tax of Rs.49.60 Lacs (Rs.20.17 Lacs for the corresponding period ended March 31, 2003). The paid-up share capital is Rs.10 Lacs and networth is Rs. 693.55 Lacs (Rs.664.29 Lacs for the corresponding period ended March 31, 2003). The earnings per share was Rs.49.60, return on networth was 7.15% and book value per equity share was Rs.693.55 (Rs.20.18, 3.04% and Rs.664.29 respectively for the corresponding period ended March 31, 2003). As per the certified accounts for the six months ended September 30, 2004, ATIPL recorded total income of Rs.80.08 Lacs, total expenditure of Rs.39.41 Lacs, profit before depreciation and tax of Rs.40.67 Lacs, profit before tax of Rs.40.67 Lacs and profit after tax of Rs.39.67 Lacs.

D. Relation, if any, between the Acquirers

Mr. Amit C. Choksey, one of the Acquirers is also the director and present promoter of AICL and ATIPL - other two acquiring companies. Both the acquiring companies are group companies.

III. Information about Sunshield Chemicals Limited (Target Company)

(The disclosures mentioned under this section have been sourced from publicly available sources and the information made available as part of SAA)

(a) SCL is a public limited company with its registered office located at Janki Niwas, N.C. Kelkar Road, Dadar, Mumbai 400 028. It was incorporated as Sunshield Chemicals Private Limited on November 19, 1986. The name was subsequently changed to Sunshield Chemicals Limited on May 28, 1992 vide resolution passed at the Extra Ordinary General Meeting held on April 3, 1992. The company became a public listed company in 1995 through offer for sale by the then existing non-promoter shareholders of the company.

(b) SCL is in the field of Speciality Chemicals. It has its factory and research and development centre at Village Rasal, Pali-Khopoli Road, District - Raigad - 410 205, Maharashtra.

(c) The equity shares of SCL are listed on BSE and ASE. Based on the application made for voluntary delisting, the equity shares of SCL have been delisted from HSE with effect from January 19, 2005 and from DSE with effect from January 20, 2005. SCL has also made an application for voluntary delisting of its equity shares from ASE.

(d) Total paid-up equity share capital of SCL, as on the date of this Public Announcement, is Rs.367.65 Lacs, divided into 36,76,530 fully paid-up shares of Rs.10 each. As of the date of this Public Announcement, there are neither any partly paid-up equity shares nor any outstanding securities/preference shares, which are convertible into equity shares of SCL.

(e) Total income of SCL for the 15 months period ended March 31, 2004 were Rs. 2,150.16 Lacs as compared to Rs. 2,227.23 Lacs for the 18 months period ended December 31, 2002.

(f) The profit after tax for the 15 months period ended March 31, 2004 was Rs.22.86 Lacs as compared to loss of Rs.200.56 Lacs for the 18 months period ended December 31, 2002.

(g) The paid-up equity share capital as on March 31, 2004 was Rs.367.65 Lacs and as on December 31, 2002 was Rs.367.65 Lacs. Reserves and surplus as on March 31, 2004 was Rs.225.93 Lacs as compared to Rs.312.01 Lacs as on December 31, 2002. The miscellaneous expenditure to the extent not written off as on March 31, 2004 was Rs.36.45 Lacs and as on December 31, 2002 was Rs.64.78 Lacs. The debit balance in the Profit & Loss Account as on March 31, 2004 was Rs.406.95 Lacs and as on December 31, 2002 was Rs.326.76 Lacs.

(h) The earnings per share for the 15 months period ended March 31, 2004 was Rs.0.62 as compared to Rs.(5.46) for the 18 months period ended December 31, 2002. The return on networth for the 15 months period ended March 31, 2004 was 15.22% as compared to negative return for the 18 months period ended December 31, 2002. The book value per share was Rs.4.08 as on March 31, 2004 and Rs.7.84 as on December 31, 2002.

(i) For the nine months ended December 31, 2004, based on the information made available as part of SAA, SCL has recorded total income of Rs.1,339.34 Lacs and loss after taxation of Rs.16.37 Lacs. This loss, for the period of nine months, is without providing for income tax and wealth tax which will be made as of March 31, 2005.

(j) The Acquirers do not hold any directorship nor have nominated anybody on the Board of Directors of the Target Company or its affiliates.

IV. Object of the Offer and Future Plans

(a) The Offer is being made in compliance with Regulation 10 and Regulation 12 of the SEBI Takeover Code, for the purposes of substantial acquisition of equity shares and voting rights accompanied with change in control and management of the Target Company thereby enabling the Acquirers to exercise control over SCL, inter-alia, through the right to appoint directors or through control over management or policy decisions, by virtue of their shareholding. The Acquirers reserves the right to seek reconstitution of the Board of Directors of the Target Company, in accordance with the provisions contained in the SEBI Takeover Code and the Companies Act, 1956. It is intended that Mr. Satish Kelkar will continue to be the Managing Director of the Target Company. As per the SAA, on or before the expiry of 3 (three) working days of the certificate issued by the Manager to the Open Offer certifying that all the formalities under the SEBI Takeover Code for the Offer have been duly completed, Mr. Vinaykumar Patwardhan, Mr. Madhav D. Kale and Mr. Ashok Patwardhan shall resign as chairman and directors respectively from the board of the SCL. Mr. Amit C. Choksey together with five other persons nominated by the Acquirers shall be appointed as directors on the board of SCL. The Acquirers may also consider changing the name of the Target Company at a later date. The Board of Directors of the SCL shall, with the assistance of the Managing Director and Chairman, be responsible for the restructuring of the present financial arrangements and borrowings of SCL and for arranging all future financial requirements of SCL.

(b) The Acquirers do not have any plans to dispose off or otherwise encumber any assets of SCL in the next 2 (two) years, except in the ordinary course of business of SCL and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or otherwise of SCL, which will be done subject to receipt of statutory approvals where necessary.

(c) Other than in the ordinary course of business or except with the prior approval of SCLs shareholders, the Acquirers undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of SCL.

(d) Subject to the decision of the board of directors and the shareholders of SCL and if requested by SCL, the Acquirers will consider infusing funds in SCL by way of subscribing to preference share capital during the Offer period. This subscription to preference share capital would be in terms of applicable laws and subject to applicable approvals.

(e) The Acquirers and Target Company are not in the same line of business. The Acquirers may, if advised, in the ordinary course of business of the Target Company and / or to the extent required for the purposes of any arrangement / reconstruction, restructuring, merger / demerger, and/or for the purpose of streamlining of various operations, assets, liabilities, businesses or otherwise of SCL, dispose off or otherwise encumber any assets of the Target Company and / or carry out merger / demerger or any arrangement / reconstruction with any group company of the Acquirers or any other entity. Such decisions will be governed by the provisions of the relevant laws and other applicable regulations or any other applicable laws or legislation at the relevant time. The Acquirers will evaluate and consider such proposals and may, if appropriate, support the same. It will be the responsibility of the Board of Directors of the Target Company to make appropriate decisions in these matters in accordance with the business requirements and in line with opportunities or changes in the economic scenario, from time to time.

V. Statutory Approvals Required for the Offer

(a) The Offer is subject to the receipt of approval from RBI under the Foreign Exchange Management Act, 1999 ("FEMA") for the acquisition of equity shares by the Acquirers from non-resident persons under the Offer.

Besides the above approvals, as on the date of this Public Announcement, no other statutory approvals are required to acquire the equity shares tendered pursuant to this Offer. In the event that any of the statutory approvals that are required are refused in terms of Regulation 27 of the SEBI Takeover Code, the Acquirers will not proceed with the Offer. The Offer will also be subject to such other statutory approvals as may become applicable subsequently.

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

(c) The Acquirers shall complete all procedures relating to the Offer within a period of 15 days from the date of closure of the Offer. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12), SEBI may, if satisfied that the non receipt of approvals was not due to wilful default or negligence on part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by SEBI.

VI. Disclosure in terms of Regulation 21 of the SEBI Takeover Code

In terms of the definition of "Promoter" in the SEBI Takeover Code, the Acquirers and members of the existing promoter group of SCL (including the Second Sellers), to the extent they continue to be shareholders after the proposed acquisition, would jointly constitute the promoter group of SCL. The total promoter shareholding pursuant to the Offer would depend on the Offer response but would not depend on the extent of exercise of the option in respect of the Second Sellers' shares (set out in paragraph I(d) above) by the Acquirers. Assuming full subscription to the Offer, the total promoter shareholding in SCL would be 27,57,086 shares representing 74.99% the total equity capital. Assuming nil response to the Offer, the total promoter shareholding in SCL would be 20,21,780 shares representing 54.99% of the total equity capital and hence would not result in the non-promoter shareholding being reduced to less than the limit specified in the Listing Agreement with the stock exchanges for the purpose of continuous listing. SCL's equity shares were listed in 1995 pursuant to the offer for sale for 25% of the total equity capital to public shareholders by the then existing non-promoter shareholders of the Company.

VII. Financial Arrangements

(a) The total fund requirements for the acquisition of 7,35,306 equity shares held by public shareholders in SCL at Rs.10 per equity share is Rs. 73,53,060 (Rupees Seventy Three Lacs Fifty Three Thousand Sixty only). This would be funded by the Acquirers through their internal resources / borrowings / sale of investments. Ravi A. Shah & Associates, Chartered Accountants (Membership no.116667, Address: 10, Shriniket, 23, Bajaj Road, Vile Parle (West), Mumbai-400056, Telephone no: +91 22 2671 4563), have vide letter dated January 25, 2005 confirmed that the Acquirers have individually, adequate liquid financial resources (assets that can be easily realized) to fulfil all their respective financial obligations arising out of the abovementioned acquisition and public offer. The Acquirers therefore have adequate financial resources to meet the obligations under Regulation 29 of SEBI Takeover Code for the Offer. Based on this, the Manager to the Offer is satisfied that the Acquirers, are able to implement the Offer in accordance with the SEBI Takeover Code.

(b) In accordance with Regulation 28 of the SEBI Takeover Code, the Acquirers have made a cash deposit of Rs.20 Lacs in a bank account with HDFC Bank Limited (the "Escrow Account"), Maneckji Wadia Building, Nanik Motwani Marg, Opposite Mumbai University, Fort, Mumbai - 400 001, India. The amount placed in Escrow Account is more than 25% of the total Offer consideration at Offer Price, assuming full acceptance, in terms of Regulation 28(2) of the SEBI Takeover Code.

The Manager to the Offer has been duly authorised to realise the value of the Escrow Account.

VIII. Other Terms of the Offer

(a) The Letter of Offer, together with the form of Acceptance-cum-Acknowledgement (the "Form of Acceptance cum - Acknowledgment" / "FOA"), will be mailed to the public shareholders of SCL (excluding the Acquirers, the First Sellers and the Second Sellers), whose names appear on the Register of Members of SCL, and to the beneficial owners of the shares of SCL, whose names appear as beneficiaries on the records of the respective depositories, at the close of business on Friday, February 25, 2005 ("Specified Date"). All the shareholders (except the Acquirers, the First Sellers and the Second Sellers) who own the shares of Target Company anytime before the closure of the Offer are eligible to participate in the Offer.

(b) Holders of equity shares of SCL in physical form who wish to tender their equity shares will be required to send the Form of Acceptance-cum-Acknowledgement, original share certificate(s) and transfer deed(s) duly signed & witnessed to the Registrar to the Offer - Tata Share Registry Limited either by hand delivery on weekdays or by Registered Post, on or before the closure of the Offer, i.e., no later than Monday, April 11, 2005, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement. In case of registered shareholders non receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

(c) The Registrar to the Offer, Tata Share Registry Limited has opened a special depository account with Stock Holding Corporation of India Limited at the National Securities Depository Limited ("NSDL") called "TSRL Escrow Account - SCL Open Offer". The DPID is IN301330 and Client ID is 19094339. Shareholders of SCL having their beneficiary account with the Central Depository Services Limited ("CDSL") must use the inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.

(d) Beneficial owners (holders of shares in dematerialised / electronic form) who wish to tender their equity shares of SCL will be required to send their Form of Acceptance-cum-Acknowledgement along with a photocopy of the delivery instruction in "Off-market" mode, or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of the special depository account to the Registrar to the Offer mentioned in paragraph (e) below, either by hand delivery on weekdays (between 10.00 AM to 3.30 PM from Monday to Friday except on Saturdays/ Sundays/Bank Holidays) or by Registered Post, on or before the closure of the Offer, i.e., no later than Monday, April 11, 2005, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance-cum-Acknowledgement. In case of non receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.

(e) The Acquirers have appointed Tata Share Registry Limited as the Registrar to the Offer (the "Registrar"). The Registrar has opened a special depository account with details as follows:

DP Name	Stock Holding Corporation of India Limited
DP ID	IN301330
Client ID	19094339
Account name	TSRL Escrow Account - SCL Open Offer
Depository	National Securities Depository Limited

(f) Demat shareholders tendering shares in the Offer should ensure the credit of the shares in favour of the special depository account mentioned above before the close of business hours on Monday, April 11, 2005. Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes of crediting their shares in favour of the special depository account.

(g) In case of non-receipt of the Letter of Offer / FOA / Form of Withdrawal ("FOW"), shareholders may download the same from SEBI's website http://www.sebi.gov.in or obtain a copy of the same by writing to the Registrar to the Offer at the collection centers set out in paragraph (k) clearly marking the envelope "Sunshield Chemicals Limited - Open Offer" or make an application on plain paper stating their name, address, folio number, number of equity shares held, distinctive numbers, number of equity shares offered, DP name, DP ID, beneficiary account number, bank particulars along with original share certificate(s), duly signed & witnessed transfer deed(s) or a photocopy of the delivery instructions (as the case may be) in "off market" mode or a counterfoil of the delivery instructions in "off market" mode duly acknowledged by the DP in favour of the special depository account mentioned above, as may be relevant, to the collection centers on or before the date of closure of the Offer i.e. Monday, April 11, 2005. The application should be signed by all the shareholders as per the registration details available with SCL and should be sent to the Registrar to the Offer in an envelope clearly marked "Sunshield Chemicals Limited - Open Offer".

(h) In terms of Regulation 22 (5A) of the SEBI Takeover Code, equity shareholders desirous of withdrawing the acceptance tendered by them in the Offer, may do so up to 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before Wednesday, April 6, 2005.

i. The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer, duly signed by all the registered holders as per their specimen signature recorded with SCL for shareholders in case of physical holdings/ with the Depository in case of electronic holdings.The signature of the beneficial holders on the FOW should be attested by the Depository Participant.

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

- *In case of physical shares:* name, address, distinctive numbers, folio number, and number of shares tendered; and
- *In case of dematerialised shares:* name, address, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

(i) If the number of equity shares offered by the shareholders are more than the Offer size of 7,35,306 equity shares (representing 20% of the total issued and paid-up voting equity share capital of SCL), then the acquisition from each shareholder will be as per Regulation 21(6) of the SEBI Takeover Code, on a proportional basis. The equity shares of SCL are compulsorily traded in dematerialised form and the minimum marketable lot for the purposes of acceptance, for both physical and demat will be one equity share.

(j) The Letter of Offer along with the FOA & FOW will be available for download from SEBI website, http://www.sebi.gov.in from the date on which the Offer opens. This PA will also be available on the SEBI's website. Persons eligible to participate in the Offer may download these documents for their use.

(k) The equity shareholders of the Target Company who wish to tender their equity shares under the Offer should tender the necessary documents at any of the following centers during the Offer period between 10.00 AM to 3.30 PM (Monday to Friday) except on Saturday /Sundays and public holidays:

	Address	Mode of Delivery	Contact Person	Tel. No. / Fax No.	E-mail ID
1	**Tata Share Registry Limited** Army & Navy Building, 148, Mahatma Gandhi Road, Mumbai - 400 001	Hand delivery / Registered Post	Ms. Madhuri Narang / Ms. Chithra Subramanian	Tel. No. 022- 56568484 Fax No.022- 56568494	csg-unit@ tatashare.com
2	**Tata Share Registry Limited** 503, Barton Centre (5th Floor) 84, Mahatma Gandhi Road, Bangalore - 560 001	Hand delivery	Mr. T.U. Krishna	Tel. No. 080-25320321 Fax No. 080- 25580019	tsrlbang@ tatashare.com
3	**Tata Share Registry Limited** Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur - 831 001	Hand delivery	Mr. V. Rajgopal	Tel. No. 0657-2426616 Fax No. 0657- 2426937	tsrljsr@ tatashare.com
4	**Tata Share Registry Limited** Tata Centre, 1st Floor, 43, Chowringhee Road, Kolkata - 700 071	Hand delivery	Mr.Rijit Mukherjee	Tel. No. 033-22883087 Fax No. 033- 22883062	tsrlcal@ tatashare.com
5	**Tata Share Registry Limited** 2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi - 110 002	Hand delivery	Mr. Pradeep Sharma	Tel. No. 011-23271805 Fax No. 011- 23271802	tsrldel@ tatashare.com
6	**Shah Consultancy Services** 3, Sumatinath Complex Pritamnagar, 2nd Dhal, Ellisbridge, Ashram Road, Ahmedabad - 380006	Hand delivery	Mr. Suresh Shah	Tel. No. 079-26575094 Fax No. 079- 26576038	shahconsultancy @hotmail.com

(l) The equity shareholders who cannot hand deliver their documents should send the same by registered post, at their own risk, to the Registrar to the Offer at their office at Tata Share Registry Limited, Army & Navy Building, 148, M G Road, Fort, Mumbai - 400 001 to reach before 3.30 PM on Monday, April 11, 2005.

(m) The Acquirers shall purchase the equity shares from the shareholders of SCL who have validly tendered the equity shares under the Offer (i.e. equity shares and /or other documents are in order in terms of the Offer) and remit the consideration in respect thereof within 15 days from the date of closure of the Offer, in cash, by Account Payee Cheque/Demand Draft at the shareholders sole risk. The information as to whether the equity shares tendered by them have been accepted (in full or in part) or rejected and the consideration payable would be sent by registered post. The payment instrument will be drawn in favour of the Sole/First named shareholder in case of joint registered holders.

(n) The Registrar to the Offer shall hold in trust the equity share certificates, transfer deeds, equity shares lying in credit of the special depository account, FOA, if any, and the transfer form(s), till the Acquirers complete the Offer obligations in accordance with the SEBI Takeover Code.

(o) Any shares of SCL that are subject matter of litigation or are held in abeyance due to the restriction from Court/ Forum/ ITO attachment etc., wherein the shareholder of SCL may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case appropriate directions/orders of the court/forum/ITO etc permitting transfer of these shares are not received together with the shares tendered in the Offer.

(p) Unaccepted equity share certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders'/ unregistered owners' sole risk to the sole/ first shareholder. Shares held in demat form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the FOA. It will be the responsibility of the equity shareholders to ensure that the unaccepted equity shares are accepted by their respective Depository Participants when transferred by the Registrar to the Offer.

(q) In case any person has lodged shares of SCL for transfer and such transfer has not yet been effected, the concerned person may apply as per instructions to be contained in the Letter of Offer, together with the acknowledgment of the lodgement of equity shares for transfer. Such persons should also instruct SCL and/or its registrar & transfer agents to send the transferred equity share certificate(s) directly to the collection center located at Tata Share Registry Limited, Army & Navy Building, 148, M G Road, Fort, Mumbai - 400 001. The applicant should ensure that the equity share certificate(s) reach the designated collection centre on or before the Offer closing date. No indemnity is required from unregistered equity shareholders.

(r) In case any person has tendered his physical equity shares in SCL for dematerialisation and such dematerialisation has not yet been effected the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialisation request form acknowledged by shareholder's DP. Such equity shareholders should ensure the process of getting the equity shares dematerialised is completed well in time so that the credit of the equity shares to the special depository account is on or before the Offer closing date otherwise the application would be rejected. A copy of delivery instruction acknowledged by the DP in favour of the special depository account should be forwarded to the collection center where the FOA and other documents were tendered, before the close of the Offer.

(s) While tendering equity shares under the Offer, NRI's/ OCBs/other foreign shareholders will be required to submit the previous RBI approvals, if any (specific or general) that they would have obtained for acquiring equity shares of the Target Company. In case of previous RBI approvals not being submitted, the Acquirers reserve the right to reject the tendered shares.

(t) Non-Resident equity shareholders should also enclose a copy of 'no-objection' certificate / tax clearance certificate from the income tax authorities under Income Tax Act, 1961, indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid 'no-objection' certificate is not submitted, the Acquirers shall arrange to deduct tax at the maximum marginal rate as may be applicable to the shareholder, on the entire consideration amount payable. The Acquirers also reserve the right to reject such tenders from non-resident shareholders, where the aforesaid 'no-objection' certificate is not submitted.

(u) A schedule of the activities pertaining to the Offer is given below:

Activity	Day & Date
Specified Date *	Friday, February 25, 2005
Last date for a competitive bid	Monday, February 21, 2005
Date by which Letter of Offer to be dispatched to shareholders	Tuesday, March 15, 2005
Date of opening of the Offer	Wednesday, March 23, 2005
Date of closure of Offer	Monday, April 11, 2005
Last date for revising the Offer Price	Thursday, March 31, 2005
Last date for withdrawing acceptance from the Offer	Wednesday, April 6, 2005
Last date of communicating rejection/ acceptance and payment of consideration for accepted tenders	Tuesday, April 26, 2005

** Specified 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 and all owners (registered or unregistered) of the equity shares of SCL (except the Acquirers, the First Sellers and the Second Sellers) are eligible to participate in the Offer any time before the closure of the Offer.*

IX. General

(**a**) ***Shareholders who have accepted the Offer by tendering the requisite documents, in terms of this Public Announcement / Letter of Offer shall have the option to withdraw acceptance tendered by them up to 3 (three) working days prior to the date of closure of the Offer, in terms of Regulations 22 (5A) of the SEBI Takeover Code.***

(b) If there is any upward revision in the Offer Price or number of equity shares by the Acquirers till the last date of revision viz. Thursday, March 31, 2005, or if the Offer is withdrawn, the same would be informed by way of a public announcement in the same newspapers in which this Public Announcement has appeared. The Acquirers would pay such revised price for all the equity shares validly tendered any time during the Offer and accepted under the Offer.

(**c**) **If there is a competitive bid:**

- The public offers under all the subsisting bids shall close on the same date.

- As the Offer Price can not be revised during 7 (seven) working days prior to the closure of the Offer / bids, it would, therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.

(d) The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations made under the SEBI Act, 1992. Based on the information presently available publicly, the First Sellers, the Second Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992.

(e) Pursuant to Regulation 13 of the SEBI Takeover Code, the Acquirers have appointed Ambit Corporate Finance Private Limited as Manager to the Offer.

(f) Tata Share Registry Limited is the Registrar to the Offer. Their office is at Army & Navy Building, 148, M G Road, Fort, Mumbai - 400 001, Telephone: 022-56568484, Fax: 022-56568494, Email: csg-unit@tatashare.com. The contact person is Ms. Madhuri Narang/ Ms Chithra Subramanian.

(g) This PA is issued on behalf of Acquirers by the Manager to the Offer.

(h) The Acquirers accepts responsibility for the information contained in this Public Announcement and for their obligations under the SEBI Takeover Code and subsequent amendments made thereof. The Acquirers are responsible for their obligations in terms of the SEBI Takeover Code.

This Public Announcement would also be available on the SEBI's website (www.sebi.gov.in). Eligible persons to the Offer may also download a copy of the Form of Acceptance - cum - Acknowledgement, which will be available on SEBI's website at www.sebi.gov.in from the Offer Opening Date, i.e. Wednesday, March 23, 2005.

Issued by: Manager to the Offer

Ambit Corporate Finance Private Limited
Ambit RSM House
449, Senapati Bapat Marg, Lower Parel, Mumbai 400 013
Tel. No: +91 22 3982 1819; Fax No: +91 22 3982 3020
Email:-sclopenoffer@ambitpte.com • Contact Person: - Kashyap Choksi

On behalf of the Acquirers

Mr. Amit Champaklal Choksey, Aeonian Investments Company Limited and Abhiraj Trading and Investments Private Limited

Place: Mumbai **Date: January 31, 2005**

Aashin/Ambit/03