LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

"This Letter of Offer is being sent to you as a shareholder(s) of AksharChem (India) Limited (hereinafter referred to as "AIL" or "the Company" or the "Target Company"). If you require any clarification about the action to be taken, you may consult your Stockbroker or Investment Consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your shares in "AIL", please hand over this Letter of Offer and the accompanying Form of Acceptance -cum - Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected."

Mrs. Paru M. Jaykrishna,
Residing at "Gokul" Camp Road, Shahibaug, Ahmedabad- 380004 ,Tel.: 079-22686177/88; E-mail id: parumj@asahisongwon.com

Mr. Gokul M. Jaykrishna,
Residing at "Gokul" Camp Road, Shahibaug, Ahmedabad- 380004 ,Tel.: 079-22686177/88; E-mail id: gokulmj@asahisongwon.com.

and

Mr. Munjal M. Jaykrishna,
Residing at "Gokul" Camp Road, Shahibaug, Ahmedabad- 380004,Tel.: 079-22686177/88; E-mail id: munjalmj@asahisongwon.com.

(hereinafter collectively referred to as "The Acquirers")

MAKE A CASH OFFER AT Rs. 25.25 PER FULLY PAID UP EQUITY SHARE OF Rs. 10/- EACH ("OFFER PRICE")

(The price calculated as per the provisions of Regulation 20 (5) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, (the "**REGULATIONS**") and subsequent amendments thereto.)

TO ACQUIRE 9,90,570 EQUITY SHARES

Representing 20% of the total issued and subscribed equity share capital and 20% of the voting rights of

AKSHARCHEM (INDIA) LIMITED

(Registered Office – 166-169, Village Indrad, Kadi - Kalol Road, Dist: Mehsana - 382 727, Gujarat)

Tele: 91-2764 233 007-10; Fax: 91-2764 233 550; E-mail - cs@asahisongwon.com;

Pursuant to and in compliance with Regulation 11(1) & 11(2) and other applicable provisions of Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

Notes:

1. This offer is being made by Acquirers pursuant to Regulation 11(1) & 11(2) of the SEBI (SAST), Regulations 1997, consequent to Share Subscription Agreement executed on April 14, 2011 between Acquirers and the Target Company.
2. This offer is not subject to a minimum level of acceptance by the shareholders of AIL.
3. If there is any upward revision in the Offer Price by the Acquirers till the last date of revision i.e. Thursday, August 18, 2011 or withdrawal of the Offer in terms of the SEBI (SAST) Regulations, the same would be informed by way of a public announcement in the same newspapers where the original Public Announcement (PA) had appeared on April 19, 2011. Such revised offer price would be payable for all the equity shares of AksharChem (India) Limited, tendered anytime by the eligible shareholders during the Offer and accepted under the Offer.
4. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the PA / Letter of Offer (LOO), can withdraw the same up to three working days prior to the date of closure of the Offer. Requests for such withdrawals should reach the designated collection centers before the close of business hours on Thursday, August 25, 2011.
5. This is not a conditional offer.
6. **If there is a competitive bid:**
   - **The public offers under all the subsisting bids shall close on the same date.**
   - **As the offer price cannot be revised during the 7 working days prior to the closing date of the offer / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**
7. There have been no competitive bids.
8. There has been an Upward revision in the offer price from Rs. 18.50 to Rs. 25.25 per equity share.
9. There are no other statutory approvals required for the purpose of this Offer. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approvals.
10. The procedure for acceptance is set out in Section 8 of this LOO, Form of Acceptance cum Acknowledgement (FOA) and Form of Withdrawal (FOW) is enclosed with this Letter of Offer.
11. The PA, LOO, FOA and FOW would also be available on the website of SEBI i.e. www.sebi.gov.in and Manager to the Offer i.e. www.vivro.net

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

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
VIVRO **Vivro Financial Services Private Limited** **SEBI Regn. No.: INM000010122** "Manu Mansion", 16/ 18, Shahid Bhagat Singh Road, Opp. Old Customs House, Fort, Mumbai – 400 023. Tel.: (022) - 22657364, 22624656, 22658397, Fax: (022) 22658406 Email-ID: investors@vivro.net **Contact Person: Mr. Ashok Mehta / Mr. Harish Patel**	LINK INTIME INDIA PVT LTD **Link Intime India Pvt. Ltd.** **Unit : AIL Open Offer** **SEBI Regn. No.: INR000004058** C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078. Tel.: (022) 2596 0320; Fax: (022) 2596 03 **Email ID:** ail.offer@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person: Mr. Pravin Kasare**
OFFER OPENS ON: THURSDAY AUGUST 11, 2011	**OFFER CLOSES ON :TUESDAY, AUGUST 30, 2011**

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Original Day & Date	Revised Day & Date
Public Announcement	Tuesday ,19-04-2011	Tuesday 19-04-2011
Last Date for Competitive Bid	Monday 09-05-2011	Monday 09-05-2011
Specified Date (For the purpose of determining the names of shareholders to whom the Letter of Offer would be sent)	Friday 13-05-2011	Friday 13-05-2011
Day by which Letter of Offer to be Posted to the Shareholders	Thursday 02-06-2011	Saturday 06-08-2011
Date of Opening of the Offer	Saturday 11-06-2011	Thursday 11-08-2011
Last Date for Revising the Offer price/Number of Shares	Tuesday 21-06-2011	Thursday 18-08-2011
Last Date up to which the Shareholders may withdraw	Monday 27-06-2011	Thursday 25-08-2011
Date of Closure of the Offer	Thursday 30-06-2011	Tuesday 30-08-2011
Date by which acceptance/ rejection would be communicated and the corresponding payment for the acquired equity shares and/ or the unaccepted shares/ share certificates will be dispatched/ credited.	Friday 15-07-2011	Wednesday,14-09-2011

RISK FACTORS

(A) Pertaining to Transaction:

(i) No Statutory Approvals required in respect of said Open Offer. However, the offer is subject to completion risks as would be applicable to similar transactions.

(B) Pertaining to Proposed Offer:

1. The shares tendered in the Offer will lie to the credit of a designated Escrow Account till the completion of the Offer formalities. Accordingly, the Acquirers make no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer and disclaim any responsibility with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
2. In the case of oversubscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
3. In the event that either (a) regulatory approval is not received in a timely manner or (b) there is any litigation leading to stay of the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of "AIL", whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirers, may be delayed. In case of delay due to non-receipt of regulatory approvals, as per section 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of the regulatory approvals was not due to the willful default or negligence or failure to diligently pursue the application for such approvals, grant extension of time for the purpose subject to the Acquirers agreeing to pay interest to the shareholders of "AIL", as may be specified by SEBI.
4. Further, shareholders should note that after the last date of withdrawal i.e. Thursday, August 25, 2011 shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed

(C) Pertaining to Acquirers:

(i) Association of the Acquirers with the Company does not warrant any assurance with respect to the future financial performance of the Company.

The risk factors set forth above pertains to the Offer and not in relation to the present or future business operations of the "Target Company" or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of AIL are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in the offer.

TABLE OF CONTENTS

Encl.:

i. Form of Acceptance cum Acknowledgment
ii. Form of Withdrawal
iii. Share Transfer Form, if applicable

1 DEFINITIONS / ABBREVIATIONS

Acquirers	Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna
AGM	Annual General Meeting
ASE	The Ahmedabad Stock Exchange Limited
BSE	The Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Company / Target Company/AIL	AksharChem (India) Limited
Date of Closure of Offer	Tuesday, August 30, 2011
DP	Depository Participant
EGM	Extra Ordinary General Meeting
Eligible Person(s) for the Offer	All owners (registered or unregistered) of the shares (other than Acquirers, Promoters / Promoters Group) anytime before the date of closure of the Offer
Escrow Bank	HDFC Bank Limited "HDFC House", 1st Floor, Near Jain Derasar, Navrangpura, Ahmedabad-380009
Exchanges/Stock Exchanges	The Stock exchanges where the shares of AIL are listed i.e. The .Bombay Stock Exchange Limited and The Ahmedabad Stock Exchange Limited
Expanded Post Issue Paid Up Capital	The Post Preferential expanded paid up voting capital of AksharChem (India) Limited.
FEMA	Foreign Exchange Management Act, 1999
Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement
FOW	Form of Withdrawal-cum-Acknowledgement
Letter of Offer (LOO)	This Letter of Offer
Manager / Manager to the Offer / Merchant Banker /Vivro	Vivro Financial Services Private Limited
NSDL	National Securities Depository Limited
Non-Resident Shareholders	Non-Resident Indians, OCBs holding equity shares of "AIL"
Offer	Open Offer for acquisition of 9,90,570 equity shares, representing 20% of the total post preferential issued, subscribed and paid up equity share capital and 20% of voting capital of "AIL" at the Offer Price being made by the Acquirers to the shareholders of "AIL".
Offer Price	Rs.25.25 per fully paid up equity share determined under Regulations 20(5) of the Regulations.
PA	Public Announcement dated Tuesday, April 19, 2011
Registrar / Registrar to the Offer	Link Intime India Pvt. Ltd.
RBI	Reserve Bank of India
SEBI/Board	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India, Act, 1992
Shares	Equity Shares having face value of Rs. 10/- each of "AIL"
SSA	Share Subscription Agreement entered into between the Acquirers & AksharChem (India) Limited dated April 14, 2011 to subscribe for 15,50,000 fully paid up equity shares (shares) of Rs. 10/- each representing 31.30% of the post preferential (expanded) paid up share capital and 31.30% of voting capital of AksharChem (India) Limited at a price of Rs. 18.50 (Rupees Eighteen and Paise Fifty only) per fully paid equity share payable in cash).
Specified Date	Date for the purpose of determining the names of the shareholders, as appearing in the Register of Members of "AIL" to whom the letter of offer will be sent i.e. May 13, 2011
Takeover Regulations /Regulations/ Takeover code	Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

2 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD, NOT IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF AKSHARCHEM (INDIA) LIMITED, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS OR OF THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT, WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER OF THE OFFER – VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS SUBMITTED DUE DILIGENCE CERTIFICATE DATED 30Th APRIL, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT HOWEVER ABSOLVE, THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3) DETAILS OF THE OFFER

3.1 Background of the Offer:

3.1.1 This open offer (The "Open Offer" or "Offer") is being made by Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna, all residing at "Gokul" Camp Road, Shahibaug, Ahmedabad-380004 in compliance with Regulation 11 (1) & 11 (2) of the Regulations, to the shareholders of AksharChem (India) Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 166-169, Village Indrad, Kadi- Kalol Road, Dist: Mehsana-382 727, Gujarat (hereinafter referred to as "AIL" or "Target Company") for consolidation of holdings by existing promoters.

Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna are the existing promoters of the Target Company as per the disclosure made by the Target Company to the Stock Exchanges in accordance with Clause -35 of the Listing Agreement. There are no persons acting in concert with the Acquirers.

3.1.2 The Board of Directors of the Target Company (AIL) at its meeting held on 11th April, 2011, have considered and approved the proposal to issue and allot 15,50,000 ('Subscription Shares') fully paid up equity shares of Rs. 10/- each at a price of Rs.18.50 (Rupees Eighteen and Fifty Paise only) per share on preferential basis to the acquirers, representing 31.30% of the expanded subscribed equity share capital. *The board of directors at their meeting held on 25th May 2011 allotted the shares to the Acquirers (promoters of the company).*

The names of the allottees are as follows:

Sr. No.	Name of the Acquirer	Category	No. of Shares	Percentage (%)
1	Mrs. Paru M. Jaykrishna	Promoter	7,75,000	50.00
2	Mr. Gokul M. Jaykrishna	Promoter	3,87,500	25.00
3	Mr. Munjal M. Jaykrishna	Promoter	3,87,500	25.00
	Total		**15,50,000**	**100.00**

3.1.3 The Acquirers have also entered into a Share Subscription Agreement ("SSA" or "Agreement") dated 14th April, 2011 with the Target Company to subscribe to the aforesaid Subscription Shares on preferential basis in compliances with Chapter VII of the Securities & Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2009 and subsequent amendments thereto ("SEBI (ICDR) Regulations") which triggered the Regulations. The issue and allotment of the Subscription Shares shall be in accordance with Section 81(1A) of the Companies Act, 1956 and the applicable provisions of Regulations for Preferential Issue contained in SEBI (ICDR) Regulations and other regulatory approvals, if any and are subject to various condition precedents being fulfilled, including approvals of the shareholders of the Target Company. Accordingly, the Target Company had called for an Extra Ordinary General Meeting ("EGM") on 10th May, 2011 whereby shareholders approved the preferential allotment and authorized the Board of Directors to allot to the Acquirers, up to 15,50,000 fully paid up equity shares of face value of Rs 10/- each representing 31.30% of the Post preferential voting on capital as required under Regulation 23(1)(b) of the Regulations

The Target Company has obtained in- principle approval from the Bombay Stock Exchange Limited (BSE) vide its letter dated May 11, 2011 and the Ahmedabad Stock Exchange Limited (ASE) vide its letter dated May 12, 2011 in terms of clause 24(a) of the Listing Agreement entered into by the Target Company with the Exchanges.

Final listing permission has been granted by BSE and ASE vide their letters dated June20, 2011 and June 22, 2011 respectively .On completion of the Preferential Issue, the post issue voting share capital of AIL will comprise of 49,52,850 fully paid up equity shares of Rs. 10/- each (the post issue voting share capital).

3.1.4 The salient features of the SSA are as under:

- The acquirers have agreed to subscribe to 15,50,000 equity shares of the target company on a preferential basis at a price of Rs. 18.50/- per share fully paid up.

- The target company shall complete the allotment of 15,50,000 equity shares subject to the approval of shareholders of the target company at the ensuing Extra ordinary General Meeting to be held on 10th May, 2011 and customary regulatory and statutory approvals. The allotment is expected to be completed latest by 25th May, 2011.
- In the event the requisite shareholders approval is not received, the SSA shall stand terminated.

3.1.5 All the acquirers belong to the promoter group of the Target Company which in aggregate along with other members of promoter group hold 20,40,163 equity shares representing 59.95% of pre preferential equity share capital of the company.

3.1.6 Before the Preferential Issue, the acquirers held 17,16,241 equity shares representing 50.44% of the total paid up equity share capital in the target company. Pursuant to the Preferential Issue, the Acquirers shall be holding in aggregate 32,66,241 equity shares representing 65.95% of the Post Preferential Voting Capital of the Target Company, the details of which are as follows:

Name of the Acquirer	**Pre preferential Issue**		**Shares to be allotted pursuant to the Preferential Issue**		**Post Preferential Issue**	
	No. of equity Shares	**% of shareholding**	**No. of Equity Shares**	**% of shareholding#**	**No. of equity Shares**	**% of shareholding#**
Mrs. Paru M. Jaykrishna	8,53,271	25.08	7,75,000	15.64	16,28,271	32.88
Mr. Gokul M. Jaykrishna	4,31,843	12.69	3,87,500	7.83	8,19,343	16.54
Mr. Munjal M. Jaykrishna	4,31,127	12.67	3,87,500	7.83	8,18,627	16.53
Total	**17,16,241**	**50.44**	**15,50,000**	**31.30**	**32,66,241**	**65.95**

(# calculated as a %age of Post Preferential Voting Capital of the Target Company *i.e.49,52,850*)

3.1.7 After this Preferential Issue, the share holding of the Acquirers along with the holding of other members of Promoter Group will increase from 20,40,163 equity shares (59.95% of pre preferential paid up equity share capital of the company) to 35,90,163 equity shares representing 72.49% of the Post Preferential paid up equity share capital of AIL, if the entire shares proposed to be allotted to Acquirers are subscribed by them. This increase in the promoters' holding has resulted in triggering of the provisions of SEBI (SAST) Regulations, 1997. Shareholding of the Promoters and Promoter group is as under:

Name of the Acquirer	**Pre preferential Issue**		**Shares to be allotted pursuant to the Preferential Issue**		**Post Preferential Issue**	
	No. of equity Shares	**% of shareholding**	**No. of Equity Shares**	**% of shareholding#**	**No. of equity Shares**	**% of shareholding#**
Mrs. Paru M. Jaykrishna	8,53,271	25.08	7,75,000	15.64	16,28,271	32.88
Mr. Gokul M. Jaykrishna	4,31,843	12.69	3,87,500	7.83	8,19,343	16.54
Mr. Munjal M. Jaykrishna	4,31,127	12.67	3,87,500	7.83	8,18,627	16.53
Intercon Finance Pvt. Ltd.	323722	9.51	Nil	Nil	323722	6.54
Skyjet Aviation Pvt. Ltd.	200	0.01	Nil	Nil	200	-
Total	**20,40,163**	**59.95**	**15,50,000**	**31.30**	**35,90,163**	**72.49**

(# calculated as a %age of Post Preferential Voting Capital of the Target Company *i.e.49,52,850*)

3.1.8 **The Shareholding pattern of the company before and after the preferential issue:**

The shareholding pattern of the Company before and after the preferential issue would be as under:

		Pre Issue Shareholding		Post Issue Shareholding	
Sl No.	**Category**	**No. of shares**	**Percentage of total share holding**	**No. of shares**	**Percentage of total share holding**
A	***Promoter's and Promoter Group:***				
1	Promoters				
	a. Indian Promoters	20,40,163	59.95	35,90,163	72.49
	b. Foreign Promoters	-	-	-	-
2	Persons acting in Concert	-	-	-	-
	Sub – Total (A)	**20,40,163**	**59.95**	**35,90,163**	**72.49**
B	***Non-Promoter's Holding :***				
3	**Institutional Investors**				
	a. Mutual Funds & UTI	5,500	0.16	5,500	0.11
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Inst./Non-Government Institutions.	-	-	-	-
	c. FIIs	-	-	-	-
	Sub – Total (B1)	**5,500**	**0.16**	**5,500**	**0.11**
4	Others				
	a. Private Corporate Bodies	44,238	1.30	44,238	0.89
	b. Indian Public	12,87,702	37.84	12,87,702	26.00
	c. NRIs / OCBs	21,886	0.64	21,886	0.44
	d. Clearing Members /House	3,361	0.10	3,361	0.07
	Sub – Total (B2)	**13,57,187**	**39.88**	**1357187**	**27.40**
	Total Non- Promoter's Holding	13,62,687	40.05	1362687	27.51
	Grand Total	**34,02,850**	**100.00**	**49,52,850**	**100.00**

3.1.9 Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna are the Acquirers in this open offer and there are no other persons acting in concert (PAC) with the Acquirers for the purpose of this offer. The shares proposed to be acquired by the Acquirers under the open offer are as under:

Name of the Acquirer	**No. shares proposed to be acquired under the open Offer**	**% of shares acquired under the open offer**
Mrs. Paru M Jaykrishna	4,95,285	50%
Mr. Gokul M. Jaykrishna	2,47,642	25%
Mr. Munjal M. Jaykrishna	2,47,643	25%
Total	**9, 90, 570**	**100%**

3.1.10 As on date, the Acquirers do not have any plans to make changes in the Board of Directors of the Target Company pursuant to the Open Offer.

3.1.11 The Acquirers, the Promoters / Promoters group and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B of the SEBI Act, 1992 or under any of the Regulations made under the SEBI Act, 1992

3.1.12 The Manager to the Offer, Vivro Financial Services Private Limited, does not hold any share in the Target Company. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of offer.

3.1.13 The Equity Shares of "AIL" to be acquired, pursuant to the offer shall be, free from all lien, charges and encumbrances

3.2 Details of the Proposed Offer:

3.2.1 The Public Announcement dated April 19, 2011 was made in the following newspapers, in accordance with Regulation 15 of SEBI (SAST) Regulations, 1997

Newspapers	Language	Editions
Business Standard	English	All Edition
Business Standard	Hindi	All edition
Jansatta	Gujarati	Regional
Mumbai Lakshdeep	Marathi	Regional Edition

The Public Announcement dated Tuesday, April 19, 2011 is also available on SEBI website at **http://www.sebi.gov.in/** (The PA should be read along with the addendum which is available on SEBI website at http://www.sebi.gov.in)

3.2.2 The Acquirers are making this offer under Regulation 11 (1) & 11(2) of the SEBI (SAST) Regulations, 1997 to the public shareholders of AIL (other than the existing Promoters and Promoter Group of AIL) to acquire 9,90,570 fully paid-up Equity Shares of Rs. 10/- each representing 20% of the Post Issue voting equity share capital (post Preferential Issue) of AIL, at a price of Rs. 25.25 per fully paid-up Equity Share (the "Offer Price"), payable in cash subject to terms and conditions mentioned hereinafter.

3.2.3 This offer is being made pursuant to regulation 11 (1) 11(2) of the SEBI (SAST) Regulations, 1997 consequent to the Preferential Issue referred to in paragraph 3.1.2 and 3.1.3 above. The proposed Preferential Issue taken together with existing holding of the Acquirers will result in consolidation of the promoter group shareholding in the Target Company; hence this offer is being made pursuant to and in terms of the Regulations. There are no partly paid-up shares of AIL as on the date of this Letter of Offer.

3.2.4 The offer is at a cash price of Rs. 25.25 per fully paid up equity share. There is no differential pricing in the offer.

3.2.5 The offer is not a competitive bid.

3.2.6 The offer is not conditional on any minimum level of acceptance.

3.2.7 The acquirers have not acquired any further shares of the target company after the date of PA i.e. Tuesday April 19, 2011 till the date of this Letter of Offer.

3.2.8 The offer is not as a result of global acquisition resulting to indirect acquisition of the AIL.

3.2.9 The Offer is subject to the terms and conditions set out in this Letter of Offer.

3.2.10 The Offer may be withdrawn, in terms of Regulation 27 of the SEBI (SAST) Regulations, 1997, in the event the requisite statutory approval, if any, is refused. In the event of withdrawal, Public Announcement will be published in the same newspapers in which the original PA was published, indicating reason for withdrawal of the offer.

3.3 Object of the Acquisition / Offer

3.3.1 AIL is engaged in the manufacturing of Dyes and Dyestuff. The principal product of the company is Vinyl Sulphone. Vinyl Sulphone is used as a key raw material in the manufacturing of reactive dyes which is having application in color pigments, paints, rubber, textiles, plastics and leathers. The Acquirers (being promoters of the Company) intend to infuse additional funds to the extent of around Rs.3 crores to meet long term working capital requirements and normal capital expenditure of the Company.. The Acquirers intend to subscribe to 15,50,000 equity shares of Rs.10/- each.

3.3.2 This offer is being made pursuant to signing of the SSA for preferential allotment of equity shares by the Acquirers with the Target Company as explained in para 3.1.3 above and pursuant to Regulation 11(1) & 11(2) of the SEBI (SAST) Regulations 1997, resulting in consolidation of holding of the Acquirers in AIL. This acquisition will not result in a change in control of the Target Company.

3.3.3. The Acquirers do not have any plans to dispose off or otherwise encumber any fixed assets of the Company in the succeeding two years from the date of the closure of the offer, except in the ordinary course of business.

4 BACKGROUND OF THE ACQUIRERS

4.1.1 Mrs. Paru M Jaykrishna

a. Mrs. Paru M Jaykrishna, w/o Mr. Mrugesh Jaykrishna, aged 68 years, residing at “Gokul” Camp Road, Shahibaug, Ahmedabad- 380004; Tel.: 079-22686177/88; E-mail id: parumj@asahisongwon.com.

b. She is an Arts graduate and M.A. in Philosophy, Sanskrit and English Literature from Gujarat University and also holds a degree in Law. She was the first woman appointed as a President of Gujarat Chambers of Commerce and Industry in the year 2007-08.

c. She is the Chairperson and Managing Director of the Company. She is the founder of the Company and looks after policy making and growth strategies of the Company.

d. As per declaration received, Mrs. Paru M Jaykrishna is holding directorships in following companies, the details of which are given below.

Sr. No.	Name of the Company	Designation	Listed At
1	Asahi Songwon Colors Ltd.	Chairperson & Managing Director	BSE
2	Akshar Silica Pvt. Ltd	Director	Unlisted
3	Asahi Energy Pvt. Ltd	Director	Unlisted
4	Asahi Powertech Pvt. Ltd.	Director	Unlisted
5	Skyjet Aviation Pvt. Ltd.	Director	Unlisted

e. As per declaration received, Mrs. Paru M Jaykrishna has promoted the following companies, the details of which are given below:

Sr. No.	Name of the Company	Designation	Listed At
1	Asahi Songwon Colors Ltd.	Chairperson & Managing Director	BSE
2	Akshar Silica Pvt. Ltd	Director	Unlisted
3	Asahi Energy Pvt. Ltd	Director	Unlisted
4	Asahi Powertech Pvt. Ltd.	Director	Unlisted
5	Skyjet Aviation Pvt. Ltd.	Director	Unlisted

f. Mrs. Paru M. Jaykrishna holds 8,53,271 fully paid up Equity Shares representing 25.08 % of the pre preferential issued voting capital of the Target Company.

g. Details of earlier acquisition made by Mrs. Paru M. Jaykrishna are disclosed in point no. 6.20 titled "Change in Equity Shareholding of Promoter Group and Status of Compliance " on page nos.29 of this Letter of Offer.

h. There has been no Non Compliance by Mrs. Paru M. Jaykrishna under Chapter II of SEBI (SAST) Regulations 1997.

i. There are no pending litigations against Mrs. Paru M. Jaykrishna except as disclosed in point no. 6.23 of this Letter of Offer.

4.1.2 Mr. Gokul M Jaykrishna

a. Mr. Gokul M Jaykrishna, S/o Mr. Mrugesh Jaykrishna, aged 42 years, residing at "Gokul" Camp Road, Shahibaug, Ahmedabad- 380004; Tel.: 079-22686177/88; E-mail id: gokulmj@asahisongwon.com.

b. He is a Major in Finance and Marketing from Lehigh University, Behtlehem. He has the experience of working with Krieger Associates, New Jersey, USA, one of the influential currency and currency option traders.

c. He is the Joint Managing Director of the Target Company looking after the Finance and day to day management of the Company.

d. As per declaration received, Mr. Gokul M Jaykrishna is holding directorships in following companies, the details of which are given below.

Sr. No.	Name of the Company	Designation	Listed At
1	Asahi Songwon Colors Ltd.	Joint Managing Director	BSE
2	Akshar Silica Pvt. Ltd	Director	Unlisted
3	Asahi Energy Pvt. Ltd	Director	Unlisted
4	Asahi Powertech Pvt. Ltd.,	Director	Unlisted
5	Skyjet Aviation Pvt. Ltd.	Director	Unlisted
6	Flyover Communication Pvt. Ltd	Director	Unlisted

e. As per declaration received, Mr. Gokul M Jaykrishna has promoted the following companies, the details of which are given below:

Sr. No.	Name of the Company	Designation	Listed At
1	Asahi Songwon Colors Ltd.	Joint Managing Director	BSE
2	Akshar Silica Pvt. Ltd	Director	Unlisted
3	Skyjet Aviation Pvt. Ltd.	Director	Unlisted
4	Flyover Communication Pvt. Ltd	Director	Unlisted

f. Mr. Gokul M Jaykrishna holds 4,31,843 fully paid up Equity Shares representing 12.69 % of the pre preferential issued voting capital of the Target Company.

g. Details of earlier acquisition made by Mr. Gokul M. Jaykrishna are disclosed in point no. 6.20 titled "Change in Equity Shareholding of Promoter Group and Status of Compliance " on page nos. 29 of this Letter of Offer.

h. There has been no Non Compliance by Mr. Gokul Jaykrishna under Chapter II of SEBI (SAST) Regulations 1997.

i. There are no pending litigations against Mr. Gokul M Jaykrishna.

4.1.3. Mr. Munjal M Jaykrishna :

a. Mr. Munjal M Jaykrishna, S/o Mr. Mrugesh Jaykrishna, aged 41 years, residing at “Gokul” Camp Road, Shahibaug, Ahmedabad- 380004; Tel.: 079-22686177/88; E-mail id: munjalmj@asahisongwon.com.

b. He is a Bachelor of Science in Business and Marketing from Lehigh University, Behtlehem. Before, joining the Company, he has worked with Bank of California, San Francisco as Financial Analyst and Paragon Knits, Bethlehem as a Consultant.

c. He is the Joint Managing Director of the Company looking after the operations of the company including production, marketing and quality control.

d. As per declaration received, Mr. Munjal M. Jaykrishna is holding directorships in following companies, the details of which are given below.

Sr. No.	Name of the Company	Designation	Listed At
1	Asahi Songwon Colors Ltd.	Joint Managing Director	BSE
2	Akshar Silica Pvt. Ltd	Director	Unlisted
3	Asahi Energy Pvt. Ltd	Director	Unlisted
4	Asahi Powertech Pvt. Ltd.	Director	Unlisted
5	Skyjet Aviation Pvt. Ltd.	Director	Unlisted
6.	Flyover Communication Pvt. Ltd	Director	Unlisted

e. As per declaration received, Mr. Munjal M Jaykrishna has promoted the following companies, the details of which are given below:

Sr. No.	Name of the Company	Designation	Listed At
1	Asahi Songwon Colors Ltd.	Joint Managing Director	BSE
2	Akshar Silica Pvt. Ltd	Director	Unlisted
3	Asahi Energy Pvt. Ltd	Director	Unlisted
4	Asahi Powertech Pvt. Ltd.	Director	Unlisted
5	Skyjet Aviation Pvt. Ltd.	Director	Unlisted
6.	Flyover Communication Pvt. Ltd	Director	Unlisted

f. Mr. Munjal M Jaykrishna holds 4,31,127 fully paid up Equity Shares representing 12.67 % of the pre preferential issued voting capital of the Target Company.

g. Details of earlier acquisition made by Mr. Munjal M. Jaykrishna are disclosed in point no. 6.20 titled “Change in Equity Shareholding of Promoter Group and Status of Compliance ” on page nos. 29 of this Letter of Offer.

h. There has been no Non Compliance by Mr. Munjal M. Jaykrishna under Chapter II of SEBI (SAST) Regulations 1997.

i. There are no pending litigations against Mr. Munjal M. Jaykrishna except as disclosed in point no. 6.23 of this Letter of Offer.

4.2 Mr. Trushit Chokshi, proprietor of Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Membership No. 40847) having office at 401, Shivam Complex, B/h Samartheshwar Mahadev, Off C.G. Road, Ellisbridge, Ahmedabad-380006 Ph. No. 079-26463003, Email: trushit@tcaca.com vide its report dated April 14, 2011 has certified the Net Worth of the Acquirers as under:

Sr. No.	Name of the Acquirer	Net worth as on 31-03-2010 (Rs. In Lakhs)
1	Mrs. Paru M. Jaykrishna	923.51
2	Mr. Gokul M. Jaykrishna	411.24
3	Mr. Munjal M. Jaykrishna	392.47

4.2.1. RELATIONSHIP AMONGST ACQUIRERS WITH EACH OTHER:

Mrs. Paru M Jaykrishna is mother of Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna. Mr. Gokul M Jaykrishna and Mr. Munjal M Jaykrishna are brothers.

4.2.2. The “Acquirers” have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulation made under the SEBI Act, 1992.

4.2.3. Salient Features of the Agreement dated 14th April 2011 for acquisition of shares in the open offer among the Acquirers:

(a) The Acquires have entered into a Share Subscription Agreement with AksharChem (India) on April 14, 2011 to subscribe for 15, 50,000 fully paid-up equity shares of face value Rs. 10/- at a price of Rs. 18.50 per share on preferential basis.
(b) Acquirers have collectively agreed to make an open offer to acquire 9,90,570 fully paid-up Equity Shares of Rs. 10/- each from the public shareholders of AIL representing 20% of the Post Preferential Issued voting share capital at a price of Rs. 25.25 per fully paid-up Equity Share.
(c) The entire shares proposed to be acquired under this offer will be acquired by the Acquirers and no other persons/ entity proposes to take part in the acquisition.
(d) The acquirers agree that if the number of shares submitted against the proposed Open Offer is less than the number of shares proposed to be acquired the same shall be acquired in the same proportion as acquired in the preferential allotment.
(e) The payment against the said shares so acquired shall be made by them in the same proportion in which the shares are acquired.

4.2.4. The Acquirers are the promoters of the Target Company.

4.2.5. Promoters, Acquirers and other major shareholders of Target Company have generally complied with the provisions of Chapter II of the Regulations except as disclosed in the table at point no. 6.20 on page no.29 of this Letter of Offer.

4.2.6. Details of Companies promoted by the Acquirers:

1. <u>Asahi Songwon Colors Limited. (ASCL)</u>

ASCL was originally incorporated on December 10, 1990 with the Registrar of Companies, Gujarat as Lucky Laminates Private Limited (LLPL). In the year 1995-96 Asahi Dyechem Private Limited (ADPL), a company engaged in manufacture and sale of pigment green -7 was merged with Lucky Laminates Private Limited vide an order of High Court of Gujarat dated February 28, 1996.

The name was subsequently changed to Lucky Laminates Limited on April 19, 1996 and was immediately changed to Asahi Songwon Colors Limited.

ASCL had came with an IPO of 37,22,222 shares of Rs.10/- each at a Issue Price of Rs.90 each in the year 2007. The shares of ASCL are currently listed on Bombay Stock Exchange Limited.

The registered office of the ASCL is situated at 167-168, Village Indrad, Kadi Kalol Road, Dist. Mehsana, Gujarat – 382 727. The CIN of the Company is L24222GJ1990PLC014789.

ASCL is engaged in the manufacturing and exports of Phthalocyanine Pigments, which includes CPC Green, CPC Blue Crude and Beta Blue Pigments.

Financials of Asahi Songwon Colors Limited (ASCL)

(Rs. in Lakhs)

Sr. No.	Particulars	2007-08 (Audited)	2008 – 09 (Audited)	2009-10 (Audited)	For 9 Months Period Ended December 31, 2010 (Limited Review)
1	Equity Capital	1227.23	1227.23	1227.23	1227.23
2	Reserves and Surplus	6132.40	6234.50	6944.47	8297.40
3	Total Income	8711.03	12382.09	12691.81	13672.72

4	Profit Before Tax	1199.21	645.83	1247.21	1526.00
5	Profit After Tax	1153.25	245.68	954.05	1352.93
6	Earnings Per Share (EPS) in Rs.	9.40	2.00	7.77	11.02
7	Net Asset Value (NAV) in Rs.	56.03	57.62	64.17	75.19

The company is not a sick company within the meaning of the provisions contained in section 3(1)(o) of the SICA.

2. **Skyjet Aviation Pvt. Ltd.(SAPL)**

SAPL was incorporated as a private limited company on April 23,1997 with the Registrar of Companies, Gujarat. The registered office of the Company is situated at 36, Lal Darwaja, Ahmedabad – 380 001. The CIN of the Company is U62200GJ1979PTC003365. The Company is engaged in the business of travel and tours.

Financials of Skyjet Aviation Pvt. Ltd.

(Rs. in Lakhs)

Sr. No.	Particulars	2007-08 (Audited)	2008 – 09 (Audited)	2009-10 (Audited)
1	Equity Capital	4.05	4.05	4.05
2	Reserves and Surplus	-	-	-
	Profit & Loss (Debit Balance)	(19.87)	(27.36)-	(27.14)
3	Total Income	19.40	4.79	11.28
4	Profit Before Tax	5.06	(7.32)	0.29
5	Profit After Tax	(19.87)	(27.36)	(27.14)
6	Earnings Per Share (EPS) in Rs.	4442.98	(6584.39)	189.66
7	Net Asset Value (NAV) in Rs.	(17923.60)	(25052.80)	(24848.80)

The company is not a sick company within the meaning of the provisions contained in section 3(1)(o) of the SICA.

3. **Flyover Communication Private Limited (FCPL)**

FCPL was incorporated as a private limited company on September 17, 2007 with the Registrar of Companies, Gujarat. The registered office of the FCPL is situated at 30, Ambika Society, Usmanpura, Ahmedabad – 380 013. The CIN of the FCPL is U92140GJ2007PTC051654. The FCPL is engaged in the business of telecommunication.

Financials of Flyover Communication Private Limited.

(Rs. in Lakhs)

Sr. No.	Particulars	2007-08 (Audited)	2008 – 09 (Audited)	2009-10 (Audited)
1	Equity Capital	1.00	1.00	1.00
2	Reserves and Surplus	-	-	-
3	Profit & Loss (Debit Balance)	(0.09)	(1.32)	(1.46)
4	Total Income	-	1.66	-
5	Profit Before Tax	(0.13)	(1.79)	(0.22)
6	Profit After Tax	(0.09)	(1.23)	(0.14)
7	Earnings Per Share (EPS) in Rs.	(1.61)	(12.33)	(1.40)
8	Net Asset Value (NAV) in Rs.	8.55	(3.64)	(4.91)

The company is not a sick company within the meaning of the provisions contained in section 3(1)(o) of the SICA.

4. Asahi Energy Private Limited (AEPL)

AEPL was incorporated as Thirdscreen Solutions Private Limited, a private limited company on August 19, 2007 with the Registrar of Companies, Gujarat. The registered office of AEPL is situated at 30, Ambika Society, Usmanpura, Ahmedabad – 380 013. The name was changed to Asahi Energy Private Limited on August 27, 2010. The CIN of the Company is U40300GJ2007PTC051472. AEPL is engaged in the business of telecommunication.

Financials of Asahi Energy Private Limited.

(Rs. in Lakhs)

Sr. No.	Particulars	2007-08 (Audited)	2008 – 09 (Audited)	2009-10 (Audited)
1	Equity Capital	1.00	1.00	1.00
2	Reserves and Surplus	-	-	-
3	Profit & Loss (Debit Balance)	(0.06)	(0.13)	(0.19)
4	Total Income	-	-	-
5	Profit Before Tax	(0.09)	(0.09)	(0.09)
6	Profit After Tax	(0.06)	(0.06)	(0.06)
7	Earnings Per Share (EPS) in Rs.	(0.99)	(0.63)	(0.63)
8	Net Asset Value (NAV) in Rs.	8.74	8.27	7.80

The company is not a sick company within the meaning of the provisions contained in section 3(1)(o) of the SICA.

5. Asahi Powertech Private Limited (APPL)

APPL was incorporated as Grey Cell Solutions Private Limited, a private limited company on August 19, 2007 with the Registrar of Companies, Gujarat. The registered office of APPL is situated at 30, Ambika Society, Usmanpura, Ahmedabad – 380 013. The name was changed to Asahi Powertech Private Limited on September 22, 2010. The CIN of the Company is U93000HR2011PTC042431. AEPL is engaged in the business of telecommunication.

Financials of Asahi Powertech Private Limited.

(Rs. in Lakhs)

Sr. No.	Particulars	2007-08 (Audited)	2008 – 09 (Audited)	2009-10 (Audited)
1	Equity Capital	1.00	1.00	1.00
2	Reserves and Surplus	-	-	-
3	Profit & Loss (Debit Balance)	(0.06)	(0.11)	(0.16)
4	Total Income	-	-	-
5	Profit Before Tax	(0.08)	(0.08)	(0.08)
6	Profit After Tax	(0.06)	(0.05)	(0.04)
7	Earnings Per Share (EPS) in Rs.	(0.96)	(0.52)	(0.43)
8	Net Asset Value (NAV) in Rs.	8.83	8.44	8.15

The company is not a sick company within the meaning of the provisions contained in section 3(1)(o) of the SICA.

6. Akshar Silica Private Limited (ASPL)

ASPL was incorporated as a private limited company on October 14, 2010 with the Registrar of companies, Gujarat. The registered office is situated at Survey No. 170/171, Asahi House, Chhatral-Kadi Road, Village: Indrad, Kadi-382 727. The CIN of ASPL is U24117GJ2010PTC062613. ASPL is engaged in the business of manufacturing of silica.

Since the ASPL is incorporated in October 14, 2010 and has not completed a year of operations, no financial statements have been prepared.

The company is not a sick company within the meaning of the provisions contained in section 3(1)(o) of the SICA.

4.2.7. As on the date of Letter of Offer, Mrs. Paru M Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna are on the Board of the Target Company. Pursuant to Regulation 22(9) of the Regulations, they undertake not to participate in any matters concerning or relating to the Offer including any preparatory steps leading to the Offer

4.3. DISCLOSURE IN TERMS OF REGULATION 16(ix)

4.3.1 This offer is being made pursuant to signing of the SSA between the Company and Acquirers for the subscription of preferential allotment of Equity Shares of AIL to Acquirers as explained in para 3.1.3 above and pursuant to regulation 11 (1) & 11(2) of the SEBI (SAST) Regulations, 1997, resulting in consolidation of holding of the Acquirers in AIL. This acquisition will not result in a change in control of the Target Company.

4.3.2 In terms of Regulation 16(ix) the Acquirers do not have any plans to dispose off or otherwise encumber any fixed assets of the Company in the succeeding two years from the date of the closure of the offer, except in the ordinary course of business.

4.3.3 The acquirers hereby undertake that they will not sell, dispose of or otherwise encumber any substantial asset of the target company except with the prior approval of the shareholders.

4.4 Future Plans / Strategies of the Acquirers with regard to the Target Company:

a. AIL is engaged in the manufacturing of Dyes and Dyestuff. The principal product of the Company is Vinyl Sulphone. Vinyl Sulphone is used as a key raw material in the manufacturing of reactive dyes which is having application in color pigments, paints, rubber, textiles, plastics and leathers. The Acquirers (being promoters of the Company) intend to infuse additional funds to the extent of around Rs.3 crores to meet long term working capital requirements and normal capital expenditure of the Company.

b. This offer is being made pursuant to signing of the SSA between the Company and Acquirers for the subscription of proposed preferential allotment of 15,50,000 Equity Shares to Acquirers representing 31.30% of the Post Preferential Voting Capital (expanded subscribed equity share capital) of the Target Company, resulting in consolidation of holding of the Acquirers in AIL. The Acquirers are making this offer to Public Shareholders of the Target Company in accordance with regulation 11 (1) & 11 (2) of the Regulations and other applicable provisions of Chapter III and in compliance with the Regulations. This acquisition will not result in a change in control of the Target Company

c. The Acquirers do not have any plans to dispose off or otherwise encumber any fixed assets of AIL in the next two years from the date of closure of the offer except in the ordinary course of business with the prior approval of the shareholders of the Target Company.

5. OPTION TO THE ACQUIRERES IN TERMS OF REGULATION 21(2) OF SEBI (SAST) REGULATIONS, 1997

5.1 If pursuant to this Offer, the Public Shareholding in the Target Company falls below 25% of the Expanded Voting Capital of the Target Company, the Acquirers will, in accordance with Regulation 21(2) of the SEBI (SAST) Regulations, 1997, facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the stock exchanges within the specified time and in accordance with the prescribed procedure under Clause 40A of the Listing Agreement and in compliance with SEBI (SAST) Regulations, 1997 and will make arrangements to bring the public shareholding to 25% within a maximum period of twelve months from the date of fall in the shareholding of Public category below 25% by Further Public Offer/Qualified Institutional Placement/Open Market Sale to General Public/Preferential Allotment to Non Promoter Category Investors as per the Regulation 19A(2) of Securities Contracts (Regulation) Rules, 1957 as amended on June 04, 2010.

5.2 The Acquirers / PAC intend to maintain the listing status of the target company for the next three years after the offer."

6. BACKGROUND OF THE TARGET COMPANY ("AKSHARCHEM (INDIA) LIMITED"/ "AIL")

(Note: The information under this section is sourced from the Target Company and also from the Public Sources)

Brief History and Location of the Company"

6.1 AIL was originally incorporated as a private Limited Company in the name of Audichem (India) Private Limited vide Certificate of Incorporation dated July 4, 1989 with the Registrar of Companies, Gujarat. Further the name of the company was changed to Audichem (India) Limited vide fresh certificate of Incorporation dated 25th February 1994 issued by the Registrar of Companies, Gujarat. The name was further changed to AksharChem (India) Limited vide fresh certificate of incorporation dated March 21, 2003 issued by the Registrar of Companies, Gujarat. The CIN of company is L24110GJ1989PLC012441.

6.2 The Registered Office and manufacturing facilities of the company is situated at 166-169, Village Indrad, Kadi-Kalol Road, Dist: Mehsana-382 727, Gujarat. Tele: 91-2764 233 007-10 Fax: 91-2764 233 020, E-mail cs@asahisongwon.com

6.3 AIL is engaged in the manufacturing of Dyes and Dyestuff. The principal product of the Company is Vinyl Sulphone. Vinyl Sulphone is used as a key raw material in the manufacturing of reactive dyes which is having application in color pigments, paints, rubber, textiles, plastics and leathers.

6.4 **Share Capital Structure of AIL**

The present Authorized Share Capital of the company is Rs. 5,00,00,000/- divided into 50,00,000 Equity Shares of Face Value of Rs. 10/- each. The present issued, subscribed and paid up capital of the company is Rs. 4,95,28,500/- comprising of 49,52,850 Equity Shares of Face Value Rs. 10/- each fully paid up. There are no calls in arrears and no partly paid up shares in the Target Company.

The break up of Issued, Subscribed and Paid up Equity Share Capital is as follows:

Particulars	No. of shares	Face Value	Voting rights [%]
Fully Paid up Equity Shares	49,52,850	10	100
Partly Paid up Equity Shares	Nil	--	Nil
Total Paid up Equity Shares	49,52,850	10	100
Total voting rights in Target Company	49,52,850	10	100

6.5 **Capital built-up of "AIL" since inception:**

Allotment Date	No. of equity shares allotted	Percentage (%)	Face Value (Rs.)	Cumulative paid up capital (Rs.)	Consideration	Mode of allotment	Identity of Allottees (Promoters/ ex-Promoters/ Others)	Status of compliance with SEBI (SAST) Regulations
05/07/1989	2	0%	100	200	Cash	Subscribers to MOA	Promoters & Others	Since the shares of AIL were not listed There SAST Compliances are not applicable
15/02/1990	8686	0.17%	100	868800	Cash	Private Placement	Promoters & Others	
10/03/1990	4,000	0.08%	100	1268800	Cash	Private Placement	Promoters	
05/06/1990	2970	0.05%	100	1565800	Cash	Private Placement	Promoters	
30/06/1990	1,488	0.03%	100	1714600	Cash	Private Placement	Promoters	
30/08/1990	280	0%	100	1742600	Cash	Private Placement	Promoters	
10/09/1990	74	0%	100	1750000	Cash	Private Placement	Others	
15/12//1990	4000	0.08%	100	2150000	Cash	Private Placement	Promoters	
30/10/1991	800	0.01%	100	2230000	Cash	Private Placement	Promoters & Others	
06/12/1993	223000	4.40%	10	2230000		Subdivision of shares from Rs. 100/- to Rs. 10/- per share	--	Not Applicable
16/02/1994	479450	9.38%	10	7024500	Consideration other than Cash	Bonus Issue 2.15:1	Promoters & Others	Not Applicable
03/08/1994	2700400	54.52%	10	34028500	Cash	Public Issue at a premium of Rs. 4 per share	Promoters & Others	Not Applicable

25/05/2011	15,50,000	31.28%	10	49528500	Cash	Allotment of Shares on preferential basis at a premium of Rs.8.50 per share	Promoters	Allotment of shares on preferential basis to Mrs. Paru M. Jaykrishna, Mr, Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna (the promoters). In Principle approval received from BSE and ASE. Listing permission granted by BSE & ASE vide letter dated June 20, 2011 & June 22, 2011 respectively.
TOTAL	**49,52,850**	**100%**						

6.6 There are no preference shares or outstanding convertible instruments / warrants in the target company.

6.7 The shares of the Target Company are listed at the Bombay Stock Exchange Ltd (BSE) and the Ahmedabad Stock Exchange Limited (ASE). The trading in shares of the target company is not suspended at BSE and ASE ***at any time till date and no penal action has been taken against AIL.***

6.8 *The details of non compliances are as follows:*

6.8.1 Chapter II Non compliance by

A. Target Company

For Transactions during the year 2003 -2004

Non filing by Target Company to Stock Exchange of share acquisition details as required under Regulation 7(1A) of SAST Regulations for acquisition of 1,20,350 shares representing 3.54 % of the Paid up capital from open market done on 31.3.2003.The due date for filing was 2.4.2004, shares acquired more than 2%.

B. Promoters/Major Shareholders

Promoters/Major Shareholders have complied with chapter II requirements.

6.8.2 Chapter III Non compliance by Promoters under Regulation 11

1. **During the FY 1-04- 1997 to 31-03-1998; Under Regulation 11(1) 15-75% and 2% creeping limit in any period of twelve months**

   One of the Promoter viz. Intercon Finance Pvt. Ltd. had acquired 81000 shares representing 2.38% of the paid up capital on 7.4. 1997 and had failed to give an open offer to the public shareholders which exceeded the creeping acquisition limit which was 2% on that day.

2. **During the FY 1-04- 2000 to 31-03-2001; Under Regulation 11(1) 15-75% and 5% creeping limit in any period of twelve months**

Promoters viz Mrs.Paru M. Jaykrishna (56400) & Intercon Finance Pvt. Ltd (1,23,500) had acquired 1,79,900 shares representing 5.28% of the paid up capital on 22.6.2000 & 6.4.2000 respectively and had failed to give an open offer to the public shareholders which exceeded the creeping acquisition limit which was 5% on that day.

3. **During the FY 2004-05; Under Regulation 11(2) 55-75%**

One of the Promoters viz. Intercon Finance Pvt. Ltd had acquired 62,070 shares representing 1.82% of the paid up capital on 8.4.2004 and had failed to give an open offer to the public shareholders at that time under regulation 11(2) which required acquisition of any more shares through Public Announcement & offer route only.

4. **During the FY 2005-06; Under Regulation 11(2) 55-75%**

One of the Promoters viz. Intercon Finance Pvt. Ltd had acquired 32600 shares representing 0.96% of the paid up capital on 1.4.2005 and had failed to give an open offer to the public shareholders at that time under regulation 11 for any acquisition of shares above 55% required giving of open offer to public.

6.8.3 Non Compliance in Disclosure u/r 8(3)

With respect to the following transactions happened after 20.2.1997, the shares transferred were inadvertently reported under regulation 8(3) and were regularized as per the disclosure filed under Regularization Scheme, 2002.

Date of Transfer	Name of Transferor	Name of Transferee	No. of Shares	Nature of Transaction
25.3.1997	Paru M. Jaykrishna	Radhika Jaykrishna	78500	Inter se Transfer
27.3.1997	Public Shareholders	Paru M. Jaykrishna	60000	Open Market
27.3.1997	Gokul M. Jaykrishna	Munjal M. Jaykrishna	184000	Inter se Transfer
31.3.1997	Public Shareholders	Intercon Finance P. Ltd.	32600	Open Market
1.4.1997	Paru M.Jaykrishna	Radhika Jaykrishna	91500	Inter se Transfer
1.4.1997	Paru M. Jaykrishna	Munjal M. Jaykrishna	43500	Inter se Transfer
23.4.1997	Public Shareholders	Paru M. Jaykrishna	39964	Open Market

6.8.4 Non Compliance for Inter se Transfer of Shares among Promoters and submission of Report u/r 3(4)

The acquirers have filed Report under Regulation 3(4) in Form D along with the requisite fee for the following instances of Interse Transfers among Promoters on July 08, 2011.

1. On 25.03.1997 Mrs. Radhika Jaykrishna had acquired 78,500 shares from Mrs. Paru M. Jaykrishna i.e 2.31% being more than 2% as required to be disclosed / filing of report at that point of time. There was a delay of 14 years and 3 months in filing of Report under Regulation 3(4) in Form D.

2. On 27.03.1997 Mr. Munjal M. Jaykrishna had acquired 1,84,000 Shares from Mr. Gokul M. Jaykrishna i.e. 5.41% being more than 2% as required to be disclosed / filing of report at that point of time. There was a delay of 14 years and 3 months in filing of Report under Regulation 3(4) in Form D.

3. On 1.1.1998 Mrs. Paru M. Jaykrishna & Mr. Gokul M. Jaykrishna had acquired 1,97,055 shares from Mr. Munjal M. Jaykrishna i.e. 5.79% being more than 2% as required to be disclosed / filing of report at that point of time. There was a delay of 13 years and 6months in filing of Report under Regulation 3(4) in Form D.

Summary Inter se Transfer of Shares among Promoters

Nature of transaction	Name of Transferor	Name of Transferee	No. of Shares	Date of Transaction	Due Date for Filing Report u/r 3(4)	Actual Date for Filing Report	Delay Period
Inter se	Mrs. Paru M. Jaykrishna	Mrs. Radhika Jaykrishna	78500	25-Mar-97	15-Apr-97	8-Jul-11	14years & 3 months
Inter se	Mr. Gokul M. Jaykrishna	Mr. Munjal M. Jaykrishna	184000	27-Mar-97	17-Apr-97	8-Jul-11	14years & 3 months
Inter se	Mr. Munjal M. Jaykrishna	Mrs. Paru M. Jaykrishna	152657	1-Jan-98	22-Jan-98	8-Jul-11	13 years & 6 months
		Mr. Gokul M. Jaykrishna	44398				

SEBI may initiate appropriate action against the Acquirers /Promoters for not complying with the required provisions of Chapter II, Chapter III and regulation 3(1)(4) of the Takeover Regulation. The acquirers are in the process of filing consent application with SEBI in the above delay.

6.9 AIL has complied with requirements of the Listing Agreement and no punitive action has been initiated by the stock exchanges where its equity shares are listed. The Company has been regular in paying the annual listing fees to the BSE and ASE and has paid the fees for the financial Year 2010- 11.

6.10 The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are applicable to the Acquirers and the target company and the timely disclosures as required have been made by the acquirers and the target company except for Chapter II Non compliance by Target Company for Transactions during the year 2003 - 2004

Non filing by Target Company to Stock Exchange of share acquisition details as required under Regulation 7(1A) of SAST Regulations for acquisition of 1,20,350 shares representing 3.54 % of the Paid up capital from open market done on 31.3.2003.The due date for filing was 2.4.2004, shares acquired more than 2%.

SEBI may initiate appropriate action against the Target Company for not complying with the required provisions of Chapter II of the Take over Regulations.

6.11 AIL has entered into a Tripartite Agreement with both the Depositories for offering shares in dematerialized form and is traded in compulsory Demat mode. The marketable lot for the shares of AIL is 1 (one) only. The ISIN No. is INE542B01011.

6.12 AIL has confirmed that it has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the “SEBI Act”) or under any other regulation made under the SEBI Act.

6.13 The composition of the Board of Directors as on the date of issue of the Public Announcement (19^{th} April, 2011) is as under:

Name, Designation and Address / DIN	Date of Appointment	No. of Shares held in “AIL”	Qualification & Experience
Mrs. Paru M. Jaykrishna Chairperson & Managing Director “Gokul” Camp Road, Shahibaug Ahmedabad - 380004 DIN : 00671721	04/07/1989	8,53,271 (25.08%)	She is an Arts graduate and MA in Philosophy, Sanskrit & English Literature and LLB from Gujarat University. She was the first woman appointed as a President of Gujarat Chambers of Commerce and Industry in the year 2007-08

Mr. Gokul M. Jaykrishna Joint Managing Director "Gokul" Camp Road, Shahibaug Ahmedabad - 380004 DIN : 00671652	01/01/1994	4,31,843 (12.69%)	Major in Finance & Marketing from Lehigh University, Behtlehem. He has more than 22 years of experience in Finance and Marketing. He has the experience of working with Krieger Associates, New Jersey, USA, one of the most influential currency and currency option traders.
Mr. Munjal M. Jaykrishna Joint Managing Director "Gokul" Camp Road, Shahibaug Ahmedabad - 380004 DIN : 00671693	28/06/1995	4,31,127 (12.67%)	Bachelor of Science in Business & Economics from Lehigh University, Bethlehem. More than 21 years of experience in production marketing & quality control. Before, joining the Company, he has worked with Bank of California, San Francisco as Financial Analyst and Paragon Knits, Bethlehem as a Consultant.
Mr. Kiran Jayantilal Mehta Director "Shrijay", Sterling Park Memnagar, Ahmedabad – 380052 DIN : 01105318	27/07/2003	Nil	M. Com, LLB, FICWA, FIISA Cost Accountant having more than 40 years of experience in Accounts and Finance
Prof. Pradeep Jasubhai Jha Director 33, Kadambari Society S. M. Road, Ambawadi Ahmedabad – 380 015 DIN : 01539732	28/05/2002	Nil	M.Sc (Maths) C.C.P, C.M.E (UK) Academician with over 35 years experience in teaching
Mr. Param Jashvant Shah Director 135/1, Azad Society Ambawadi, Ahmedabad – 380015 DIN : 03273768	13/08/2010	Nil	MBA, M.Com, LLB Academician with over 11 years experience. He has wide knowledge in Finance and Law.
Mr. Gurcharan Singh Additional Director 603 Shyamvrund, Near Shyamal Row Houses, Dhanjay Tower Satellite, Ahmedabad - 380 015	7/7/2011	Nil	Rtd. IAS officer

Note: As on the date of the PA, Mrs. Paru M. Jaykrishna, Mr. Gokul M Jaykrishna and Mr. Munjal M. Jaykrishna are on the Board of the Target Company. Pursuant to regulation 22(9) of the Regulations, they have not participated and undertake not to participate in any matters concerning or relating to the Offer including any preparatory steps leading to the Offer.

6.14 The Target Company received letters dated February 22, 2010, March 9, 2010 from SEBI, Integrated Surveillance Department seeking clarification from the promoters Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna for non compliance with Schedule I and Schedule II of the SEBI (Prohibition of Insider Trading Regulation), 1992 for the trades done by them on 27th 28th and 29th October, 2009 being the period of "Trading Window" closed for AksharChem India Ltd. and not making the disclosures. The Target Company vide their letter dated March 12, 2010, properly replied to the said letters. SEBI vide their letter dated December 7, 2010 advised the compliance officer of the company to ensure that such a violation does not happen again. The company took note of the same.

6.15 **Brief Audited Financials of AKSHARCHEM (INDIA) LIMITED**

(A) Profit & Loss Statement

(Rs. in Lakhs)

Particulars	**March 31, 2008 (Audited)**	**March 31, 2009 (Audited)**	**March 31, 2010 (Audited)**	**Period Ended December 31, 2010 (Limited Review)**
Sales and Income from Operations	4,945.67	5,419..13	8,157.62	6412.98
Other Income	13.43	15.89	62.74	21.12
Increase/(Decrease) in Stock	109.65	(76.97)	56.83	200.3
Total Income	**5,068.76**	**5,358.04**	**8,277.19**	**6,634.40**
Expenses				
Manufacturing, Administrative and other expenses	4,769.85	5,702.53	7,836.72	6421.65
Total	**4,769.85**	**5,702.53**	**7,836.72**	**6,421.65**
Profit/(Loss) before Depreciation, Interest and Tax (PBIDT)	**298.91**	**(344.49)**	**440.47**	**212.75**
Depreciation	35.28	76.23	86.01	66
Interest	70.36	109.80	189.65	118.52
Profit/(Loss) before Tax (PBT)	**193.27**	**(530.53)**	**164.81**	**28.23**
Provision for Current Tax	4.62	9.21	1.12	0.14
Provision for Deferred Tax	69.81	(30.11)	11.67	-
Profit/(Loss) for the year	**118.84**	**(509.63)**	**152.02**	**28.09**
Less: Prior Period Adjustments	(5.06)	0.73	0.71	-
Less: Previous Year's Deferred Tax	37.51	-	-	-
Profit/(Loss) after adjustments	**86.40**	**(510.35)**	**151.31**	28.09
Profit/(Loss) carried forward from earlier years	470.84	557.24	46.89	198.20
Net Profit transferred to Balance Sheet	**557.24**	**46.89**	**198.20**	**226.29**

(B) Balance Sheet

(Rs. in Lakhs)

Particulars	**March 31, 2008 (Audited)**	**March 31, 2009 (Audited)**	**March 31, 2010 (Audited)**	**Period Ended December 31, 2010 (Limited Review)**
Sources of Funds:				
Paid up Equity Share Capital	340.29	340.29	340.29	340.29
Reserves& Surplus	828.26	317.91	469.22	497.30
Net worth	**1168.55**	**658.20**	**809.51**	**837.59**
Secured Loans	843.15	1,803.25	1,494.39	1457.58
Unsecured Loans	200.00	175.00	40.00	-
Deferred Tax Liability	108.64	161.62	173.65	173.65
Total	**2,320.34**	**2,798.07**	**2,517.54**	**2,468.82**
Application of Funds:				
Net Fixed Assets	1,099.61	1,259.93	1,217.17	1254.22
Investments	104.52	104.52	104.52	104.52
Net Current Assets	1,114.89	1,349.21	1,111.08	1025.30
Deferred Tax Asset	1.32	84.41	84.77	84.77
Total	**2,320.34**	**2,798.07**	**2,517.54**	**2,468.82**

(C) Other Financial Data

Other Financial Data	March 31, 2008 (Audited)	March 31, 2009 (Audited)	March 31, 2010 (Audited)	Period Ended December 31, 2010 (Limited Review)
Dividend (%)	Nil	Nil	Nil	Nil
EPS (Rs.)	2.54	-15	4.45	0.83
Return on Networth (%)	7%	-77%	19%	3%
Book value per Share (Rs.)	34.34	19.34	23.79	24.61

(**Source:** Based on the Audited Balance Sheet of AIL for the year ended March 31, 2008, March 31, 2009, March 31, 2010 and Limited Review for the period ended December 31, 2010)

The formulas are:
EPS = Profit after Tax / outstanding equity shares
Book Value per share = Net worth/ outstanding equity shares
Return on Net worth (%) = (Profit After Tax / Net worth)*100

Note: There is no change in the accounting policy in last 3 financial years:

Significant accounting policies of AIL:

1. Basis of preparation

a. Disclosure of Accounting Policies

The Financial Statements are prepared under the historical cost convention on the basis of going concern and in accordance with the Generally Accepted Accounting Principles in India and provisions of the Companies Act, 1956.

b. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known / materialized.

2. Inventories Valuation

a. Raw material, are valued at lower of the cost on FIFO basis including incidental expenses to bring the inventories to their present location and condition and estimated net realizable value after providing for cost of obsolescence and other anticipated losses, wherever considered necessary.

b. Packing Materials and Stores & Spares are valued at cost on FIFO basis.

c. Finished goods and work in process include cost, cost of conversion and other cost incurred in bringing the inventories to their present location and condition; and market realizable value whichever is lower. Trading goods are valued at cost on FIFO basis or market value whichever is lower. Bye products are valued at net realizable value.

d. The Company is mainly engaged in the export business, the closing stock at the year end is generally exported in the next year. Exports are being exempted from excise duty. Hence no provision for excise duty has been made in Profit & Loss Account and Finished goods are valued without adding therein excise duty. However the said liability if accounted would have no effect on the profit for the year.

3. Cash Flow Statement

Cash Flow Statement is prepared under “Indirect method”. The cash flow from operating, investing and financing activities of the Company is segregated.

4. Contingencies and Event occurring after the Balance Sheet Date

a. Assets and Liabilities are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.

b. Dividends which are proposed / declared by the Company after the Balance Sheet date but before the approval of the financial statements are adjusted.

5. Net Profit or Loss items and Changes in Accounting Policies

Significant items of Extra-ordinary items and Prior Period Incomes and Expenditure are accounted in accordance with Accounting Standard (AS-5).

6. Depreciation

a. Depreciation has been provided on Straight Line Method corresponding to the rates prescribed under Schedule XIV to the Companies Act, 1956.

b. Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realizable values.

7. Revenue Recognition

a. Sales are recognized when goods are supplied and are recorded net of trade discounts, rebates and sales taxes but include wherever applicable, excise duties, export incentives such as Duty Drawbacks and premiums on sale of Import Licenses.

b. Export benefits / incentives are accounted on accrual basis. Accordingly, estimated Export benefits against exports affected during the year are taken into Account as estimated incentives accrued till the end of the year. In case of License not revalidated after the date of expiry, the proportionate export benefit / incentive taken credit in earlier year(s) is written off in the year of expiry of Licenses and /or changes made by the Central Government during the year in the rate of tariff of Import Duty.

c. Incomes from services rendered are booked based on agreements/ arrangements with the concerned parties.

d. Interest on investments are booked on a time proportion basis taking into account the amounts invested and the rate of interest, adjusted against the relevant cost of the source of investment.

e. Dividend incomes on investments are accounted for when the right to receive the payment is established.

8. Fixed Assets

a. Fixed assets are stated at cost of acquisition or construction /erection (less accumulated depreciation). Cost of acquisition or construction is inclusive of purchase price, freight, and other incidental expenses related to acquisition and installation. And exclusive of VAT, Excise Duty etc. availed as per prevailing rules thereof. Interest incurred during the period of erection of Fixed Assets on Borrowing Finance for such fixed assets is capitalised.

b. Depreciation is provided on the straight line method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

c. Assets identified and evaluated technically as obsolete and held for disposal are stated at their estimated net realisable value.

d. Capital Work-in-process is stated in the assets schedule at the amount spent up to the date of the Balance Sheet. Pending completion of the project, no depreciation is provided on the same.

9. Accounting for the effects of changes in Foreign Currency Transaction

a. Transaction in foreign currency are recorded at the Exchange rate prevailing at the time of the transaction are effected.

b. Foreign Currency loans in respect of fixed assets are translated at exchange rate prevalent on the last date of accounting year. Any loss or gain arising due to foreign exchange fluctuation of the foreign currency loan of fixed assets outstanding on the last day of the year is charged to profit & loss account for the same year.

c. Current assets and liabilities in foreign currency outstanding at the close for the year ended are valued at exchange rate at the close of the year ended. The loss or gain due to fluctuation of exchange rates is charged to Profit & Loss Account. Treatment of Forward Contract Transactions are dealt with as per AS – 11.

10. Accounting for Government Grants

Government grants are recognized when there is reasonable assurance that the same will received. Government grants relating to revenue are recognized on accrual and are shown under other income. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets and other Capital grants are treated as Capital Reserve.

11. Accounting for Investments

Investments are classified into current investments and long term investments, current investments are valued scrip wise, at cost or net realizable value, whichever is lower. Long-term investments are valued at cost.

12. Employee Benefits

a. Defined Contribution Plan

Provident Fund and Employee State Insurance Fund are defined contribution Scheme and the contributions are charged to Profit and Loss Account of the year when the contributions to the respective funds are due.

b. Defined Benefit Plan

Gratuity liability for eligible employees are defined benefit obligation and are provided for on the basis of an actuarial valuation at the end of the each financial year.

13. Borrowing Cost
Borrowing cost that is attributable to the acquisition or construction of qualifying assets are capitalized for the period until the asset is ready for its intended use. All other borrowing costs are charged to revenue.

14. Segment Reporting

The Company has only one main reportable segment i.e. Dyes – Intermediates.

15. Related Party Disclosure

Transactions with Key Managerial Personnel and Related Parties as defined under Accounting Standard, other than Independent Non- Executive Directors is disclosed as “Related Party Transactions” in the Notes to Accounts.

16. Leases

Rentals are expensed with reference to lease terms and other considerations.

17. Earning Per Share

The Basic and Diluted Earnings Per Share (EPS) is computed by dividing the net profit after tax for the year by weighted average number of equity shares outstanding during the year.

18. Tax on Income

a. Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period.

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

19. Intangible Assets

Intangible assets are stated at cost less accumulated amortization.

20. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exits, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the profit and loss account.

21. Provisions, Contingent Liabilities and Contingent Assets

a. The provisions are recognized and measured by using a substantial degree of estimation.

b. Contingent Liabilities

Disputed liabilities and claims against the Company including claims raised by fiscal authorities (e.g. Sales Tax, Value Added Tax, Income Tax, Excise etc.) pending in appeal / Court for which no reliable estimate can be made of the amount of the obligation or which are remotely poised for crystallization are not provided for in accounts but disclosed in Notes to Accounts. However the amount aggregating to Rs.79.31 lacs is involved in various disputes.

c. Contingent Assets are neither recognized nor disclosed.

22. Accounting of Derivative Financial Instruments

Presently, the Company is not engaged in Derivative Financial Instruments. However, for derivative contracts, premium paid and gains/losses on settlement will be charged to Profit and Loss Account. Losses arising on the restatement of the outstanding derivative contracts as at the year end by marking them to market will be charged to the Profit and Loss Account.

Comparison and Reasons for fall/rise in total income and profit after tax:

Financial Year 2008-09 vis-à-vis Financial Year 2007-08

The total income of the Target Company during the Financial Year 2008-09 was Rs. 5308.37 lacs as compared to Rs. 5068.76 lacs during the Fnancial Year 2007-08. The increase in the turnover was due to marginal increase in the activity. The Company suffered Loss for the Financial Year 2008-09 of Rs. (509.63) lacs as compared to Profit After Tax of Rs. 193.27 lacs for the financial 2007-08. The loss can be attributed to recession during the year and also a high degree of volatility in the prices of raw materials as well as the products of the Company. Also the demand of the product had crashed from the third quarter of the year.

Financial Year 2009-10 vis-à-vis Financial Year 2008-09

The total income of the Target Company during the Financial Year 2009-10 was Rs. 8277.19 lacs as compared to Rs. 8308.37 lacs during the Financial Year 2008-09. The Profit After Tax for the Financial Year 2009-10 was Rs. 152.02 lacs as compared to Loss of Rs. (509.63) lacs for the Financial Year 2008-09. There was an increase of total income as well as of profit. The increase in the total income was due to increase in export turnover of the Company from Rs. 4,965.23 lacs in 2008-09 to Rs. 7,020.17 lacs in 2009-10. The increase in exports has contributed to increase in profits as well.

6.19 Pre and Post- Offer Share Holding Pattern of "AIL" as on the date of Letter of Offer:

Shareholders Category	Shareholding & voting rights prior to entering into SSA for preferential allotment and offer		Shares / voting rights agreed to be acquired pursuant to SSA for Prefrential Allotment which triggered off the Regulations.		Shareholding & voting rights post preferential allotment		Shares/ voting rights to be acquired in open offer (Assuming full acceptances)		Share holding / voting rights after the allotment of shares on preferential basis and offer.	
	(A)		(B)		(C)		(D)		E = C+D	
	No.	%	No.	%	No.	%	No.	%	No.	%
1. Promoter Group										
a) Parties to SSA										
1 Mrs. Paru M. Jaykrishna	8,53,271	25.08	7,75,000	15.64*	16,28,271	32.88	4,95,285+	10+	21,23,556	42.88
2. Mr. Gokul M. Jaykrishna	4,31,843	12.69	3,87,500	7.83*	8,19,343	16.54	2,47,642+	5+	10,66,985	21.54
3. Mr. Munjal M. Jaykrishna	4,31,127	12.67	3,87,500	7.83*	8,18,627	16.53	2,47,643+	5+	10,66,270	21.53
Total	**17,16,241**	**50.44**	**15,50,000**	**31.3**	**32,66,241**	**65.95**	**9,90,570+**	**20+**	**42,56,811**	**85.95**
b) Promoters other than 'a' above	**3,23,922**	**9.52**	Nil	Nil	**3,23,922**	**6.54**			**3,23,922**	6.54
Total (1) (a+ b)	**20,40,163**	**59.95**	Nil	Nil	**35,90,163**	**72.49**			**45,80,733**	**92.49**
2. Acquirers	Same as above		Nil	Nil						
a. Main Acquirers:										
b PACs										
Total 2 (a+b)		--	--	--			--	--	--	--
Total (2) (a+ b)	**N.A**									
3. Parties to Agreement other than 1 (a) & 2 above	N.A	--	--	--			--	--	--	--
4. Public (other than parties to agreement, acquirers & PACs)										
a) FI s / MF s/ FI s / Banks, SFI s (indicate names)	5,500	0.16	Nil	Nil	5,500	0.11	Nil	Nil		
b) Others	13,57,187	39.88			13,57,187	27.40	Nil	Nil		
Total (4) (a + b)	**13,62,687**	**40.05**	**Nil**	**Nil**	**13,62,687**	**27.51**	**Nil**	**Nil**	**3,72,117**	**7.51**
Grand Total (1+2+3+4)	**34,02,850**	**100**	**15,50,000**	**31.3**	**49,52,850**	**100**	**9,90,570**	**20**	**49,52,850**	**100**

Note:

*% of expanded Equity Share Capital after Preferential Allotment

+ % of expanded Equity Share Capital after Preferential Allotment

There are 4,792 shareholders under the public category as on the date of PA

6.20 Change in Equity Shareholding of Promoter Group and Status of Compliance:

Date of transaction (allotment / purchase / transfer	Opening Balance - Promoter group	Opening Capital (No. of shares)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum /IPO/FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital (No. of shares)	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Percentage of inter se Transfers	Applicable regulations of SEBI(SAST) Regulations	Compliance status with SEBI(SAST) Regulations and other applicable regulations
1989-90														
5.7.1989	0	0	0	Paru Jaykrishna	1	Subscribers to MOA	-	2	1	50%	50%			SEBI (SAST) Regulations compliances not applicable. Complied with other statutory requirements.
15.2.1990	1	2	50%	Paru Jaykrishna	3686	Private Placement	-	8688	3687	42.44%	-7.56%			
10.3.1990	3687	8688	42.44%	Paru Jaykrishna	4000	Private Placement	-	12688	7687	60.58%	18.15%			
1990-91														
5.6.1990	7687	12688	60.58%	Paru Jaykrishna	850	Private Placement	-	15658	10657	68.06%	7.48%			SEBI (SAST) Regulations compliances not applicable. Complied with other statutory requirements.
				Gokul M Jaykrishna	1220	Private Placement	-							
				Munjal M Jaykrishna	900	Private Placement	-							
30.6.1990	10657	15658	68.06%	Paru Jaykrishna	388	Private Placement	-	17146	12145	70.83%	2.77%			
				Gokul M Jaykrishna	250	Private Placement	-							
				Munjal M Jaykrishna	850	Private Placement	-							
30.8.1990	12145	17146	70.83%	Gokul M Jaykrishna	280	Private Placement	-	17426	12425	71.30%	0.47%			
15.12.1990	12425	17426	71.30%	Paru Jaykrishna	4000	Private Placement	-	21500	16425	76.40%	5.09%			
1991-92														
17.8.1991	16425	21500	76.40%	Paru Jaykrishna	1	Purchase	-	21500	16426	76.40%	0.00%			SEBI (SAST) Regulations compliances not applicable. Complied with other statutory requirements.
30.10.1991	16426	21500	76.40%	Paru Jaykrishna	677	Private Placement	-	22300	17171	77.00%	0.60%			
				Gokul M Jaykrishna	34	Private Placement	-							
				Munjal M Jaykrishna	34	Private Placement	-							
On December 6, 1993, the Face Value of Rs. 100 was reduced to Rs. 10. Therefore, the no. of shares after subdivision were 17840 for both Mr.Gokul Jaykrishna & Mr. Munjal Jaykrishna and 136030 for Mrs. Paru Jaykrishna														

Date of transaction (allotment / purchase / transfer	Opening Balance - Promoter group	Opening Capital (No. of shares)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum /IPO/FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital (No. of shares)	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Percentage of inter se Transfers	Applicable regulations of SEBI(SAST) Regulations	Compliance status with SEBI(SAST) Regulations and other applicable regulations
1993-94														
10.2.1994	171710	223000	77.00%	Radhika G Jaykrishna	100	Inter se Transfer	-	223000	171510	76.91%	-0.09%			SEBI (SAST), Regulations compliances not applicable. Complied with other statutory requirements.
				Paru Jaykrishna	-	Inter se Transfer	-100							
				Paru Jaykrishna	-	Off Market	-200							
16.2.1994	171510	223000	76.91%	Radhika G Jaykrishna	215	Bonus	-	702450	540256	76.91%	0.00%			
				Paru Jaykrishna	291819	Bonus	-							
				Gokul M Jaykrishna	38356	Bonus	-							
				Munjal M Jaykrishna	38356	Bonus	-							
1994-95														
19.8.1994	540256	702450	76.91%	Paru Jaykrishna	302300	IPO	-	3402850	1265984	37.20%	-39.71%			Complied with SEBI Regulations
				Gokul M Jaykrishna	211714	IPO	-							
				Munjal M Jaykrishna	211714	IPO	-							
1996-97														
23.9.1996	1265984	3402850	37.20%	Gokul M Jaykrishna	20000	Off Market	-	3402850	1305984	38.38%	1.18%			Complied with SEBI (SAST) Regulations
				Munjal M Jaykrishna	20000	Off Market	-							
2.12.1996	1305984	3402850	38.38%	Paru Jaykrishna	20000	Off Market	-	3402850	1325984	38.97%	0.59%			Non Compliance of Regulation 11(2) of SEBI (SAST) Regulation, 1994
25.3.1997	1325984	3402850	38.97%	Radhika G Jaykrishna	78500	Inter se Transfer	-	3402850	1325984	38.97%	0.00%	2.31%	Regulation 3 (1) (3) and 3(1)(4) Report Filed on 8-7-2011	Note 1
				Paru Jaykrishna	-	Inter se Transfer	-78500							
27.3.1997	1325984	3402850	38.97%	Paru Jaykrishna	60000	Off Market	-	3402850	1385984	40.73%	1.76%			Note 1
27.3.1997	1385984	3402850	40.73%	Gokul M Jaykrishna	-	Inter se	-184000	3402850	1385984	40.73%	0.00%	5.41%	Regulation 3 (1)	Note 1

Date of transaction (allotment / purchase / transfer	Opening Balance - Promoter group	Opening Capital (No. of shares)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum /IPO/FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital (No. of shares)	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Percentage of inter se Transfers	Applicable regulations of SEBI(SAST) Regulations	Compliance status with SEBI(SAST) Regulations and other applicable regulations
						Transfer							(3) and 3(1)(4) Report filed on 8-7-2011	
				Munjal M Jaykrishna	184000	Inter se Transfer	-							
1.4.1996 - 31.3.1997	1385984	3402850	40.73%	Intercon Finance Pvt. Ltd.	32600	Various Purchases through Open Market	-	3402850	1418584	41.69%	0.96%			Note 1
Total											**4.48%**			
1997-98														
1.4.1997	1418584	3402850	41.69%	Radhika G Jaykrishna	91500	Inter se Transfer	-	3402850	1418584	41.69%	0.00%	3.97%		Note 1
				Munjal M Jaykrishna	43500	Inter se Transfer	-							
				Paru Jaykrishna	-	Inter se Transfer	-135000							
23.4.1997	1418584	3402850	41.69%	Paru Jaykrishna	41564	Purchase	-	3402850	1458548	42.86%	1.17%		Total 3.89% (1.76+0.96+1.17), Period of 12 months from 21.2.1997 to 27.10.1998 limit 2% complied with Regulation 7(1)	Note 1
					-	Sold	-1600							
1.1.1998	1458548	3402850	42.86%	Paru Jaykrishna	152657	Inter se Transfer	-	3402850	1458548	42.86%	0.00%	5.79%	Regulation 3 (1)(3) and 3(1)(4) Report Filed on 8-7-2011.Complied with Regulation 7(1)	Note 1
				Gokul M Jaykrishna	44398	Inter se Transfer	-							
				Munjal M Jaykrishna	-	Inter se Transfer	-197055							

Date of transaction (allotment / purchase / transfer	Opening Balance - Promoter group	Opening Capital (No. of shares)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum /IPO/FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital (No. of shares)	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Percentage of inter se Transfers	Applicable regulations of SEBI(SAST) Regulations	Compliance status with SEBI(SAST) Regulations and other applicable regulations
1.4.1997-31.3.1998	1458548	3402850	42.86%	Intercon Finance Pvt. Ltd.	81000	Various Purchases through Open Market	-	3402850	1539548	45.24%	2.38%		Total 3.41% (2.38+1.03), Period of 12 months from 21.2.1997 to 27.10.1998 limit 2% and from 28.10.1998-23.10.2001 limit of 5%. Thus Non Compliance u/r 11(1) as it exceeds the limit of 2%	Non compliance of Regulation 11(1)
Total											**3.55%**			
1998-99														
1.4.1998-31.3.1999	1539548	3402850	45.24%	Intercon Finance Pvt. Ltd.	35000	Various Purchases through Open Market	-	3402850	1574548	46.27%	1.03%			Complied with SEBI (SAST) Regulations
Total											**1.03%**			
1999-2000														
17.9.1999	1574548	3402850	46.27%	Radhika G Jaykrishna	-	Inter se Transfer	-170000	3402850	1574548	46.27%	0.00%	5.00%	Regulation 3 (1) (3) and 3(1)(4) Report Filed on 8-7-2011	With respect to the disclosure filed under Regularization Scheme, 2002, 1,70,000 shares transferred from Mrs. Radhika Jaykrishna to Mr. Gokul Jaykrishna on 17.9.1999 were
				Gokul M Jaykrishna	170000	Inter se Transfer	-							
Total											**0.00%**			

Date of transaction (allotment / purchase / transfer	Opening Balance - Promoter group	Opening Capital (No. of shares)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum /IPO/FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital (No. of shares)	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Percentage of inter se Transfers	Applicable regulations of SEBI(SAST) Regulations	Compliance status with SEBI(SAST) Regulations and other applicable regulations
														inadvertently reported under Regulation 8(3) as on 31.3.1999
2000-01														
22.6.2000	1574548	3402850	46.27%	Paru Jaykrishna	56400	Open Market	-	3402850	1630948	47.93%	1.66%		During the year 1-4-2000 to 31-03-2001 Mrs. Paru Jaykrishna and Intercon Finance Limited acquired 179900 shares which is in excess of limits under Regulation 11(1) Not complied	Mrs. Paru Jaykrishna had purchased 56,400 shares from Open Market on 22.6.2000, which inadvertently had not been reported in the disclosure filed under the Regularization Scheme, 2002 as on 31.3.2000
1.4.2000-31.3.2001	1630948	3402850	47.93%	Intercon Finance Pvt. Ltd.	123500	Various Purchases through Open Market	-	3402850	1754133	51.55%	3.62%			
31.3.2001				Radhika G Jaykrishna	-	Open Market	-315							
											5.28%			

Date of transaction (allotment / purchase / transfer	Opening Balance - Promoter group	Opening Capital (No. of shares)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum /IPO/FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital (No. of shares)	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Percentage of inter se Transfers	Applicable regulations of SEBI(SAST) Regulations	Compliance status with SEBI(SAST) Regulations and other applicable regulations
2001-02														
1.4.2001-31.3.2002	1754133	3402850	51.55%	Intercon Finance Pvt. Ltd.	23200	Various Purchases through Open Market	-	3402850	1777333	52.23%	0.68%		Sub Regulation 7(1A) was inserted by SEBI (SAST) (Third Amendment) Reg., 2001 w.e.f 24.10.2001 "which requires disclosure of pre and post acqisition of shareholding and voting rights to the company when such acquisition aggregates to 5% & 10% of the voting rights	Reporting u/r 7(1A) was made to the company as on 31-03-2002 total holding of Intercon Finance Pvt Limited was (32600+81000+123500+23200+200) =260500 being 7.65%
Total											**0.68%**			
2002-03														
25.3.2003	1777333	3402850	52.23%	Gokul M Jaykrishna	28300	Off Market	-	3402850	1833933	53.89%	1.66%			Complied with SEBI (SAST) Regulations
				Munjal M Jaykrishna	28300	Off Market	-							
Total											**1.66%**			
2003-04														
15.11.2003	1833933	3402850	53.89%	Paru Jaykrishna	7901	Open Market	-	3402850	1841834	54.13%	0.23%		Regulation 7(1A) of SEBI (SAST)	Not Complied with Regulation 7(1A) of SEBI (SAST)
2.2.2004	1841834	3402850	54.13%	Gokul M Jaykrishna	375	Off Market	-	3402850	1842584	54.15%	0.02%			

Date of transaction (allotment / purchase / transfer	Opening Balance - Promoter group	Opening Capital (No. of shares)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum /IPO/FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital (No. of shares)	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Percentage of inter se Transfers	Applicable regulations of SEBI(SAST) Regulations	Compliance status with SEBI(SAST) Regulations and other applicable regulations
				Munjal M Jaykrishna	375	Off Market	-						Regulations	Regulations
1.4.2003 - 31.3.2004	1842584	3402850	54.15%	Intercon Finance Pvt. Ltd.	111699	Various Purchases through Open Market	-	3402850	1954283	57.43%	3.28%			
Total											**3.54%**			
2004-05														
1.4.2004 - 31.3.2005	1954283	3402850	57.43%	Intercon Finance Pvt. Ltd.	62070	Various Purchases through Open Market	-	3402850	2016353	59.25%	1.82%		Not complied with Regulation 11(2) of SEBI (SAST Regulations	Intercon (Promoter) acquired 62070 shares in 2004-05 wherein certain purchases were made after 31.12.2004 However, as explained by the Acquirers this was an inadvertent mistake which occured owing to the ignorance of the Amendment whereby the threshold limit for consolidation of holdings was reduced to 55% from the earlier allowed limit of 75%
Total											**1.82%**			
2005-06														
1.4.2005 - 31.3.2006	2016353	3402850	59.25%	Intercon Finance Pvt. Ltd.	32600	Various Purchases through Open Market	-	3402850	2048953	60.21%	0.96%		11(1) (2)	Non compliance of Regulation (11) (2)
Total											**0.96%**			

Date of transaction (allotment / purchase / transfer	Opening Balance - Promoter group	Opening Capital (No. of shares)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum /IPO/FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital (No. of shares)	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Percentage of inter se Transfers	Applicable regulations of SEBI(SAST) Regulations	Compliance status with SEBI(SAST) Regulations and other applicable regulations
2006-07														
1.4.2006-31.3.2007	2048953	3402850	60.21%	Intercon Finance Pvt. Ltd.	-	Various Sale through Open Market	-177947	3402850	1871006	54.98%	-5.23%		Sale For this 7(1A) has been filed thus complied	divested shares after knowing that inadvertently crossed the limits u/r 11(1)
31.3.2007 (Acquired in 1997)	1871006	3402850	54.98%	Skyjet Aviation P. Ltd.	200	Open Market	-	3402850	1871206	54.99%	0.01%			Skyjet holding shares since 1997. In view of redefining the promoter/ Promoter group in 2007 skyjet has been shown as Promoter w.e.f 2007
Total											**-5.22%**			Sale only. Reported under Reg 7(1A)
2008-09														
22.1.2009	1871206	3402850	54.99%	Gokul M Jaykrishna	350	Open Market	-	3402850	1871556	55.00%	0.01%		Complied with Proviso to Regultaion 11 (2) of SEBI (SAST) Regulations 1997 as acquirers are excercising the benefit of acquisition of additonal 5% as per SEBI (SAST) amendment dated 31-	Mr. Munjal Jaykrishna acquired 7097 & Mr. Gokul Jaykrishna acquired 7900 shares from open market in the year 2008-09. However the said shares have inadvertently not been considered while filing the disclosure under Regulation 8 (3),
23.1.2009	1871556	3402850	55.00%	Munjal M Jaykrishna	719	Open Market	-	3402850	1872275	55.02%	0.02%			
27.1.2009	1872275	3402850	55.02%	Gokul M Jaykrishna	1100	Open Market	-	3402850	1873375	55.05%	0.03%			
28.1.2009	1873375	3402850	55.05%	Gokul M Jaykrishna	2550	Open Market	-	3402850	1875925	55.13%	0.07%			
29.1.2009	1875925	3402850	55.13%	Munjal M Jaykrishna	401	Open Market	-	3402850	1876326	55.14%	0.01%			
30.1.2009	1876326	3402850	55.14%	Munjal M Jaykrishna	877	Open Market	-	3402850	1877203	55.17%	0.03%			
2.2.2009	1877203	3402850	55.17%	Gokul M Jaykrishna	2300	Open Market	-	3402850	1879503	55.23%	0.07%			
3.2.2009	1879503	3402850	55.23%	Munjal M Jaykrishna	5100	Open Market	-	3402850	1884603	55.38%	0.15%			
4.2.2009	1884603	3402850	55.38%	Gokul M Jaykrishna	1600	Open Market	-	3402850	1886203	55.43%	0.05%			
Total											**0.44%**			

Date of transaction (allotment / purchase / transfer	Opening Balance - Promoter group	Opening Capital (No. of shares)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum /IPO/FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital (No. of shares)	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Percentage of inter se Transfers	Applicable regulations of SEBI(SAST) Regulations	Compliance status with SEBI(SAST) Regulations and other applicable regulations
													10-2008 under regulation 11(2)	filed as on 31.3.2009.
2009-10														
27.4.2009	1886203	3402850	55.43%	Gokul M Jaykrishna	15000	Open Market	-	3402850	1916203	56.31%	0.88%		Complied with Proviso to Regultaion 11 (2) of SEBI (SAST) Regulations 1997 as acquirers are excercising the benefit of acquisition of additonal 5% as per SEBI (SAST) amendment dated 31-10-2008 under regulation 11(2)	
				Munjal M Jaykrishna	15000	Open Market	-							
28.4.2009	1916203	3402850	56.31%	Gokul M Jaykrishna	15000	Open Market		3402850	1946203	57.19%	0.88%			
				Munjal M Jaykrishna	15000	Open Market								
29.4.2009	1946203	3402850	57.19%	Gokul M Jaykrishna	6750	Open Market		3402850	1959703	57.59%	0.40%			
				Munjal M Jaykrishna	6750	Open Market								
14.10.2009	1959703	3402850	57.59%	Gokul M Jaykrishna	900	Open Market		3402850	1960603	57.62%	0.03%			
15.10.2009	1960603	3402850	57.62%	Gokul M Jaykrishna	759	Open Market		3402850	1962041	57.66%	0.04%			
				Munjal M Jaykrishna	679	Open Market								
22.10.2009	1962041	3402850	57.66%	Gokul M Jaykrishna	144	Open Market		3402850	1962185	57.66%	0.00%			
27.10.2009	1962185	3402850	57.66%	Gokul M Jaykrishna	550	Open Market		3402850	1963735	57.71%	0.05%			
				Munjal M Jaykrishna	1000	Open Market								
28.10.2009	1963735	3402850	57.71%	Gokul M Jaykrishna	1109	Open Market		3402850	1965844	57.77%	0.06%			
				Munjal M Jaykrishna	1000	Open Market								
29.10.2009	1965844	3402850	57.77%	Gokul M Jaykrishna	1000	Open Market		3402850	1967014	57.80%	0.03%			
				Munjal M Jaykrishna	170	Open Market								
4.11.2009	1967014	3402850	57.80%	Gokul M Jaykrishna	1000	Open Market		3402850	1968908	57.86%	0.06%			
				Munjal M Jaykrishna	894	Open Market								
5.11.2009	1968908	3402850	57.86%	Munjal M Jaykrishna	123	Open Market		3402850	1969031	57.86%	0.00%			
6.11.2009	1969031	3402850	57.86%	Munjal M Jaykrishna	600	Open Market		3402850	1969631	57.88%	0.02%			

Date of transaction (allotment / purchase / transfer	Opening Balance - Promoter group	Opening Capital (No. of shares)	Opening % holding - promoter group	Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum /IPO/FPO/Market Purchases/Preferential Allotment/Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	No of shares sold	Closing Capital (No. of shares)	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease in percentage holding - Promoter Group (+/- %)	Percentage of inter se Transfers	Applicable regulations of SEBI(SAST) Regulations	Compliance status with SEBI(SAST) Regulations and other applicable regulations
10.11.2009	1969631	3402850	57.88%	Gokul M Jaykrishna	500	Open Market		3402850	1970560	57.91%	0.03%			
				Munjal M Jaykrishna	429	Open Market								
11.11.2009	1970560	3402850	57.91%	Gokul M Jaykrishna	1135	Open Market		3402850	1972795	57.97%	0.07%			
				Munjal M Jaykrishna	1100	Open Market								
12.11.2009	1972795	3402850	57.97%	Gokul M Jaykrishna	500	Open Market		3402850	1973568	58.00%	0.02%			
				Munjal M Jaykrishna	273	Open Market								
13.11.2009	1973568	3402850	58.00%	Gokul M Jaykrishna	1000	Open Market		3402850	1975568	58.06%	0.06%			
				Munjal M Jaykrishna	1000	Open Market								
16.11.2009	1975568	3402850	58.06%	Gokul M Jaykrishna	938	Open Market		3402850	1977506	58.11%	0.06%			
				Munjal M Jaykrishna	1000	Open Market								
17.11.2009	1977506	3402850	58.11%	Gokul M Jaykrishna	400	Open Market		3402850	1978306	58.14%	0.02%			
				Munjal M Jaykrishna	400	Open Market								
18.11.2009	1978306	3402850	58.14%	Gokul M Jaykrishna	15000	Open Market		3402850	2008306	59.02%	0.88%			
				Munjal M Jaykrishna	15000	Open Market								
19.11.2009	2008306	3402850	59.02%	Gokul M Jaykrishna	15000	Open Market		3402850	2030788	59.68%	0.66%			
				Munjal M Jaykrishna	7482	Open Market								
23.11.2009	2030788	3402850	59.68%	Gokul M Jaykrishna	275	Open Market		3402850	2040163	59.95%	0.28%			
				Munjal M Jaykrishna	9100	Open Market								
Total											**4.52%**			

Apart from above, there has not been any change in shareholding of Promoter Group.

6.21 Status of Corporate Governance:

The Company has complied with the conditions of Corporate Governance as envisaged under clause 49 of the listing agreement, statutory auditors, Mr. Trushit Chokshi, proprietor of Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Membership No.40847) having office at 401, Shivam Complex, B/h Samartheshwar Mahadev, Off C.G. Road, Ellisbridge, Ahmedabad-380006 Ph. No. 079-26463003, Email:trushit@tcaca.com of the Company vide his certificate dated 28/08/2010 has certified compliance of conditions of corporate governance; this certificate is attached with annual report of the Target Company for the year ended March 31, 2010.

6.22 The promoters of the target company made an application dated 28th November 2007 under regulation 4(2) read with regulation 3(1)(i) of SEBI (SAST) Regulations 1997 for grant of exemption from complying under SEBI (SAST) Regulations 1997 pursuant to its plan to buyback its equity shares up to 9.45% of its total paid up equity capital and free reserves at a price not exceeding Rs. 22/- per share in terms of the provisions of section 77A 77AA of the Companies Act, 1956 and the provisions of Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998. Due to this Buyback offer, the voting rights of the promoters in the Target Company would increase from 54.99% to 63.47%, in case of 100% response to the said buyback offer.

SEBI vide its order dated 2nd June 2008 disposed the application not finding a fit case for the grant of exemption from complying with the provisions of the Takeover Regulations.

6.23 **Details of Pending Litigations filed by the Target Company are as follows**:
As per the information received from the target company, following litigations are pending by or against the target company:

Case related to the Company

Tax Cases

1. The Company has filed an appeal in the Income Tax Appellate Tribunal, Ahmedabad for the assessment year 2001-02 against the dismissal of the order passed by the C.I.T. (Appeals) order dated 30.12.2010 dismissing the appeal of the Company filed against the Assessing Officer disallowing deduction u/s. 80HHC. The Company has also objected the rectification notice issued by the Assessing Officer dated 16/08/2010 in respect of disallowance of MAT credit of Rs. 19,28,086/-. The total of the disputed demand amount is to the tune of amount Rs. 26,80,821/-.

2. The Commissioner of Income Tax – I, Ahmedabad has filed an appeal in the High Court of Gujarat, Ahmedabad for the assessment year 2003-2004 against the order dated 21/04/2008 passed by the Income Tax Appellate Tribunal, Ahmedabad, in which the Income Tax Appellate Tribunal has allowed the appeal in favour of the Company, for the statistical purpose, the disputed tax amount comes to Rs. 44,27,234/-.

3. The Company has objected the show cause notice dated 14/02/2011 by the Assessing Officer issued for the assessment year 2004-05 in respect of the order of Income Tax Appellate Tribunal, Ahmedabad by way of miscellaneous application filed by the revenue for rectification arising out in the order of tribunal. The Company has given detail reply objecting the disallowance. The amount of tax involved in the matter amounts to Rs. 2,82,797/-.

Indirect tax Cases

1. The Company has filed an appeal before the Gujarat Sales tax Tribunal for the period 1997-98, regarding disallowance of setoff under Rule 42, of Rs. 129,951/-.

2. The Company has filed an appeal before the Dy. Commercial Tax Commissioner (Appeal), for the period 2004-05, regarding disallowance of the consignment sale of DEPB licence against Form F, amount to Rs. 1,847,880/-.
3. The Company has filed an appeal at Commissioner of Central Excise. Ahmedabad-III on December 2009 dispute against availing CENVAT credit amounting to Rs. 462,642/-

4. The Commissioner of Central Excise, Ahmedabad – III has filed an appeal with Customs, Excise & Service Tax Appeallate Tribunal, Ahmedabad vide appeal no. E/494/2011 against the order passed by the Office of the

Commissioner of Central Excise, Ahmedabad dated 04.10.2010 vide order no. 38/ADC(SC)/2010. The amount of CENVAT involved is for Rs. 13,69,722/-.

Others

1. The Gujarat Pollution Control Board has filed criminal case before Judicial Magistrate, Kadi under section 25 along with section 44 of Water Pollution Treatment and Control no. 932/92 against the Company in the Kadi Court for not treating the Hazardous chemical before releasing into the water. The hearing is pending.

2. The Gujarat Pollution Control Board had filed criminal case no. 640/97 against the Company in the Kadi court for alleged discharge of hazardous waste. The Kadi Court has passed an order against Aksharchem (India) Limited and Mr. Munjal M. Jaykrishna on September 17, 2004. Aksharchem (India) Limited and Mr. Munjal M. Jaykrishna filed an appeal before the Sessions Court, Mehsana on December 13, 2004. The Session Court, Mehsana upheld the order of Kadi Court vide its order dated January 25, 2006. Aksharchem (India) Limited and Mr. Munjal M. Jaykrishna filed an appeal against the order of the Session Court, Mehsana before the Gujarat High Court on April 24, 2006. The appeal is pending disposal before the Gujarat High Court.

Cases related to acquirer and their Company

Cases filed against Asahi Songwon Colors Limited (ASCL)

1. Asahi Songwon Colors Limited (erstwhile Lucky Laminates Private Limited) has received a show cause notice from the Assistant collector of Customs and Central Excise, Rural Division, Paldi, Ahmedabad, dated November 9, 1993, in respect of classification of laminate sheets in the tariff schedule. The approximate amount involved in this case is Rs. 1,26,404/-. The Company has responded to the show cause notice and matter is pending.

2. Asahi Songwon Colors Limited has received a show cause notice from the Asst. Commissioner of Service Tax, Vadodara, dated October 30, 2006, in respect of service tax of Rs. 305,459/-, on payment of technical know how fees. The Company has responded and matter is pending.

3. Asahi Songwon Colors Limited has received a notice dated June 23, 2006, from the advocate of a worker claiming workmen compensation of Rs. 2,00,000/- for the injury caused while working on machines. The Company is negotiating on a mutual settlement.

4. The worker has filed an appeal against the company for wrongful termination of service in the Case no. ref (LCK) 381/04 labour Court, Kalol. The approximate amount involved in this case is not quantifiable. The appeal for reinstatement of service is pending.

5. A claim has been filed before the Motor Accident Claims tribunal MACT/2006/794, for the claim of insurance amount of Rs. 100,000/-, in which ASCL is one of the parties as the vehicle was used by our Company during the accident.

6. Factory Inspector has filed an appeal against the Company for a fatal accident of a worker vide case no. 2343 / 09 in Padra Court, Vadodara, Asahi Songwon Colors Limited has received the workman compensation from the Insurance Company and pending for settlement.

7. Factory Inspector has filed an appeal against the Asahi Songwon Colors Limited for burn case of six workers vides case no. 324 / 10 in Padra Court, Vadodara. The said case is pending in the court.

8. A show cause notice dated October 4, 2006, have been received by the Asahi Songwon Colors Limited from the Gujarat Pollution Control Board, for emission from stack attached to reaction vessel not meeting the norms. Asahi Songwon Colors Limited has filed a reply to the notice vide letter dated October 17, 2006 of having rectified the system and emission level of Chlorine.

9. The Joint director General of Foreign trade, Ahmedabad, has issued a defaulter circular no. 587/AM02 dated February 1, 2002, for not producing evidence of fulfilling the export obligations under the advance licence. The approximate amount involved in this case is Rs. 81,735/-.

10. Asahi Songwon Colors Limited has received demand notice issued under section 28 of the Customs Act, 1962 from the Office of the Commissioner of Customs (Import) New Custom House, Ballard Estate Mumbai 400001 on February 19, 2007 for attending the personal hearing pertaining to import of pigment green press cake vide B/E No. 000466 dated February 13, 2003 IGM No. 13049 dated January 20, 2003. The issue was concerning

the pigment green 7 (Press Cake Lot. No. 00106 & 00107 exported to USA which was rejected on the ground of quality by our customer and we were supposed to re-export the same within 6 months from the date of import. There may be a likely demand of approximate Rupees 1.50 lakhs due to failure to re-export the said goods in stipulated time. The matter is pending before Assistant Commissioner of Customs.

Income tax related cases by and against the ASCL

1. The Income Tax Department has filed an appeal in the High Court of Gujarat, Ahmedabad vide Tax appeal no. 1425/2007 against the order of Income Tax Appellate Tribunal, Ahmedabad relevant to assessment year 2001-2002, which has confirmed the order passed by CIT (Appeals) in deleting addition of Rs. 22,15,684/- being excise duty component to the closing stock made u/s 145A of the Act. The amount of demand involved is Rs. 13,02,030/-.

2. Asahi Songwon Colors Limited has filed an appeal in the High Court of Gujarat, Ahmedabad Tax Appeal No. 799 of 2011 against dismissal of appeal filed by the Company in the Income Tax Appellate Tribunal, Ahmedabad in respect of assessment year 2002-2003 for disallowance of deduction under Section 80HHC of Rs. 70,27,011/-.

3. Asahi Songwon Colors Limited has filed an appeal relevant to the assessment year 2003-2004 to the Income Tax Appellate Tribunal, Ahmedabad against the order of CIT (Appeals), Ahmedabad dated 24/09/2010 in respect of disallowance by the Assessing Officer deduction claim u/s 80HHC. The amount of tax involved to the tune of Rs. 16,07,120/-.

4. The Company has filed an appeal against the order of CIT (Appeal), Ahmedabad relevant to Assessment Year 2004-05 for dismissal of appeal by CIT (Appeal), Ahmedabad relating to disallowance of deduction u/s. 80HHC by the Assessing Officer. The Tribunal has set aside the matter to the Assessing Officer and the order of the Assessing Officer is yet to be received. The estimated amount of demand involved in this case is Rs. 37,33,099/-.

5. An appeal for the Assessment Year 2006-2007 was filed by the Company to CIT (Appeal), Ahmedabad against the order of Assessing Officer for disallowing exemption u/s 10B. The said appeal has been disallowed by CIT (Appeal) Ahmedabad. The Assessing Officer has issued a letter to the Company to show cause the levy of penalty u/s 271(c) of the Act. The matter is pending with Assessing Officer, if it is decided against the Company there can be an estimated demand of Rs. 1,51,555/-.

6. The Assessing Officer in the Assessment Year 2008-2009 has reduced the exemption u/s 10B claimed by the Company from Rs. 1,46,12,484/- to Rs. 83,26,535/-. The Company against this disallowance has filed an appeal to CIT (Appeal), Ahmedabad and the matter is pending with CIT (Appeal), Ahmedabad.

Cases involving Directors

Mrs. Paru M. Jaykrishna

The Gujarat Pollution Control Board has filed criminal case before Judicial Magistrate, Kadi under section 25 along with section 44 of Water Pollution Treatment and Control no. 932/92 against Aksharchem (India) Limited in the Kadi Court for not treating the Hazardous chemical before releasing into the water. The hearing is pending.

Mr. Munjal M. Jaykrishna

The Gujarat Pollution Control Board had filed criminal case no. 640/97 against Aksharchem (India) Ltd and Mr. Munjal M. Jaykrishna in the Kadi Court for alleged discharge of hazardous waste. The Kadi Court has passed an order against Aksharchem (India) Limited and Mr. Munjal M. Jaykrishna on September 17, 2004. Aksharchem (India) Limited and Mr. Munjal M. Jaykrishna filed an appeal before the Sessions Court, Mehsana on December 13, 2004. The Session Court, Mehsana upheld the order of Kadi Court vide its order dated January 25, 2006. Aksharchem (India) Limited and Mr. Munjal M. Jaykrishna filed an appeal against the order of the Session Court, Mehsana before the Gujarat High Court on April 24, 2006. The appeal is pending disposal before the Gujarat High Court.

6.24 **Compliance Officer:**
Mr. Saji Joseph
Compliance Officer
Address: 166-169, Village Indrad,
Kadi- Kalol Road, Dist: Mehsana- 382 727, Gujarat)
Tele: 91-2764 233 007-10 Fax: 91-2764 233 550,
E-mail cs@asahisongwon.com

6.25 As on date there are no shares which are issued and are required to be listed on ASE and BSE

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The Equity Shares of AIL are presently listed on the Bombay Stock Exchange Limited (BSE) and Ahmedabad Stock Exchange Limited ("ASE"). The annualized trading turnover during the preceding six calendar months ending March 2011 at the Stock Exchanges where the shares of AIL are listed is as follows:

Name of Stock Exchange	Total No. of Shares traded during the 6 calendar months prior to the month of PA (October 2010 to March 2011)	Total No. of Listed Shares	Trading turnover (in terms of % of total listed shares)	Annualized trading turnover (in terms of % of total listed shares)
BSE	63,352	34,02,850	1.86	3.72%
ASE	Nil	34,02,850	Nil	Nil

7.1.2 Based on the information available, as the annualized Trading turnover of the Equity shares of AIL is less than 5% of the total number of listed shares at BSE, therefore Equity shares of AIL are deemed to be infrequently traded at BSE within the meaning of Explanation (i) to Regulation 20 (5) of the SEBI (SAST) Regulations, 1997. The shares are deemed to be in-frequently traded on ASE within the meaning of explanation (i) to Regulation 20(5) of the Regulations, therefore the Offer Price has been determined taking into account the following parameters:

a.	Negotiated Price	NA	
b.	Price to be paid by the Acquirers for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of Public Announcement (Acquisition price to be paid by the Acquirers in proposed Preferential Issue)	18.50	
c.	Other Parameters	Audited Results for the year ended **March 31, 2010**	Reviewed for the Nine Months Period ended **December 31, 2010***
		(Pre Preferential Issue)	
	Return on Net worth (%)	18.78%	4.47%
	Book Value per share (Rs.)	23.79	24.61
	Earnings Per Share (Rs.)	4.45	0.83
	Industry Average P/E Multiple**	15.5	
	Price to Earning ratio with reference to offer price of Rs. 18.50 for fully paid up equity share	4.16	22.29

*Financials as certified by Auditors through a Limited Review

**(Source: Capital Market Journal Vol. XXVI/03, April 04-17, 2011, Industry - Chemicals)

As the shares of the 'Target Company' are deemed to be infrequently traded, the Acquirers have obtained a share valuation certificate dated April 14, 2011 from Mr. Trushit Chokshi, proprietor of Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Membership No.40847) having office at 401, Shivam Complex, B/h Samartheshwar Mahadev, Off C.G. Road, Ellisbridge, Ahmedabad-380006 Ph. No. 079-26463003, Email:trushit@tcaca.com. They have computed the fair value of equity shares of the Company on the basis of the decision of the Hon'able Supreme Court of India in the case of Hindustan Lever Employee Union v. Hindustan Lever Limited, (1995) (83 Comp Cases 30), with due regard to the erstwhile CCI Formula for valuation of shares and the fair value has been calculated at Rs. 17.94 taking weighted average of the following three methods

1. Net Asset Value Method - Value per Share under NAV Method – INR 24.61

2. Profit Earning Capacity Value (PECV) Method - Value per share under PECV Method – INR 15.34

3. Market Value Method- Value per share under Market value method – INR 17.20

For calculating per share value with reference to the Market Value, Average Price of Weekly High & Low of the Closing Prices quoted on the Bombay Stock Exchange Limited during the last six months preceding the relevant date (10-Apr-2011) of the Company's share as per the BSE has been considered, which comes to Rs 17.20 per share

Considering the Supreme Court's Decision in the case of Hindustan Lever Employees Union Vs. Hindustan Lever Limited (1995) reported at (83 Company Cases 30) wherein the Apex Court has opined that the fair value of a Listed Company could be assessed based on the following weights:

Valuation Method	Value per Share (INR)	Weight age	Weighted Value per Share (INR)
Book Value Method	24.61	1	24.61
PECV Method	15.34	2	30.68
Market Price Method	17.20	2	34.40
Weighted Value per Share (INR)			**17.94**

Therefore, in the case under reference, the fair value per share is Rs. 17.94 per share.

Extracts of Valuation Report dated April 14, 2011 from Mr. Trushit Chokshi, proprietor of Trushit Chokshi & Associates, Chartered Accountants

Fair Value of the shares has been determined vide valuation report dated April 14, 2011 from Mr. Trushit Chokshi, proprietor of Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Membership No.40847) having office at 401, Shivam Complex, B/h Samartheshwar Mahadev, Off C.G. Road, Ellisbridge, Ahmedabad-380006 Ph. No. 079-26463003, Email:trushit@tcaca.com., taking into account the above parameters and by placing reliance on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employee Union v. Hindustan Lever Limited, (1995) (83 Comp Cases 30), and with due respect to the erstwhile CCI Formula for valuation of shares. The fair value of equity share of AIL is **Rs. 17.94** per fully paid up share.
Justification for Fair Value of Rs. 17.94 per fully paid up share (Extracts of valuation report dated April 14, 2011 issued by M/s. Trushit Chokshi & Associates, Chartered Accountants)

Fair Value has been arrived at by taking into consideration three methods which are as follows:

1. Net Asset Method

Valuation of the shares of M/s. Aksharchem India Limited under this method is arrived at by determining the Net Worth on the basis of the Limited Review Report of financial results of the company as on 31st December 2010 as certified by auditor. Under this Method of Valuation, from the realizable value of assets, the amount of loan and other liabilities are deducted. The value per share as per Net Asset value Method is **Rs. 24.61.**

Particulars	December 31, 2010 (Rs in Lacs.)
Equity Share Capital	340.29
Reserves and Surplus	497.31
Net Worth	**837.6**
Number of Shares	34,02,850
Book Value per Share (Rs)	**24.61**

2. Profit Earning Capacity Value Method (PECV)

Under this method, the averages after tax profits of the past years are capitalized at an appropriate rate to arrive at value of shares. Based on the Audited balance sheet for the past three years, the average profit of the company has been computed. The value per share as per PECV method is **Rs.15.34.**

(Rs In lacs)

Particulars	31-Mar 2007	31-Mar 2008	31-Mar 2009	31-Mar 2010	31-Mar 2011 Annualised
PAT	4.84	118.84	(509.63)	152.02	37.43
Avg. PAT	78.29				
Capitalisation Rate For Mfg. Companies	15%				
Business Value	521.93				
Nos. of shares	34,02,850				
Values Per Share (Rs)	**15.34**				

Note: As per CCI guidelines we have omitted PAT for year 2009 in calculating Avg PAT due to Loss

3. Valuation under Market Price Method

This method evaluated the value on the basis of price quoted on the stock exchange. Average of quoted price is considered as indicative of the value perception of the company by investors operating under free market conditions. The average of such Market Price could be taken on a simple or weighted average basis taking into consideration the value and the volume of the transactions taken place on the stock exchange.

This method is important for the valuer as the secondary Equity Market is not only a reflection of the fair value of the concern, but also of the other market information to know the perception of the market prevailing during the span of the time for which the price of the share is evaluated by him.

As per the SEBI guidelines for takeover, Market Price of the company should be taken at higher of:-

(i) Average of the weekly high and low of the closing prices of the shares of the company as quoted on the stock exchange where the shares of the company are most frequently traded during the preceding twenty-six weeks preceding the date of public announcement.

OR

(ii) The average of the daily high and low of the prices of the shares as quoted on the stock exchange where the shares of the company are most frequently traded during the two weeks preceding the date of public announcement.

The work sheet for fair valuation as per Market Price is attached as Annexure-III

On the basis of the above guidelines, the value per share of AIL to be **Rs.17.20**

Weeks	From	To	High Close	Low Close	Average
1	11-Oct-10	15-Oct-10	24.5	23.2	23.85
2	18-Oct-10	22-Oct-10	24.5	21.75	23.13
3	25-Oct-10	29-Oct-10	20.7	19.45	20.08
4	1-Nov-10	5-Nov-10	20.4	20.4	20.40
5	8-Nov-10	12-Nov-10	20.75	19.1	19.93
6	15-Nov-10	19-Nov-10	18.8	18.1	18.45
7	22-Nov-10	26-Nov-10	18.5	16.8	17.65
8	3-Dec-10	29-Nov-10	17	15.5	16.25
9	6-Dec-10	10-Dec-10	14.25	13.5	13.88
10	13-Dec-10	17-Dec-10	16.1	14.65	15.38
11	20-Dec-10	24-Dec-10	17.45	14.85	16.15

12	27-Dec-10	31-Dec-10	17.15	16	16.58
13	3-Jan-11	7-Jan-11	17	16.25	16.63
14	10-Jan-11	14-Jan-11	17.65	17.05	17.35
15	17-Jan-11	21-Jan-11	19.5	18	18.75
16	24-Jan-11	28-Jan-11	18.55	17.65	18.10
17	31-Jan-11	4-Feb-11	18.8	18	18.40
18	7-Feb-11	11-Feb-11	17.15	15.5	16.33
19	14-Feb-11	18-Feb-11	14.8	13.5	14.15
20	21-Feb-11	25-Feb-11	15.2	14.4	14.80
21	28-Feb-11	4-Mar-11	15.6	14.85	15.23
22	7-Mar-11	11-Mar-11	15.7	14.70	15.20
23	14-Mar-11	18-Mar-11	16.15	15.30	15.73
24	21-Mar-11	25-Mar-11	15.95	14.85	15.40
25	1-Apr-11	28-Mar-11	14.75	14.03	14.39
26	4-Apr-11	8-Apr-11	15.9	14.15	15.03
		26 Weekly average…..(1)			**17.20**
		2 Weeks Daily Average……..(2)			**14.69**
		Value per Share (Higher of (1) and (2)			**17.20**

Date	High Price	Low Price	Average
28-Mar-11	14.75	14.75	14.75
29-Mar-11	15.35	14.05	-
30-Mar-11	14.1	14.1	14.1
31-Mar-11	14.8	14.25	14.53
1-Apr-11	14.35	13.95	14.15
5-Apr-11	14.7	14.15	14.43
6-Apr-11	14.85	14.5	14.675
7-Apr-11	15.54	15.35	15.45
8-Apr-11	15.9	15	15.45
	2 Weeks Daily Average		**14.69**

(Source: Market price of 26 weeks ended on April10, 2011 taken from BSE website for arriving at above value)

<u>Calculation of Fair Value</u>

Method of Valuation	Value Per Share (Rs) (A)	Weight age (B)	Product AxB
Net Asset Value method	24.61	1	24.61
Profit earning capacity Value Method	15.34	2	30.68
Market Price Method	17.20	2	34.40
Fair Value per share (Rs)	**17.94**		

Upward Revision in Offer Price:

There were certain non compliances by the promoters in past which could have triggered Open Offer to the public shareholders. For details of these non compliances, please refer para.6.8.2 of the Letter of Offer. In order to compensate the public shareholders for the same, the Acquirers hereby increase the offer price by considering highest offer price ought to be paid under the past acquisitions along with interest up to the date of opening of the present Open Offer. The calculation of offer price in respect of the said triggers is worked out as under:

Calculation of Offer Price in respect of below triggers				
Period of Acquisition	**1997-98-**	**2000-01**	**2004-05**	**2005-06**
Name of the Acquirer	**Intercon Finance Pvt. Ltd**	**Mrs. Paru Jaykrishna & Intercon Finance Pvt. Ltd**	**Intercon Finance Pvt. Ltd**	**Intercon Finance Pvt. Ltd**
Aggregate No. of Shares Acquired / Transferred	81000	179900	62070	32600
% to Voting Capital	2.38	5.28	1.82	0.96
Under which Regulation open Offer Triggered Limit Under Reg. 11 (1) (2)	11(1) 2%	11(1) 5%	11(2) single share	11(2) single share
Trigger Date for Open Offer	11.04.1997	10.4.2000	12.4.2004	5.4.2005
Acquisition / Transfer Price (Rs. Per Share) at the time of trigger of Open Offer	4.25	7.66	6.20	9.27
Price at which Open Offer Would have given at that point in time (Rs.)	4.25	7.66	6.20	9.27
Interest @ 10% p.a. from Acquisition Date till opening of the present offer i.e. August 11, 2011 (Rs.)	5.37	8.27	4.55	9.80
Offer Price Ought to be (Rs.)	**9.11**	**15.55**	**10.73**	**25.20**
Whether Acquirer sold any shares	No	No	No	No
Calculation of Offer Price in terms of Reg. 20(4) &(5)				
26 weeks price average (Rs.)	3.74	6.03	6.18	13.4
2 Weeks average (Rs.)	3.42	7.28	6.01	15.4
Interest on higher of the above (Rs.)	5.37	8.27	4.55	9.80
Offer Price Ought to be taken higher of the above (Rs.)	**9.11**	**15.55**	**10.73**	**25.20**
Value per Share base on Other parameters (Rs.)				**14.85**

In view of the above calculation, the acquirers hereby enhances the offer price from earlier offer price as disclosed in the PA dated April 18, 2011 from Rs. 18.50 per Equity Share to Rs. 25.25 per equity share ("Revised Offer Price")

7.1.3 If the Acquirers acquire shares in the open market or through negotiations, after the date of Public Announcement and upto seven working days prior to the closure of the offer at a price higher than the offer price stated herein, the highest price paid for such acquisition shall be payable for all shares tendered and accepted under this offer as per Regulation 20 (7) of the Takeover Regulations.

7.1.4 There is no non-compete agreement hence no non-compete fee has been paid.

7.1.5 The Acquirers have not acquired any equity shares of AIL from the date of PA upto the date of the Letter of Offer.

7.2 Financial Arrangements:

7.2.1 Acquirers have adequate financial resources to meet the financial requirements of the Offer. The Acquirers have made firm financial arrangements in terms of Regulation 16 (xiv) for the resources required to complete the offer in terms of the SEBI (SAST) Regulations, 1997. The acquisition is to be financed through internal resources. No borrowings from Bank/ Financial Institution are being made for the purpose. The funds to be utilized shall be domestic and not any foreign funds.

7.2.2 The maximum purchase consideration payable by the Acquirers in case of full acceptance of offer i.e.9, 90,570 fully paid up equity shares is Rs. 2, 50,11,892 /- (Rupees Two Crore Fifty Lacs and Eleven Thousand Eight Hundred and Ninety Two Only) at a price of Rs. 25.25 per equity share (the "Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter.

7.2.3 In accordance with Regulation 28 of SEBI (SAST) Regulations, 1997, the Acquirers have opened an Escrow Account in the form of fixed deposit for Rs. 45,82,000(Rupees Forty Five Lacs Eighty Two Thousand only) being more than 25% of the Total Consideration in the name and style of "AksharChem

(India) Ltd. Open Offer – Escrow Account" with HDFC Bank Ltd.(hereinafter referred to as Escrow Banker) having its Branch at HDFC House, 1st Floor, Near Jain Derasar, Navrangpura, Ahmedabad-380009 on 18th April 2011. However, the said Fixed Deposit was converted in to cash deposit along with its interest aggregating to Rs. 46,26,231.99 (net of tax) on July 16, 2011

In view of the upward Revision in the offer price, the Acquirers have deposited additional amount of Rs. 16,71,000/- on July 16, 2011. Hence, the total cash amount in the said escrow account as on July 16, 2011 is Rs.62,97,231.99(Rupees Sixty Two Lacs Ninety Seven Thousand Two hundred Thirty One and Ninety Nine Paise only) being more than 25% of the total consideration payable under the Offer.

7.2.4 The manager to the offer is authorized to operate the above mentioned Escrow Account to the exclusion of all others and to instruct the Escrow Banker to issue cheques/ pay orders / demand drafts / ECS Credit if required, in accordance with the Regulations.

7.2.5 Mr. Trushit Chokshi, proprietor of Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Membership No. 40847) having office at 401, Shivam Complex, B/h Samartheshwar Mahadev, Off C.G. Road, Ellisbridge, Ahmedabad-380006 Ph. No. 079-26463003, Email:trushit@tcaca.com have certified vide their certificate dated 14th April 2011, that the Acquirers have adequate financial resources to fulfill the obligations of the Open Offer and that firm financial arrangements are made by them out of their personal savings and business income to meet the obligations under the Offer.

7.2.6 Based on the aforesaid financial arrangements and based on confirmations received from the Escrow Banker and the Chartered Accountant, the manager to the Offer, is satisfied about the ability of the Acquirers to implement the Offer in accordance with the Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 Statutory Approvals

- As on the date of this letter of Offer, there are no other statutory approvals and/ or consents required. However the offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

- In case of delay in receipt of any statutory approvals, if any, SEBI has power to grant extension of time to the Acquirers for the payment of the consideration to the shareholders subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of SEBI (SAST) Regulations, 1997. Further, if the delay occurs due to willful default of the Acquirers in obtaining the requisite approval, if any, Regulation 22(13) will become applicable.

- No Approval from any Banks/ Financial Institution is required for the purpose of this offer.

8.2 <u>Locked-in Shares:</u>

Out of the total shareholding of Acquirers, 17,16,241 equity shares (50.44% of pre preferential issued capital of the company) is under lock-in up to 26-01-2012 and 15,50,000 equity shares allotted to the acquirers on preferential basis is under lock –in upto 24-05-2014 to comply with the relevant Regulations of SEBI (ICDR) Regulations, 2009

8.3 Other Terms of the Offer

8.3.1 This is not a conditional offer and there is no stipulation as to the minimum level of acceptance.

8.3.2 The Offer will be made to the shareholders of AIL and the Letter of Offer ("LOO") together with the Form of Acceptance-cum-Acknowledgement ("FOA") and Form of Withdrawal-cum-Acknowledgement ("FOW") and Transfer Deed(for shareholders holding equity shares in the physical form) will be mailed to those shareholders of "AIL" (except Acquirers and Promoters) as stated in Para 3.1.2 hereinabove) whose names appear on the register of members of "AIL" and to the Beneficial Owners of the equity shares of AIL whose names appear as beneficiaries on the records of the respective Depositories at the closure of business hours on 13th May 2011 (the "Specified Date").

8.3.3 Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

8.3.4 The Acquirers can revise the price upwards up to 7 working days prior to the date of closure of the offer i.e. August 30, 2011 and revision, if any, in the offer price would appear in the same newspaper where the original Public Announcement was published and same price would be paid to all the shareholders who tender their shares in the offer.

8.3.5 The Acquirers have appointed Link Intime India Pvt. Ltd. as Registrar to the Offer. Shareholders who are holding shares in physical form (i.e. share certificates) and wish to tender their shares may send the Form of Acceptance cum Acknowledgement together with the Original Share Certificate(s) and Transfer Deed(s) duly signed to the Registrar to the Offer at the following address in an envelope subscribing the same wit*h* ***AksharChem (India) Limited OPEN OFFER - ESCROW ACCOUNT*** either by hand delivery during normal business hours from Monday to Friday between 11.00 a.m. to 5.00 p.m. (excluding Saturday & Bank Holidays) or by Registered Post on or before the closure of the offer i.e., August 30, 2011 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance cum Acknowledgement at any of the Collection Centers given below.

Sr. No.	**Collection Centre**	**Address of Collection Centre**	**Contact Person / e-mail ID**	**Telephone No. / Fax No.**	**Mode of Delivery**
1	Ahmedabad	Link Intime India Pvt. Ltd, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad – 380 009	Mr.Hitesh Patel ahmedabad@linkintime.co.in	Tel:079-86465179 Fax:079-26465179	Hand Delivery
2	Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W),Mumbai -400078.	Mr Pravin Kasare pravin.kasare@linkintime.co.in	Tel.: 022 25960320 Fax: 022-25960329	Hand Delivery/ Registered Post

8.3.6 The Registrar to the Offer has opened a Special Depository Account with VENTURA SECURITIES LIMITED (Registered with NSDL). Beneficial owners and Shareholders holding shares in the dematerialized form will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the offer at any of the collection centers as mentioned in para 8.3.5 along with a photocopy of the delivery instructions in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of “LIIPL AIL Open Offer Escrow Demat Account" ("Special Depository Account") and filled in with the details given below:

Depository	NSDL
DP Name	VENTURA SECURITIES LIMITED
Account Name	LIIPL AIL Open Offer Escrow Demat Account
Client ID Number	10751116
DPID No.	IN303116
ISIN	INE542B01011
Market	Off Market

In case the aforesaid documents have not been received by the Registrar to the Offer, but the Shares are received in the Depository Escrow Account, the Offer shall be deemed to have been accepted.

8.3.7 All owners of fully paid up equity shares registered or unregistered (except the Acquirers, and Promoters Group) who own the shares at any time prior to the closure of the offer are eligible to participate in the offer. Unregistered owners/ shareholders who have not received Letter of Offer can send their application in writing, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio No., together with documents stated at para 8.3.5 above so as to reach the Registrar to the Offer on or before August 30, 2011 i.e. before the closing date. In case of unregistered owners, the same should be accompanied by a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

In case of registered Shareholder(s) - non-receipt of the aforesaid documents, but receipt of the Share certificates along with the duly completed Share transfer form, the Offer shall be deemed to be accepted.

8.3.8 In case of beneficial owners, they may 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 closure of the Offer, i.e. August 30, 2011. Such shareholders may also download the Form of Acceptance Cum Acknowledgement from the website of SEBI i.e. http://www.sebi.gov.in which will be made available from the date of opening of the Offer.

8.3.9 **The shareholders or Beneficial Owners should not send the Form of Acceptance cum Acknowledgement, original share certificate and Transfer Deed either to the Acquirers Promoters/ Promoters Group /Target Company or manager to the Offer**

8.3.10 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Escrow Account should be received on or before the closure of the Offer i.e. August 30, 2011 else the application would be rejected. **Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use inter- Depository slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.**

8.3.11 The Registrar to the Offer will hold in trust the shares/ share certificates tendered in physical form and shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of AIL, who have accepted the offer, until the cheques / drafts for the consideration and / or the unaccepted shares/ share certificates are dispatched/ returned.

8.3.12 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders / unregistered owners' sole risk to the sole / first shareholder as appearing in the Register of Members of AIL. Shareholders whose shares are held in Dematerialized form to the extent not accepted will be credited back to the same depository account with the respective Depository Participant as per the details furnished by the beneficial owners in the Form of Acceptance.

8.3.13 Shares, if any, that are subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these shares are not received together with the shares tendered under the offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

8.3.14 In terms of Regulation 21(6) where the number of shares tendered in the Open Offer are more than the shares agreed to be acquired by the Acquirers, the Acquirers shall accept all valid application received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking due care to ensure that the basis of acceptance, is decided in a fair and equitable manner and does not result in non-marketable lots. The shares will be acquired in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company's share in physical form and for dematerialized shares is 1 (One) share.

8.3.15 Applications which are complete in all respects and which reach to the Registrar to the offer on or before the date of closure of the offer i.e. August 30, 2011 would be approved and accepted by the Acquirers. The intimation regarding acceptance of applications and payment of consideration will be dispatched to the share holders by Registered/ Speed Post at the shareholder's sole risk. In case of joint holder(s) the

Cheque/ Demand Draft will be drawn in the name of the First Holder and in case of unregistered owners of shares the consideration will be paid to the person whose name is stated in the contract note.

8.3.16 The payment consideration for the applications so accepted in the offer, if any to the beneficiary account with Depository Participants shall be given within 15 days from the date of the closure of the offer. Credit for the consideration will be paid to the shareholders who have tendered shares in the open offer by NECS (National Electronic Clearing Services), Direct Credit ("DC"), or Crossed Account Payee Cheques/Pay orders/ Demand Drafts, National Electronic Funds Transfer("NEFT") and Real Time Gross Settlement (RTGS).

8.3.17 In accordance with Regulation 22(5)(A) of "SEBI (SAST) Regulations, 1997", shareholders who have tendered requisite documents in terms of Public Announcement and Letter of Offer shall have the option to withdraw acceptance tendered up to 3 working days prior to the offer closing date. The withdrawal option can be exercised by submitting the Form of Withdrawal (separately enclosed with the Letter of Offer mailed to the shareholders of "AIL" as on the Specified Date being 13th May, 2011 together with copy of acknowledgment received from the Registrar to the Offer while tendering the acceptance together with following details:

- In case of physical shares: name, address, distinctive no., folio no., no. of shares tendered / withdrawn.

- In case of dematerialized shares: name, address, no. of shares tendered / withdrawn, DP name, DP ID, Beneficiary Account No., photo copy for delivery instruction in "Off Market" mode or counter foil of the delivery instruction in "Off Market" mode, duly acknowledged by the DP in favour of the depository escrow account. In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making an application on the plain paper along with the details mentioned above. Shareholders who have tendered Shares in physical form and wish to partially withdraw their tenders, should also enclose valid shares transfer form(s) for the remaining equity shares (i.e. Shares not withdrawn) duly signed by transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signature registered with "AIL" and duly witnessed at the appropriate place.

a) The withdrawal of Shares will be available only for the Shares certificates / shares that have been received by the Registrar to the Offer.
b) The intimation of returned Shares to the shareholders will be at the address as per the records of "AIL".
c) The FOW should be sent to the Registrar to the Offer only, at the collection center mentioned in section 8.2.5 above.
d) In case of partial withdrawal of Shares tendered in physical form, if the original shares certificates are required to be split, the same will be returned on receipt of shares certificate from "AIL".
e) Partial withdrawal of tendered Shares can be done only by the registered shareholders. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.
f) Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders/ unregistered owners' sole risk to the sole / first shareholder.
g) The Registrar to the Offer will hold in trust the shares / share certificates, shares lying in the credit of the special depository account, Form of Acceptance cum Acknowledgement, the transfer form(s) and Form of Withdrawal if any, on behalf of the shareholders of the ("AIL") Target Company, who have accepted the offer, until the Cheques / Demand drafts /pay orders for the consideration and / or the unaccepted shares/ share certificates are dispatched/ returned or credited back to the beneficial owners DP account.
h) In case any person has lodged shares for transfer and such transfer has not yet been effected, the concerned person may apply together with Acknowledgement of the lodgment of shares for transfer. Such person should also instruct "AIL" and its Registrar and Transfer Agent to send the transferred shares certificate(s) directly to the collection centers mentioned above in para 8.2.5. The applicant should ensure that the certificate(s) reach the designated collection center not later than 5 PM on Thursday 30th June, 2011.

In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making an application on the plain paper along with the details mentioned above.

9. PAYMENT OF CONSIDERATION

a) The payment of consideration will be made by crossed account payee cheque / demand draft and sent by registered/ Speed post or courier in case of consideration amount exceeding Rs. 1,500/- to those shareholders/unregistered owners and at their own risk, whose shares/ share certificates and other documents are found in order and accepted by the Acquirers. In case of joint registered holders, cheques / demand drafts will be drawn in the name of the sole / first named holder / unregistered owner and will be sent to him. It is desirable that Shareholders provide bank details in the Form of Acceptance so that the same can be incorporated in the cheque / demand draft.

b) The intimation regarding the acquisition (in part or full) or rejection of the shares tendered by the shareholders in acceptance of this Offer and the corresponding payment for the acquired Shares and / or Share certificates for the rejected Shares will be dispatched to the shareholders by registered / Speed post or by ordinary post as the case may be, at the shareholder's/unregistered owner's sole risk within 15 days from the date of closure of the offer i.e. Wednesday, September 14, 2011.

c) All cheques / demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of shares, payment will be made in the name of the person stated in the contract note. **It will be desirable if the shareholders provide bank account details in the Form of Acceptance cum Acknowledgement for incorporation in the cheque / demand draft.**

d) However, if the Acquirers are unable to make the payment to the shareholders within 15 days due to non-receipt of any statutory approval to which the offer may be subject, SEBI may, if it is satisfied that non receipt of requisite statutory approval was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to payment of interest to the shareholders at such rate for delay beyond 15 days, as may be specified by the Board.

e) **The securities Transaction Tax will not be applicable to the shares accepted in this offer**

Payment of Consideration through Electronic Mode

We shall give credit of consideration for Equity Shares tendered in the offer, if any, to the beneficiary account with Depository Participants within 15 days from the date of the closure of the offer. Credit for the consideration will be paid to the shareholders who have tendered shares in the open offer by NECS, Direct Credit , RTGS, NEFT or crossed account payee cheques/pay orders/demand drafts.

The payment of consideration, if any, would be done through various modes as given hereunder:

1. NECS – Payment of consideration would be done through NECS for applicants having an account at any of the RBI locations where such facility is available. This mode of payment of consideration would be subject to availability of complete bank account details in the FOA. The payment of consideration is mandatory for applicants having a bank account at any of the locations where such facility is available except where the applicant, being eligible, opts to receive refund through other modes as specified in the FOA.

2. Direct Credit – Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the FOA.

3. RTGS – Applicants having a bank account at any of the locations where such facility is available and whose payment consideration exceeds Rs. 2 lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive consideration through RTGS are required to provide the IFSC code in the FOA. In the event the same is not provided, payment consideration shall be made through other electronic modes or by cheques, pay orders or demand drafts payable.

4. NEFT (National Electronic Fund Transfer) – Payment of consideration shall be undertaken through NEFT wherever the shareholders bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder has registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the applicants through this method. The process flow in respect of consideration by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

5. For all other applicants, including those applicants whose payment consideration is not credited by NECS/Direct credit due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post/Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered. In case of payment consideration is rejected through the NECS/Direct credit facility, the registrar would endeavor to dispatch the payment consideration within 3 working days of such rejection.

The bank account details for ECS/ Direct Credit/ RTGS / NEFT will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the FOA.

10. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection by the shareholders of "AIL" at the office of the Manager to the Offer i.e. Vivro Financial Services Pvt. Ltd., from 10.30 a.m. to 3.00 p.m. on any working day except Sunday and Public / Bank Holidays until the Offer closes on August 30, 2011.

1) Certificate of Incorporation and the Memorandum and Articles of Association of AIL.

2) Copy of the Share Subscription Agreement dated April 14, 2011.

3) Published Copy of Public Announcement of Offer dated April 19, 2011.

4) The audited accounts of the Target Company for the 12 months ended 31st March 2008, 2009 and 2010 and for the Nine months Ended December 31, 2010 (Limited Review)

5) Financial Adequacy Certificate issued by Mr. Trushit Chokshi, proprietor of Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Membership No.40847), Ph. No. 079-26463003, Email:trushit@tcaca.com vide certificate dated April 14, 2011, certifying that sufficient resources are available with the Acquirers to meet their obligations under the Offer.

6) Networth Certificates issued by Mr. Trushit Chokshi, proprietor of Trushit Chokshi & Associates, Chartered Accountants, Ahmedabad (Membership No.40847), Ph. No. 079-26463003, Email:trushit@tcaca.com vide certificate dated April 14, 2011, certifying the networth of Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna.

7) Letter from the Acquirers regarding appointment of Manager to the Offer.

8) Letter from the Escrow Bank confirming cash deposit of Rs. Rs.62,97,231.99/- (Rupees Sixty Two Lacs Ninety Seven Thousand Two hundred Thirty One and Ninety Nine Paise only) and a lien marked in favor of the Manager to the Offer.

9) Copy of SEBI letter No. CFD/DCR/TO/EB/OW/ 24472/2011 dated July 28,2011 issued in terms of proviso to the Regulation 18(2) of the Regulations

10) Due Diligence Certificate given by Vivro Financial Services Pvt. Ltd., Manager to the Offer dated 30th April, 2011.

11) Certificate from Mr Trushit Chokshi dated April 14, 2011, certifying fair value of the equity shares of AksharChem (India)Limited.

12) Copy of the letter of appointment of the Registrar dated 14th April, 2011.

13) Copy of Agreement between the Registrar and the Acquirers dated August 2, 2011.

11. DECLARATION BY THE ACQUIRERS

11.1 The Acquirers, Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna severally and jointly accept full responsibility for the information contained in this Letter of Offer.

11.2 The Acquirers would be responsible for ensuring compliance with the SEBI (SAST) Regulations, 1997.

On behalf of the Acquirers

____

(Mrs. Paru M. Jaykrishna)

____

(Mr. Gokul M. Jaykrishna)

____

(Mr. Munjal M. Jaykrishna)

The person signing the Letter of Offer is duly and legally authorized person.

Place: Ahmedabad

Date: August 03, 2011

Attached: **1. Form of Acceptance – cum – Acknowledgement**

2. Form of Withdrawal – cum- Acknowledgement

3. Transfer Deed

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FORM OF ACCEPTANCE — CUM – ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(*Please send this Form of Acceptance-cum-Acknowledgement with enclosures to Registrar to the Offer at their address as mentioned in the Letter of offer)*

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

From: ____________________

Name: ____________________

Address: ____________________

____

____

Offer	
Opens on:	**Thursday, August 11, 2011**
Last date of Withdrawal	**Thursday, August 25, 2011**
Closes on:	**Tuesday, August 30, 2011**

Tel No: (____) ____________ Fax No.: (____) ____________ E-mail: ____________________

To,

Link Intime India Pvt. Ltd.
Unit: AIL Open Offer
SEBI Regn. No.: INR000004058
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai – 400 078

Dear Sir/Madam

Re: **Open Offer to acquire 990570 equity shares of Rs. 10/- each, representing 20.00% of the post preferential issued & subscribed Equity share Capital and 20.00% of the total post preferential voting equity share capital of AksharChem (India) Limited. ("Target Company" / "AIL") at price of Rs. 25.25 (Rupees Twenty Five and Paise Twenty Five only) per Equity share ("Offer Price") payable in cash by Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna (collectively referred to as the "Acquirers").**

1. I/We refer to the Letter of Offer dated 3rd August, 2011 constituting an offer for acquiring the equity shares held by me/us in **AksharChem (India) Limited**
2. I/We, the undersigned have read the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

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

Sr. No.	Folio No	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
Total Number of shares					

— — — — — — — — — — Tear along this line — — — — — — — — — —

Acknowledgment Slip: AksharChem (India) Limited – Open Offer (to be filled in by the shareholders)

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

Form of Acceptance cum Acknowledgement for AIL Offer as per details below: -

Physical Shares: Folio No. __________ No. of Certificates Enclosed ______ Certificate No.__________ Total No. of Shares Enclosed __________

Demat Shares: Client ID ____________________

DP ID ____________________

Copy of Delivery Instruction to DP ____________________

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

Date of Receipt : ____________________

Stamp of collection center: Signature of Official:

SHARES HELD IN DEMAT FORM

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

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

5. I/We have done an off-market transaction for crediting the Shares to the special depository account with Ventura Securities Limited styled **"LIIPLAIL Open Offer** Escrow Demat Account **whose particulars are:**

DP Name: VENTURA SECURITIES LIMITED.	DP ID: IN 303116	Client ID: 10751116

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

Enclosures (Please tick as appropriate, if applicable). Please use additional sheet and authenticate the same in case of insufficient space.

☐ Power of Attorney

☐ Corporate authorization in Case of companies along with Board Resolution and specimen Signatures of authorised signatories

☐ Death Certificate / Succession Certificate

☐ others(Please specify)

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

6. I/We confirm that the equity shares of AksharChem (India) Limited which are being tendered herewith by me/us under this offer are free from liens, charges and encumbrances of any kind whatsoever.
7. I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me / us by the Registrar to the Offer until the time the Acquirers make payment of the purchase consideration as mentioned in the Letter of Offer.
8. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.
9. I/We authorize the Acquirers to send by registered post/ speed post/ the draft/ cheque, in settlement of the amount to the sole/ first holder at the address mentioned above.
10. I/We authorize the Acquirers to accept the Shares so offered or such lesser number of equity shares which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, equity share certificate(s) which is not found valid.
11. My/Our execution of this Form of Acceptance shall constitute my/our warranty that the Equity shares comprised in this application are owned by me/us and are transferred by me/us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I/We will hold the Acquirers, harmless and

— — — — — — — — — — — — — — — — Tear along this line — — — — — — — — — — — — — — — —

Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the following Address.

Link Intime India Pvt. Ltd.
Unit: AIL Open Offer
SEBI Regn. No.: INR000004058
Contact person : Mr. Pravin Kasare
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai – 400 078
Tel No. 022- 25960320
Fax No. 022- 25960329
Toll Free:- 1-800-22-0320
Email ID: ail.offer@linkintime.co.in

indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these equity shares. I/We agree that the Acquirers may pay the offer price only after due verification of the documents and signatures and on obtaining the necessary approvals as mentioned in the said letter of offer.

12. I/We undertake to execute such further documents and give further assurance as may be required or expedient to give effect to my/our agreeing to sell the said Equity shares.

13. So as to avoid fraudulent encashment in transit, Shareholder(s) should provide details of bank account of the first/sole shareholder and the cheque or demand draft will be drawn accordingly. Please indicate the preferred mode of receiving the payment consideration. (please tick)

1. Electronic Mode: ———————— 2. Physical Mode:————————

Name of Bank	Branch	City	Type of Account	Account Number
MICR Code		IFSC Code (for RTGS/ NEFT transfers)		

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

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN			

Yours faithfully,

Signed and delivered

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

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

Place : ____________

Date : ____________

14. I/We irrevocably authorize the Acquirers or the Manager to the Offer to send by registered post the draft / cheque, in settlement of purchase at my own risk and any excess share certificate, if any, to the Sole/first holder at the address mentioned below:

NAME AND COMPLETE ADDRESS OF THE SOLE/FIRST HOLDER (IN CASE OF MEMBER (S)), ADDRESS as Registered with the Company.

Name:

Address:

Place:

Date:

Tele No:

INSTRUCTIONS

1. In the case of dematerialized shares, the shareholders are advised to ensure that their Shares are credited in favour of the Special Depository Account, before the Date of Closure of the Offer i.e. Tuesday 30th August, 2011. The Form of Acceptance-cum-Acknowledgment of such demat shares not credited in favour of the Special Depository Account, before the Date of Closure of the offer will be rejected.

2. **Share holders should enclose the following:**

   I. **For shares held in demat form:-**

   Beneficial owners should enclose

   i. **Form of Acceptance-cum-Acknowledgment** duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).

   ii. **Photocopy of the delivery instruction** in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP as per the instruction in the Letter of offer.

3. **Registered Share holders should enclose the following:**

I. **For Shares held in physical form:-**

Registered Shareholders should enclose

i) **Form of Acceptance-cum-Acknowledgment** duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the Share certificates.

ii) **Original Share certificate(s).**

iii) **Valid transfer deed(s)** duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with AIL and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done.

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

In case of registered Shareholder(s) - non-receipt of the aforesaid documents, but receipt of the Share certificates along with the duly completed Share transfer form, the Offer shall be deemed to be accepted.

II. **Unregistered owners should enclose**

i. **Form of Acceptance-cum-Acknowledgment** duly completed and signed in accordance with the instructions contained therein.

ii. **Original Share certificate(s)**.

iii. **Original broker contract note**.

iv. **Valid Share transfer deed(s)** as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected.

4. **The Share certificate(s), share transfer form(s) and the Form of Acceptance-cum-Acknowledgment should be sent only to the Registrar to the Offer and not to the Manager to the Offer or Acquirers or AksharChem (India) Limited.**

5. The Form of Acceptance-cum-Acknowledgment and other related documents should be submitted at the collection center of Link Intime India Pvt. Ltd. as stated in the Letter of Offer. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their Shares in favour of the Special Depository Account with NSDL. . In case the aforesaid documents have not been received by the Registrar to the Offer, but the Shares are received in the Depository Escrow Account, the Offer shall be deemed to have been accepted.

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

7. Rejection of Shares

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

a. The signature(s) of the holder(s) do not match with the specimen signature(s) as per the records of AksharChem (India) Limited.

b. The Transfer deed is not complete or that the signatures do not match with the specimen recorded with AksharChem (India) Limited.

c. The number of Shares mentioned in the Form of Acceptance-cum-Acknowledgment does not tally with the actual physical share certificate(s) submitted.

8. All documents/ remittances sent by or to shareholders will be at their own risk. Shareholders of AksharChem (India) Limited are advised to adequately safeguard their interests in this regard.

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

Applicants who cannot hand deliver their documents at the collection Centers, may send their documents only by Registered post, at their own risk, to the Registrar to the Offer at **Link Intime India Pvt. Ltd., Unit: AIL Open Offer at C**-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078 so as to reach the Registrars to the offer on or before the last date of acceptance i.e.**Tuesday, August 30, 2011.**

10. Please read the enclosed Letter of offer before filling up the form of Acceptance.

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

12. Mode of tendering the Equity shares pursuant to the offer.

(i) The acceptance of the offer made by the Acquirers is entirely at the discretion of the equity shareholders of AIL.

(ii) Shareholders of AIL to whom the offer is being made, are free to offer his/her/their shareholding in AIL for sale to the Acquirers, in whole or part, while tendering his/her/their equity shares in the offer.

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

Link Intime India Pvt. Ltd.,
Unit: AIL Open Offer
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai – 400 078
Contact Person: Mr. Pravin Kasare
Tel No. 022- 25960320; Fax No. 022- 25960329
Toll Free:- 1-800-22-0320
Email ID: ail.offer@linkintime.co.in

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(*Please send this Form of Withdrawal with enclosures to Registrar to the Offer Link Intime India Pvt. Ltd., at the address as mentioned in the Letter of offer)*

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

Offer	
Opens on:	**Thursday, August 11, 2011**
Last date of Withdrawal	**Thursday, August 25, 2011**
Closes on:	**Tuesday, August 30, 2011**

To,

Link Intime India Pvt. Ltd.,
Unit: AIL Open Offer
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai – 400 078

Dear Sir/Madam,

Re: **Open Offer to acquire 9,90,570 equity shares of Rs. 10/- each, representing 20.00% of the post preferential issued & subscribed Equity share Capital and 20.00% of the total post preferential voting equity share capital of AksharChem (India) Limited. ("Target Company" / "AIL") at price of Rs. 25.25 (Rupees Twenty Five and Paise Twenty Five only) per Equity share ("Offer Price") payable in cash by Mrs. Paru M. Jaykrishna, Mr. Gokul M. Jaykrishna and Mr. Munjal M. Jaykrishna (collectively referred to as the "Acquirers").**

I/We refer to the Letter of Offer dated 3rd August, 2011 constituting an offer for acquiring the equity shares held by me/us in **AksharChem (India) Limited.** I/we, the undersigned, have read the Letter of Offer understood its contents and unconditionally accept the terms and conditions and procedures as mentioned therein.

I/we have read the procedure for withdrawal of shares tendered by me/us in the Offer as mentioned in the Letter of offer and unconditionally agree to the terms and conditions mentioned therein.

I/we hereby consent unconditionally and irrevocably to withdraw my/our Shares from the offer and I/we further authorize the Acquirers to return to me/us, tendered Share certificate(s)/ Share(s) at my /our sole risk.

I/We note that upon withdrawal of my/our shares from the offer, no claim or liability shall lie against the Acquirers /Manager to the Offer /Registrar to the offer.

I/We note that this Form of withdrawal should reach the Registrar to the offer at any of the collection centers mentioned in the Letter of offer as per the mode of delivery indicated therein on or before the last date of withdrawal.

I/we note that the Acquirers / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for non-receipt of shares held in the dematerialized form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirers shall return original Share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents and signatures and beneficiary position data as available from the Depository from time to time, respectively.

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Acknowledgment Slip: AksharChem (India) Limited – Open Offer (to be filled in by the shareholders)

Sr. No.

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

Form of Withdrawal * for AIL Offer as per details below :-

Physical Shares: Folio No. ____________ in respect of ____________ Number of Share Certificates for ____________ no. of Shares withdrawn

*Copy of Delivery Instruction Slip to DP for ____________ shares

____

(Delete whichever is not applicable)

Date of Receipt : ____________

Stamp of collection center: Signature of Official:

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Folio No	Certificate No(s)	Distinctive No(s)		No. of Shares
		From	To	
Tendered				
Withdrawn				
Total No. of equity shares				

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

I/We hold the following shares in dematerialized form, have tendered the Shares in the offer and had done an off-market transaction for crediting the Shares to the Special Depository Account with Ventura Securities Limited – "LIIPL AIL Open Offer Escrow Demat Account" as per the following particulars:

DP Name: VENTURA SECURITIES LIMITED.	DP ID: IN 303116	Client ID: 10751116

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by the Depository Participant.

The particulars of the account from which my/our shares have been tendered are as detailed below:

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

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

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

Yours faithfully,

Signed & Delivered

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

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

Place: ______________________

Date: ______________________

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Note: All future correspondence, if any, should be addressed to Registrar to the Offer at the following Address.

Link Intime India Pvt. Ltd.
Unit: AIL Open Offer
SEBI Regn. No.: INR000004058
Contact person : Mr. Pravin Kasare
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West), Mumbai – 400 078
Tel No. 022- 25960320
Fax No. 022- 25960329
Toll Free:- 1-800-22-0320
Email ID: ail.offer@linkintime.co.in

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection center mentioned In the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. Thursday, August 25, 2011

2. Shareholders should enclose the following:

   i. **For Shares held in demat form:**

   Beneficial owners should enclose

   a. Duly signed and completed Form of Withdrawal.

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

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

   ii. **Registered Shareholders should enclose.**

   a. Duly signed and completed Form of Withdrawal.

   b. Acknowledgement slip in original /copy of the submitted Form of acceptance- cum- Acknowledgement in case delivered by Registered A.D.

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

   iii. **Unregistered owners should enclose.**

   a. Duly signed and completed Form of Withdrawal.

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

3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ Special Depository Account.

4. The intimation of returned Shares to the shareholders will be at the address as per the records of the Target Company/ depository as the case may be.

5. The Form of Withdrawal should be sent only to the Registrar to the Offer.

6. In case of partial withdrawal of Shares tendered in physical form, if the original Share certificates are required to be split, the same will be returned on receipt of Share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.

7. Shareholders holding Shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

8. The Form of Withdrawal and other related documents should be submitted at the Collection Center of **Link Intime India Pvt. Ltd.** as stated in the Letter of Otter.

Applicants who cannot hand deliver their documents at the Collection Center, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at **Link Intime India Pvt. Ltd., Unit: AIL Open Offer C**-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078, so as to reach the Registrars to the offer on or before the last date of withdrawal i.e. Thursday, August 25, 2011