LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder of Henkel India Limited. If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager to the Offer/ Registrar to the Offer. In case you have sold your Equity Shares, please hand over this Letter of Offer, the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

CASH OFFER AT Rs. 41.20 (Rupees forty one and paise twenty Only)
PER FULLY PAID-UP EQUITY SHARE OF Rs. 10/- (Rupees Ten Only) each

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

TO ACQUIRE UPTO

23,292,895 fully paid-up Equity Shares of face value Rs. 10/- each,
representing 20% of the Emerging Voting Capital
("OFFER")
OF

Henkel India Limited ("HIL" or the "Target Company")

having its registered office at
TPL House, First Floor, 3, Cenotaph Road, Teynampet, Chennai – 600 018,
Tel: +91-44-24330089 Fax +91-44-24321641
BY

Jyothy Laboratories Limited ("Jyothy" or the "Acquirer"),

having its registered office at
Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai 400 059,
Tel: +91-22-66892800 Fax: +91-22-66892805

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
MAPE ADVISORY GROUP PRIVATE LIMITED SEBI Regn. No. INM 000011294 13/14, Nirlon House Dr. Annie Besant Road, Worli Mumbai – 400 030 Tel: 91 22 6154 4500 Fax: 91 22 6154 4540 email: abhishek.gupta@mapegroup.com Contact Person : Abhishek Gupta	**CAMEO CORPORATE SERVICES LIMITED** SEBI Regn No. INR 000003753 Subramaniam Building, 1, Club House Road Chennai – 600 002 Tel: 91 44 2846 0390 Fax:91 44 2846 0129 email: investor@cameoindia.com Contact Person : Sreepriya K

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Original Schedule	Revised Schedule
Date of the Public Announcement	Monday, May 09, 2011	Monday, May 09, 2011
Last date for a competitive bid	Monday, May 30, 2011	Monday, May 30, 2011
Specified Date*	Friday, June 03, 2011	Friday, June 03, 2011
Date by which the Letter of Offer shall be posted to Equity shareholders	Friday, June 17, 2011	Tuesday, July 26, 2011
Date of opening of the Offer	Friday, June 24, 2011	Tuesday, August 02, 2011
Last date for upward revision of the Offer Price	Tuesday, July 05, 2011	Tuesday, August 09, 2011
Last date for withdrawing acceptance from the Offer	Monday, July 11, 2011	Tuesday, August 16, 2011
Date of closing of the Offer	Thursday, July 14, 2011	Monday, August 22, 2011
Last date of communicating rejection/acceptance and when payment of consideration for accepted tenders and/or the unaccepted Equity Shares/Share certificates will be dispatched / credited	Friday, July 29, 2011	Tuesday, September 06, 2011

* Specified Date is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer will be sent. However, all owners (registered or unregistered) of the Shares of the Target Company are eligible to participate in the Offer anytime before the closure of the Offer.

ATTENTION:

a) This Offer is being made by Jyothy, the Acquirer, pursuant to and in accordance with the provisions of Regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof.

b) The Equity Shares that are tendered in the Offer may be those held by persons resident outside India, including Overseas Corporate Bodies, if any, holding shares in the Company who may be persons not covered by specific provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. The acceptance of Equity Shares in the Offer from aforesaid categories of shareholder is subject to the receipt of the approval, if any, of the Reserve Bank of India (**"RBI")** under the Foreign Exchange Management Act, 1999 and the rules and regulations made there under **("FEMA")** for the acquisition of Equity Shares by the Acquirer. The Acquirer has made an application on May 18, 2011 for the approval of the RBI as aforesaid. However, if the RBI refuses the aforesaid approval or the approval is not granted before the Offer Closing Date, then the Acquirer may not acquire Equity Shares tendered in the Offer by persons resident outside India unless the Acquirer (at its sole discretion) seeks for an extension from SEBI for completion of the offer and such extension is granted by SEBI.

c) The Equity Shareholders who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement ("**PA**") and Letter of Offer ("**LoF**") can withdraw the same up to August 16, 2011, i.e. 3 (three) working days prior to the date of the closure of the Offer.

d) If there is any upward revision in the Offer Price of Rs. 41.20 per Equity Share prior to or on the last date for revising the Offer Price i.e. August 09, 2011, or if the offer is withdrawn, you will be informed by way of another public announcement in the same newspapers where the Public Announcement had appeared. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer.

e) This offer is not conditional on any minimum level of acceptance by the Shareholders.

f) This document has not been filed, registered or approved in any jurisdiction outside India. Recipients of this document resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements.

g) **There are no competitive bids to the Offer.**

h) The Form of Acceptance cum acknowledgement, Form of Withdrawal and Transfer Deed are enclosed with this Letter of Offer.

i) This Letter of Offer, Form of Acceptance and Form of Withdrawal will also be available on SEBI's website (www.sebi.gov.in) from the date of opening of the Offer, being August 02, 2011.

RISK FACTORS

I. Relating to the Offer

i. In the event that either (a) the statutory approvals as stated in para 8.1 of this Letter of Offer are not received; or (b) there is any litigation leading to stay on the Offer; or (c) SEBI instructs the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to those Shareholders of the Target Company whose Equity Shares have been accepted in the Offer as well as the return of those Equity Shares not accepted by the Acquirer may be delayed. Further, as per Regulation 22(12) of the SEBI (SAST) Regulations, in case the acquirer is unable to make the payment to the shareholders, who have accepted the Offer, before fifteen_days from the date of closure of the Offer due to non-receipt of statutory approval(s), SEBI may, if satisfied, that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer agreeing to pay interest to the Shareholders of the Target Company, who have validly tendered their Equity Shares under the Offer. Equity Shares of the Target Company tendered in the Offer shall be held in trust for the Acquirer and shall lie to the credit of special depository account until the completion of the Offer formalities.

ii. Further, the Shareholders should note that after the last date of withdrawal i.e. August 16, 2011, the 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 in trust for the Acquirer, till such time the process of acceptance of tenders, the payment of consideration and other Offer obligations are completed.

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

iv. If the number of Equity Shares of the Target Company assented to the Offer exceeds the Offer Size, then the Acquirer shall accept Shares of the Target Company assented to the Offer, in accordance with Regulation 21(6) of the SEBI (SAST) Regulations, i.e. on a proportionate basis, to be decided in a fair and equitable manner, in consultation with the Manager to the Offer, irrespective of whether the tendered Shares are in physical or dematerialized form.

II. Relating to the Transaction

v. The transaction is subject to completion risks which includes the receipt of the statutory / regulatory approval mentioned in para 8.1 of this Letter of Offer as would be applicable to similar transactions.

III. Relating to the Acquirer

vi. In accordance with clause 22 (7) of the SEBI (SAST) Regulations, the Acquirer has deposited the full consideration for the Offer in the escrow account and has appointed its nominated directors on the board of the Target Company on May 31, 2011.

IV. Others

vii. The Offer is subject to completion risks as would be applicable to similar transactions.

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

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

CURRENCY OF PRESENTATION

In this Letter of Offer, reference to Rs./ INR is to Indian Rupees and references to “USD/US $/ $” is to US Dollar.

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1. DEFINITIONS

Acquirer/ Jyothy	Jyothy Laboratories Limited
ACPL	Akash Cleaners Private Limited
AICPPL	Associated Industries Consumer Products Private Limited
BSE	Bombay Stock Exchange Limited
DFPL	Diamond Fabcare Private Limited
LoF / Letter of Offer	This Letter of Offer
DP	Depository Participant
Equity Shares	Fully paid-up equity shares of face value of Rs. 10/- each of Henkel India Limited
Eligible Person(s) for the Offer	All registered or unregistered owners of Equity Shares of Henkel India Limited at the time of making the application, with the exception of the Acquirer and Henkel Germany (the selling promoter) are eligible to participate in the Offer
Emerging Voting Capital / Paid up Equity Share Capital of the Target Company	116,464,471 equity shares of the face value of Rs.10/- each (including 10,200 fully paid-up Equity Shares of Rs. 10/- each kept in abeyance)
First Corrigendum	First Corrigendum to the Public Announcement, made by the Acquirer on June 28, 2011 in The Economic Times, English national daily – all editions; Pratahkal, Hindi national daily – all editions; Navshakti, Marathi regional language daily – Mumbai edition and Makkal Kural, Tamil regional language daily – Chennai edition.
Form of Acceptance	Form of Acceptance cum Acknowledgement
HIL / Target Company	Henkel India Limited
Henkel SPIC	Henkel SPIC India Limited
HMIL	Henkel Marketing India Limited, a subsidiary of HIL
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India

JFSL	Jyothy Fabricare Services Limited
JKBL	Jyothy Kallol Bangladesh Limited
Letter of Offer / LoF	The Letter of Offer dated July 20, 2011 to be dispatched to the Shareholders of HIL
Manager/ Manager to the Offer	MAPE Advisory Group Private Limited
Mn	Million (1 Million = 10 lacs)
MSE	Madras Stock Exchange Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies as defined in the Foreign Exchange Management [Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)] Regulations, 2003
Offer or Open Offer	The Offer for the acquisition by Jyothy of 23,292,895 fully paid up Equity Shares of Rs. 10/- each, forming 20% of the Emerging Voting Capital of the Target Company as set out in this document
Offer Price	Rs. 41.20 (Rupees forty one and paise twenty only) per fully paid-up equity share of Rs. 10/- each of Henkel India Limited.
PAC / PACs	Persons acting in concert with the Acquirer. There are no person/entity which is acting in concert with the Acquirer for the purpose of the Offer.
Public Announcement/ PA	Announcement of the Offer made by the Acquirer on May 09, 2011 in The Economic Times, English national daily – all editions; Pratahkal, Hindi national daily – all editions; Navshakti, Marathi regional language daily – Mumbai edition and Makkal Kural, Tamil regional language daily – Chennai edition.
RBI	Reserve Bank of India
Registrar/ Registrar to Offer	Cameo Corporate Services Limited
SEBI	Securities and Exchange Board of India
Shareholders	Holders of Equity Shares of Henkel India Limited
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI (SAST) Regulations/ Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SLDPL	Snoways Laundrers & Drycleaners Private Limited
Specified Date	June 03, 2011
Stock Exchanges	BSE, MSE, CSE

Note: All terms beginning with a capital letter used in this Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the Regulations

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT 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 SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF HENKEL INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PACs OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, MAPE ADVISORY GROUP PRIVATE LIMITED, HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED MAY 20, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER".

3. DETAILS OF THE OFFER

3.1 Background of the Offer

a) This Offer is for the acquisition of up to 23,292,895 fully paid equity shares of Rs. 10 each ("**Equity Shares**") of Henkel India Limited, constituting 20.00% of the Emerging Voting Capital (as defined in clause 6 (k) of this LoF) of Henkel India Limited, in accordance with Regulations 10 and 12 of the SEBI (SAST) Regulations.

b) On May 5, 2011, Jyothy executed a Share Purchase Agreement (**"SPA"**) with Henkel AG & Co. KGaA ("**Henkel Germany**"), one of the Promoters of HIL, for the acquisition of **59,360,203** (Fifty nine million three hundred and sixty thousand two hundred and three) Equity Shares, constituting **50.97%** of the Voting Capital of HIL ("**Sale Shares**") at a price of Rs. 20/- (Rupees Twenty Only) per Equity Share, for a total cash consideration of Rs. 1,187.20 Million. Pursuant to such transfer Henkel Germany will cease to hold any Equity Shares of HIL. As per the terms of the SPA:

   (i) The equity consideration of Rs. 1,187.20 Million was to be subject to certain adjustments based on the net debt (debt less net cash) in HIL; Accordingly, the price of Rs. 20 per Equity Share will be adjusted upwards or downwards based on the net debt in HIL five business days prior to the Closing Date. Based on the net debt in HIL five business days prior to Closing Date, the equity consideration was recalculated to be Rs. 1,429,992,268/-, or Rs. 24.09 per Equity Share instead of Rs. 1187.20 million or Rs. 20.00 per Equity Share as per the SPA and the same has been transferred to Henkel

Germany by Jyothy;

(ii) Jyothy has purchased 40,000,000 4% redeemable cumulative preference shares of HIL, having a par value of Rs. 10 (Rupees ten) each, and 28,000,000 9% redeemable non-cumulative preference shares of HIL, having a par value of Rs. 10 (Rupees ten) each, constituting 100% of the preference share capital of HIL, for an aggregate consideration of Rs. 439,000,000 (Rupees four hundred thirty nine million), subject to the terms and conditions agreed between the parties;

(iii) Jyothy, or a wholly owned affiliate of Jyothy, was to provide an inter-corporate deposit to HIL to repay an aggregate amount of approximately Rs. 4,539,000,000 owed by HIL to its lenders; Based on the recalculated outstanding amount, the amount of the inter-corporate deposit payable by Jyothy, or a wholly owned affiliate of Jyothy, to HIL was recalculated to be Rs. 4,296,007,732. Pursuant to the same, on May 31, 2011, Associated Industries Consumer Products Pvt. Ltd. (a wholly owned subsidiary of the Acquirer) has provided to Henkel Marketing India Limited ("HMIL"), a loan of Rs. 2,300,000,000. The Acquirer has provided a loan of Rs. 800,089,799 to HMIL and a loan of Rs. 1,211,014,858 to HIL. The sum total of these amounts is Rs. 4,311,104,657, which is in excess of the recalculated amount by Rs. 15,096,925. Such additional funds have been provided by Jyothy to HIL in order to maintain liquid cash balance for daily operations of HIL/HMIL.

(iv) HIL and Henkel Germany have executed the following documents on May 31, 2011:

  a) Trademark License Agreement for 'Fa';
  b) Technology License Agreement in relation to 'Fa';
  c) Trademark License Agreement for 'Pril';
  d) Technology License Agreement in relation to 'Pril';
  e) Trademark License Agreement for 'Henko' and 'Mr. White';
  f) Technology License Agreement in relation to 'Henko' and 'Mr. White'.

(v) 59,360,203 equity shares have been transferred by Henkel Germany but shall be released to the Acquirer only upon completion of the Open Offer formalities in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, pending which these equity shares have been placed in an Escrow Account held by Kotak Mahindra Bank Ltd. ("Escrow Bank") in trust and on behalf of the Acquirer as per the escrow agreement entered into between the Acquirer, Escrow Bank and Manager to the Offer on 30 May 2011.

(vi) The SPA contains a provision that, in accordance with Regulation 22(16) of the SEBI (SAST) Regulations, the parties have undertaken to reverse the sale and purchase of the Sale Shares in the event the Offer is not consummated;

(vii) At the meeting of the board of directors of HIL on May 31, 2011, all the directors of HIL resigned. The following directors were appointed on the board of HIL on the same day:

Sl. No.	Name of Director	Nature
1	M P Ramachandran	Non-Independent, Non-Executive Director
2	K Ullas Kamath	Non-Independent, Non-Executive Director
3	M R Jyothy	Non-Independent, Non-Executive Director
4	Nilesh Mehta	Independent Director
5	Bipin R Shah	Independent Director
6	K P Padmakumar	Independent Director
7	R Laxminarayanan	Independent Director

c) Jyothy and Henkel Germany have agreed that Henkel Germany shall have an option to acquire up to 26% of the equity share capital of Jyothy, either through purchase of shares or through issue of shares by Jyothy, after a period of 5 (five) years, subject to the terms and conditions to be mutually agreed upon between Jyothy and Henkel Germany at that time and also subject to obtaining approval of shareholders and such statutory and governmental approval as may be necessary and relevant at that time.

d) The SPA has necessitated this Open Offer in terms of Regulations 10 and 12 of the SEBI (SAST) Regulations. This Offer is subject to the provisions of the Companies Act, 1956 ("**Companies Act**"), the SAST Regulations and Listing Agreement of HIL with the Bombay Stock Exchange Limited ("**BSE**"), the Madras Stock Exchange Limited ("**MSE**") and the Calcutta Stock Exchange Limited ("**CSE**") (collectively, the "**Stock Exchanges**") and other applicable Laws and Regulations in force.

e) Neither the Acquirer, nor the Target Company has been prohibited by SEBI from dealing in securities under directions issued pursuant to Section 11B of Securities Exchange Board of India Act, 1992 or under any of the regulations made under the SEBI Act.

3.2 Details of the proposed offer

a) The Public Announcement was made in the following newspapers on May 09, 2011, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Publication	Language	Editions
The Economic Times	English	All Editions
Pratahkal	Hindi	All Editions
Navshakti	Marathi	Mumbai Edition
Makkal Kural	Tamil	Chennai Edition

Subsequently, the First Corrigendum to the Public Announcement was published on June 28, 2011 in all the newspapers listed above, updating the shareholders on the various developments in relation to the acquisition of control of HIL from Henkel Germany by Jyothy, and also updating investors of the delay in launch of the Offer.

(The Public Announcement and the First Corrigendum are also available at the website of SEBI, www.sebi.gov.in)

b) The Offer is made to all shareholders of HIL (except the Acquirer and Henkel Germany) in terms of Regulation 10 and 12 of the SEBI (SAST) Regulations to acquire up to 23,292,895 fully paid-up Equity Shares of face value Rs.10 each of the Target Company forming 20% of the Emerging Voting Capital at a price of Rs. 41.20 (Rupees forty one and paise twenty only) for each fully paid-up equity share ("**Offer Price**") to be paid in cash in accordance with the SEBI (SAST) Regulations, and subject to the terms and conditions mentioned hereinafter and as will be set out in this Letter of Offer aggregating to Rs. 959,667,274 (Rupees nine hundred and fifty nine million six hundred and sixty seven thousand two hundred and seventy four only) ("**Offer Size**").

c) There are no partly paid up Equity Shares in the Target Company as on March 31, 2011.

d) This is not a competitive bid. As of the date of this Letter of Offer, there has been no competitive bid.

e) The Offer is not conditional upon any minimum level of acceptance i.e. the Acquirer will acquire all Equity Shares of the Target Company that are validly tendered by the Shareholders in terms of the Offer up to 23,292,895 Equity Shares representing in the aggregate 20% of the Emerging Voting Capital, subject to the conditions specified in this Letter of Offer.

f) The Acquirer currently holds 81,346,842 Equity Shares of HIL. These include 59,360,203 Equity Shares transferred by Henkel Germany on May 31, 2011 and 4,634,953 Equity Shares acquired by Jyothy from the open market post the date of the Public Announcement.

g) The Equity Shares of the Target Company will be acquired by the Acquirer under the Offer, free from all lien, charges and encumbrances and together with all rights attached thereto.

h) The Acquirer may purchase additional Equity Shares of the Target Company from the open market or through negotiations or otherwise, after the date of the PA in accordance with the Regulation 20(7) of SEBI (SAST) Regulations. Accordingly, the highest price paid for such acquisition shall be payable for all acceptances received under this Offer. No acquisitions shall be made by the Acquirer during the last seven working days prior to the closure of the Offer.

i) If the Acquirer acquires any Shares in terms of Regulation 20(7) of SEBI (SAST) Regulations, from the open market or through negotiations or otherwise, details of such acquisition will be disclosed by the Acquirer within 24 hours of such acquisition to the stock exchanges where the Equity Shares of the Target Company are listed and to the Manager to the Offer in terms of Regulation 22(17) of the SEBI (SAST) Regulations.

j) As the Offer Price cannot be revised during seven working days prior to the date of closure of this Offer, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly. In case the offer price is revised, the same shall be given to all shareholders who tender their Equity Shares in the Offer.

k) As on the date of the PA and this Letter of Offer, the Manager to the Offer, does not hold any Equity Shares in the Target Company.

3.3. OBJECTS OF THE OFFER

(a) The object of the offer is substantial acquisition of Equity Shares of HIL followed by change in management control.

(b) HIL is presently engaged in the business areas of laundry, home care, toiletries and personal care. Jyothy proposes to continue with the existing activities of HIL post gaining controlling stake in HIL.

(c) Given the commonality of business interests of HIL and Jyothy and synergistic linkages that exist between them, an amalgamation of HIL into Jyothy may enable appropriate consolidation of the activities of HIL and Jyothy with pooling and more efficient utilization of their resources, greater economies of scale, reduction in overheads and other expenses and improvement in various operating parameters. The Board of Jyothy has therefore set up a Reorganization Committee to explore the possibility of a merger of HIL and Jyothy.

(d) The Acquirer does not have any intention to sell, dispose off or otherwise encumber any assets of the Target Company in the next two years, except

   (i) in the ordinary course of business of the Target Company;
   (ii) to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company for commercial reasons and operational efficiencies;
   (iii) other than (i) and (ii), only with the prior approval of the shareholders of the Target Company, in accordance with and subject to the applicable laws, permissions and consents, if any.

(e) The Offer is being made in compliance with Regulation 10 and 12 of the SEBI (SAST) Regulations, involving substantial acquisition of the shares or voting rights in the Target Company. On completion of the Offer (assuming full acceptance), the Acquirer will hold, in the aggregate, up to 104,639,737 (One hundred and four million six hundred and thirty nine thousand seven hundred and thirty seven only) Equity Shares representing 89.85% of the Voting Capital of the Target Company.

4. BACKGROUND OF THE ACQUIRER AND PACs

4.1 Jyothy Laboratories Limited ("Jyothy")

(a) Jyothy Laboratories Limited is a public company incorporated and registered under the Companies Act, 1956 (Corporate Identity No.: L24240MH1992PLC128651).

(b) It was originally incorporated as Jyothi Laboratories Private Limited on January 15, 1992 in the state of Kerala. Upon becoming a public limited company, its name was changed to Jyothi Laboratories Limited and a fresh certificate of incorporation was issued on October 6,

1995. On August 12, 1996, the name of the company was changed to Jyothy Laboratories Limited. Further, the registered office of Jyothy was moved from the state of Kerala to the state of Maharashtra in the year 2000.

(c) The Registered Office of Jyothy is located at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai 400 059. It changed its registered office from 43 Shiv Shakti Industrial Estate, Andheri – Kurla Road, Marol, Mumbai – 400 059 to its present location on March 18, 2008.

(d) The main objects as stated in the Memorandum of Association of Jyothy are:

   (i) To set up and carry out Research and Development for the manufacture and development of soaps, soap powders, liquid whiteners, whitening agents, washing aids, hygiene products and allied items.

   (ii) To carry on the business as manufacturers, producers, processors, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires or otherwise deal in all kinds and varieties of products used for or as personal care, fabric care, air care, hair care, household insecticides, surface cleaning, food and beverages, cosmetic and beauty products, dairy products, mineral water and ayurvedic / herbal based products.

(e) As on the date of the Letter of Offer, Jyothy has the following subsidiaries – (i) Jyothy Fabricare Services Limited, (ii) Associated Industries Consumer Products Private Limited, (iii) Diamond Fabcare Private Limited, (iv) Akash Cleaners Private Limited and (v) Jyothy Kallol Bangladesh Limited, (vi) Snoways Laundrers & Drycleaners Private Limited.

(f) The Authorised Capital of Jyothy is Rs. 120,000,000 (One hundred and twenty million) comprising of 120,000,000 (One hundred and twenty million) equity shares of Re. 1 each and the issued and paid up capital is Rs. 80,632,000 (Eighty million six hundred and thirty two thousand), comprising of 80,632,000 (Eighty million six hundred and thirty two thousand) equity shares of Re. 1 each. There are no partly paid-up equity shares in Jyothy.

(g) The promoters of Jyothy are Mr. M P Ramachandran and affiliates, and as on March 31, 2011, they collectively hold 63.16% of Jyothy.

(h) The Board of Directors of Jyothy comprises of 6 members. Their details are as below:

Sr. No.	Name of Director	Qualification and Experience	Residential Address
1.	Mr. M P Ramachandran Chairman and Managing Director DIN: 553406 Date of Appointment: 15-01-1992	Mr. M. P. Ramachandran holds a postgraduate degree in Financial Management from University of Mumbai and began his career as an accountant in 1971 in Mumbai. He set up the Jyothy Laboratories business in 1983. He has over 42 years of experience in sales, production and general management.	403 Shagun Tower, Wing A, Gen. A. K. Vaidya Marg, Yashodham, Goregaon (East), Mumbai – 400063
2.	Mr. K Ullas Kamath Deputy Managing Director DIN: 506681 Date of Appointment: 26-03-1997	Mr. K. Ullas Kamath is a qualified Chartered Accountant and Company Secretary and holds a bachelor's degree in Law and master's degree in Commerce. He has also participated in the Advanced Management Programme at Wharton Business School and at Harvard Business School. His responsibilities include business development, new projects, sales, financial management and supervision of day-to-day operations. He has been associated with Jyothy since incorporation and has been on Board since 1997. Prior to that, he was practicing as a Chartered Accountant. The Institute of Chartered Accountants of India awarded him with "CA BUSINESS ACHIEVER – SME" in 2009.	Flat No.202, No.40, 'Renaissance Mangalam', 13th Cross, Between 10 & 11th Main, Malleswaram, Bangalore – 560003
3.	Ms. M R Jyothy Whole time Director DIN: 571828 Date of Appointment: 24-10-2005	Ms. M. R. Jyothy holds a bachelor's degree in Commerce from the University of Mumbai and an MBA from Wellingker's Institute of Management & Research, Mumbai. She has also done a course in Family Managed Business Administration from S. P. Jain Institute of Management, Mumbai. She is a graduate in 'Owner / President Management Programme' from Harvard University. She has been on the Board of Jyothy since October 2005 and handles sales administration, marketing and brand communication.	Flat No. 22, Tower 2, Pebble Bay A-11, 1st Main Road, RMV II, Dollars Colony, Bangalore - 560094

4.	Mr. Nilesh B Mehta Independent Director DIN: 199071 Date of Appointment: 07-02-2003	Mr. Nilesh B. Mehta is a Member of the Institute of Chartered Accountants of India, and holds a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad, where he also taught Finance and Control Systems as a visiting faculty for a few years. He is currently setting up Access India Fund, a PE fund for mid-market opportunities. He earlier was responsible for Aureos Capital's India business as co head and Managing Partner. Since 2000, he has been General Partner of eIndia Venture Fund/Infinity II, where he led four IT-related investments in India/US. Prior to this, he spent 16 years in investment banking, private equity and fund-related activities, occupying positions as Managing Director of Meghraj Financial Services (India) Ltd., where he led several private equity transactions and mergers and acquisitions of mid cap Indian companies. He is also a member of the Board of few public and private companies, and is one of the founder trustees of Aavishkaar Micro venture Fund.	203 Tulsi Villa, Podar Road, Santacruz (West), Mumbai – 400054
5.	Mr. K P Padmakumar Independent Director DIN: 23176 Date of Appointment: 06-06-2007	Mr. K.P. Padmakumar is a Graduate in Agriculture and a Certified Associate of Indian Institute of Bankers (CAIIB). He is a banker with nearly 42 years of association in India and abroad in Commercial Banking, Treasury Management, Capital Markets and Mutual Funds. During his 27 years of service in State Bank of India, he had handled many operational assignments including Treasury Managership of State Bank of India's Bahrain Offshore Banking Unit and that of Fund Manager of State Bank of India Mutual Fund. He was the Chairman of The Federal Bank Ltd. for about 6 years from 1999 to 2004. He is the Executive Director of Muthoot Finance Limited since March 2005. He is also on the board of Muthoot Vehicles & Asset Finance Limited, Muthoot Securities Limited, Muthoot Commodities Limited and Joyalukkas (India) Limited.	3F Skyline Topaz, Kaloor-Kadavanthra Road, Kaloor, Kochi – 682017
6.	Mr. Bipin R Shah Independent Director DIN: 6094 Date of Appointment: 06-06-2007	Mr. Bipin R. Shah is a B.Com from Bombay University and a member of The Institute of Chartered Accountants of India. From 1958 to 1978, he held various senior commercial assignments in Hindustan Lever Ltd., including Commercial Manager at its soaps, detergents and foods factory in Bombay, Chief Buyer-Raw Materials and Head of Foods Business. He became a Director of Hindustan Lever Ltd. in 1979. In that capacity he was responsible for Foods, Animal Feeds, Agri Products and Exports businesses. In 1981, he was assigned the additional responsibility of being Chairman of another Unilever subsidiary-Lipton India Ltd. In 1989 he attended Senior Executive Programme conducted by Sloan School of Business, Massachusetts Institute of Technology at Boston, USA. On his retirement from the Lever Group of Companies in 1992, he joined Indus Venture Management Pvt. Ltd. as President, and later as Vice Chairman,managing a USD 50 million offshore Private Equity Fund. Currently, he is on the Board of several companies.	8-D, IL Palazzo, Little Gibbs Road, Malabar Hill, Mumbai – 400006

(i) All the directors of Jyothy were appointed as the directors of the Target Company on May 31, 2011.

(j) The Directors of Jyothy do not hold any Equity Shares of HIL as on the date of the PA. Further, they have not purchased any Equity Shares of HIL from the date of the PA to the date of the Letter of Offer.

(k) The Financial details of Jyothy on the Consolidated basis for the last three financial year as derived from its audited Financial Statements are as set forth below :

(Rs. Million)

Profit and Loss Statement

	9 months ended March 31, 2009	**Year ended March 31, 2010**	**Year ended March 31, 2011##**
	Consolidated and Audited		
Income from Operations	3,634.88	5,981.02	6,194.91
Other Income	76.10	178.02	238.02
Total Income	3,710.98	6,159.04	6,432.93
Total Expenditure (excluding Depreciation and Interest)	3,147.31	5,062.94	5,469.41
Profit Before Depreciation, Interest and Tax	563.68	1,096.10	963.52
Depreciation	74.83	123.66	130.31
Interest and other Finance Charges	7.09	16.95	21.50
Other Exceptional Income	-	-	-
Profit Before Tax	481.75	955.49	811.71
Provision for Tax	108.04	214.75	154.34
Profit after Tax before Minority Interest	373.71	740.74	657.37
Minority Interest (share in loss)	9.89	2.67	30.25
Profit/ (Loss) after Tax	383.60	743.41	687.62

Balance Sheet

(Rs. Million)

	9 months ended March 31, 2009	**Year ended March 31, 2010**	**Year ended March 31, 2011##**
Sources of Funds	Consolidated and Audited		
Paid-up Share Capital	72.57	72.57	80.63
Reserves and Surplus (excluding revaluation reserves, if any)	3,396.14	3,805.03	6,230.42
Shareholders' Funds/Net Worth	3,468.71	3,877.60	6,311.05
Minority Interest	2.61	4.97	4.79

Secured Loans	-	128.75	688.86
Unsecured Loans	5.17	1.74	1.74
Deferred Payment Liability	-	45.00	52.50
Deferred Tax Liability	104.82	132.82	163.22
Total	**3,581.31**	**4,190.88**	**7,222.16**
Uses of funds			
Net Fixed Assets	2,003.75	2,336.14	2,405.26
Capital Work-in-progress	110.36	41.31	201.99
Investments	2.33	0.13	607.43
Net Current Assets	1,464.15	1,813.30	4,007.48
Miscellaneous expenses not written-off	0.72	-	-
Total	**3,581.31**	**4,145.88**	**7,222.16**

Other Financial Data

	9 months ended March 31, 2009	**Year ended March 31, 2010**	**Year ended March 31, 2011##**
	Consolidated and Audited		
Face Value (Rs.)	1.00	1.00	1.00
Dividend (% of Face Value)	200%	400%	500%
Earnings per share (Rs.): Basic and Diluted	5.29	10.24	8.86
Book Value per share (Rs.)**	47.80	53.43	78.27
Return on Net worth (%)***	11.06%#	19.17%	10.90%

Source: Annual Reports, Audited Financial Statements of Jyothy.

Note:

i. The financial period for the audit of financial statements of Jyothy for 2008-09 was only 9 months, from July 1, 2008 to March 31, 2009. The financial year for subsequent periods was from 01 April to 31 March.

ii. The dividend for the financial year ended March 31, 2011 have not been approved by the shareholders yet.

\# Not Annualised

\## *The financial statements of Jyothy for the year ended March 31, 2011 are yet to be adopted by its shareholders.*

*Net worth = (Paid-up Share Capital + Reserves and Surplus (excluding Revaluation Reserves).

** Book Value per share= Net worth /no. of outstanding fully-paid up equity shares.

*** Return on Net worth has been calculated on the basis of closing balances of Net

(l) As indicated in the financial statements for 2010-11, (based on Consolidated results of Jyothy), as on March 31, 2011, the status of contingent liabilities is as follows:

Particulars	**Amount** (Rs. Million)
Contingent liabilities not provided for in respect of:	
(i) Amount outstanding in respect of guarantees given by the Company to banks	112.62
(ii) Tax matters	

(a) Disputed sales tax demands–matters under appeal	229.58
(b) Disputed excise duty and service tax demand-matter under appeal	159.27
(iii) Others	2.01
(iv) Claims against the Company not acknowledged as debt	12.00

(m) Key Accounting policies of Jyothy as mentioned in the audited financial statements for Financial Year 2010-11:

a) Fixed assets

Fixed assets are stated at cost, less accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Cost of shares of Co-operative society has been added to the cost of office building. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

b) Depreciation and amortisation

Depreciation is provided using the Straight-Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher. The estimated useful life of the assets is as follows:

Category	**Estimated useful life (in years)**
Factory Buildings	30
Building (Other than Factory Building)	60
Plant and machinery	21
Furniture and fixtures	16
Leasehold Improvements	3
Dies and moulds	3
Computers	6
Office equipments	21
Vehicles	8-10
Know-how	3-5
Trademarks and Copyrights	9-10
Softwares and Licences	5-10

Assets costing less then Rs. 5,000 are depreciated at the rate of 100%.
Leasehold land is amortised over the period of the lease on a straight-line basis.
The Goodwill purchased is tested for impairment purposes every year.

c) Inventories

Inventories of raw materials, packing materials, work-in-progress, finished goods, stores and consumables items are valued at cost or net realizable value, whichever is lower. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is ascertained on First-in-First-out ('FIFO') basis and includes all applicable costs incurred in bringing

goods to their present location and condition. Cost of work-in-progress and finished goods includes materials and all applicable manufacturing overheads. The Company accrues for excise duty liability in respect of manufactured finished goods/intermediary inventories lying in the factory.
Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

d) Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods:
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty, Sales Tax and VAT deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arised during the year. Revenue includes the amount of excise duty refund received/due in accordance with incentive scheme. Revenue is net of trade discount given.

Sale of Services:
Service revenue is recognised on completion of services and where no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. Service revenue are net of service tax.

Interest:
Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

e) Segment Reporting Policies

Identification of segments:
The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Segment policies:
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Intersegment transfer:
The Company generally accounts for inter segment sales and transfers as if the sales or transfers were to third parties at market price.

Allocation of common costs:
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:
It includes general corporate income and expense items which are not allocated to any business segment.

(n) The equity shares of Jyothy are listed on BSE and NSE.

(o) M/s. S R Batliboi & Associates, Chartered Acountants and Stautory Auditors of Jyothy, vide their Certificate dated May 25, 2010, have certified that Jyothy has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreements with the Stock Exchanges. *(Source: Annual Report 2009-10).* Vide the Quarterly Compliance Report (under Clause 49 of the Listing Agreement) filed by Jyothy with the Stock Exchanges, for the quarters ended on June, 2010, September, 2010, December, 2010 and March, 2011, it has informed the Stock Exchanges about the compliance of various sub-clauses of Clause 49 of the Listing Agreement.

(p) Compliance with SEBI (SAST) Regulations

The Acquirer has complied with the provisions of Clause II of the SEBI (SAST) Regulations in relation to the acquisition of Equity Shares of the Target Company.

(q) Compliance Officer:

Mr. M L Bansal
Company Secretary
Jyothy Laboratories Limited
Ujala House, Ramakrishna Mandir Road,
Kondivita, Andheri (East)
Mumbai 400 059
Tel: +91 22 6689 2800 Fax: +91 22 6689 2805

(r) Pending Litigation matters of Jyothy as on the date are as follows:

A. **Summary of indirect tax claims against the Acquirer**

Sr. No.	Matter	No. of Cases	Outstanding Claims (Rs.)
1	Excise	14	14,298,152
2	Sales Tax + VAT + KGST	75	15,23,13,870
3	Service Tax	11	1,61,67,177
4	Labour matters (ESIC+PF)	3	14,33,999
5	Electricity	1	4,28,334
6	Other Civil & Criminal Matters	4	5,09,184 and one other not quantifiable

Summary of Intellectual Litigation filed against the Acquirer

SR NO.	FILED BY	FILED AGAINST	FORUM IN WHICH SUIT HAS BEEN FILED	ISSUE INVOLVED	CURRENT STATUS

1	Ujala Industries	Joint Registrar of Trademarks, Mumbai	Intellectual Property Appellate Board, Chennai	Restoring the rectification petition filed by the plaintiff before the defendant in respect of opposition against the registered trademark "Ujala", registered by the Acquirer and which was dismissed by the defendant.	The matter is pending.
2	Sunbrite Industries	Acquirer	Tiz Hazari Court, New Delhi	Permanent injunction, declaration and damages against the Acquirer for the alleged violation of the trademark "Ujala". The Acquirer has filed a written statement.	The Court has not yet begun the hearing in this matter.
3	Maxo Laboratories	Mr. M.P Ramachandran and Acquirer	High Court of Judicature at Delhi	Usage of name "Maxo". The plaintiff is engaged in pharmaceutical business under the company name 'Maxo Laboratories'. The plaintiff has contended that the use of "Maxo" by the Acquirer is deceptively similar to the company name of the plaintiff.	The hearing is at the stage of cross examination of the plaintiff.
4	Reckit Benkizer	Acquirer	High Court of Judicature at Delhi	Usage of mark "arrow device". The plaintiff has claimed that the Acquirer is using a similar mark viz. "arrow device" in its packing of Maxo, which is deceptively similar.	Matter is at the stage of filing of evidence by the plaintiff before the Joint Registrar. Matter has been posted to 22.08.2011.

Summary of Intellectual Property Litigation filed by the Acquirer

SR NO.	FILED BY	FILED AGAINST	FORUM IN WHICH SUIT HAS BEEN FILED	ISSUE INVOLVED	CURRENT STATUS
1.	Mr. M.P Ramachandran and Acquirer	Oswal Oils and Chemicals	High Court of Judicature at Bombay	Infringement of the plaintiffs' registered trademark (label mark) "Ujala" or any other deceptively similar label by using the same in relation to liquid blue or whitening agent or similar goods.	An ex-parte and interim order of injunction against the defendant has been passed. The matter is pending.

2.	Mr. M.P Ramachandran and Acquirer	Ujala Industries	High Court of Judicature at Calcutta	Order of perpetual injunction as well as damages for infringement of the plaintiffs' registered trademark (label mark) "Ujala" or any other deceptively similar label by using the same in relation to liquid blue or whitening agent or similar goods.	An order of injunction was passed by the Court. The defendant filed an appeal against the order of the Court. The appeal was dismissed. The defendant filed a SLP before the Supreme Court which was also dismissed. The interim injunction order is currently in force. The matter is pending for further orders.
3.	Mr. M.P Ramachandran and Acquirer	Bright Blue Company and others	High Court of Judicature at Bombay	Infringement of the copyright of the plaintiffs in the artistic work "Ujala" label by using the Ujala bottle or label or any other which is a colourable imitation of such artistic work and also by using the same in relation to liquid blue or white.	An ex-parte and interim injunction order restraining the defendants from using the trademark Ujala was obtained. The matter is pending for further orders.
4.	Acquirer	Sunbrite Industries	High Court of Judicature at Bombay	Permanent injunction, damages and appointment of Receiver for the alleged violation of the trademark "Ujala".	Interim relief was granted. The defendant filed a SLP No. 10253 of 2006 against the order of Honourable High Court which was later withdrawn by the defendant. The matter is pending further orders.
5.	Mr. M.P Ramachandran and Acquirer	Usha & Sons Industries and Mr. Ratnesh Kumar Gupta	High Court of Judicature at Bombay	Infringement of plaintiffs' trademark by the manufacture of a whitening agent called "Usha Ujala" which is packed in a manner deceptively similar to the plaintiff's product.	An interim injunction was passed and a Court Receiver was appointed. The matter is pending further orders.

(s) Vide order dated January 28, 2011, the High Court of Mumbai has approved the merger of Sri Sai Homecare Products Private Limited (a subsidiary of Jyothy) with Jyothy, with effect from April 1, 2010. Other than this, there has been no merger/demerger in Jyothy during the last 3 years from the date of the PA.

(t) Shareholding Pattern of Jyothy as on March 31, 2011 is as follows:

	Category of Shareholder	Total number of shares	% Shareholding
(A)	**Shareholding of Promoter and Promoter Group**		
1	**Indian**		

	Individuals / Hindu Undivided Family:		
	M P Ramachandran	20,243,785	25.11
	M P Ramachandran	14,513,765	18.00
	M P Divakaran	3,420,900	4.24
	M P Sidharthan	2,513,000	3.12
	M R Deepthy	2,285,005	2.83
	M R Jyothy	2,267,800	2.81
	U B Beena	1,723,300	2.14
	M G Shanthakumari	1,578,176	1.96
	M P Divakaran	952,000	1.18
	K Ullas Kamath	725,690	0.90
	Sidharthan M P	660,000	0.82
	K K Sujatha	40,500	0.05
	Sub Total	50,923,921	63.16
	Sub Total	**50,923,921**	**63.16**
2	**(2) Foreign**	-	-
	Total shareholding of Promoter and Promoter Group (A)	**50,923,921**	**63.16**
(B)	**Public Shareholding**		
1	**Institutions**		
	Mutual Funds / UTI	6,367,315	7.90
	Financial Institutions / Banks	447,258	0.55
	Insurance Companies	5,385,978	6.68
	Foreign Institutional Investors	12,574,116	15.59
	Sub Total	**24,774,667**	**30.73**
2	**Non-Institutions**		
	Bodies Corporate	1,900,300	2.36
	Individuals		
	Individual shareholders holding nominal share capital up to Rs. 1 lakh	2,820,515	3.50
	Any Others (Specify)	**212,597**	**0.26**
	Clearing Members	119,903	0.15
	Office Bearer	1,075	-
	Non Resident Indians	82,619	0.10
	Directors & their Relatives & Friends	50	-
	Trusts	8,950	0.01
	Sub Total	**4,933,412**	**6.12**
	Total Public shareholding (B)	**29,708,079**	**36.84**
	Total (A)+(B)	**80,632,000**	**100.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-
	Total (A)+(B)+(C)	**80,632,000**	**100.00**

4.2 Subsidiaries of Jyothy:

4.2.1 Jyothy Fabricare Services Limited ("JFSL")

JFSL was incorporated under the Companies Act on March 18, 2008. Its CIN is: U17120MH2008PLC180246. The registered office of JFSL is located at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai 400 059. It is engaged in the laundry business. Its current directors are Mr. M P Ramachandran, Mr K Ullas Kamath and Ms M R Jyothy.

The brief audited financial results of JFSL are as follows:

(in Rs.)

	March 18, 2008 to March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011#
Equity share capital	50,000,000	50,000,000	130,000,000
Preference share capital	75,000,000	75,000,000	-
Reserves and Surplus (excluding revaluation reserve)	-	-	25,000,000
Debit balance of Profit & Loss Account	39,549,448	100,185,143	231,834,969
Net Worth	85,450,552	24,814,857	(76,834,969)
Total Income	13,099,250	45,663,069	94,858,176
Profit (Loss) after Tax	(39,549,448)	(60,635,695)	(131,649,826)
Earning per equity share	(11.46)	(12.13)	(23.29)
Net Asset Value per equity share	2.09	(10.04)	(5.91)

The financial statements of JFSL for the year ended March 31, 2011 are yet to be adopted by its shareholders.

Note: Net Asset Value per equity share = (Equity Share Capital – Debit balance of Profit & Loss A/c)/No. of equity shares outstanding

4.2.2 Associated Industries Consumer Products Private Limited ("AICPPL")

AICPPL was incorporated under the Companies Act on May 30, 2007. Its CIN is: U24246AS2007PTC008392. The registered office of AICPPL is located at Paschim Boragaon, Guwahati - 781033.
It is engaged in the business of manufacturing and distribution of FMCG products.
Its current directors are Ms M R Deepthi and Mr. Pradosh T G.

The brief audited financial results of AICPPL are as follows:

(in Rs.)

	Year ended March 31, 2009	Year ended March 31, 2010	Year ended March 31, 2011#
Equity share capital	49,700,000	49,700,000	49,700,000
Reserves and Surplus (excluding revaluation reserve)	-	-	-
Debit balance of Profit & Loss Account	12,186,424	2,515,767	522,737
Net Worth	37,513,576	47,184,233	49,177,263
Total Income	165,058,143	332,254,995	153,308,764

Profit (Loss) after Tax	35,849	9,670,657	1,993,030
Earning per share	0.01	1.95	0.40
Net Asset Value per share	7.55	9.49	9.89

 # The financial statements of AICPPL for the year ended March 31, 2011 are yet to be adopted by its shareholders.

Note: Net Asset Value per share = (Equity Share Capital – Debit balance of Profit & Loss A/c)/No. of equity shares outstanding

4.2.3 Diamond Fabcare Private Limited ("DFPL")

DFPL was incorporated under the Companies Act on December 13, 2007. Its CIN is: U93010RJ2007PTC025494. The registered office of DFPL is located at Amarpali Plaza, Vaishali Nagar, Jaipur, Rajasthan - 302021. It is engaged in the laundry business. Its current directors are Mr. Atul Kailash Maheshwari, Mr. Pradosh T G and Ms Neetu Kashiramka.

The brief audited financial results of DFPL are as follows:

(in Rs.)

	Period ended March 31, 2008	**Year ended March 31, 2009**	**Year ended March 31, 2010**
Equity share capital	16,580,000	50,000,000	50,000,000
Preference share capital	13,000,000	50,000,000	50,000,000
Reserves and Surplus (excluding revaluation reserve)	-	-	-
Miscellaneous Expenditure not written off	4,279,215	1,566,950	1,175,212
Debit balance of Profit & Loss Account	-	33,320,432	82,455,031
Net Worth	25,300,785	65,112,618	16,369,757
Total Income	-	16,159,303	70,007,837
Profit (Loss) after Tax	-	(33,320,432)	(49,134,599)
Earning per share (Rs.)	-	(11.56)	(9.83)
Net Asset Value per share (Rs.)	7.42	3.02	(6.73)

Note: Net Asset Value per equity share = (Net Worth – Preference share capital)/No. of equity shares outstanding at the end of the period

4.2.4 Akash Cleaners Private Limited ("ACPL")

ACPL was incorporated under the Companies Act on April 27, 1994. Its CIN is: U93010MH1994PTC078006. The registered office of ACPL is located at Ujala House, Ramakrishna Mandir Road, Kondivita, Andheri (East), Mumbai 400 059.
It is engaged in the laundry business.
Its current directors are Mr. Pradosh T G and Ms Neetu Kashiramka.

The brief audited financial results of ACPL are as follows:

(In Rs.)

	Year ended March 31, 2008	Year ended March 31, 2009	Year ended March 31, 2010
Equity share capital	5,000,000	5,000,000	5,000,000
Reserves and Surplus (excluding revaluation reserve)	4,315,225	3,400,430	2,046,086
Net Worth	9,315,225	8,400,430	7,046,086
Total Income	76,678,657	79,718,688	64,484,512
Profit (Loss) after Tax	2,491,072	(973,588)	(1,353,791)
Earning per share of Rs. 100 each(Rs.)	49.82	(19.47)	(27.08)
Net Asset Value per share of Rs. 100 each(Rs.)	186.30	168.01	140.92

4.2.5 Jyothy Kallol Bangladesh Limited ("JKBL")

JKBL is a company incorporated in Bangladesh on October 14, 2010.The registered office of JKBL is located at 199, Tajgaon Industrial Area, Dhaka 1208, Bangladesh. JKBL has not commenced its business operations yet. Its current directors are Mr. M P Ramachandran, Mr. K Ullas Kamath, Mr. T Ananth Rao and Mr. Ghulam Mustafa.

Brief audited financial of JKBL are as follows:

(in Bangladesh Taka)

	14 October 2010 to 31 March 2011#
Equity share capital	500,000
Reserves and Surplus (excluding revaluation reserve)	-
Preliminary Expenses	93,180
Deferred Expenses	48,353
Loss recognized in the Balance Sheet	5,000
Net Worth	353,467
Total Income	-
Profit (Loss) after Tax	(5000)
Earning per share of Rs. 10 each	(0.10)
Net Asset Value per share of Rs. 10 each	7.07

 # The financial statements of JKBL for the period ended March 31, 2011 are yet to be adopted by its shareholders.

4.2.6 Snoways Laundrers & Drycleaners Private Limited ("SLDPL")

SLDPL was incorporated under the Companies Act on April 16, 2008. Its CIN is: U93010KA2008PTC046087. The registered office of SLDPL is located at No. 119, North Block, Manipal Centre, Dickenson Road, Bangalore – 560042. SLDPL is in the laundry business.

Its current directors are Mr. Suresh Babu Balasu, Mr. Ashok Kumar Gopalakrishnan and Mr. T Ananth Rao.

The brief audited financial results of SLDPL are as follows:

(Rs.)

	April 16, 2008 to March 31, 2009	**Year ended March 31, 2010**	**Year ended March 31, 2011**
Equity share capital	10,000,000	10,000,000	10,000,000
Reserves and Surplus (excluding revaluation reserve)	-	-	-
Miscellaneous Expenditure not written off	59,793	-	-
Debit balance of Profit & Loss Account	151,600	257,062	753,182
Net Worth	9,788,607	9,742,938	9,246,818
Total Income	-	-	10,000
Profit (Loss) after Tax	(151,600)	(105,462)	(496,120)
Earning per share (Rs.)	(0.15)	(0.11)	(0.50)
Net Asset Value per share (Rs.)	9.79	9.74	9.25

Note:

i. JFSL, AICPPL and JKBL are direct subsidiaries of Jyothy. DFPL, ACPL and SLDPL are subsidiaries of JFSL and are thus indirect subsidiaries of Jyothy.

ii. The above mentioned subsidiaries are neither sick within the meaning of the Sick Industrial Companies (Special Provision) Act, 1985 nor are these companies listed on any stock exchange in India or abroad.

iii. As on date, none of the subsidiaries of Jyothy hold any Equity Shares of HIL.

4.3 Persons acting in concert with the Acquirer - There is no entity/person who is acting in concert with the Acquirer for the purpose of the Offer.

5. DISCLOSURE IN TERMS OF REGULATION 21(2)

The acquisition of Equity Shares tendered under this Offer together with the Equity Shares currently held and any subsequent open market purchases in terms of regulation 20(7) may result in public shareholding falling below the level required for continued listing. On completion of the Offer (assuming full acceptance), the Acquirer will hold, in the aggregate, up to **104,639,737** (One hundred and four million six hundred and thirty nine thousand seven hundred and thirty seven) Equity Shares representing **89.85%** of the Voting Capital of the Target Company.

If consequent to the acquisition of Equity Shares, the public shareholding falls below the level stipulated for continued listing, then Jyothy will comply with the relevant provisions of Clause 40A of the Listing Agreement in this regard, within the time limits stipulated therein.

6. INFORMATION ABOUT THE TARGET COMPANY

(Information about the Target Company in this Letter of Offer has been taken from the publicly available data and as provided by the Acquirer and/or the Target Company)

a) HIL was initially incorporated on September 29, 1916 under the Indian Companies Act, 1913 as 'The Calcutta Chemical Company Limited'. On August 24, 2004, it changed its name to 'Henkel India Limited'.

b) The Registered Office of HIL is TPL House, First Floor, 3, Cenotaph Road, Teynampet, Chennai – 600 018. The Registered Office of HIL was shifted to the State of Tamil Nadu with effect from September 18, 2003.

c) The Corporate Identity No. of HIL is U24129TN2003PLC051626.

d) The Hon'ble High Court of Madras, vide its Order dated May 26, 2005, approved the Scheme of Amalgamation between Henkel India Limited and Henkel SPIC India Limited whereby the entire business of Henkel SPIC India Limited has been transferred to and vested in Henkel India Limited with effect from July 1, 2004 (i.e. the Appointed Date under the Scheme) under Sections 391 to 394 of the Companies Act, 1956. Accordingly, on September 09, 2005, 116,393,959 Equity Shares (including 10,200 Equity Shares kept in abeyance) were issued to the equity shareholders of Henkel SPIC India Limited.

e) The Target Company is engaged in the business of manufacturing and marketing of laundry care products, dishwashing products and personal care products. The Company has one manufacturing unit – in Karaikal, Pondicherry.

f) The Equity Shares of HIL are listed on the BSE, MSE and CSE.

g) HIL has an authorized capital base of **Rs. 2,400,000,000** (Two billion four hundred million) comprising of **172,000,000** (One hundred and seventy two million) equity shares of Rs. 10/- (Rupees Ten Only) each aggregating **Rs. 1,720,000,000** (One billion seven hundred and twenty million) and **68,000,000** (Sixty eight million) redeemable non-cumulative/cumulative preference shares of Rs. 10/- (Rupees Ten Only) each aggregating **Rs. 680,000,000** (Six hundred and eighty million).

h) As on date, it has **116,464,471** (One hundred and sixteen million four hundred and sixty four thousand four hundred and seventy one) outstanding fully paid-up equity shares. Out of these, the allotment of **10,200** (Ten thousand two hundred) equity shares have been kept in abeyance pending settlement of disputes on title.

i) Further, as on date, **28,000,000** (Twenty Eight million) 9% redeemable non-cumulative preference shares of Rs. 10/- (Rupees Ten Only) each and **40,000,000** (Forty million) 4% redeemable cumulative preference shares of Rs. 10/- (Rupees Ten Only) each are outstanding.

j) There are no partly paid up equity shares in the Target Company. Except as mentioned above, there are no outstanding convertible instruments.

k) The equity share capital structure of HIL is as follows:

Paid-up Equity Shares of the Target Company	**No. of Equity Shares**	**% of Equity Shares**
Fully paid up Equity Shares#	116,464,471	100%
Add: Partly paid up equity shares	-	-
Total paid up Equity Shares	116,464,471	**100%**

Emerging voting capital of HIL is computed as below:

Particulars	**No. of Equity Shares**	**% of voting rights**
Total fully paid-up Equity Shares outstanding as on date (A)	116,464,471	100%
Add: Any convertible instruments which may be converted into equity shares within 15 days after the closure of the Offer (B)	Nil	-
Emerging Voting Capital (A+B)	116,464,471	**100%**

#*Includes 10,200 Equity Shares kept in abeyance.*

l) Build-up of Equity Share Capital of Henkel India Limited

Date of allotment	No. of Equity Shares Issued	% of Equity Shares issued as on the date of allotment	Paid up Equity Capital issued (Rs.)	Cumulative paid up Equity capital (Rs.)	Mode of allotment	Identity of allottees (e.g.-Promoters /others)	Status of compliance with SAST Regulations and other regulations under the SEBI Act
28-09-1916	90	100.00%	900	900	Subscribers to MoA	Others	SAST Regulations not notified.
Various times	799,910 (cumulative)		7,999,100	8,000,000			SAST Regulations not notified.
2005	(729,488)		(7,294,880)	705,120	Extinguishment upon amalgamation with Henke SPIC India Limited	Henkel SPIC India Limited	SAST Regulations not applicable.
09-09-2005	116,393,959	99.94%	1,163,939,590	1,164,644,710	Allotment pursuant to Scheme of Amalgamation	All equity shareholders of Henkel SPIC India Limited	Form 7(3) not traceable

Note:

i. The allotment of 10,200 Equity Shares of Henkel India Limited have been kept in abeyance, pending settlement of disputes on title. Except for the Equity Shares kept in abeyance, the Equity Shares of HIL are listed on the BSE, MSE and CSE.

ii. HIL was incorporated in the year 1916 and due to several management changes, the relevant details of allotment of equity shares of HIL are not available with the current management. Mr. B Ravi, Practicing Company Secretary, vide his letter dated 19 May 2011 has certified that on verification of documents made available to him in the office of RoC, Chennai with reference to HIL as well as on verification of the records available in the MCA portal, there was only one Form 2 cum return of allotment available, pertaining to allotment of 116,393,959 Equity Shares.

m) **Details of change in shareholding of the Promoters in Henkel India Limited**

Sl. No.	Date	Opening no. of shares - Individual	Opening total no. of shares o/s	Opening % holding - Individual	No. of Equity Shares acquired	No. of Equity Shares sold	Mode of Acquisition/disposal	Closing no. of shares- Individual	Closing total no. of shares o/s	Closing % holding - Individual	Increase/ (decrease) in % holding - Individual	Compliance status
	Promoter - Henkel Germany											
1	09-09-2005	-	70,152	-	59,360,203	-	Allotment upon amalgamation with Henkel SPIC India Limited	59,360,203	116,464,471	50.97%	50.97%	SAST Regulations complied with
2	31-05-2011	59,360,203	116,464,471	50.97%	-	59,360,203	Sale (refer note iii below)	-	116,464,471	0.00%	-50.97%	SAST Regulations complied with
	Promoter - Tamilnadu Petroproducts Limited											
1	09-09-2005	-	70,152	-	19,395,900	-	Allotment upon amalgamation with Henkel SPIC India Limited	19,395,900	116,464,471	16.65%	16.65%	SAST Regulations complied with
2	16-03-2011	19,395,900	116,464,471	16.65%	-	17,351,686	Sale (refer note ii below)	2,044,214	116,464,471	1.76%	-14.90%	SAST Regulations complied with
Promoter Group - Mr. A C Muthiah												
1	09-09-2005	-	70,152	-	1,556	-	Allotment upon amalgamation with Henkel SPIC India Limited	1,556	116,464,471	0.00%	0.00%	SAST Regulations not applicable
Promoter Group - Mr. A C Muthiah												
1	09-09-2005	-	70,152	-	711	-	Allotment upon amalgamation with Henkel SPIC India Limited	711	116,464,471	0.00%	0.00%	SAST Regulations not applicable
Promoter Group - Mr. A C Muthiah												
1	09-09-2005	-	70,152	-	933	-	Allotment upon amalgamation with Henkel SPIC India Limited	933	116,464,471	0.00%	0.00%	SAST Regulations not applicable
Promoter Group - Mr. R M Muthukaruppan												
1	09-09-2005	-	70,152	-	50	-	Allotment upon amalgamation with Henkel SPIC India Limited	50	116,464,471	0.00%	0.00%	SAST Regulations not applicable
Promoter Group - Mr. A Satish Kumar												
1	09-09-2005	-	70,152	-	2,178	-	Allotment upon amalgamation with Henkel SPIC India Limited	2,178	116,464,471	0.00%	0.00%	SAST Regulations not applicable

Note:

i. The build-up of equity shareholding of the Promoters and Promoter Group is due to the merger of Henkel SPIC India Limited with HIL. As per the terms of the scheme of amalgamation, 116,393,959 Equity Shares of Rs. 10 each were allotted on September 09, 2005 to the equity shareholders of Henkel SPIC India Limited in ratio of one Equity Share of HIL for every one equity share held in Henkel SPIC India Limited. Allotment pursuant to a court-approved scheme of amalgamation is exempt from Regulations 10, 11 and 12 of the SEBI (SAST) Regulations.

ii. On 16 March 2011, TPL sold 17,351,686 Equity Shares of Henkel India Limited to Jyothy through an off-market transaction.

iii. On 31 May 2011, Henkel Germany sold its entire shareholding in HIL to Jyothy through an off-market transaction. The said shares are currently held in an escrow account pending completion of the Offer formalities.

Details of change in shareholding of the Promoter Group in Henkel India Limited

Sl. No.	Date	Opening no.of shares - Promoter Group	Opening total no. of shares o/s	Opening % holding - Promoter Group	Name of Promoter/Promoter Group entity	No. of Equity Shares acquired	No. of Equity Shares sold	Mode of Acquisition/ Disposal	Closing no.of shares - Promoter Group	Closing total no. of shares o/s	Closing % holding - Promoter Group	Increase/ (decrease) in % holding - Promoter Group
1	09-09-2005	-	70,152	0.00%	All promoters and promoter group of Henkel SPIC India Limited	78,761,531	-	Allotment upon amalgamation with Henkel SPIC India Limited	78,761,531	116,464,471	67.63%	67.63%
2	16-03-2011	78,761,531	116,464,471	67.63%	TPL		17,351,686	Sale	61,409,845	116,464,471	52.73%	-14.90%
3	31-05-2011	61,409,845	116,464,471	52.73%	Henkel Germany		59,360,203	Sale	2,049,642	116,464,471	1.76%	-50.97%

n) HIL has complied with all the provisions of the listing agreements entered into with the Stock Exchanges where its Equity Shares are listed and traded and no actions, penal or otherwise, have been initiated by these Exchanges against the Company. There has been no suspension of trading of the Equity Shares in any of these Stock Exchanges.

o) HIL, its promoters and the Acquirer have complied with Chapter II of SEBI (SAST) Regulations except for a delay of 73 days (2008) and 20 days (2011) by HIL in disclosing annual shareholding pattern to the Stock Exchanges and a delay of 7 days in filing form under 7(3) to the Stock Exchanges for Jyothy's acquisition of Equity Shares from TPL in 2011.

Additionally, no records of filings as per clause 8(3) of the SEBI (SAST) Regulations are traceable for the years 1997 to 2005, which was the period prior to amalgamation with Henkel SPIC India Limited. This is due to a change in management of the Company upon amalgamation of Henkel SPIC India Limited and Henkel India Limited in 2005. Investors may please note that non-availability of the abovementioned records may be deemed to be non-compliance of relevant provisions of the SEBI (SAST) Regulations and action may be initiated by SEBI at a later stage, which may be monetary or non-monetary in nature

p) The Board of Directors of HIL, as on the date of the Public Announcement was as follows:

Sr. No.	Name of Director	Qualification and Experience	Residential Address
1.	Mr. M P Ramachandran Non-Independent, Non-Executive Director DIN: 553406 Date of Appointment: 31-May-2011	Mr. M. P. Ramachandran holds a postgraduate degree in Financial Management from University of Mumbai and began his career as an accountant in 1971 in Mumbai. He set up the Jyothy Laboratories business in 1983. He has over 42 years of experience in sales, production and general management.	403 Shagun Tower, Wing A, Gen. A. K. Vaidya Marg, Yashodham, Goregaon (East), Mumbai – 400063
2.	Mr. K Ullas Kamath Non-Independent, Non-Executive Director DIN: 506681 Date of Appointment: 31-May-2011	Mr. K. Ullas Kamath is a qualified Chartered Accountant and Company Secretary and holds a bachelor's degree in Law and master's degree in Commerce. He has also participated in the Advanced Management Programme at Wharton Business School and at Harvard Business School. His responsibilities include business development, new projects, sales, financial management and supervision of day-to-day operations. He has been associated with Jyothy since incorporation and has been on Board since 1997. Prior to that, he was practicing as a Chartered Accountant. The Institute of Chartered Accountants of India awarded him with "CA BUSINESS ACHIEVER – SME" in 2009.	Flat No.202, No.40, 'Renaissance Mangalam', 13th Cross, Between 10 & 11th Main, Malleswaram, Bangalore – 560003
3.	Ms. M R Jyothy Non-Independent, Non-Executive Director DIN: 571828 Date of Appointment: 31-May-2011	Ms. M. R. Jyothy holds a bachelor's degree in Commerce from the University of Mumbai and an MBA from Wellingker's Institute of Management & Research, Mumbai. She has also done a course in Family Managed Business Administration from S. P. Jain Institute of Management, Mumbai. She is a graduate in 'Owner / President Management Programme' from Harvard University. She has been on the Board of Jyothy since October 2005 and handles sales administration, marketing and brand communication.	Flat No. 22, Tower 2, Pebble Bay A-11, 1st Main Road, RMV II, Dollars Colony, Bangalore - 560094

4.	Mr. Nilesh B Mehta Independent Director DIN: 199071 Date of Appointment: 31-May-2011	Mr. Nilesh B. Mehta is a Member of the Institute of Chartered Accountants of India, and holds a Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad, where he also taught Finance and Control Systems as a visiting faculty for a few years. He is currently setting up Access India Fund, a PE fund for mid-market opportunities. He earlier was responsible for Aureos Capital's India business as co head and Managing Partner. Since 2000, he has been General Partner of eIndia Venture Fund/Infinity II, where he led four IT-related investments in India/US. Prior to this, he spent 16 years in investment banking, private equity and fund-related activities, occupying positions as Managing Director of Meghraj Financial Services (India) Ltd., where he led several private equity transactions and mergers and acquisitions of mid cap Indian companies. He is also a member of the Board of few public and private companies, and is one of the founder trustees of Aavishkaar Micro venture Fund.	203 Tulsi Villa, Podar Road, Santacruz (West), Mumbai – 400054
5.	Mr. K P Padmakumar Independent Director DIN: 23176 Date of Appointment: 31-May-2011	Mr. K.P. Padmakumar is a Graduate in Agriculture and a Certified Associate of Indian Institute of Bankers (CAIIB). He is a banker with nearly 42 years of association in India and abroad in Commercial Banking, Treasury Management, Capital Markets and Mutual Funds. During his 27 years of service in State Bank of India, he had handled many operational assignments including Treasury Managership of State Bank of India's Bahrain Offshore Banking Unit and that of Fund Manager of State Bank of India Mutual Fund. He was the Chairman of The Federal Bank Ltd. for about 6 years from 1999 to 2004. He is the Executive Director of Muthoot Finance Limited since March 2005. He is also on the board of Muthoot Vehicles & Asset Finance Limited, Muthoot Securities Limited, Muthoot Commodities Limited and Joyalukkas (India) Limited.	3F Skyline Topaz, Kaloor-Kadavanthra Road, Kaloor, Kochi – 682017
6.	Mr. Bipin R Shah Independent Director DIN: 6094 Date of Appointment: 31-May-2011	Mr. Bipin R. Shah is a B.Com from Bombay University and a member of The Institute of Chartered Accountants of India. From 1958 to 1978, he held various senior commercial assignments in Hindustan Lever Ltd., including Commercial Manager at its soaps, detergents and foods factory in Bombay, Chief Buyer-Raw Materials and Head of Foods Business. He became a Director of Hindustan Lever Ltd. in 1979. In that capacity he was responsible for Foods, Animal Feeds, Agri Products and Exports businesses. In 1981, he was assigned the additional responsibility of being Chairman of another Unilever subsidiary-Lipton India Ltd. In 1989 he attended Senior Executive Programme conducted by Sloan School of Business, Massachusetts Institute of Technology at Boston, USA. On his retirement from the Lever Group of Companies in 1992, he joined Indus Venture Management Pvt. Ltd. as President, and later as Vice Chairman, managing a USD 50 million offshore Private Equity Fund. Currently, he is on the Board of several companies.	8-D, IL Palazzo, Little Gibbs Road, Malabar Hill, Mumbai – 400006

7.	Mr. R Lakshminarayanan Independent Director DIN: 00238887 Date of Appointment: 31-May-2011	R Lakshminarayanan is an alumnus of The Indian Institute of Technology Delhi where he did his Master of Science in Industrial Chemistry. Thereafter he passed out of The Indian Institute of Management Bangalore with a specialization in Marketing. He started his career in 1979 with Hindustan Unilever in Retail Sales and learnt Sales & Territory Management and also Brand Management in Detergents, Toilet Soaps and Edible Oils. Then he spent 3 years with International Best Foods in New Product Development and Brand Portfolio Management across Packaged Foods, Desserts and Soft Drink Concentrates. He also worked with Smith Kline Beecham, Bangalore, heading their OTC and Vitamins Range. In 1988 he joined Ogilvy & Mather Direct as the National Account Director and was soon promoted to head their Chennai Office. In 1992 he moved to Mudra Communications as the Chief Operating Officer supervising 5 Southern offices. From then he has been responsible for building a series of businesses across Out-of-Home, Interactive & Digital, Direct Response; Activation & Health and Wellness, in addition to expanding the South Advertising business to over INR 1000 million. He had been on the Executive Board of Mudra from 1996 and was titled Executive Director and CEO of Mudra Marketing Services when he left in October 2008. Since then Mr Lakshminarayanan has been a Branding & Marketing Consultant and Corporate Trainer and actively involved in an Education initiative.	Flat D-1 Grasmere Apartments, 57-58 Osborne Road, Sivan Chetty Garden, Bangalore 560042.

All of the abovementioned directors, with the exception of Mr. R Lakshminarayanan, are also directors of the Acquirer. For further information, please refer to clause 3.1.b.vii of this Letter of Offer.

q) The Target Company has confirmed that there has been no merger / demerger involving HIL during the past 3 years. However, it has divested the Schwarzkopf Professional Hair care business through a slump sale in 2011. As mentioned in clause 6 (d), Henkel SPIC India Limited was merged with Henkel India Limited with effect from July 01, 2004.

r) Based on the latest audited consolidated financial statements prepared in accordance with the provisions of ICAI, the financial information of HIL is as follows:

(Rs. Million)

Profit and Loss Statement

	Year ended December 31, 2008	**Year ended December 31, 2009**	**Year ended December 31, 2010*** **
	Consolidated and Audited		
Income from Operations	5,400.02	5,922.82	5,339.04
Other Income	26.30	102.09	53.89
Total Income	5,426.32	6,024.91	5,392.93
Total Expenditure (excluding Depreciation and Interest)	5,547.83	5,944.36	5,562.14
Profit Before Depreciation, Interest and Tax	(121.51)	80.55	(169.21)
Depreciation	68.47	62.49	60.34

Interest and other Finance Charges	453.34	259.18	288.88
Other Exceptional Income (Expense)		(334.88)	-
Profit Before Tax	(643.32)	(576.01)	(518.43)
Provision for Tax	4.75	-	-
Profit/ (Loss) after Tax	(648.07)	(576.01)	(518.43)

(Rs. Million)

Balance Sheet

	Year ended December 31, 2008	**Year ended December 31, 2009**	**Year ended December 31, 2010*** **
	Consolidated and Audited		
Sources of Funds			
Paid-up Equity Share Capital	1,164.65	1,164.65	1,164.65
Paid-up Preference Share Capital	680.00	680.00	680.00
Reserves and Surplus (incl. Revaluation Reserve)	220.32	199.75	199.75
Less: Revaluation Reserve	30.13	9.57	9.57
Less: Debit balance of Profit & Loss Account	2,563.28	3,139.29	3,657.72
Shareholders' Funds/Net Worth*	(528.44)	(1,104.46)	(1,622.89)
Minority Interest	-	-	
Secured Loans	1.46	-	-
Unsecured Loans	4,134.91	3,856.99	4,543.16
Deferred Tax Liability	332.30	212.60	-
Total	3,940.23	2,965.13	2,920.27
Uses of funds			
Net Fixed Assets	2,737.53	2,627.90	2,582.81
Capital Work-in-progress	1.79	1.29	-
Goodwill on consolidation	4.94	4.94	4.94
Investments	0.23	0.23	0.23
Deferred Tax Assets	332.30	212.60	-
Net Current Assets	893.56	127.74	341.86
Miscellaneous expenses not written-off	-	-	-
Total	3,970.35	2,974.70	2,929.84

Other Financial Data

	Year ended December 31, 2008	**Year ended December 31, 2009**	**Year ended December 31, 2010*** **
	Consolidated and Audited		
Face Value of Equity Shares (Rs.)	10.00	10.00	10.00

Dividend (% of Face Value)	-	-	N/A
Earnings per share (in Rs.): Basic and Diluted	5.56	(4.95)	(4.45)
Book Value per Equity Share (in Rs.)**	(10.38)	(15.32)	(19.77)
Return on Net worth (%)	N/A	N/A	N/A

** Net worth = (Paid-up Equity Share Capital + Paid-up Preference Share Capital + Reserves and Surplus (excluding Revaluation Reserves) – Profit and Loss balance appearing on Asset side of Balance Sheet - Miscellaneous expenses not written off).*
*** Book Value per Equity Share= Net worth (Excluding Paid-up Preference Share Capital) /no. of outstanding fully-paid up Equity Shares.*
****The financial statements of HIL for the year ended December 31, 2010 are yet to be adopted by its shareholders.*
Source: Annual Reports, Audited Financial Statements of HIL.

s) Reasons for rise or fall in income and profit/loss:

Year ended December 31, 2010 compared to year ended December 31, 2009
Revenue for the year 2010 was Rs.5339.04 million as against Rs. 5,922.82 million in 2009, which was due to various factors including price war between key players in the industry. Detergents & Cleansers business was driven by Henko, Pril & Mr.White while the Body Care business was driven mainly by Fa, Margo and Neem. Consolidated financial statements of HIL recorded a loss after tax of Rs. 518.43 million for the year 2010 as compared to a loss of Rs. 576.01 million in 2009. Overall Profitability declined due to inability to pass on the increase in cost of inputs to the consumers, price war amongst the key players in detergent business and enhanced promotional activities by the Competitors.

Year ended December 31, 2009 compared to year ended December 31, 2008
Revenue for the year 2009 was Rs. 5,922.82 million as against Rs. 5,400.02 million in 2008. Revenues increased due to modification in supply chain model for efficient speed to market operations. Net loss for 2009 was Rs. 576.01 million as against Net loss of Rs. 648.07 million in 2008 despite recognition of extraordinary expenditure of Rs. 334.88 million as restructuring expenses.

t) The pre and post Offer shareholding pattern of HIL is as follows:

Shareholders' category	Shareholding & Voting Rights prior to the SPA and Offer (as on March 31, 2011)		Shares / voting rights post acquisition through SPA (as on July 20, 2011)		Shares/voting rights to be acquired in the Offer (assuming full acceptances)		Shares/ voting rights post acquisition in the Offer (assuming full acceptances)	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group								
a) Party to the SPA- Henkel Germany	59,360,203	50.97%	-	0.00%	-	0.00%	-	0.00%
b) Promoters other than (a) above	2,049,642	1.76%	-	0.00%	-	0.00%	-	0.00%
Total 1 (a+b)	**61,409,845**	52.73%	-	0.00%	-	0.00%	-	0.00%

(2) Acquirer/PAC								
a) Acquirer - Jyothy	17,351,686	14.90%	81,346,842	69.85%	23,292,895	20.00%	104,639,737	89.85%
b) PACs - Not Applicable	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Total 2 (a+b)	**17,351,686**	14.90%	**81,346,842**	69.85%	**23,292,895**	20.00%	**104,639,737**	89.85%
(3) Parties to agreement other than (1) & (2) above	-	0.00%	-	0.00%	-	0.00%	-	0.00%
(4) Public (other than parties to the agreement)	**37,702,940**	32.37%	35,117,629	30.15%	**(23,292,895)**	-20.00%	11,824,734	10.15%
Grand Total (1+2+3+4)	**116,464,471**	100.00%	**116,464,471**	100.00%	-	0.00%	**116,464,471**	100.00%

Note:

i. Tamilnadu Petroproducts Limited, has vide its letter dated July 12, 2011 confirmed that: on April 06, 2011, it and Henkel Germany have terminated the shareholders agreement dated September 11, 1989. The shareholders agreement is the basis for considering TPL as one of the promoters of HIL. Subsequent to this, TPL is not a promoter of HIL any longer.
Hence, 2,049,642 Equity Shares, held by TPL and its associates, has been classified under Public Shareholding in the pattern as on July 20, 2011 and afterwards.

ii. On June 29, 2011 and July 20, 2011, Jyothy has acquired 38,34,953 and 8,00,000 Equity Shares of HIL, respectively, from the open market.

iii. Category 'Public' includes 10,200 Equity Shares currently held in abeyance pending dispute on title.

The total number of public shareholders of HIL as on March 31, 2011 is 58,166 and as on the Specified Date is 57,769.

u) Corporate Governance and Outstanding litigations:

The Target Company is in compliance with the provisions of clause 49 of the Listing Agreement pertaining to corporate governance.

The status of major litigations is as provided:

For Henkel India Limited

A. Summary of direct and indirect tax litigation against the HIL

Sr. No.	Matter	No. of Cases	Outstanding Claims (Rs.)
1	VAT/CST	28	9,25,32,302
2	Excise	4	1,00,00,000
3	Income Tax	1	12,00,000

B. Summary of other cases against HIL

Sr. No.	Matter	No. of Cases	Outstanding Claims (Rs.)
1	Money recovery cases	1	2,70,000

C. Summary of other cases by HIL

Sr. No.	Matter	No. of Cases	Outstanding Claims (Rs.)
1	Money recovery cases	20	53,54,500
2	Cheque bouncing cases	16	62,35,238
3	Criminal cases	4	98,58,149
4	Others	2	Not quantifiable

Henkel Marketing India Limited

Summary of direct and indirect tax litigation against HMIL

Sr. No.	Matter	No. of Cases	Outstanding Claims (Rs.)
1	VAT/CST	16	3,50,00,000
2	Income Tax	1	40,00,000

v) HIL, its Promoters and Promoter Group and Directors of the Company have not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11B of SEBI Act or under any other Regulation.

w) HIL has confirmed that it is complying with all the provisions of Clause 49 (in regard to the corporate governance) of the Listing Agreement entered with the BSE, MSE and CSE, stock exchanges where its Equity Shares are listed.

x) The compliance officer of HIL is:

Mr. P Sampath*
Officer (Secretarial)
Henkel India Limited
TPL House, First Floor
3, Cenotaph Road, Teynampet
Chennai – 600 018
Tel: +91-44-2433 0089
Fax +91-44-2432 1641
E-mail: : sampath.ps@jyothy.com

** In the absence of a Company Secretary, the Board of HIL has appointed Mr. P Sampath as Compliance Officer of the company for the time being till the appointment of a new company secretary.*

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

a. The Equity Shares of the Target Company are presently listed on the BSE, MSE and CSE.

b. The annualized trading turnover of the Equity Shares of the Target Company during the six calendar months preceding the date of the PA (November 2010 – April 2011) on the BSE is detailed below;

Name of Stock Exchange	Total no. of Equity Shares traded during the 6 calendar months prior to the month in which the PA was made (A)	Total no. of listed Equity Shares as on April 30, 2011 (B)	Annualised trading turnover (in terms of % of total listed Equity Shares) (C=A/B*2)
BSE	15,671,916	116,454,271	26.92%

(Source: www.bseindia.com)

c. As the annualized trading volume is more than 5% of the total number of listed shares on BSE, the Equity Shares of the Target Company are deemed to be most frequently traded on the BSE within the meaning of explanation (i) of Regulation 20 (5) of the SEBI (SAST) Regulations. The Equity Shares are deemed to be infrequently traded on the MSE and the CSE.

d. The Offer Price of Rs. 41.20 (Rupees forty one and paise twenty only) per Equity Share is justified in terms of Regulation 20(4) of the SEBI (SAST) Regulations as it is higher than the highest of the following:

i.	Highest Price paid by Acquirer for any acquisition (including by way of allotment in a public or rights or preferential issue) during the 26 week prior to the date of the PA (as per acquisition of Equity Shares detailed under Clause 2).	Rs. 35.00*
ii.	The average of the weekly high and low of the closing prices of Equity Shares of the Target Company on BSE during the 26 week period preceding the date of the PA.	Rs. 41.17
iii.	The average of the daily high and low of the Equity Shares of the Target Company on BSE during the 2 week period preceding the date of the PA.	Rs. 34.82
iv.	The negotiated price under the SPA	Rs. 24.09

* Acquired from Tamilnadu Petroproducts Limited on March 16, 2011

The Weekly High and Low of the closing prices of the Equity Shares of HIL at Bombay Stock Exchange Limited during the 26 Weeks preceding May 09, 2011, the date of Public Announcement are as follows:

Sl.	Date on beginning of week	Date on ending of week	Weekly high of closing price (Rs.)	Weekly low of closing price (Rs.)	Average of weekly high and low (Rs.)	Volume (no. of Equity Shares)
1	08-Nov-10	12-Nov-10	66.70	61.55	64.13	866,147
2	15-Nov-10	19-Nov-10	61.25	55.70	58.48	320,843
3	22-Nov-10	26-Nov-10	56.20	45.85	51.03	443,309
4	29-Nov-10	03-Dec-10	50.65	45.30	47.98	1,055,063
5	06-Dec-10	10-Dec-10	46.80	33.00	39.90	1,856,608
6	13-Dec-10	17-Dec-10	40.25	38.35	39.30	1,275,018
7	20-Dec-10	24-Dec-10	45.15	39.50	42.33	756,496
8	27-Dec-10	31-Dec-10	48.00	43.50	45.75	966,733
9	03-Jan-11	07-Jan-11	47.10	41.95	44.53	276,882
10	10-Jan-11	14-Jan-11	41.45	39.55	40.50	365,185
11	17-Jan-11	21-Jan-11	40.60	38.70	39.65	295,830
12	24-Jan-11	28-Jan-11	40.90	37.10	39.00	417,185
13	31-Jan-11	04-Feb-11	37.05	32.50	34.78	933,454
14	07-Feb-11	11-Feb-11	31.00	28.70	29.85	480,799
15	14-Feb-11	18-Feb-11	36.70	31.60	34.15	599,094
16	21-Feb-11	25-Feb-11	34.90	31.95	33.43	144,808
17	28-Feb-11	04-Mar-11	36.35	33.00	34.68	229,997
18	07-Mar-11	11-Mar-11	39.20	34.50	36.85	410,582
19	14-Mar-11	18-Mar-11	47.60	41.15	44.38	1,357,643
20	21-Mar-11	25-Mar-11	44.85	40.95	42.90	1,202,636
21	28-Mar-11	01-Apr-11	43.10	41.95	42.53	306,249
22	04-Apr-11	08-Apr-11	42.55	37.65	40.10	358,634
23	11-Apr-11	15-Apr-11	39.00	38.15	38.58	84,048
24	18-Apr-11	22-Apr-11	37.25	36.10	36.68	202,399
25	25-Apr-11	29-Apr-11	36.30	33.05	34.68	304,903
26	02-May-11	06-May-11	35.20	33.55	34.38	334,872
	Average price				**41.17**	

The daily High and Low of the traded prices of HIL at Bombay Stock Exchange Limited in the two Weeks preceding May 09, 2011, the date of the Public Announcement

Sl.	Date	High Price(Rs.)	Low Price	Average of High and Low	Volume (no. of Equity

			(Rs.)	prices (Rs.)	Shares)
1	25-Apr-2011	36.20	34.30	35.25	49,597
2	26-Apr-2011	34.95	32.90	33.93	79,694
3	27-Apr-2011	34.70	33.10	33.90	68,971
4	28-Apr-2011	36.30	35.80	36.05	31,638
5	29-Apr-2011	38.10	35.20	36.65	75,003
6	02-May-2011	37.15	34.40	35.78	60,695
7	03-May-2011	34.70	33.40	34.05	121,009
8	04-May-2011	34.45	32.60	33.53	68,251
9	05-May-2011	34.30	33.40	33.85	42,960
10	06-May-2011	35.20	35.20	35.20	41,957
	Average Price			**34.82**	

e. In the opinion of the Manager to the Offer, the Offer Price of Rs 41.20 per Equity Share offered by the Acquirer to the shareholders of the Target Company under the proposed Offer is justified in terms of Regulation 20 (4) of the SEBI (SAST) Regulations.

f. There is no non-compete agreement for payment entered into by the Acquirer with any person/entity.

g. If the Acquirer acquires Equity Shares of the Target Company after the date of the PA and up to 7 (Seven) working days prior to the closure of the Offer at a price higher than the Offer Price, then an announcement would be made in the same newspapers in which the PA has appeared and the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer.

7.2 Financial Arrangements

a) The total funding requirement for the acquisition of up to 23,292,895 Equity Shares held by the shareholders of the Target Company at Rs. 41.20 per Equity Share is Rs. 959,667,274.00 (Rupees nine hundred and fifty nine million six hundred and sixty seven thousand two hundred and seventy four only).

b) The Offer has been funded by amount raised from investors through a Qualified Institutions Placement in 2010 and through internal accruals. 100% of the consideration of the Offer has been deposited in escrow as set out below.

c) The Acquirer, the Manager to the Offer and Kotak Mahindra Bank Limited, a banking company incorporated under the Companies Act and having its registered office at 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai – 400 021 ("**Escrow Bank**"), have entered into an Escrow Agreement for the Offer dated May 06, 2011 (the "**Escrow Agreement**") in accordance with Regulation 28 of the SEBI (SAST) Regulations. On May 07, 2011, Jyothy has deposited Rs 959,667,274.00 in an escrow account with the Escrow Bank. This amount is 100% of the consideration of the Offer and thus in excess of the minimum prescribed amount as per Regulation 28(2) of the SEBI (SAST) Regulations. The Manager to the Offer has been solely authorized to operate and realize the value of the escrow account in terms of the SEBI (SAST) Regulations.

d) Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer as firm financial arrangements are in place to fulfil the obligations under the SEBI (SAST) Regulations.

8. TERMS AND CONDITIONS OF OFFER

8.1 Statutory Approvals required for the Offer

a) The Acquirer has made an application on May 18, 2011 seeking permission of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and /or the regulations made thereunder ("FEMA"), to acquire shares held by non-resident shareholders. The acceptance of shares offered by such non-residents would be subject to such approval(s) being obtained.

b) As of the date of the PA, there are no other statutory approvals required to implement the Offer other than those specified above in Paragraph 8.1(a). If any other statutory approvals become applicable prior to completion of the Offer, the Offer will also be subject to obtaining such other statutory approvals.

c) In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to shareholders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the wilful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulation will also become applicable. Nothing herein contained shall bind the Acquirer to procure the necessary approvals under FEMA if the same are not forthcoming or are refused.

d) The Acquirer does not require any approvals from financial institutions or banks for the Offer.

e) If any other approvals are required or become applicable subsequently, the Offer would be subject to such approvals. The Acquirer will have a right not to proceed with the Offer in the event the approvals are refused, in terms of Regulation 27(1)(b) of the SEBI (SAST) Regulations. In the event of withdrawal, a public announcement shall be made in the same newspapers in which the PA has been made.

8.2 Others

a) The Letter of Offer together with a Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed will be mailed on or before July 26, 2011 to all the Equity Shareholders of the Target Company including persons resident outside Indian (except the Acquirer and Henkel Germany) whose names appear in the Register of Members of the Target Company and the beneficial owners of the Equity Shares, whose names appear on the beneficial records of the respective depositories, in each case at the close of business hours on June 03, 2011 (the "Specified Date").

b) All shareholders (registered or unregistered) of Equity Shares of HIL (except the Acquirer and Henkel Germany) are eligible to participate in the Offer anytime before the closure of the Offer i.e. August 22, 2011. Unregistered owners can send their 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, Distinctive Numbers, Folio Number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

c) The acceptance of locked-in shares by the Acquirer is subject to the continuation of the residual lock-in period in the hands of the Acquirer. The Target Company has, however, confirmed that there are no shares which are under lock-in.

d) The acceptance of the Offer is entirely at the discretion of the Shareholders of HIL. The Acquirer will not be responsible in any manner for any loss of share certificate(s) and offer acceptance documents during transit and the Shareholders of HIL are advised to adequately safeguard their interest in this regard.

e) Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected. The equity shares of the Target Company will be acquired by the Acquirer under the Offer, free from all liens, charges and encumbrances and together with all rights attached thereto.

f) Each Equity Shareholder of HIL to whom this Offer is being made is free to offer his shareholding in HIL in whole or in part while accepting this Offer. The acceptance must be unconditional and should be absolute and unqualified.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

Shareholders of the Target Company who wish to accept this Offer are free to offer their shareholding in whole or in part and should forward the under mentioned documents to the Registrar to the Offer at their office at Cameo Corporate Services Limited, Subramaniam Building, 1, Club House Road, Chennai – 600 002 (“ **Registrar to the Offer**”) Tel: +91-44- 2846 0390; Fax : +91-44- 2846 0129 either by registered post so as to reach the Registrar to the Offer on or before the closure of the Offer, i.e., no later than August 22, 2011 or by hand-delivery at the collection centres on or before the close of business hours on August 22, 2011 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance. Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects, otherwise the same is liable to be rejected. In the case of Equity Shares in dematerialized form, Shareholders are advised to ensure that their Shares are credited in favour of the Special Depository Account before the closure of the Offer i.e. August 22, 2011. The Form of Acceptance of such Shares in dematerialised form, not credited in favour of the Special Depository Account before the closure of the Offer, will be rejected.

i. For Shares held in physical form:

Registered Shareholders should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the share certificates;

- Original share certificate(s); and
- Valid share transfer forms duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with HIL and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this Letter of Offer.

Unregistered owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
- Original share certificate(s);
- Original broker contract note; and
- Valid share transfer form(s) as received from the market.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of Jyothy as buyer will be filled 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.

ii. For Shares held in dematerialised form:

Beneficial owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, as per the records of the DP; and
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP. For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.
- For Shareholders holding Shares in dematerialised form, The Registrar to the Offer has opened a special depository account with National Securities Depository Limited (“**NSDL**”). Beneficial owners are requested to fill in the following details in the delivery instructions for the purpose of crediting their equity shares in the special depository account:

DP Name	Stock Holding Corporation of India Limited
DP ID	IN301080
Client ID	22795603
Account Name	CAMEO CORPORATE SERVICES LIMITED ESCROW A/C HENKEL INDIA LIMITED OPEN OFFER
Depository	NSDL

Shareholders having their beneficiary account in Central Depository Services (India) Limited (“**CDSL**”) have to use the inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Account with NSDL.

General

a) ***The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer, the Acquirer or the Target Company.***

b) In the event of non-receipt of the Letter of Offer, shareholders may obtain a copy of the same by writing to the Registrar to the Offer at their registered office address clearly marking the envelope “Henkel India-Open Offer”. Alternatively, the shareholders may send their acceptances on plain paper to the Registrar to the Offer stating their name, address, folio number, distinctive number, number of equity shares held, number of equity shares tendered, duly signed by all the holders along with the documents mentioned above to the Registrar to the Offer on or before the Offer Closing Date i.e. not later than August 22, 2011.

c) In the event of non-receipt of the Letter of Offer by beneficial owners, such beneficial owners can make an application to the Registrar to the Offer on plain paper stating their name, address, number of Equity Shares held, number of equity shares tendered, bank particulars, DP name, DP ID, beneficiary account number duly signed by all the holders and send the same along with a photocopy of the delivery instructions in “Off-market” mode or counterfoil of the delivery instructions in “Off-market” mode in favour of the special depository account, to the Registrar to the Offer on or before the Offer Closing Date. All beneficial holders maintaining an account with CDSL are requested to obtain, complete and submit an additional inter-depository slip together with the instructions to their respective DPs.

d) Alternatively, Shareholders can download the Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal placed on the SEBI website http://www.sebi.gov.in from the Offer Opening Date and send in their acceptance by filling the same.

e) Equity shares, if any, that are the subject matter of litigation wherein the shareholder/s is/are/ may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected in case directions/ orders from competent authority regarding these equity shares are not received together with the equity shares tendered under the Offer. The Acquirer, at its sole discretion, in such cases, may forward the Letter of Offer to the concerned competent authority for further action at their end.

f) Shareholders of HIL who have sent their Equity Shares for dematerialization need to ensure that the process of getting the Equity Shares dematerialized is completed well in time so that the credit in the special depository account should be received on or before the date of closure of the Offer, i.e., no later than close of business on August 22, 2011, else the application would be rejected.

g) In case the number of Equity Shares tendered in the Offer are more than the Equity Shares agreed to be acquired under the Offer, the Acquirer shall accept the offers received from the Equity Shareholders on a proportionate basis as per Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and in such a way that the acquisition from any Equity Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. As the Equity Shares trade in the ‘T’ segment of BSE and settlement is done on a trade-to-trade basis. The minimum marketable lot for the Shares is 1(one).

h) In case of delay in receipt of any statutory approval(s) as stated in para 8.1 above, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to shareholders, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulation will also become applicable. Nothing herein contained shall bind the Acquirer to procure the necessary approvals under FEMA if the same are not forthcoming or are refused.

i) While tendering equity shares under the Offer, non-resident Indians ("NRIs"), Overseas Corporate Bodies ("OCBs") and other non-resident shareholders will be required to submit RBI's approval (specific or general) which they would have obtained for acquiring the equity shares of the Target Company, failing which the Acquirer reserve the right to reject the Equity Shares.

j) As per the provisions of section 196D(2) of the Income-tax Act, 1961 no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor as defined in section 115AD of the Income-tax Act, 1961.

k) While tendering their Equity Shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a No Objection Certificate or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the maximum rate as may be applicable to the relevant category to which the shareholder belongs on the entire consideration amount payable to such shareholder.

l) The shareholders who wish to avail of and accept the Offer can submit the Form of Acceptance-cum-Acknowledgement and the relevant documents at the following centers either by hand delivery (between 10.00 a.m. and 3 p.m. on all working days and between 10.30 a.m. and 1.00 p.m. on Saturdays) or by registered post, as specified below, on or before the Offer Closing Date i.e. August 22, 2011. ***(The documents should not be sent to the Manager to the Offer or the Acquirer or the Target Company.)***

City	Contact Person	Address	Tel No	Fax No	Email Id	Mode of Delivery
Chennai	Ms. K Sreepriya	Cameo Corporate Services Limited, Subramaniam Building, Road No. 1, Club House Road, Chennai – 600 002	Tel: 91-44-28460390	Fax: 91-44-28460129	investor@ cameoindia.com	Hand Delivery & Registered Post
Mumbai	Mr. Ashish Binsale	Cameo Corporate Services Limited 304, Sai Sadan, 76-78 Mody Street, Fort, Mumbai – 400 001	Tel: 022-2264 4325 /2264 2979	Fax: 022-2264 4325	ashish@ cameoindia.com	Hand Delivery only
Ahmedabad	Mr. M Bala Subramanian	Cameo Corporate Services Limited C/o Shree Vidhya Consultancy, No.4, II Floor,	Tel: 079-22920024, 9327055153 , 9898176213	Fax facility not available	bhavani0811@ gmail.com	Hand delivery only

		Prasiddhi Complex – 1 Opp: Ambedkar Hall, Saraspur, Ahmedabad – 380 018				
Bangalore	Mr. T V Janardhana	Cameo Corporate Services Limited, No.9, P C Pallaya Main Road Akshay Nagar, Ramamoorthy Nagar Bangalore - 560016	Tel: 9740266722	Fax facility not available	janardhana@ cameoindia.com	Hand delivery only
New Delhi	Mr. R Sridhar	Cameo Corporate Services Limited, C/o.Sterling Services, F-63, 1st Floor, Bhagat Singh Market, Near Gole Market, Opp SBI ATM, Cannaught Place, New Delhi – 110 001	Tel: 011-4353 3256	Fax facility not available	sterlingservices@ in.com	Hand delivery only

Shareholders, who cannot hand deliver their documents at the collection centres referred above, may send the same by registered post, at their own risk and cost, to the Registrar to the Offer at the address given below:

CAMEO CORPORATE SERVICES LIMITED
(Unit: Henkel India: Open Offer)
Subramaniam Building,
1, Club House Road,
Chennai – 600 002
Contact Person : K Sreepriya

Withdrawal of acceptances

In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders who have accepted the offer by tendering the requisite documents in terms of the PA and Letter of Offer can withdraw the same up to three working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein before the last date for withdrawing acceptance from the Offer i.e. August 16, 2011.

The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed with this Letter of Offer.

Shareholders should enclose the following:

For Shares held in dematerialized form:

Beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal;
- Acknowledgement slip in original/copy of the submitted Form of Acceptance in case delivered by Registered A.D.; and
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.

For Shares held in physical form:

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal;
- Acknowledgement slip in original/ copy of the submitted Form of Acceptance in case delivered by Registered A.D.; and
- In case of partial withdrawal, valid share transfer form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with HIL and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal; and
- Acknowledgement slip in original/ copy of the submitted Form of Acceptance in case delivered by Registered A.D.

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

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

The withdrawal of Shares will be available only for the Equity Share certificates or Equity Shares that have been received by the Registrar to the Offer or special depository account.

The intimation of returned Shares to the Shareholders will be at the address as per the records of HIL or the Depositories as the case may be.

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

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 HIL.

Partial withdrawal of tendered Equity Shares can be done only by the registered Equity Shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

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

Settlement

- Payment to those shareholders whose share certificates and/or other documents are found valid and in order and are approved by the Manager to the Offer and the Acquirer, will be by way of a crossed account payee cheque/ demand draft/ pay order. The decision regarding the acquisition (in part or full), or rejection of, the equity shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired Equity Shares and/or (ii) share certificates for any rejected Equity Shares or Equity Shares withdrawn, will be dispatched to the Equity Shareholders by registered post or by ordinary post as the case may be, at the Equity Shareholder's sole risk. Equity shares held in dematerialised form to the extent not acquired or Equity Shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance-cum-Acknowledgement.

- 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 equity shares, payment will be made in the name of the person stated in the contract note.

- The Registrar to the Offer will hold in trust the share certificates, Equity Shares lying in credit of the special depository account and the transfer form(s), until the Acquirer completes its obligations under the Offer in accordance with the SEBI (SAST) Regulations.

- Equity Shareholders must note that on the basis of name of the Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Issue will obtain, from the Depositories, the Shareholders' demographic details including address, bank account details, the nine digit Magnetic Ink Character Recognition ("MICR") code. These bank account details will be used to make payment to the Shareholders. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders' sole risk and neither the Acquirer, the Manager to the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Shareholders for any losses caused to the Shareholder due to any such delay or liable to pay any interest for such delay.

- Electronic Clearing System ("ECS") – Payment would be done through ECS for Equity Shareholders having an account at any of the centres where ECS facility is available. This mode of payment would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment through ECS is mandatory for Shareholders having a bank account at any of the centres where ECS facility is available, except where the Shareholder, being eligible, opts to receive payment through direct credit/RTGS/NEFT/physical payment. The current list of ECS centres is available on the website of RBI at www.rbi.org.in.

- Direct Credit – Shareholders having bank accounts with Kotak Mahindra Bank Limited, as mentioned in the Form of Acceptance cum Acknowledgement, shall be eligible to receive payments through direct credit. Charges, if any, levied by Kotak Mahindra Bank Limited for the same would be borne by the Acquirer.

- Real Time Gross Settlement ("RTGS") – Shareholders having a bank account with a bank offering RTGS facility to its clients and whose purchase consideration amount exceeds Rs.

200,000, have the option to receive the payment through RTGS. Such eligible Shareholders who indicate their preference to receive payment through RTGS are required to provide the Indian Financial System Code ("IFSC") in the Acceptance-cum-acknowledgement form. In the event the same is not provided, payment shall be made through ECS/ or by a physical instrument as may be possible. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer. Charges, if any, levied by the Equity Shareholder's bank receiving the credit would be borne by the Equity Shareholder.

- National Electronic Fund Transfer ("NEFT") – Payment shall be undertaken through NEFT wherever the Equity Shareholder's bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment, duly mapped with MICR numbers. Wherever the Shareholders have 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 will be made to the Shareholder through this method. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes.

- 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 by registered post incase of payment of a value in excess of Rs.1,500/- or by ordinary post incase of payment of a value less than Rs.1,500/-, at the shareholder's sole risk. Such payments will be made by way of a crossed account payee cheque, pay order or demand draft drawn on Kotak Mahindra Bank Limited and payable at par at places where the Form of Acceptance cum Acknowledgement are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Shareholders. In case of joint holder(s), all cheques/ pay orders/ demand drafts will be drawn in the name of the first holder. In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note.

10. TAX TO BE DEDUCTED AT SOURCE

Summary of various provisions related to Tax Deduction at Source (withholding tax) under the Income Tax Act.

a. All the Shareholders should be classified as resident or non-resident. The status as resident / non-resident is to be determined on the basis of criteria laid down in section 6 of the Income Tax Act, 1961.

b. No tax is required to be deducted on payment of consideration to resident Shareholders.

c. The Rate of Deduction of Tax in the case of non-resident is dependent on few other factors. Since the Acquirer does not have in-house information in respect of various Shareholders, all the Shareholders have to specify their category in the Form of Acceptance.

d. As per the provisions of the section 2(37A) (iii) of the Income Tax Act, 1961, for the purposes of deduction of tax under section 195, the rate or rates of income-tax specified in this behalf in the Finance Act of the assessment year i.e. 2011-12 or the rates or rates of income tax specified in an agreement entered into by the Central Government under section 90 or an agreement notified by the Central Government under section 90A, whichever is applicable by virtue of the provisions of section 90, or section 90A, as the case may be, i.e. whichever beneficial, would be the applicable rate of TDS.

e. In the event the aforementioned categories of Shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the income tax authorities either under section 195(3) or under section 197 of the Income Tax Act, and submit the same to Acquirer while submitting the Bid Form. In the absence of any such certificate from the income tax authorities, the Acquirer will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

f. The Shareholders should specify their residential status and in case of FII the nature of their holding i.e. whether Shares held as investment account or on trade account. Non disclosure in the bid form would lead to deduction of tax at source at the highest rate. If any shareholder wishes that lesser tax should be deducted in his / its case he / it should produce certificate from his / its jurisdictional Income Tax Officer to that effect.

The Acquirer will have the right to deduct tax at source wherever applicable at the rates prescribed at the time of making payment. If there is any change in the rates of tax then the Acquirer will have a right to apply the amended rates prevailing at the time of making the payment.

Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

11. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by Shareholders of HIL at the Mumbai office of the Manager to the Offer, MAPE Advisory Group Private Limited, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closes:

1. Memorandum and Articles of Association of the Acquirer.
2. Memorandum and Articles of Association of the Target Company.
3. Audited financial statements of Jyothy for the 9 months ended March 31, 2009 and the years ended March 31, 2010 and 2011.
4. Audited financial statements of HIL for the financial years ended December 31, 2008, 2009 and 2010.
5. Copy of the Share Purchase Agreement between Jyothy and Henkel Germany dated May 05, 2011.
6. Copy of the board resolution dated May 05, 2011 passed by Jyothy, the Acquirer for making the Open Offer to the Equity Shareholders of HIL.

7. Copy of the Escrow Agreement dated May 06, 2011 entered into between the Acquirer, the Manager to the Offer and Escrow Bank in accordance with Regulation 28 of the SEBI (SAST) Regulations.
8. Certificate dated May 07, 2011 received from Kotak Mahindra Bank Limited, the Escrow Bank confirming deposit of Rs. 95,96,67,274/- into the escrow account opened with them.
9. Published copy of Public Announcement dated May 09, 2011.
10. Copy of the Trademark License Agreement for ‘Fa’;
11. Copy of the Technology License Agreement in relation to ‘Fa’;
12. Copy of the Trademark License Agreement for ‘Pril’;
13. Copy of the Technology License Agreement in relation to ‘Pril’;
14. Copy of the Trademark License Agreement for ‘Henko’ and ‘Mr. White’;
15. Copy of the Technology License Agreement in relation to ‘Henko’ and ‘Mr. White’;
16. SEBI observation letter no. CFD/DCR/SKM/TO/22040/2011 dated July 11, 2011.

12. DECLARATION BY THE ACQUIRER

The directors of the Acquirer accept responsibility for the information contained in this Letter of Offer, Form of Acceptance and Form of Withdrawal. The Acquirer is responsible for fulfillment of its obligations under the SEBI (SAST) Regulations.

Mr. M P Ramachandran and Mr. K Ullas Kamath, Directors of Jyothy have been individually and severally authorised by the Board of Directors of Jyothy to sign the Letter of Offer;

<table>
<tr><td colspan="2" align="center">For Jyothy Laboratories Limited

Sd/-
K Ullas Kamath
Authorized Signatory</td></tr>
<tr><td>Date: July 20, 2011</td><td align="right">Place : Mumbai</td></tr>
</table>

Encl:
1. Form of Acceptance-cum-Acknowledgement.
2. Form of Withdrawal
3. Transfer Deed for shareholders holding shares in physical form.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

Henkel India Limited - Open Offer

OFFER OPENS ON	**August 02, 2011**
OFFER CLOSES ON	**August 22, 2011**

From

Folio No./DP ID No./Client ID No.:

Status: ☐ Resident ☐ Non-resident (✓ whichever is applicable)

Tel. No.: ____________ Fax No.: ____________ E-mail: ____________

To

Cameo Corporate Services Limited

Unit: Henkel India - Open Offer

Subramaniam Building, No. 1,
Club House Road,
Chennai – 600 002

Dear Sir,

Sub: Open Offer to acquire upto 23,292,895 fully paid-up equity shares of Rs.10/- each, representing 20% of the Emerging Voting Capital of Henkel India Limited ("HIL" or the Target Company") by Jyothy Laboratories Limited ("Jyothy" or the "Acquirer") in compliance with Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

I/We refer to the Letter of Offer dated July 20, 2011 for acquiring the equity shares held by me/us in Henkel India Limited. I/We, the undersigned have read the Letter of offer and understood their contents including the terms and conditions as mentioned therein.

SHARES IN DEMATERIALIZED FORM

I/We, holding Shares in the dematerialised form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my shares as detailed below:

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

DP Name	Stock Holding Corporation of India Limited
DP ID	IN301080
Client ID	22795603
Account Name	CAMEO CORPORATE SERVICES LIMITED ESCROW A/C HENKEL INDIA LIMITED OPEN OFFER
Depository	NSDL
ISIN	INE099H01019
Market	Off market

I/ We note and understand that the Shares would lie in the special depository account until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

TEAR ALONG THIS LINE

ACKNOWLEDGEMENT SLIP

Henkel India Limited - Open Offer

Received from Mr./Ms./ M/s. ____________ residing at ____________

____________ a Form of Acceptance cum Acknowledgement for ________ shares along with :

☐ Copy of delivery instruction slip from DP ID ____________ Client ID ____________

☐ Share Certificate(s) ______ transfer deed(s) under folio number (s) ______ for accepting the Offer made by the Acquirer

Stamp of Collection Centre	Signature of Official	Date of Receipt

SHARES IN PHYSICAL FORM

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

S. No.	Ledger Folio No(s).	Certificate No(s)	Distinctive No(s)		No. of Equity Shares
			From	To	
1					
2					
3					
4					
5					
(In case the space provided in inadequate, please attach a separate sheet with details)				**Total No. of Equity Shares**	

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirer dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

For NRIs / OCBs / FIIs / Foreign Shareholders: I / We have enclosed the following documents:

☐ No Objection Certificate/Tax Clearance Certificate/ Certificate for Deduction of Tax at Lower Rate from Income Tax Authorities. ☐ RBI approvals for acquiring Shares of Henkel India Limited hereby tendered in the Offer.

☐ Copy of Permanent Account Number / PAN Card

I / We, confirm that the tax deduction on account of equity shares of Henkel India Limited held by me / us is to be deducted on (tick whichever is applicable):

☐ Long-term capital gains ☐ Short-term capital gains ☐ Trade Account

In order to avail the benefit of lower rate of tax deduction under the applicable Double Taxation Avoidance Agreement ("DTAA"), if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence

For FII Shareholders:

I / We, confirm that the equity shares of Henkel India Limited are held by me / us on (select whichever is applicable): ☐ Investment / Capital Account ☐ Trade Account

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence/incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence. Where the tax is to be deducted on account of long-term capital gains, the shareholders should submit a certificate from a Chartered Accountant (along with proof such as demat account statement) certifying that the Shares have been held for more than one year. In order to claim the benefit of computation of tax liability on the net capital gains (i.e. after reducing the cost of acquisition of shares), the shareholder should obtain a tax clearance certificate from the appropriate income tax authorities certifying the net income chargeable to capital gains tax. In the absence of the above tax would be deducted at the maximum marginal rate on the entire consideration paid to the shareholders.

For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirer shall take actions based on the certification submitted along with this Form of Acceptance cum Acknowledgment by the shareholders. NRI / OCB / other non-resident shareholders should provide certification as to their residential status along with this Form of Acceptance cum Acknowledgment.

Declarations in this Form of Acceptance cum Acknowledgment as to the fact whether the shares are held, by the NRI / OCB / other non-resident shareholders, on investment / capital account or on trade account and whether the Shares are held as long-term capital asset or short-term capital asset should be accompanied with appropriate evidences. In case the Acquirer is of the view that the information /documents provided by the shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the applicable maximum marginal rate on the entire consideration paid to the shareholders.

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in demat form, the Bank account as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment will be processed with the said Bank particulars, and not any details provided herein.

Name of the Bank		**Branch**	
Account No.		**Current/Savings/ (Others : please specify)**	
IFSC Code		**9 digit MICR Code**	

Payment through: RTGS (Yes / No): ____________ NEFT (Yes / No): ____________ Direct Credit (Yes / No): ____________

I/We confirm that the equity shares of Henkel India Limited, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the Shares so offered which it may decide to accept in consultation with the Manger to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, Share certificates(s)/Shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirer and the Registrar to the Offer and the Manager to the Offer to send by Registered Post as may be applicable at my/our risk, the draft/cheque, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below. In case I have tendered my Equity Shares in dematerialised form, I authorize Acquirer and the Registrar to the Offer and the Manger to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

I/we authorize the Acquirer to accept the Equity Shares so offered or such lesser number of Shares that it may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,

Signed and Delivered

	FULL NAME(S) OF THE SHAREHOLDERS	SIGNATURE(S)
First / Sole Holder		
Second Shareholder		
Third Shareholder		

Note: In case of joint holders, all must sign. In case of body corporate, it must affix the corporate seal and also attach necessary corporate resolutions.

Address of First / Sole Shareholder: ____

____

Place: ____________________ **Date:** ____________________

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

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

Cameo Corporate Services Limited
(Unit: Henkel India - Open Offer)
Subramaniam Building, No. 1,
Club House Road, Chennai – 600 002
Tel: +91–44-2846 0390;
Fax : +91–44-2846 0129

FORM OF WITHDRAWAL

Henkel India Limited - Open Offer

OFFER OPENS ON	August 02, 2011
OFFER CLOSES ON	August 22, 2011

From

Folio No./DP ID No./Client ID No.:

Status: ☐ Resident ☐ Non-resident (✓ whichever is applicable)

Tel. No.: __________ Fax No.: __________ E-mail: __________

To

Cameo Corporate Services Limited

Unit: Henkel India - Open Offer

Subramaniam Building, No. 1,
Club House Road,
Chennai – 600 002

Dear Sir,

Sub: Open Offer to acquire upto 23,292,895 fully paid-up equity shares of Rs.10/- each, representing 20% of the Emerging Voting Capital of Henkel India Limited ("HIL" or the Target Company") by Jyothy Laboratories Limited ("Jyothy" or the "Acquirer") in compliance with Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

I/We refer to the Letter of Offer dated July 20, 2011 for acquiring the Equity Shares held by me/us in Henkel India Limited. I/We, the undersigned have read the Letter of offer and understood their contents including the terms and conditions as mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Equity Shares from the Offer and I/we further authorize the Acquirer to return to me / us, the tendered Share Certificate(s) / Share (s) at my / our sole risk.

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

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. August 22, 2011.

I / We note the Acquirer / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the Equity Shares held in physical form and also for the non-receipt of Equity Shares held in the dematerialised form in the DP account due to inaccurate / incomplete particulars / instructions.

I/ We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) / Equity Shares in dematerialised form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

The particulars of tendered original share certificate (s) and duly signed transfer deed(s) are detailed below:

S. No.	Ledger Folio No(s).	Certificate No(s)	Distinctive No(s)		No. of Equity Shares
			From	To	
1					
2					
3					
4					
5					
(In case the space provided in inadequate, please attach a separate sheet with details)				Total No. of Equity Shares	

TEAR ALONG THIS LINE

ACKNOWLEDGEMENT SLIP

Henkel India Limited - Open Offer

Received from Mr./Ms./ M/s. __________ residing at __________

a Form of Withdrawal for __________ Equity Shares along with :

☐ Copy of depository instruction slip from DP ID __________ Client ID __________

☐ Copy of acknowledgement slip issued when depositing dematerialised Equity Shares

☐ Copy of acknowledgement slip issued when depositing physical Equity Shares

for withdrawing from the Offer made by the Acquirer

Stamp of Collection Centre	Signature of Official	Date of Receipt

I/ We hold the following Equity Shares in dematerialised form and had executed an off-market transaction for crediting the Equity Shares to the "CAMEO CORPORATE SERVICES LIMITED ESCROW A/C HENKEL INDIA LIMITED OPEN OFFER". Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our Equity Shares have been tendered are as follows:

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

I / We note that the Equity Shares will be credited back only to that depository account, from which the Equity 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 dematerialised Equity Shares, I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and Delivered

	FULL NAME(S) OF THE SHAREHOLDERS	SIGNATURE(S)
First / Sole Holder		
Second Shareholder		
Third Shareholder		

Note: In case of joint holders, all must sign. In case of body corporate, it must affix the corporate seal and also attach necessary corporate resolutions.

Address of First / Sole Shareholder: ______________________________

____

____

Place: ______________________

Date: ______________________

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

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

Cameo Corporate Services Limited

(Unit: Henkel India - Open Offer)

Subramaniam Building, No. 1,

Club House Road, Chennai – 600 002

Tel: +91–44-2846 0390;

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