LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as an equity shareholder(s) of Himadri Chemicals and Industries Limited ("HCAIL" or the "Target"). If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or the Manager to the Offer or the Registrar to the Offer. In the event you have sold your equity shares in HCAIL, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the purchaser of the equity shares or the member of stock exchange through whom the said sale was effected.

Bain Capital India Investments ("Acquirer"),
Registered Office: Citco (Mauritius) Limited, 9th Floor, Medine Mews, La Chaussée Street, Port Louis, Mauritius
Tel.: + 230 210 2035; Fax: + 230 211 7889

along with

Bain Capital Fund X, L.P. ("PAC 1"),
Registered Office: Walker House 87, Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands
Tel.: +1-617-516-2000; Fax: +1-617-516-2010,

Bain Capital India Integral Investors, L.P. ("PAC 2"),
Registered Office: Walkers SPV Limited Walker House, Mary Street, P.O. Box 908GT, George Town, Grand Cayman, Cayman Islands
Tel.: +1-617-516-2000; Fax: +1-617-516-2010,

Bain Capital India Integral Mauritius ("PAC 3"),
Registered Office: Citco (Mauritius) Limited, 9th Floor, Medine Mews Building, La Chaussée Street, Port Louis, Mauritius
Tel.: +230 210 2035; Fax: +230 211 7889
(collectively, the "PACs"),

makes a cash Offer at Rs. 400 (Rupees Four Hundred only) per fully paid up equity share
to acquire
81,98,740 equity shares of Rs. 10 each fully paid up representing 20% of the Fully Diluted Equity Share Capital (as defined below)
of
Himadri Chemicals and Industries Limited
Registered and Head Office: Fortuna Towers, 8th Floor, 23 A Netaji Subhas Road, Kolkata 700 001
Tel: 033 - 22209953, 22304363; Fax: 033 – 22309051.

ATTENTION

1. For the purpose of computing the voting percentage, the voting rights as at the expiration of 15 days after the closure of the Offer (as defined below) has been reckoned including the Preferential Allotment (as defined below) and conversion of the FCCBs (as defined below).
2. The Offer is being made by the Acquirer and the PACs pursuant to Regulation 10 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("SEBI (SAST) Regulations" or "Regulations").
3. The Offer would require the approval from the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder ("FEMA") for acquiring equity shares validly tendered under the Offer. The Acquirer has applied for such RBI approval on January 22, 2010. Except for the RBI approval as mentioned above, as of the date of this Letter of Offer, no other statutory approval is required to acquire the equity shares tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals as may become applicable even at a later date.
4. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement (as defined below)/Letter of Offer, can withdraw the same up to 3 working days (i.e. March 18, 2010) prior to the date of the closing of the Offer (i.e. March 23, 2010).
5. The Acquirer and the PACs are permitted to revise the Offer Price (as defined below) and/or the number of equity shares contemplated by the Offer upward at any time up to 7 working days prior to the date of the closing of the Offer (i.e. March 11, 2010). If there is any upward revision in the Offer Price and/or the number of equity shares by the Acquirer and PACs till the last date of revision viz. March 11, 2010 or in case of withdrawal of the Offer, the same would be informed by way of a public announcement in the newspapers mentioned in paragraph 3.2 of this Letter of Offer and the same revised price would be payable by the Acquirer and the PACs to all shareholders who tendered their equity shares at any time during the Offer and which are accepted by the Acquirer under the Offer.
6. The Offer is not subject to any minimum level of acceptance by the public shareholders.
7. There has been no competitive bid to this Offer.
8. The Public Announcement and this Letter of Offer (including Form of Acceptance-cum- Acknowledgement and Form of Withdrawal) are available on SEBI's web-site (www.sebi.gov.in).
9. If non-resident shareholders, overseas corporate bodies and foreign shareholders had required any RBI or Foreign Investment Promotion Board ("FIPB") approval in respect of the equity shares held by them in the Target, they will be required to submit the previous RBI/FIPB approvals that they would have obtained for holding the equity shares of the Target. In the event such permissions are not submitted, the Acquirer and the PACs reserve the right to reject such equity shares tendered in the Offer.
10. In case of delay in receipt of other requisite approvals, SEBI has the power to grant an extension of time to the Acquirer and the PACs for payment of consideration to the shareholders, subject to the Acquirer and the PACs agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
ENAM **ENAM Securities Private Limited** 801/802 Dalamal Towers, Nariman Point, Mumbai - 400 021. Tel.: 022 - 6638 1800 Fax: 022 - 2284 6824 Email: himadri@enam.com Contact Person: Ms. Kanika Sarawgi SEBI Registration No.: INM000006856	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD) **Link Intime India Private Limited** Unit: Himadri Chemicals & Ind. Ltd - Open Offer C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078. Tel.: 022-25960320 Fax: 022-25960329 Email: hcil@linkintime.co.in. Contact Person: Nilesh Chalke SEBI Registration No.: INR000004058

OFFER OPENS ON : Thursday, March 04, 2010	OFFER CLOSES ON : Tuesday, March 23, 2010

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Day and Date
Board Meeting	Thursday, December 31, 2009
Public Announcement	Wednesday, January 06, 2010
Specified Date*	Wednesday, January 06, 2010
Last date for a Competitive Bid, if any	Wednesday, January 27, 2010
Last date by which Letter of Offer will be posted to shareholders of the Target	Saturday, February 27, 2010
Date of opening of the Offer	Thursday, March 04, 2010
Last date for revising the Offer Price/Offer Size	Thursday, March 11, 2010
Last date of withdrawal of tendered application by the shareholders of the Target	Thursday, March 18, 2010
Date of closing of the Offer	Tuesday, March 23, 2010
Date by which acceptance/rejection under the Offer would be intimated and the corresponding payment for the acquired and/or the unaccepted equity shares/share certificate(s) will be dispatched.	Wednesday, April 07, 2010

**Specified Date is only for the purpose of determining the names of the public shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of the equity shares of the Target, except the parties to the Agreements, are eligible to participate in the Offer anytime before the closure of the Offer.*

RISK FACTORS

Given below are the risks related to the proposed Offer and those associated with the Acquirer and the PACs:

Risk Factors associated with the Acquirer and the PACs

1. The Acquirer and the PACs cannot provide any assurance with respect to the market price of the equity shares of the Target before, during or after the Offer and each expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.

2. Neither the Acquirer nor the PACs have acquired control of the Target or any of its subsidiaries and make no assurance with respect to the financial performance of the Target or any of its subsidiaries. The Acquirer makes no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target.

Risk Factors associated with the Open Offer

1. Where the number of equity shares offered for sale by the shareholders is more than the Shares agreed to be acquired by the Acquirer and the PACs, the Acquirer and the PACs shall accept the offers received from the shareholders on a proportional basis in consultation with the Manager to the Offer, in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. Hence, there is no certainty that all shares tendered by the shareholders in the Offer will be accepted, in the event there is oversubscription of the Offer.

2. The Offer would require the approval from the RBI under the FEMA for acquiring Shares validly tendered under the Offer. The Acquirer has applied for such RBI approval on January 22, 2010. Except for the RBI approval as mentioned above, as of the date of this Letter of Offer, no other statutory approval is required to acquire the Shares tendered pursuant to this Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date. The Acquirer and the PACs reserve the right to withdraw the Offer in accordance with Regulation 27 of the SEBI (SAST) Regulations in the event the requisite statutory approvals for the purpose of this Offer or those that may be necessary at a later date are refused.

3. In the event of regulatory approvals (if any) not being received in a timely manner or litigation leading to a stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders whose equity shares have been accepted in the Offer, as well as the return of the equity shares not accepted by the Acquirer and the PACs, may be delayed. Shareholders should note that after the last date for withdrawal of acceptances under the Offer (i.e. March 18, 2010), shareholders who have lodged the equity shares will not be able to withdraw them even if the acceptance of equity shares under the Offer and dispatch of consideration gets delayed. The tendered equity shares and documents will be held by the Registrar to the Offer, until such time as the process of acceptance of such equity shares and the payment of consideration thereto is completed.

4. The equity shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer (in accordance with the Regulations and other applicable laws, rules and regulations), and the shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such equity shares until the completion of the Offer or withdrawal of the Offer in accordance with Regulation 27 of the SEBI (SAST) Regulations. During such period there may be fluctuations in the market price of the equity shares. Accordingly, neither the Acquirer nor the PACs make any assurance with respect to the market price of the equity shares at any time, whether during or upon or after the completion of the Offer, and disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.

5. The Acquirer, the PACs and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement or this Letter of Offer or in the advertisements or other

materials issued by, or at the instance of the Acquirer, the PACs and the Manager to the Offer, and anyone placing reliance on any other source of information, would be doing so at his/her/their own risk.

The risk factors set forth above do not relate to the present or future business or operations of the Target or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any shareholder in the Offer. Each shareholder of the Target is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such shareholder's participation in the Offer and related sale and transfer of equity shares of the Target to the Acquirer and the PACs.

CONTENTS

1. DEFINITIONS

Acquirer or Bain Capital	Bain Capital India Investments.
Agreements	Collectively, the IA and the Undertaking.
BSE	Bombay Stock Exchange Limited.
CDSL	Central Depository Services (India) Limited.
CEGAT	Customs Excise and Gold Appellate Tribunal.
Companies Act	Companies Act, 1956, as amended.
CSE	Calcutta Stock Exchange Association Limited.
Depository Participant or DP	Standard Chartered Bank.
DEPB	Duty Exemption Pass Book Scheme.
NECS	National Electronic Clearing System.
Escrow Agreement	Escrow Agreement dated December 31, 2009 between Acquirer, Escrow Agent and Manager to the Offer.
Escrow Bank/Escrow Agent	Kotak Mahindra Bank Limited, registered office is 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021.
FCCBs	Foreign Currency Convertible Bonds.
FEMA	The Foreign Exchange Management Act, 1999, as amended.
FII(s)	Foreign Institutional Investors registered with SEBI.
Form of Acceptance or FOA	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer.
Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer.
Fully Diluted Equity Share Capital/ Fully Diluted Voting Capital/ Fully Diluted Voting Rights	Equity capital after considering the Preferential Allotment of 63,10,000 equity shares and assuming an additional 24,20,444 equity shares of face value Rs. 10 each to be allotted upon full conversion of the outstanding FCCBs to equity shares (assuming exchange rate of Rs. 46.68 as on the date of the Board Meeting (i.e. December 31, 2009)).
IA	Investment Agreement, by and among the Acquirer and the Target, dated January 01, 2010.
IFSC	Indian Financial System Code.
LOF or Letter of Offer	This Letter of Offer.
MICR	Magnetic Ink Character Recognition.
Manager to the Offer or ENAM	Enam Securities Private Limited.
NEFT	National Electronic Fund Transfer.
NRI(s)	Non-Resident Indians.
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding equity shares of the Target.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB(s)	Overseas Corporate Bodies.
Offer or Open Offer	Open Offer to acquire up to 81,98,740 equity shares ("Shares") of the Target of face value of Rs.10 each representing in the aggregate up to 20% of the Fully Diluted Equity Share Capital and Fully Diluted Voting Capital of the Target at a price of Rs. 400 (Rupees Four Hundred only) per fully paid up equity share, payable in cash.
Offer Period	From Thursday, March 04, 2010 to Tuesday, March 23, 2010.
Offer Price	Rs. 400 per fully paid-up Share.
Offer Size	Up to 81,98,740 equity shares of the Target of face value of Rs.10 each representing in the aggregate up to 20% of

	the Fully Diluted Equity Share Capital and Fully Diluted Voting Capital of the Target and up to 21.25% of the fully paid up capital post the Preferential Allotment.
Person Acting in Concert or PACs	Bain Capital Fund X, L.P., Bain Capital India Integral Investors, L.P. and Bain Capital India Integral Mauritius.
Persons eligible to participate in the Offer	All owners (registered or unregistered) of equity shares of the Target, except the parties to the Agreements, are eligible to participate in the Offer anytime before the closure of the Offer.
Promoters as defined under the IA	Namely: Mr. Damodar Prasad Choudhary, Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Shyam Sundar Choudhary, Mr. Amit Choudhary, Mr. Tushar Choudhary, Mr. Anurag Choudhary, Himadri Dyes and Intermediates Limited, Himadri Credit and Finance Limited, Himadri Industries Limited and Himadri Coke and Petro Limited.
promoter/promoter group	means the promoter and promoter group as disclosed under Regulation 8(3) of SEBI (SAST) Regulations and clause 35 of the Listing Agreement, namely Mr. Damodar Prasad Choudhary, Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Shyam Sundar Choudhary, Ms. Sushila Devi Choudhary, Ms. Saroj Devi Choudhary, Ms. Kanta Devi Choudhary, Ms. Sheela Devi Choudhary, Himadri Dyes and Intermediates Limited, Himadri Credit and Finance Limited, Himadri Industries Limited and Himadri Coke and Petro Limited
Public Announcement or PA	Public Announcement for the Open Offer issued on behalf of the Acquirer and PACs on January 06, 2010.
RTGS	Real Time Gross Settlement.
Registrar or Registrar to the Offer	Link Intime India Private Limited, an entity registered with SEBI under SEBI (Registrar to Issue and Share Transfer Agents) Regulations, 1993, as amended.
RBI	The Reserve Bank of India.
Rs.	Indian Rupees.
SEBI	Securities and Exchange Board of India .
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended.
SEBI (SAST) Regulations or Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
Special Depository Account	LIIPL-HCIL Open Offer-Escrow Demat Account.
Specified Date	Wednesday, January 06, 2010.
Target or HCAIL	Himadri Chemicals and Industries Limited.
Undertaking	Undertaking given by the Promoters as defined in IA of the Target, dated January 01, 2010 in favour of the Acquirer.
U.S.A	United States of America.
USD	United States Dollar.

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS 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. THIS LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF HCAIL TO MAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER AND THE PACs OR THE TARGET WHOSE EQUITY SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PACs DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, ENAM HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 19, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACs 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 to the Offer

3.1.1. The Acquirer to this Offer is Bain Capital India Investments and the PACs to this Offer are Bain Capital Fund X, L.P., Bain Capital India Integral Investors, L.P. and Bain Capital India Integral Mauritius.

The Board of Directors of the Target ("Board") in their meeting held on December 31, 2009 (the "Board Meeting") has duly authorised the preferential allotment of 63,10,000 equity shares of face value Rs. 10 each to the Acquirer ("Preferential Allotment"). An extraordinary general meeting of shareholders of the Target was convened on January 29, 2010 to approve this Preferential Allotment in accordance with the provisions of the Section 81(1A) of the Companies Act and other applicable provisions. The Share Issue and Allotment Committee of Directors of the Target at its meeting held on February 01, 2010 allotted 63,10,000 equity shares to the Acquirer at a price of Rs. 400 per equity share, on preferential basis in terms of the special resolution passed by the shareholders of the Target at the extraordinary general meeting held on January 29, 2010.

Post the Preferential Allotment, the Acquirer holds 63,10,000 equity shares of face value Rs. 10 each of the Target amounting to 16.36% of the equity capital (including the Preferential Allotment) of the Target and 15.39% of the Fully Diluted Equity Share Capital of the Target.

3.1.2. Pursuant to the Preferential Allotment authorised by the Board, this mandatory Offer is being made by the Acquirer and the PACs in compliance with Regulation 10 and other applicable provisions of the SEBI (SAST) Regulations. The Acquirer and the PACs hereby make this Offer to shareholders of the Target (other than the parties to the Agreements) to acquire up to 81,98,740 equity shares of the Target of face value of Rs.10 each representing in the aggregate up to 20% of the Fully Diluted Equity Share Capital of the Target at a price of Rs. 400 (Rupees Four Hundred) per fully paid up equity share payable in cash subject to the terms and conditions mentioned in the PA and in this Letter of Offer that will be circulated to the shareholders in accordance with the SEBI (SAST) Regulations. This Offer is not subject to any minimum level of acceptance.

3.1.3. The commercial objective of the parties is for the Acquirer to acquire a minimum of 20% of the Fully Diluted Equity Share Capital of the Target through a combination of:

- primary investment,
- purchase of equity shares tendered in the mandatory Open Offer from public shareholders and
- purchase of equity shares from the Promoters of the Target (if required).

3.1.4 Keeping in view the funding requirements of the Target, the Acquirer has subscribed to 15.39% of the Fully Diluted Equity Share Capital of the Target pursuant to the preferential allotment in accordance with the SEBI ICDR. In addition, the Acquirer made an Open Offer to public shareholders for up to 20% of the Fully Diluted Equity Share Capital of the Target. Only in the instance where public shareholders do not tender at least 4.61% of the Fully Diluted Equity Share Capital of the Target (i.e. the difference between targeted 20% and the 15.39% acquired in the preferential issue), the Acquirer will have the right to acquire equity shares of the Target from the Promoters to bridge the difference. The difference between the targeted 20% and the percentage of equity shares issued by the Target through the preferential allotment is intended to be bridged by the equity shares offered by public shareholders in the Open Offer. To the extent, such difference is not bridged by the equity shares offered in the Open Offer, the Acquirer will have the right to acquire the equity shares of the Target from the Promoters in terms of the Undertaking.

3.1.5 Accordingly, the following documents were executed to capture the above arrangement:

(i) Investment Agreement dated January 1, 2010 between the Target and the Acquirer for subscription of equity shares of the Target representing 15.39% of the Fully Diluted Equity Share Capital of the Target,

(ii) Undertaking dated January 1, 2010 executed by the Promoters of the Target in favour of the Acquirer for the purchase of the equity shares from the Promoters which represent the difference between the 20% and the total number of shares acquired by way of preferential allotment and the Open Offer.

3.1.6 The Investment Agreement only relates to preferential allotment and does not contemplate purchase of equity shares by the Acquirer from the Promoters. It is also pertinent to note that in case the Open Offer is successful in terms of commercial arrangement, i.e. the Acquirer is able to acquire 4.61% or more of the Fully Diluted Equity Share Capital of the Target from the public shareholders in the Open Offer, then the provisions enabling the Acquirer to acquire equity shares from the Promoters under the Undertaking will become inapplicable.

3.1.7 Given that the Acquirer has already been allotted 15.39% of the Fully Diluted Equity Share Capital of the Target by way of preferential allotment, the Acquirer would require an additional 4.61% of the Fully Diluted Equity Share Capital of the Target to increase its equity stake in the Target to 20%. To illustrate further:

(i) If the Open Offer shares represent 4.61% or more of the Fully Diluted Equity Share Capital of the Target, then the Acquirer will not acquire any additional equity shares from the Promoters as contemplated under the Undertaking.

(ii) If the Open Offer shares represent 3% of the Fully Diluted Equity Share Capital of the Target, the Acquirer will have the right to purchase the difference between 4.61% and 3% (i.e. 1.61% of the Fully Diluted Equity Share Capital of the Target) from the Promoters such that the Acquirer holds 20% of the Fully Diluted Equity Share Capital of the Target.

(iii) If no equity shares are tendered by the public shareholders in the Open Offer, then the Acquirer has the right to acquire and purchase upto a maximum of such number of shares which represent 4.61% of the Fully Diluted Equity Share Capital of the Target. Such acquisition from the Promoters will be made at a price of Rs. 400 per equity share which is equal to the price offered to the public shareholders as part of the Open Offer and also the price at which the preferential allotment was made to the Acquirer.

3.1.8 The Acquirer is aware that certain reserved matters do require shareholders approval as per the Companies Act. However, it is pertinent to note that the Acquirer is a private equity investor and has made a substantial investment in the Target as stated in paragraph 3.1. Hence, the reserved matters are merely protective clauses to protect the Acquirer's investment in the Target. Private equity investors usually make investments that are financial in nature and to protect such investments, seek contractual veto rights whereby their prior consent is required for certain material actions to be undertaken. These veto rights are essentially value-preserving rights and are similar to rights which are commonly available to lenders who avail of such rights to ensure that their loans to borrower companies are protected. Similarly, private equity investors, such as the Acquirer, avail of these rights only for the purposes of protecting their investment. These rights do not give the Acquirer any ability to cause the Target to take any positive action. The ability to drive the direction of the Target or to cause the Target to take any particular action continues to be vested with the management of the Target.

Parties to the Agreements and promoter/promoter group will not participate in this Offer being made by the Acquirer.

3.1.9 As stated above, the Acquirer has executed an Investment Agreement dated January 01, 2010 with the Target. The Promoters as defined in the IA have executed a letter of undertaking dated January 01, 2010 in favour of the Acquirer. Some salient features of the Agreements are as follows:

a. Subject to approval of shareholders of the Target, the Acquirer will be allotted 63,10,000 equity shares of face value Rs. 10 each of the Target at a price of Rs. 400 (Rupees Four Hundred) per equity share, representing 15.39% of the Fully Diluted Equity Share Capital of the Target through a Preferential Allotment in compliance with Chapter VII of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR").

b. The Target shall use its best endeavours and take all necessary steps to ensure that the Preferential Allotment is fulfilled as soon as reasonably practicable and in any event within 15 days from the date on which the shareholders approval is obtained in order to ensure that the allotment of the equity shares can be made in favour of the Acquirer at the subscription price of Rs. 400 (Rupees Four Hundred only) in accordance with SEBI ICDR as applicable to Preferential Allotment.

c. The Agreements contemplate that the Acquirer could acquire such number of equity shares owned by the Promoters as defined in the IA that will represent such percentage Ownership (ownership of the share capital of the Target on a fully diluted basis) which is the difference between 20% Ownership and the percentage Ownership represented by the aggregate of Preferential Allotment and the Shares acquired by the Acquirer in the Open Offer. Further, if for any reason the Preferential Allotment is not consummated as contemplated by the Agreements, then, the Acquirer could become entitled to acquire such number of equity shares owned by the Promoters as defined in the IA that would represent the difference between 5% Ownership and the percentage Ownership represented by the Shares acquired by Acquirer in the Open Offer.

d. Subject to the Acquirer having acquired equity shares that represent at least 5% of the share capital, the Acquirer has a right to appoint and maintain in office one non retiring director (and to remove from office any director so appointed and to appoint another in the place of the director(s) so removed) on the Board of the Target. The Acquirer does not intend to appoint any director on the Board of the Target till completion of the Open Offer (i.e. the date on which merchant banker to the Open Offer provides a certified copy of the certificate as required under the Regulations).

e. Under the Agreements, there is a set of reserved matters for which prior written consent of the Acquirer is required including matters such as change of the articles and memorandum of association of the Target, declaration of dividends, issuance of securities, disposing of or encumbering any assets, incurring capital expenditure and/or raising debt above an agreed value.

f. The intention of the Acquirer is to only be a minority financial investor and not acquire control and management of the Target. The Target will ensure that the Acquirer shall not be considered/classified to be the promoter/promoter group of the Target for any reason whatsoever (unless required by applicable law) and the shares held by the Acquirer in the Target are not subject to any restriction (including that of lock-in or other restriction) which are applicable to promoter/promoter group under any applicable law, unless required by applicable law.

3.1.10 The Acquirer, the PACs, the Target and the Promoters as per IA have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

3.1.11 As per stock exchange filings made with NSE, BSE and CSE by the Target, the Acquirer and the PACs are not promoter/promoter group of the Target.

3.2 The Offer:

3.2.1 This Offer is being made by the Acquirer and PACs as a result of the acquisition of 15.39% of the Fully Diluted Equity Share Capital pursuant to the Preferential Allotment and, as applicable, pursuant to any additional acquisition made from the Promoters as defined in the IA as stated in paragraph 3.1 above of this Letter of Offer.

3.2.2 The Offer is not conditional on any minimum level of acceptance.

3.2.3 This is not a competitive bid.

3.2.4 The Public Announcement, as per Regulation 15(1) of the Regulations, was made in the following newspapers on January 06, 2010:

Newspaper	**Language**	**Editions**
The Financial Express	English	All
Janastta	Hindi	All
Navshakti	Marathi	Mumbai
Kalantar Patrika	Bengali	Kolkata

A copy of the Public Announcement is also available at SEBI's website (www.sebi.gov.in).

If there is any upward revision in the Offer Price/Offer Size by the Acquirer and the PACs through the last date of revision (i.e., March 11, 2010) or in case of withdrawal of the Offer, such upward revision or withdrawal would be disclosed to shareholders of the Target by way of a public announcement in the newspapers in which the PA was published on January 06, 2010 and accordingly the revised price per equity share of the Target in the Offer would be payable by the Acquirer and the PACs to all shareholders who validly tendered their equity shares of the Target at any time during the Offer and which are accepted by the Acquirer and the PACs, in each case under the terms of the Offer and in accordance with applicable law.

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

3.2.6 The Offer requires the approval from the RBI under the FEMA for acquiring the Shares validly tendered under the Offer. The Acquirer has applied for such RBI approval on January 22, 2010.Except for the RBI approval as mentioned above, as of the date of this Letter of Offer, no other statutory approval is required for the Acquirer and the PACs to acquire the Shares tendered pursuant to this Offer. In terms of Regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

3.2.7 The Acquirer and the PACs do not hold any equity shares in the Target as of the date of the Public Announcement save and except those agreed to be acquired under the IA as mentioned in paragraph 3.1 above of this Letter of Offer.

Neither the Acquirer nor the PACs nor their respective directors have acquired any equity shares of the Target during the 12 month period prior to the date of the Public Announcement, save and except those agreed to be acquired under the IA as mentioned in paragraph 3.1 above of this Letter of Offer.

The Acquirer, the PACs and their respective directors have not acquired any equity shares of the Target after the date of the PA save and except those acquired under the Preferential Allotment as mentioned in paragraph 3.1 above of this Letter of Offer.

3.2.8 There are no partly paid up equity shares in the Target.

3.2.9 The equity shares of the Target will be acquired by the Acquirer free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

3.2.10 As on date of this LOF, the Manager to the Offer does not hold any equity shares in the Target and the Manager to the Offer confirms that it shall continue to not hold any shares of the Target until the completion of the Open Offer

3.2.11 There has been no competitive bid to this Offer.

3.2.12 For the purpose of this Offer, there are three persons acting in concert with the Acquirer, as mentioned in paragraph 3.1 above of this Letter of Offer, within the meaning of Regulation 2(1)(e) of the Regulations.

3.2.13 Upon completion of the Offer, assuming full acceptances in the Offer and Preferential Allotment under the IA, the Acquirer will hold 1,45,08,740 equity shares constituting 35.39% of the Fully Diluted Equity Share Capital of the Target. Clause 40A of the listing agreement between the Target and each of the BSE, NSE and CSE, requires the Target to maintain at least a 25% public shareholding on a continuous basis. Further, the Offer will not result in public shareholding being reduced to a level below the limit specified in the listing agreement entered into by the Target with the stock exchanges for the purpose of listing on continued basis.

4. RATIONALE FOR THE ACQUISITION AND OFFER

4.1 The Offer is being made pursuant to the acquisition of 15.39% of Fully Diluted Equity Share Capital, pursuant to the Preferential Allotment and, as applicable, pursuant to any additional acquisition that may be made from the Promoters as defined in the IA and as stated in paragraph 3.1 above of this Letter of Offer. This has resulted in substantial acquisition of equity shares in the Target in terms of the SEBI (SAST) Regulations. Hence, this Open Offer is being made in compliance with Regulation 10 read with other applicable provisions of the SEBI (SAST) Regulations.

4.2 As of the date of the PA, the Acquirer and the PACs do not have any plans to dispose of or otherwise encumber any asset of the Target in the next two years except in the ordinary course of business of the Target.

4.3 As of the date of the PA, the Acquirer and the PACs undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of the Target, other than in the ordinary course of the Target's business, except with the prior approval of the shareholders of the Target.

5. INFORMATION ON THE ACQUIRER AND THE PACs

5.1 The Acquirer, Bain Capital India Investments, is a private company limited by shares incorporated on July 28, 2008 under the laws of the Republic of Mauritius with the company number 082442. Its registered office is located at Citco (Mauritius) Limited, 9th Floor, Medine Mews, La Chaussée Street, Port Louis, Mauritius. The telephone no. of the Acquirer is +230 210 2035 and the fax no. is +230 211 7889.

5.2 The Acquirer was incorporated for the purpose of making investments.

5.3 The Acquirer is a wholly owned subsidiary of PAC 3, a private company limited by shares incorporated under laws of the Republic of Mauritius.

5.4 The Acquirer is an unlisted company. As on the date of the PA, it does not hold any equity shares or voting rights in any company listed on any of the stock exchanges in India. Further, it has neither promoted nor is in control of any listed company in India. Hence, provisions of Chapter II of the SEBI (SAST) Regulations are not applicable to the Acquirer. The Acquirer is in compliance with Chapter II of SEBI (SAST) Regulations with respect to the Preferential Allotment of equity shares of the Target.

5.5 The securities of the Acquirer are not listed on any stock exchange.

5.6 Details of the board of directors of the Acquirer, as on date of the PA, are shown below:

Name and Designation	Residential Address	Qualification	Nature of Experience	Date of Joining
Mohamed Javed Aboobakar Director	Islam Lane, Hollywood, Vacoas, Mauritius	BA (Hons) Economics from the University in Delhi in India. Also a member of the Society of Trust and Estate Practitioners (TEP). Currently studying towards completion of the professional level of Institute of Chartered Secretaries and Administrators (ICSA).	Prior to joining the Citco Group, he was a Director of one of the largest fiduciary companies in Mauritius. He was also the General Manager of BNPI (BNP Paribas) Offshore Banking Unit and the General Manager of BNPI (BNP Paribas) Mauritius Trust Corporation. He has more than 11 years of working experience.	July 28, 2008
Michael Fenton Goss Director	3 Compo Parkway, Westport, CT, 06880, U.S.A.	Graduated from Kansas State University in 1981 with a BS in economics and received an MBA with distinction from Harvard Business School in 1986.	Joined Bain Capital in 2001 as Managing Director-CFO. Prior to joining Bain Capital, Mr. Goss was Executive Vice President and CFO of Digitas Inc. Prior to Digitas Inc., Mr. Goss was EVP, CFO, and a member of the board of directors of Playtex Products, Inc. Mr. Goss was a Senior Associate at Bain Capital from 1987 to 1989. He has more than 25 years of working experience.	July 28, 2008

Name and Designation	Residential Address	Qualification	Nature of Experience	Date of Joining
Ramanand Guzadhur Director	Apartment no. 32, Gaetan reynal St, Residence Le Chateau, Beau Bassin, Mauritius	BA (Hons) Economics Accounting and Finance from the University of Leeds (England), an MBA (International Finance) from the University of Bristol (England) jointly with Ecole Nationale des Ponts et Chaussees, Paris, a Bachelor of Laws (LLB Honours) from the University of London and is a member of the Society of Trust and Estate Practitioners (TEP)	Joined Citco (Mauritius) Limited in April 2005 as the Compliance Manager. From October 2008 onwards he has been appointed as Head of Client Operations and Risk Coordinator. Prior to joining Citco (Mauritius) Limited, Mr. Guzadhur worked in other Management Companies in Mauritius and he has good experience in the Global Business Sector in Mauritius. He has more than 11 years of working experience.	July 28, 2008
Paul Edgerley Director	119 Hyslop Road, Brookline, MA, 02445, U.S.A.	Graduated from Kansas State University with BS. Received an MBA, with Distinction, from Harvard Business School and is a Certified Public Accountant.	Joined Bain Capital in 1988. He has been a Managing Director since 1990. Prior to joining Bain Capital, Mr. Edgerley spent five years at Bain & Company where he worked as a consultant and a manager in the healthcare, information services, retail and automobile industries. Previously, he worked at Peat Marwick Mitchell & Company. He has more than 28 years of working experience.	July 28, 2008

As on the date of the Public Announcement, none of the directors of the Acquirer is on the Board of Directors of the Target.

5.7 **The standalone audited financial highlights (as required under point no. 12 of Annexure I of 'Standard Letter of Offer for an Open Offer' in terms of Regulations) of the Acquirer for the period ended December 31, 2008 and unaudited financial highlights for the nine month period ended September 30, 2009, as certified by PricewaterhouseCoopers LLP ("PWC") vide their certificate dated January 11, 2010, are as below:**

STATEMENT OF OPERATIONS				
	in USD		**in Rs.***	
	Period from inception (July 28, 2008) through December 31, 2008 (audited)	**Period from January 1, 2009 through September 30, 2009 (unaudited)**	**Period from inception (July 28, 2008) through December 31, 2008 (audited)**	**Period from January 1, 2009 through September 30, 2009 (unaudited)**
EXPENSES	17,498	7,314	816,807	341,418
Net Investment Loss	-17,498	-7,314	-816,807	-341,418
STATEMENT OF NET ASSETS				
	December 31, 2008	**September 30, 2009**	**December 31, 2008**	**September 30, 2009**
Assets				

Cash and cash equivalents	-	60	-	2,801
Unpaid Share Capital	1	-	47	-
Prepaid expense	750	1,181	35,010	55,129
Total Assets	**751**	**1,241**	**35,057**	**57,930**
Liabilities				
Due to affiliate	10,022	26,052	467,827	1,216,107
Accrued expenses	8,226	-	383,990	-
Total Liabilities	18,248	26,052	851,817	1,216,107
Net Assets	**-17,497**	**-24,811**	**-816,760**	**-1,158,177**
Composition of Net Assets				
Net capital paid in on shares	1	1	47	47
Accumulated deficit	-17,498	-24,812	-816,807	-1,158,224
Net Assets	**-17,497**	**-24,811**	**-816,760**	**-1,158,177**

*USD/Rs. foreign exchange spot rate as of December 31, 2009 is 46.68

Other Financial Data

	USD		**Rs.***	
	December 31, 2008	**September 30, 2009**	**December 31, 2008**	**September 30, 2009**
Dividend (%)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Earnings Per Share (in absolute value) (a)	-17,498	-7,314	-816,807	-341,418
Return on Net Worth	Nil	Nil	Nil	Nil
Book Value Per Share (b)	-17,497	-24,811	-816,760	-1,158,177
Number of shares issued	1	1	1	1

*USD/Rs. foreign exchange spot rate as of December 31, 2009 is 46.68
(a) Calculated as net investment loss/ shares issued
(b) Calculated as net assets/ shares issued

Major Contingent Liabilities
There are no major contingent liabilities.

Significant Accounting policies

Reporting Currency
The financial statements are presented in USD.

Basis of Accounting
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements.

Cash and cash equivalents
The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

New Accounting Standards
In July 2006, the Financial Accounting Standards Board issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109" (the "Interpretation"). The Interpretation establishes for all entities, including pass-through entities such as the Company, a minimum threshold for financial statement recognition of the

benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. On January 23, 2008, the FASB deferred the effective date of the Interpretation until fiscal years beginning after December 15, 2007. On December 30, 2008, the FASB again deferred the effective date of the Interpretation until fiscal years beginning after December 15, 2008. Management has elected to take advantage of this deferral and will accrue for liabilities relating to uncertain tax positions only when such liabilities are probable and reasonably estimable.

Income Taxes

The Company is subject to 15% income tax in Mauritius, in accordance with the provisions of the Income Tax Act 1995. The Income Tax (Foreign Tax Credit) Regulations 1996 provides for the setting off of any foreign underlying tax, withholding tax and tax sparing credit available to the Company against the 15% income tax. Where written evidence of such foreign underlying tax, withholding tax and tax sparing credit is not presented to the tax authorities in Mauritius, a deemed foreign tax credit of 80% on the Company's foreign source income is available. Capital gains earned by the Company are exempted from income tax in Mauritius.

Reasons for rise and fall in income of the Acquirer are as follows:

There are no comparable financial statements, since the Acquirer was incorporated in July 28, 2008.

5.8 Acquirer has not made any acquisition in the Target except mentioned in paragraph 3.1 of this LOF.

5.9 **Following are the details of persons acting in concert ("PACs") with the Acquirer:**

5.9.1 Bain Capital Fund X, L.P. ("PAC 1")

PAC 1 was organised as an exempted limited partnership registered in the Cayman Islands on July 27, 2007 with date of inception being October 19, 2007. Its registered office is located at Walker House 87, Mary Street, George Town, Grand Cayman KY1-9001, Cayman Islands. The telephone no. of PAC 1 is +1-617-516-2000, and the fax no. is +1-617-516-2010.

The general partner of PAC 1 is Bain Capital Partners X, L.P. ("GP"), a Cayman Islands exempted limited partnership, the general partner of which is Bain Capital Investors, LLC, a Delaware (USA) limited liability company. Bain Capital Investors, LLC ("BCI") is a limited liability company formed under the laws of the State of Delaware (USA). No person controls more than 10% of the vote of BCI. Since neither the Delaware Limited Liability Company Act nor the governing agreements for Bain Capital Investors, LLC, require the preparation of financial statements, no financial statements for Bain Capital Investors, LLC have been prepared.

PAC 1 was organised to invest in businesses, foreign or domestic, with the principal objective of achieving appreciation of capital invested. PAC 1 is not listed on any stock exchange. PAC 1 does not have a board of directors and is managed by its GP.

Financial Performance:

The standalone audited financial highlights (as required under point no. 12 of Annexure I of 'Standard Letter of Offer for an Open Offer' in terms of Regulations) of PAC 1 for the period ended December 31, 2008 and unaudited financial highlights for the nine month period ended September 30, 2009, as certified by PricewaterhouseCoopers LLP ("PWC") vide their certificate dated January 11, 2010, are as below:

STATEMENT OF OPERATIONS				
	in USD		**in Rs.***	
INCOME	**Period from inception (October 19, 2007) through**	**Period from January 1, 2009 through September**	**Period from inception October 19, 2007) through**	**Period from January 1, 2009 through September**

	December 31, 2008 (audited)	30, 2009 (unaudited)	December 31, 2008 (audited)	30, 2009 (unaudited)
Interest Income	3,985,783	59,769	186,056,350	2,790,017
Dividend Income	-	6,138,162	-	286,529,402
Total Income	3,985,783	6,197,931	186,056,350	289,319,419
EXPENSES				
Management Fees	-	80,160,160	-	3,741,876,269
Professional Fees and other expenses	5,745,676	3,573,528	268,208,156	166,812,287
Total Expenses	5,745,676	83,733,688	268,208,156	3,908,688,556
Net Investment Loss	**-1,759,893**	**-77,535,757**	**-82,151,806**	**-3,619,369,137**
Change in net unrealized loss on investments	**-**	**-17,698,267**	**-**	**-826,155,104**
Net decrease in partners' capital resulting from operations	**-1,759,893**	**-95,234,024**	**-82,151,806**	**-4,445,524,241**
STATEMENT OF ASSETS, LIABILITIES & PARTNERS' CAPITAL				
	December 31, 2008	**September 30, 2009**	**December 31, 2008**	**September 30, 2009**
Assets				
Cash and cash equivalents	65,962,520	30,598,071	3,079,130,434	1,428,317,954
Investments at fair value	1,717,740,177	1,840,570,260	80,184,111,462	85,917,819,737
Capital contributions receivable	1,550,000	-	72,354,000	-
Other assets	166,328	7,619,517	7,764,191	355,679,054
Total Assets	1,785,419,025	1,878,787,848	83,343,360,087	87,701,816,745
Liabilities & Partners' Capital				
Liabilities				
Accrued expenses	**-**	**712,500**	**-**	**33,259,500**
Partners' Capital				
General Partner	1,844,198	102,028,197	86,087,163	4,762,676,236
Limited Partners	1,783,574,827	1,776,047,151	83,257,272,924	82,905,881,009
Total Partners' Capital	1,785,419,025	1,878,075,348	83,343,360,087	87,668,557,245
Total Liabilities & Partners' Capital	**1,785,419,025**	**1,878,787,848**	**83,343,360,087**	**87,701,816,745**

*USD/Rs. foreign exchange spot rate as of December 31, 2009 is 46.68

Other Financial Data

	December 31, 2008	September 30, 2009	December 31, 2008	September 30, 2009
Dividend (%)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Earnings Per Share (in absolute value)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Return on Net Worth	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Book Value Per Share	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Number of shares issued	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Major Contingent Liabilities

There are no major contingent liabilities.

Significant Accounting policies

Reporting Currency

The financial statements are presented in USD.

Basis of Accounting

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the General Partner to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements.

Cash and cash equivalents

The Partnership considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Investments

Generally, the majority of the private equity investments are valued utilizing unobservable inputs, and are therefore classified within level 3. The General Partner's determination of fair value is based upon the best information available for a given circumstance and may incorporate assumptions that are management's best estimates after consideration of a variety of internal and external factors. In establishing the fair value of an investment the General Partner will first consider recent transactions in the same or similar securities including the initial purchase transaction of the security being valued or any recent financing round. Otherwise, the General Partner generally employs two valuation methodologies when determining the fair value of a private equity investment. The ultimate fair value recorded for a particular investment will generally be within the range suggested by the two methodologies utilizing the judgment of the General Partner. Because of the inherent uncertainty of valuation, this estimated fair value may differ significantly from the value that would have been used had a ready market for the security existed, and the difference could be material. Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1, generally include active listed equities. The General Partner does not adjust the quoted price for such instruments, even in situations where the Partnership holds a large position and a sale could reasonably impact the quoted price. However, the price may be discounted to reflect trading restrictions, as determined by the General Partner.

New Accounting Standards

In July 2006, the Financial Accounting Standards Board issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109" (the "Interpretation"). The Interpretation establishes for all entities, including pass-through entities such as the Company, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. On January 23, 2008, the FASB deferred the effective date of the Interpretation until fiscal years beginning after December 15, 2007. On December 30, 2008, the FASB again deferred the effective date of the Interpretation until fiscal years beginning after December 15, 2008. Management has elected to take advantage of this deferral and will accrue for liabilities relating to uncertain tax positions only when such liabilities are probable and reasonably estimable.

Income Taxes
The Partnership is a qualified intermediary and intends to conduct its operations so that it will not be engaged in a United States trade or business and, therefore, will not be subject to United States federal income or withholding tax on its income from United States sources. The Partnership may be subject to taxes in certain foreign jurisdictions. Under the current laws of Cayman Islands, there are no income, estate, transfer, sales or other Cayman Islands taxes payable by the Partnership. Accordingly, no income tax provision is required in these financial statements.

Reasons for rise and fall in income of PAC 1 are as follows:
There are no comparable financial statements, since the PAC 1 was incorporated in July 27, 2007.

PAC 1 has not made any acquisition in the Target as of the date of this Letter of Offer.

PAC 1 is an exempted limited partnership. It does not hold any equity shares or voting rights in any company listed on any of the stock exchanges in India. Further, it has neither promoted nor is in control of any listed company in India. Hence, provisions of Chapter II of the SEBI (SAST) Regulations are not applicable to PAC 1.

5.9.2 Bain Capital India Integral Investors, L.P. ("PAC 2")

PAC 2 was organised as an exempted limited partnership registered in the Cayman Islands on June 19, 2008. Its registered office is located at Walkers SPV Limited Walker House, Mary Street, P.O. Box 908GT, George Town, Grand Cayman, Cayman Islands. The telephone no. is +1- 617-516-2000 and fax no. is +1- 617-516-2010.

PAC 2 was organised for the purpose of making investments.

PAC 2 does not have a board of directors. It is controlled and managed by its general partner, Bain Capital Investors, LLC.

The financial statements of PAC 2 are not audited as, under Exempted Limited Partnership Law (2003 Revision), an audit of PAC 2 is discretionary and since the limited partnership agreement for PAC 2 does not require audited financial statements and the general partner of PAC 2 has not requested audited financial statements, no such audited financial statements have been prepared.

PAC 2 has not made any acquisition in the Target as of the date of this Letter of Offer.

PAC 2 is not listed on any stock exchange

PAC 2 is an exempted limited partnership. It does not hold any equity shares or voting rights in any company listed on any of the stock exchanges in India. Further, it has neither promoted nor is in control of any listed company in India. Hence, provisions of Chapter II of the SEBI (SAST) Regulations are not applicable to PAC 2.

5.9.3 Bain Capital India Integral Mauritius ("PAC 3")

PAC 3 is a private company limited by shares incorporated on July 28, 2008 under the laws of the Republic of Mauritius and having its registered office at Citco (Mauritius) Limited, 9th Floor, Medine Mews Building, La Chaussée Street, Port Louis Mauritius. The telephone no. of the PAC 3 is +230 210 2035 and the fax no. is +230 211 7889. PAC 3 was incorporated for the purpose of making investments. It is a wholly owned subsidiary of PAC 2. PAC 3 is not listed on any stock exchange.

The board of directors of PAC 3 consists of:

Name and Designation	Residential Address	Qualification	Nature of Experience	Date of Joining
Mohamed Javed Aboobakar Director	Islam Lane, Hollywood, Vacoas, Mauritius	BA (Hons) Economics from the University in Delhi in India. Also a member of the Society of Trust and Estate Practitioners (TEP). Currently studying towards completion of the professional level of Institute of Chartered Secretaries and Administrators (ICSA)	Prior to joining the Citco Group, he was a Director of one of the largest fiduciary companies in Mauritius. He was also the General Manager of BNPI (BNP Paribas) Offshore Banking Unit and the General Manager of BNPI (BNP Paribas) Mauritius Trust Corporation. He has more than 11 years of working experience.	July 28, 2008
Michael Fenton Goss Director	3 Compo Parkway, Westport, CT, 06880, U.S.A.	Graduated from Kansas State University in 1981 with a BS in economics and received an MBA with Distinction from Harvard Business School in 1986.	Joined Bain Capital in 2001 as Managing Director-CFO. Prior to joining Bain Capital, Mr. Goss was Executive Vice President and CFO of Digitas Inc. Prior to Digitas Inc., Mr. Goss was EVP, CFO, and a member of the board of directors of Playtex Products, Inc. Mr. Goss was a Senior Associate at Bain Capital from 1987 to 1989. He has more than 25 years of working experience.	July 28, 2008
Ramanand Guzadhur Director	Apartment no. 32, Gaetan reynal St, Residence Le Chateau, Beau Bassin, Mauritius	BA (Hons) Economics Accounting and Finance from the University of Leeds (England), an MBA (International Finance) from the University of Bristol (England) jointly with Ecole Nationale des Ponts et Chaussees, Paris, a Bachelor of Laws (LLB Honours) from the University of London and is a member of the Society of Trust and Estate Practitioners (TEP)	Joined Citco (Mauritius) Limited in April 2005 as the Compliance Manager. From October 2008 onwards he has been appointed as Head of Client Operations and Risk Coordinator. Prior to joining Citco (Mauritius) Limited, Mr Guzadhur worked in other Management Companies in Mauritius and he has good experience in the Global Business Sector in Mauritius. He has more than 11 years of working experience.	July 28, 2008
Paul Edgerley Director	119 Hyslop Road, Brookline, MA, 02445, U.S.A.	Graduated from Kansas State University with BS. Received an MBA, with Distinction, from Harvard Business School and is a Certified Public Accountant.	Joined Bain Capital in 1988. He has been a Managing Director since 1990. Prior to joining Bain Capital, Mr. Edgerley spent five years at Bain & Company where he worked as a consultant and a manager in the healthcare, information services, retail and automobile industries. Previously, he worked at Peat Marwick Mitchell &	July 28, 2008

Name and Designation	Residential Address	Qualification	Nature of Experience	Date of Joining
			Company. He has more than 28 years of working experience.	

As on the date of the Public Announcement, none of the directors of PAC 3 is on the Board of Directors of the Target.

Financial Performance:

The standalone audited financial highlights (as required under point no. 12 of Annexure I of 'Standard Letter of Offer for an Open Offer' in terms of Regulations) of PAC 3 for the period ended December 31, 2008 and unaudited financial highlights for the nine month period ended September 30, 2009, as certified by PricewaterhouseCoopers LLP ("PWC") vide their certificate dated January 11, 2010, are as below:

STATEMENT OF OPERATIONS				
	in USD		**in Rs.***	
	Period from inception (July 28, 2008) through December 31, 2008 (audited)	**Period January 1, 2009 from through September 30, 2009 (unaudited)**	**Period from inception (July 28, 2008)through December 31, 2008 (audited)**	**Period January 1, 2009 from through September 30, 2009 (unaudited)**
EXPENSES	16,715	7,314	780,256	341,418
Net Investment Loss	-16,715	-7,314	-780,256	-341,418
Change in net unrealized loss on investments	-4	-	-187	-
Net decrease in net assets resulting from operation	-16,719	-7,314	-780,443	-341,418
STATEMENT OF NET ASSETS				
	December 31, 2008	**September 30, 2009**	**December 31, 2008**	**September 30, 2009**
Assets				
Cash and cash equivalents	-	60	-	2,801
Investments at fair value	-	-	-	
Unpaid Share Capital	1	-	47	-
Prepaid expense	750	1,181	35,010	55,129
Total Assets	751	1,241	35,057	57,930
Liabilities				
Due to affiliate	9,080	25,270	423,854	1,179,604
Accrued expenses	8,389	3	391,599	140
Total Liabilities	17,469	25,273	815,453	1,179,744
Net Assets	**-16,718**	**-24,032**	**-780,396**	**-1,121,814**
Composition of Net Assets				
Net capital paid in on shares	1	1	47	47

Accumulated deficit	-16,719	-24,033	-780,443	-1,121,861
Net Assets	**-16,718**	**-24,032**	**-780,396**	**-1,121,814**

*USD/Rs. foreign exchange spot rate as of December 31, 2009 is 46.68

Other Financial Data

	USD		Rs.*	
	December 31, 2008	**September 30, 2009**	**December 31, 2008**	**September 30, 2009**
Dividend (%)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Earnings Per Share (in absolute value) (a)	-16,719	-7,314	-780,443	-341,418
Return on Net Worth	Nil	Nil	Nil	Nil
Book Value Per Share (b)	-16,718	-24,032	-780,396	-1,121,814
Number of shares issued	1	1	1	1

*USD/Rs. foreign exchange spot rate as of December 31, 2009 is 46.68
(a) Calculated as net decrease in net assets resulting from operation/ shares issued
(b) Calculated as net assets/ shares issued

Major Contingent Liabilities
There are no major contingent liabilities.

Significant Accounting policies

Reporting Currency
The financial statements are presented in USD.

Basis of Accounting
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements.

Cash and cash equivalents
The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

New Accounting Standards
In July 2006, the Financial Accounting Standards Board issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109" (the "Interpretation"). The Interpretation establishes for all entities, including pass-through entities such as the Company, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. On January 23, 2008, the FASB deferred the effective date of the Interpretation until fiscal years beginning after December 15, 2007. On December 30, 2008, the FASB again deferred the effective date of the Interpretation until fiscal years beginning after December 15, 2008. Management has elected to take advantage of this deferral and will accrue for liabilities relating to uncertain tax positions only when such liabilities are probable and reasonably estimable.

Income Taxes
The Company is subject to 15% income tax in Mauritius, in accordance with the provisions of the Income Tax Act 1995. The Income Tax (Foreign Tax Credit) Regulations 1996 provides for the setting off of any foreign underlying tax, withholding tax and tax sparing credit available to the Company against the 15% income tax. Where written evidence of such foreign underlying tax, withholding tax and tax sparing credit is not presented to the tax authorities in Mauritius, a deemed foreign tax credit of 80% on the Company's foreign source income is available. Capital gains earned by the Company are exempted from income tax in Mauritius.

Reasons for rise and fall in income of the PAC 3 are as follows:
There are no comparable financial statements, since the PAC 3 was incorporated in July 28, 2008.

PAC 3 has not made any acquisition in the Target as on the date of this Letter of Offer.

PAC 3 is an unlisted company. It does not hold any equity shares or voting rights in any company listed on any of the stock exchanges in India. Further, it has neither promoted nor is in control of any listed company in India. Hence, provisions of Chapter II of the SEBI (SAST) Regulations are not applicable to PAC 3.

5.9.4 Future plans/strategies of the Acquirer and the PACs with regard to the Target.

The Acquirer and the PACs currently have no plan for the Target.

5.9.5 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

5.9.6 Disclosures in terms of Regulation 16(ix)

As of the date of the PA, the Acquirer and the PACs do not have any plans to dispose off or otherwise encumber any asset of the Target in the next two years except in the ordinary course of business of the Target.

As on the date of the PA, the Acquirer and the PACs undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of the Target, other than in the ordinary course of the Target's business, except with the prior approval of the shareholders of the Target.

6. DISCLOSURE UNDER REGULATION 21(2)

The Offer will not result in public shareholding being reduced to a level below the limit specified in the listing agreement entered into by the Target with the stock exchanges for the purpose of listing on continued basis.

7. INFORMATION ON THE TARGET

7.1 The Target, Himadri Chemicals and Industries Limited was incorporated on July 28, 1987, under the Companies Act and having its registered office at Fortuna Towers, 8th Floor, 23A Netaji Subhas Road, Kolkata – 700 001.

7.2 The Target is currently engaged, inter alia, in the business of manufacturing of coal tar pitch, carbon black, power generation etc. The Target also owns 100% of the equity share capital of its subsidiary Himadri Global Investments Limited ("Himadri Global") which is registered at 905 Silvercord Tower 2, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong, PRC (People's Republic of China) and has been engaged in investment activities. Shandong Dawn Himadri Chemical Industry Limited is a joint venture between Shangdong DAWN Group Co. Ltd. (a company established and existing under the laws of China) and Himadri Global with Himadri Global holding 94% shareholding rights.

The key operating facilities of the Target are:

Facility	Location	Capacity
Coal tar distillation plant	West Bengal and Andhra Pradesh	169000 MTPA
Carbon black plant	Hooghly, West Bengal (Mahistikry)	50000 MTPA
Power plant	Hooghly, West Bengal (Mahistikry)	12 MW
SNF plant	Vapi, Gujarat	8000 MTPA

7.3 The promoter/promoter group of the Target consists of Mr. Damodar Prasad Choudhary, Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Shyam Sundar Choudhary, Ms. Sushila Devi Choudhary, Ms. Saroj Devi Choudhary, Ms. Kanta Devi Choudhary, Ms. Sheela Devi Choudhary, Himadri Dyes and Intermediates Limited, Himadri Credit and Finance Limited, Himadri Industries Limited and Himadri Coke and Petro Limited who collectively hold 1,72,13,991 fully paid up equity shares in the Target as on the date of the Public Announcement constituting 53.35% of the fully paid up capital of the Target. Post dilution the promoter/promoter group will hold 41.99% of the Fully Diluted Equity Share Capital of the Target.

7.4 The subscribed, issued and paid up share capital of the Target consists of 3,22,63,257 equity shares of Rs.10 each aggregating Rs. 32,26,32,570. The Target has issued FCCBs to International Finance Corporation ("**IFC**") equivalent to USD 7 million on April 15, 2009. The FCCBs have a maturity period of 7 years. The conversion price as agreed between the Target and IFC is Rs. 135 per equity share and is subject to adjustment on certain events as set out in the FCCB subscription agreement. As on the date of the PA, the Target has Rs.326.76 million FCCB outstanding amounting to 24,20,444 equity shares (assuming exchange rate of Rs. 46.68 as on the date of Board Meeting). Thus the Fully Diluted Equity Capital of the Target consists of 3,22,63,257 equity shares. There are no partly paid up equity shares of the Target as on the date of the Public Announcement. The equity shares of the Target are listed on the BSE, NSE and CSE. The equity shares are frequently traded on BSE and NSE and infrequently traded on CSE.

7.5 The share capital structure of the Target as on the date of the Public Announcement was as follows:

Issued and Paid-up Equity Share Capital	Number of equity shares (Face Value - Rs. 10)/voting rights	Percentage of equity shares/voting rights
Fully Paid-up Equity Shares (a)	3,22,63,257	100%
Partly Paid-up Equity Shares (b)	0	0
Total Issued and Paid-up Equity Shares (a+b)	3,22,63,257	100%
Total Voting Rights	**3,22,63,257**	**100%**

7.6 The capital build-up of the Target since its inception is as follows:

Date of allotment	Number of equity shares issued	Percentage of equity shares issued of the cumulative capital* (%)	Cumulative paid up equity share capital (Rs.)	Mode of allotment	Identity of allottees (promoter/ and promotyer group/ex-promoters/others)	Status of compliance
August 20, 1987	400	100	4,000.00	Subscribers to the Memorandum of Association	The promoter/ promoter group of the Target	Complied with the provisions of the Companies Act.
June 02, 1988	1,500	78.95	19,000.00	Private placement	The promoter/ promoter group of the Target	Complied with the provisions of the Companies Act.

August 29, 1989	4,500	70.31	64,000.00	Private placement	Vijay Kumar Bajaj	Complied with the provisions of the Companies Act.
March 15, 1991	1,98,600	96.88	20,50,000.00	Private placement	The promoter/ promoter group of the Target	Complied with the provisions of the Companies Act.
November 01, 1991	7,79,400	79.18	98,44,000.00	Private placement	The promoter/ promoter group of the Target and others	Complied with the provisions of the Companies Act.
January 12, 1993	29,94,400	75.26	3,97,88,000.00	Public issue	Public	Complied with the provisions of the Companies Act.
January 12, 1993	10,00,000	20.09	4,97,88,000.00	Firm allotment as part of public issue	The promoter/ promoter group of the Target and others	Complied with the provisions of the SEBI guidelines & the Companies Act.
January 12, 1993	5,600	0.11	4,98,44,000.00	Employees reservation as part of public issue	Employees	Complied with the provisions of the SEBI guidelines & the Companies Act.
June 04. 1994	49,84,400	50.00	9,96,88,000.00	Rights issue	Existing shareholders of the Target	Complied with the provisions of the SEBI guidelines & the Companies Act.
March 30, 2001	1,55,42,457*	60.92	25,51,12,570.00	Amalgamation of Himadri Ispat Limited with the Target	Shareholders of merged company	Complied with the provisions of the SEBI guidelines & the Companies Act.

December 01, 2006	45,00,000	14.99	30,01,12,570.00	Preferential issue	Citigroup Venture Capital International Growth Partnership Mauritius Limited, Ajay Relan Co-Investment Trust, P. R. Srinivasan Co-Investment Trust, Vinayak Shenvi Co-Investment Trust, J.K. Basu Co-Investment Trust and Vivek Chhacchi Co-Investment Trust	Complied with the provisions of the SEBI guidelines & the Companies Act.
December 02, 2006	15,00,000	4.76	31,51,12,570.00	Preferential issue	The promoter/ promoter group of the Target	Complied with the provisions of the SEBI guidelines & the Companies Act.
May 15, 2008	2,55,000	0.80	31,76,62,570.00	Conversion of warrants issued on preferential basis	Citigroup Venture Capital International Growth Partnership Mauritius Limited, Ajay Relan Co-Investment Trust, P. R. Srinivasan Co-Investment Trust, Vinayak Shenvi Co-Investment Trust, J.K. Basu Co-Investment Trust and Vivek Chhacchi Co-Investment Trust	Complied with the provisions of the SEBI guidelines & the Companies Act.
May 15, 2008	85,000	0.27	31,85,12,570.00	Conversion of warrants issued on preferential basis	The promoter/ promoter group of the Target	Complied with the provisions of the SEBI guidelines & the Companies Act.
June 18, 2009	4,12,000	1.28	32,26,32,570.00	Conversion of warrants issued on preferential basis	Citigroup Venture Capital International Growth Partnership	Complied with the provisions of the SEBI guidelines

					Mauritius Limited	& the Companies Act.
Grand Total	**3,22,63,257**					

* *1,55,42,857 equity shares were allotted in the Target pursuant to merger but due to cross holding of equity shares held by Himadri Ispat Limited (the merged entity) in the Target, 400 shares has been subsequently cancelled, and only 1,55,42,457 equity shares were allotted and listed at the Stock Exchanges.*

7.7 The equity shares of the Target are currently listed on the BSE, NSE and CSE. The equity shares of the Target have been listed on the BSE since June 04, 1993, on the NSE since March 02, 2007 and on the CSE since January 20, 1993. As on the date of the PA, all equity shares of Target are listed on the BSE and NSE. However, 67,52,000 equity shares out of the existing 3,22,63,257 equity shares are pending for listing on the CSE including the application for cancellation of 400 equity shares due to cross holding resulting out of merger. All the equity shares issued in the Target post the date of the merger are not yet listed on CSE but all the necessary applications and procedures for their listing have been undertaken by the Target and the follow up with CSE to get the entire listing done is in process till date.

7.8 There has been no suspension of trading of the equity shares of the Target by any stock exchange(s), as applicable, during the last three years. And as on date of the Public Announcement the trading of equity shares of the Target has not been suspended either on the BSE, NSE or CSE.

7.9 In last five years, the Target has duly complied with all the provisions of the listing agreements entered into with the stock exchanges i.e. BSE, NSE and CSE. There is no penal action/charges pending against the Target by any of the stock exchanges it is listed on.

7.10 Except for Rs.326.76 million FCCBs outstanding amounting to 24,20,444 equity shares (assuming exchange rate of Rs. 46.68 as on the date of the Board Meeting), there are no outstanding convertible instruments in the Target. The Fully Diluted Voting Rights has been arrived at after taking into consideration conversion of the FCCBs.

7.11 The Target and the members of promoter/promoter group, vide their letters dated January 19, 2010 confirmed that they have duly complied with the provisions of Chapter II of the SEBI (SAST) Regulations from time to time except eight instances of minor delays in 2005, 2006, 2008 and 2009. As per the Target, these delays in filings were due to holidays or Saturdays/ Sundays falling prior to the due date. Appropriate action against the Target and/or members of the promoter/promoter group (as relevant) may be initiated by SEBI in this regard. The Target has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.

7.12 As on the date of the Public Announcement, the Board of directors of the Target was as below:

Name and Designation	Residential Address	Qualification & Experience (No. of years)	Nature of Experience	Date of Joining
Mr. Damodar Prasad Choudhary Chairman (Non-executive)	400, Block "G" New Alipore, Kolkata- 700 053	B.A. (45 years)	Manufacturing of coal tar and its' by-products	July 28, 1987
Mr. Shyam Sundar Choudhary (Executive Director)	400, Block "G" New Alipore, Kolkata- 700 053	B.Com, (40 Years)	Manufacturing of coal tar and its' by-products	July 28, 1987
Mr. Bankey Lal Choudhary (Managing Director)	400, Block "G" New Alipore, Kolkata- 700 053	B.Com. (38 Years)	Manufacturing of coal tar and its' by-products	July 28, 1987

Name and Designation	Residential Address	Qualification & Experience (No. of years)	Nature of Experience	Date of Joining
Mr. Vijay Kumar Choudhary (Executive Director)	400, Block "G" New Alipore, Kolkata- 700 053	B.Com, (36 Years)	Manufacturing of coal tar and its' by-products	July 28, 1987
Mr. Sushil Kumar Saraf (Non-executive and Independent Director)	P-101. Block "F", New Alipore, Kolkata - 700 053	B.Com/LLB (30 years)	Manufacturing & trading of diamond jewellery	August 26, 2000
Mr. Surendra Kumar Goenka (Non-executive and Independent Director)	38, Vivekanand Road, Kolkata - 700 007	B.Com (25 years)	Import/ Export of edible masala & food stuff items	August 26, 2000
Mr. Sakti Kumar Banerjee (Non-executive and Independent Director)	A/4/6, "Panchasaya R", BL-4A, Flat-6, Baitalik Co-op Hsg Society, Kolkata - 700 094	B.E. (Civil) (40 years)	Manufacturing of Steel, Aluminum and retired as Ex-CMD of NALCO	July 11, 2006
Mr. Vivek Chhachhi (Non-executive Nominee Director)	FG-3-5, Garden Estate, Mehrauli Gurgaon Road, Gurgaon - 122 002 (HR)	B.SC/MBA (15 years)	Service - Investment Banking	August 27, 2008

As on the date of the Public Announcement, none of the directors of the Target is on the board of directors of the Acquirer.

7.13 No merger/demerger/spin off have taken place in the Target during the period of last three years. The Target was incorporated on July 28, 1987 under the Companies Act as Himadri Castings Private Limited. On November 20, 1991, the name of the company was changed to Himadri Chemicals and Industries Private Limited. With effect from November 27, 1991 the word "Private" was deleted from the name of the Company under Section 21/22(1)(a)/22(1)(b) of the Companies Act by passing a special resolution at the general meeting held on October 24, 1991. Subsequently, pursuant to an order of merger in terms of section 391 (2) and 394 of the Companies Act, passed by the Hon'ble high court, Calcutta, Himadri Ispat Limited was merged with the Target with effect from April 01, 2000.

7.14 **The brief audited financial statements for financial years ended March 31, 2007, March 31, 2008, March 31, 2009 and limited review financial statements for the six month period ended September 30, 2009, as certified by the Statutory Auditors of the Target, M/s. S. Jaykishan, Chartered Accountants (Mr. Vivek Newatia - Partner, Membership no. 062636), vide their certificate dated January 07, 2010, are as below:**

(Rs. in lacs except ratio & share data)

Profit & Loss Statement	**Six month ended September 30, 2009 (Limited review) (Consolidated)**	**Year ended March 31, 2009 (Consolidated)**	**Year ended March 31, 2008 (Consolidated)**	**Year ended March 31, 2007 (Standalone$)**
Income from operations	20,987.97	37,548.33	36,325.69	32,598.32
Other Income	336.64	394.32	545.50	322.80
Total Income	**21,324.61**	**37,942.65**	**36,871.19**	**32,921.12**
Total Expenditure	**12,211.02**	**25,093.41**	**23,846.42**	**22,558.05**

Profit Before Depreciation. Interest, Tax and Exceptional Items	9,113.59	12,849.24	13,024.77	10,363.07
Depreciation	1,055.00	1,572.28	1,314.95	1,060.89
Interest & Other Financial Charges	1,315.23	1,902.30	1,114.37	1,148.18
Profit Before Tax and Exceptional Item	6,743.36	9,374.66	10,595.45	8,154.00
Less: Exceptional Item	-	3,060.21	-	-
Profit Before Tax	**6,743.36**	**6,314.45**	**10,595.45**	**8,154.00**
Provision For Tax	1,646.00	1,639.70	2,304.13	1,997.01
Profit After Tax (PAT)	**5,097.36**	**4,674.75**	**8,291.32**	**6,156.99**

Balance Sheet Statement	**Six month ended September 30, 2009 (Limited review) (Consolidated)**	**Year ended March 31, 2009 (Consolidated)**	**Year ended March 31, 2008 (Consolidated)**	**Year ended March 31, 2007 (Standalone[$])**
Sources of funds				
Paid up share capital	3,226.33	3,185.13	3,151.13	3,151.13
Deposit against Share Warrants	-	2,588.46	2,666.66	78.20
Reserves & Surplus excluding revaluation reserve	40,554.81	32,608.31	28,278.78	20,729.78
Net Worth*	**43,682.35**	**38,252.19**	**33,910.01**	**23,731.81**
Secured Loans	35,684.11	31,272.60	18,442.92	15,433.70
Unsecured Loans	6,734.89	3,193.97	2,876.42	2,609.23
Deferred Tax Liability (Net)	3,113.44	2,613.44	1,628.95	1,163.82
Total	**89,313.58**	**75,461.91**	**57,044.86**	**43,165.86**
Applications of funds				
Net Fixed Assets (including capital work-in-progress)	57,253.21	52,054.57	30,251.09	19,494.03
Investments	199.39	199.39	205.39	279.46
Net Current Assets	31,762.19	23,078.24	26,401.82	23,165.07
Miscellaneous Expenditure (to the extent not written off or adjusted)	98.79	129.71	186.56	227.30
Total	**89,313.58**	**75,461.91**	**57,044.86**	**43,165.86**

Other Financial Data	Six month ended September 30, 2009 (Limited review) (Consolidated)	Year ended March 31, 2009 (Consolidated)	Year ended March 31, 2008 (Consolidated)	Year ended March 31, 2007 (Standalone$)
Dividend (%)	-	10	20	50
Earnings Per Share (Rs.)# (Nominal value – Rs. 10 each)				
Basic	15.89	14.70	26.31	22.39
Diluted	14.75	13.51	25.42	22.30
Return on Net Worth (%)**	11.67%	12.22%	24.45%	25.94%
Book Value per Share (Rs.)***	135.39	120.10	107.61	75.31

$ Financials for the year ended March 31, 2007 is on standalone basis since for the year ended March 31, 2007 the Target had no subsidiary.
 # Earnings per share is calculated in accordance with Accounting Standards notified by the Companies (Accounting Standard) Rules 2006.
** Net Worth = (Paid up capital + reserves and surplus (excluding revaluation reserves) - profit and loss balance appearing on asset side of the Balance Sheet - miscellaneous expenses not written off).*
*** Return on Net Worth = Profit after tax/ closing net worth*
**** Book Value per Share = Net Worth/ number of outstanding fully paid-up equity shares.*
Note: Earnings per share and return on net worth for the period ended September 30, 2009 have not been annualised.

Reasons for fall/rise in total income and PAT:

- In the year 2007-08, the total income has increased to Rs.36,871.19 lacs as against Rs. 32,921.12 lacs in the year 2006-07. This increase is mainly due to the commencement of pitch melting facility commenced at Korba and extension into the manufacture of advanced carbon material. Increase in PAT was due to improvement in raw material yield and reduction in fuel consumption.
- In the year 2008-09, the total income has increased to Rs. 37,942.65 lacs as against Rs. 36,871.19 lacs in the year 2007-08. Fall in PAT was due to exceptional item of Rs. 3,060.21 lacs arising on account of write down of inventory to net realizable value and due to exceptional foreign exchange losses.

7.15 Pre and Post- Offer share holding pattern of the Target is as follows:

Shareholders' Category	Shareholding & voting rights prior to the acquisition (Preferential Allotment) and Open Offer*		Equity shares/voting rights agreed to be acquired pursuant to Preferential Allotment, which triggered off the Regulations*		Equity shares/voting rights to be acquired in Open Offer (Assuming full acceptances)*		Share holding / voting rights after the Preferential Allotment and Open Offer (Assuming full acceptances)*	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter/ promoter group								
Mr. Damodar Prasad Choudhary$	1,48,428	0.43	0	0	0	0	1,48,428	0.36
Mr. Shyam Sundar Choudhary$	3,23,428	0.93	0	0	0	0	3,23,428	0.79
Mr. Bankey Lal Choudhary$	1,48,428	0.43	0	0	0	0	1,48,428	0.36
Mr. Vijay Kumar Choudhary$	3,26,664	0.94	0	0	0	0	3,26,664	0.80
Himadri Dyes & Intermediates Limited$	97,74,431	28.18	0	0	0	0	97,74,431	23.84
Himadri Credit & Finance Limited$	10,02,700	2.89	0	0	0	0	10,02,700	2.45

Himadri Industries Limited$	46,14,000	13.30	0	0	0	0	46,14,000	11.26
Himadri Coke & Petro Limited$	5,50,000	1.59	0	0	0	0	5,50,000	1.34
Mrs. Sushila Devi Choudhary	85,000	0.25	0	0	0	0	85,000	0.21
Mrs. Saroj Devi Choudhary	82,285	0.24	0	0	0	0	82,285	0.20
Mrs. Sheela Devi Choudhary	76,342	0.22	0	0	0	0	76,342	0.19
Mrs. Kanta Devi Choudhary	82,285	0.24	0	0	0	0	82,285	0.20
Total (1)	**1,72,13,991**	**49.63**	**0**	**0**	**0**	**0**	**1,72,13,991**	**41.99**
(2) Acquirer/ PACs								
Bain Capital India Investments	0	0	63,10,000	15.39	81,98,740	20.00	14,508,740	35.39
PACs	0	0	0	0	0	0	0	0
(3) Parties to Agreements other than (1) & (2)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(4) Public								
a. FIs/MFs/FIIs/ Banks, SFIs	51,04,441	14.72	0	0	0	0	0	0
b. Others								
Bodies Corporate	60,75,160	17.52	0	0	0	0	0	0
Trusts	15,879	0.05						
FCCBs holders	24,20,444	6.98						
Individuals	38,43,586	11.08	0	0	0	0	0	0
NRIs/OCBs	10,200	0.03	0	0	0	0	0	0
Clearing members	-	-	0	0	0	0	0	0
Total (4) (a+b)	**1,74,69,710**	**50.37**	**0**	**0**	81,98,740	(20.00)	**92,70,970**	**22.62**
GRAND TOTAL (1+2+3+4)	**3,46,83,701**	**100.00**					**4,09,93,701**	**100.00**

**For the purpose of computing the voting percentage, the voting rights as at the expiration of 15 days after the closure of the Offer has been reckoned including the Preferential Allotment and conversion of the FCCBs.*

$*Parties to the Agreements*

7.16 There has been change in the promoter/promoter group's holding in the Target since the date of the incorporation requiring compliance with the provisions of the SEBI (SAST) Regulations/other applicable regulations under the SEBI Act, 1992 and other statutory requirements the details of which are mentioned below:

Sr. No	Date & Year	Details of change of shareholding of Promoters	No of shares	Percentage of Equity Capital	Cumulative number of shares Issued	Percentage of the Equity capital	Status of Compliance
1	20.08.1987	Subscriber to the Memorandum of association	400	100	400	100	Complied with the Companies Act.
2	02.06.1988	Allotment	1,500	78.95	1,900	100	Complied with the Companies Act.

3	24.12.1990	Purchase of shares	50	0.02	1,950	0.95	Complied with the Companies Act.
4	15.03.1991	Preferential Allotment of shares	198,600	96.88	200,550	97.83	Complied with the Companies Act.
5	13.06.1991	Purchase of shares	4,450	0.45	205,000	20.82	Complied with the Companies Act.
6	01.11.1991	Preferential Allotment in terms of Sec 81(1A)	347,400	35.29	552,400	56.12	Complied with the Companies Act.
7	31.03.1992	Purchase of shares	81,000	8.23	633,400	64.34	Not Applicable
8	12.01.1993	Allotment	840,000	16.85	1,473,400	29.56	Complied with the Companies Act and provisions of SEBI Guidelines
9	31.03.1993	Sale in Open Market	(192,600)	(3.86)	1,280,800	25.70	Not Applicable
10	31.03.1993	Purchase from market	76,500	1.53	1,357,300	27.23	Not Applicable
11	1994	Purchase from market	1,500	0.03	1,358,800	27.26	Not Applicable
12	1994	Share sold in market	(175,400)	(3.52)	1,183,400	23.74	Not Applicable
13	1995	Shares purchase from market	228,100	2.29	1,411,500	14.16	Not Applicable
14	1995	Share Sold in Open market	(64,400)	(0.65)	1,347,100	13.51	Not Applicable
15	1996	Shares purchase from market	500	0.01	1,347,600	13.52	Not Applicable
16	1997	Share sold in market	(191,650)	(1.92)	1,155,950	11.60	Not Applicable
17	2000	Share purchase from market	153,000	1.53	1,308,950	13.13	Not Applicable
18	April to Nov 2000	Share purchase from market	107,900	1.08	1,416,850	14.21	Not Applicable
19	2001	Share sold in market	(540,000)	(5.42)	876,850	8.80	Not Applicable
20	Feb, 2001	Merger of other Companies with promoter group	86,650	0.87	963,500	9.67	Not Applicable
21	30.03.2001	Allotment of shares in amalgamation of Himadri Ispat Limited	13,714,288	53.76	14,677,788	57.53	Complied with the Companies Act.
22	2001	Cancelled due to cross holding of shares by Transferor company	(400)	(0.00)	14,677,388	57.53	Not Applicable
23	2004	Share Purchase from market	3,600	0.01	14,680,988	57.55	Not Applicable
24	2006	Shares sold in market	(7,650)	(0.03)	14,673,338	57.52	Not Applicable

25	02.12.2006	Shares acquired through Preferential allotment on 2nd December 2006	1,500,000	4.76	16,173,338	51.33	Complied with the Companies Act, and Guidelines on Preferential Issue and SEBI (SAST) Regulation.
26	2007	Shares sold in market	(3,800)	(0.01)	16,169,538	51.31	Not Applicable
27	2008	Share Purchase from market	209,517	0.66	16,379,055	51.98	Not Applicable
28	2008	Share Purchase from market	61,622	0.20	16,440,677	52.17	Not Applicable
29	15.05.2008	Conversion of Warrants issued on preferential basis to promoter	85,000	0.27	16,525,677	51.88	Complied with the Companies Act.
30	31.03.2009	Share Purchase from market	128,230	0.40	16,653,907	52.29	Not Applicable
31	30.09.2009	Share Purchase from market	560,084	1.74	17,213,991	53.35	Not Applicable

7.17 The Target has complied with all the provisions under Clause 49 of the Listing Agreement relating to corporate governance.

7.18 Details of pending litigations as on the date of the LOF are as follows:

Cases filed against the Target:

Sr. No	**Subject**	**Summary**	**Current Status**	**Remarks**
1.	Custom duty for import of coal tar	The Target has been issued a show cause notice from the Commissioner of Customs, Kolkata alleging wrongful utilization of DEPB scrips (under the DEPB scheme) for import of goods. It is alleged that since DEPB was obtained fraudulently by the exporter, the Target is liable to pay the duty and applicable penalty. The demand of duty in the present case is Rs. 18,83,280 and penalty demanded is Rs. 1,000,000.	The Target preferred an appeal dated June 16, 2005 against the order of Commissioner of Customs, Kolkata with CEGAT. The matter is presently pending for hearing on March 24, 2010.	-
2.	Service Tax	i) Order for disallowing service tax credit on payment of service tax for outward transportation –		There has been no further communication received from the department and the matter is pending.
		1. Demand for Rs.1,78,675 (excluding Interest/penalty if any) made by Assistant Commissioner (“AC”).	The Target has filed a stay petition and an appeal with the Commissioner (Appeals) on March 31, 2008 and the matter is pending.	

		2. Demand for Rs.4,13,832 (excluding Interest/penalty if any) made by the AC.	The Target has filed a stay petition and an appeal with the Commissioner (Appeal) on September 28, 2007 and the matter is pending.	
		3. Demand for Rs.22,28,041 (excluding interest/penalty if any) made by the AC.	The Target has filed a stay petition and an appeal with the Commissioner (Appeal) January 21, 2009 and the matter is pending.	
		4. Demand for Rs.3,771 (excluding interest/penalty if any) made by the AC.	The Target has filed the stay petition and appeal with the Commissioner (Appeal) on March 20, 2009 and the matter is pending.	
		5. Demand for Rs.69,667 (excluding interest/penalty if any) made by the AC.	The Target has filed the stay petition and appeal with the Commissioner (Appeal) on June 29, 2009 and the matter is pending.	
		6. Demand for Rs.41,563 (excluding interest/penalty if any) made by the AC.	The Target has filed the stay petition and appeal with the Commissioner (Appeal) on March 20, 2009 and the matter is pending.	
		7. Demand for Rs.71,511 (excluding interest/penalty if any) made by the AC.	The Target has filed the stay petition and appeal with the Commissioner (Appeal) on April 03, 2008 and the matter is pending.	
		8. Demand for Rs.20,524 (excluding interest/penalty if any) made by the AC.	The Target has filed the stay petition and appeal with the Commissioner (Appeal) on May 15, 2009 and the matter is pending.	
		9. Demand for Rs.24,380 (excluding interest/penalty if any) made by the AC.	The Target has filed the stay petition and appeal with the Commissioner (Appeal) on June 29, 2009 and the matter is pending.	
		ii) Order for penalty for service tax payable of Rs.29,574 adjusted with accumulated service tax credit, made by the AC.	The Target has filed the stay petition and appeal with the Commissioner (Appeal) on April 23, 2009 and the matter is pending..	
		iii) Order for penalty for service tax payable of Rs.49,117 adjusted with accumulated service tax credit, made by the AC.	The Target has filed the stay petition and appeal with the Commissioner (Appeal) on April 23, 2009 and the matter is pending..	
3.	Central excise (CENVAT credit)	i) The Target has received a SCN for missing of original and duplicate copy of invoice and Modified Value Added Tax that has earlier been taken by the Target.	The interest that has been imposed on the Target is Rs.37,210 and penalty is Rs.37,210. Demand confirmed by the AC – CGR. The Target has filed an appeal	There has been no further communication received

			and a stay petition on February 2, 2009 and the matter is pending.	from the department.
		ii) The Target has received a SCN on – CENVAT credit on common inputs to manufacture dutiable and non-dutiable goods.	The interest that has been imposed on the Target is Rs.61,598 and the penalty is Rs. 61,598. The demand has been confirmed by the AC HND-II. The Target filed an appeal and a stay petition on October 22, 2009 and the matter is pending..	
		iii) The Target has received a SCN for CENVAT Credit on common inputs to manufacture dutiable and non-dutiable goods, separate accounts are required to be maintained.	The interest that has been imposed on the Target is Rs.4,13,074 and penalty is Rs.4,13,074. The demand has been confirmed by the AC HND-II. The Target has filed an appeal and a stay petition on May 22, 2009.	
4.	Consumer complaint	A consumer complaint (complaint No: 100 of 2009) was filed by Ritesh R. Uttam Chandani & another ("Plaintiff") against the Target before the Consumer Dispute Redressal Forum, Central Mumbai. The Plaintiff being the second joint holder, after the death of the first holder claimed that the original share certificate was not sent by the Target since its initial public offering in 1992 (17 years back). The complainant has also claimed unpaid dividend on these shares which amount to Rs. 800.	The Target has filed replies and affidavit in opposition before the Consumer Dispute Redressal Forum, Central Mumbai. The next hearing is scheduled for February 25, 2010 and the matter is pending.	
5.	ROC	During the period June 2009, ROC conducted inspection u/s 209A of the Companies Act and issued show cause notices dated August 05, 2009 under various sections of Companies Act for irregularities to directors, officers and the Target.	The matter has been compounded off u/s 621A and subsequently the Target paid the penalty.	-
6.	Transfer of shares	Mitul A. Kanadia (the transferee) lodged 200 shares with the Target for transfer, whereas, Prasanta Santra (the transferor") claimed for loss of shares and asked for stop transfer. The Target asked for the Court order for restraining the transfer from the trasferor.	The case is pending before the City Civil Court at Calcutta before the LD. VII Bench. The Target received the notice on 20/02/2010 for the hearing of the case on 27/05/2010.	The transfer of shares is pending.

		The transferor filed a suit before the Honorable High Court, Calcutta seeking an order for restraining the transfer of shares, wherein the Transfer is party.		

Cases filed by the Target:

Sr. No	Subject	Litigation	Status	Remarks
1.	Sales tax remission	Eligibility Certificate for sales tax remission was valid up to March 31, 2005. The Target made an application for renewal and enjoyed remission up to June 30, 2006. Meanwhile, remission amount from April 1, 2005 to June 30, 2006 was disallowed on the ground that the Target had exceeded the approved capacity of production and benefit of remission of tax on such sales (Sales tax order dated November 29, 2006 and October 23, 2006). The remission amount enjoyed by the Target during disputed period is Rs. 2,57,90,840.29	The application for renewal of eligibility certificate is pending before the commercial tax authority. The Target has made two appeals dated January 15, 2007 and July 02, 2007 against the said sales tax order. on the ground that there is no limitation or restriction on the limit of the unit's production capacity in order to avail exemption of tax, under Section 40 and 41 of the West Bengal Sales Tax Act 1994 and Section 118(1)(c) of the West Bengal VAT Act, 2003.	No liability has been booked in the books of accounts of the Target in this regard.
2.	Import of coal tar pitch	The Target imported coal tar pitch from M/s. Coal Tar Refining Co, Iran**.** The material supplied is alleged to be sub-standard quality with respect to its high ash contents, damaged in transit. Aggrieved by the same, the Target has filed a suit for damages for an amount of Rs. 22,02,00,000.	The matter is pending for arbitration, at New Delhi.	
3.	Import of coal tar pitch	The Target imported coal tar pitch from M/s. Hebei Xuyang Coking Limited, China, against a letter of credit (L/C) for USD 902,685.00. The materials were alleged to be contaminated with other materials. No payment has been made against the letter of credit. A total claim of USD 1,167,525.35 on account of damages/loss, tax refund and interest has been made.	The matter is presently before Arbitral Tribunal constituted by International Court of Arbitration under International Chamber of Commerce. Target has made a counterclaim of USD 150,000 on account of damages and USD 392,556.85 on account of customs duty. Interest @12% per annum has also been made on the aforesaid amounts. Liability towards the cost of the imported materials already booked in the accounts in the financial year 2007-2008. The arbitration is pending.	

7.19 All the information contained in this Section 7 has been received from the Target and/or compiled from publicly available sources.

7.20 **Details of the compliance officer are as follows:**

Mr. B. L. Sharma, Company Secretary
23A, Netaji Subhas Road, 8th Floor,
Kolkata- 700 001
Tel.: 033- 22309953/22304363
Fax: 033-22309051

8. OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 Justification for the Offer Price

The equity shares of the Target are listed on the BSE, the NSE and the CSE.

The equity shares of the Target are frequently traded on the BSE and the NSE within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations. The equity shares of the Target are infrequently traded on the CSE.

The annualized trading turnover in the equity shares of the Target based on trading volume during July, 2009 to December, 2009 (six calendar months preceding the month in which the PA was made) is as given below:

Stock Exchange	Total number of equity shares traded during 6 calendar months prior to the month in which the PA was made	Total number of listed equity shares	Annualized trading turnover (as percentage of total equity shares listed)
BSE	27,32,100	3,22,63,257	16.94%
NSE	41,42,455	3,22,63,257	25.68%
CSE	-	2,55,11,657*	N.A.

**The Target is in process of making necessary application to the CSE for listing the balance equity shares*
(Source: www.bseindia.com, www.nseindia.com, www.cse-india.com)

The Offer Price of Rs. 400 (Rupees Four Hundred only) per fully paid up equity share of the Target is justified in terms of Regulation 20(4) and 20(5) of the SEBI (SAST) Regulations being the highest of the following:

(a)	The negotiated price under the Agreements	Rs. 400 per share		
(b)	Highest price paid by the Acquirer for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of the Public Announcement	N.A.		
(c)	The average of the weekly high and low of closing prices of the equity shares of the Target on the NSE of the Target for the 26 weeks preceding the date of the Board Meeting	Rs. 344.68 per share		
(d)	The average of the daily high and low prices of the shares on NSE of the Target for the two weeks preceding the date of the Board Meeting	Rs. 396.48 per share		
(e)	Other parameters based on the accounts of the Target:	March 31, 2009	March 31, 2009	September 30, 2009*

		(Standalone) (Audited)	(Consolidated) (Audited)	(Consolidated) (Limited review)
	(i) Return on Average Networth (%)	12.96	12.96	24.89
	(ii) Book Value per Share (Rs.)	120.12	120.10	135.39
	(iii) (a) Earnings Per Share (Rs.) – Basic	14.70	14.70	15.89
	(b) Earnings Per Share (Rs.) – Diluted	13.51	13.51	14.75
	(iv) Price Earning Ratio**	27.21	27.21	12.59

**for the present exercise profit after tax has been annualized taking six months results for the period ended September 30, 2009*
***Calculated based on the closing price of the Target on NSE as on December 30, 2009 and basic earnings per share for the respective period end.*

The Target is engaged in manufacturing and marketing of chemical products which falls under Industry segment "*Mining/Minerals/Metals.*" with an Industry P/E of 34.1*(Source: Capital Market Volume: XXIV/22 Dec 28, 2009 – Jan 10, 2010).* The Industry P/E is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to the Target and also vary widely in terms of financial parameters with the Target.

Mr. Parag Ved of M/s. SSPA & Co., Chartered Accountants, Membership No. 102432 have vide their report dated January 4, 2010, February 04, 2010 and February 11, 2010 stated that based on the decision of Hon'ble Supreme Court of India in the case of Hindustan Lever Employee Union Vs. Hindustan Lever Limited, (1995) 83 Company Law Journal 30 (SC), the fair value per share (on weighted average basis) of the Target would be:

- Rs. 352.64 per share (on standalone basis for financial year ended March 31, 2009).
- Rs. 352.60 per share (on consolidated basis for financial year ended March 31, 2009).
- Rs. 351 per share (on consolidated basis for six months ended September 30, 2009).

In view of the above, the Offer Price of Rs. 400 (Rupees Four Hundred only) is also justified in terms of Regulation 20(5) of the Regulations.

Calculation of average price as per Regulation 20 (4) (c) of the Regulations is as follows:

26 Weeks weekly high/low preceding the meeting of Board of Directors (December 31, 2009)

Week No	Week ending on	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
1	July 8, 2009	294.05	265.85	279.95	160,023
2	July 15, 2009	295.60	284.05	289.83	878,538
3	July 22, 2009	350.25	292.10	321.18	714,843
4	July 29, 2009	335.80	330.25	333.03	18,744
5	August 5, 2009	340.65	327.50	334.08	24,790
6	August 12, 2009	356.10	342.60	349.35	48,178
7	August 19, 2009	355.45	329.50	342.48	37,504
8	August 26, 2009	372.35	361.50	366.93	65,501
9	September 2, 2009	370.05	364.15	367.10	42,355
10	September 9, 2009	372.60	364.35	368.48	71,587
11	September 16, 2009	366.70	361.05	363.88	26,548
12	September 23, 2009	360.15	357.45	358.80	14,913
13	September 30, 2009	359.65	350.50	355.08	34,247
14	October 7, 2009	360.70	353.45	357.08	28,944
15	October 14, 2009	351.55	347.00	349.28	14,053
16	October 21, 2009	352.85	338.90	345.88	25,185
17	October 28, 2009	334.40	324.50	329.45	40,808

Week No	Week ending on	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume
18	November 4, 2009	338.05	326.30	332.18	204,599
19	November 11, 2009	337.45	329.60	333.53	177,105
20	November 18, 2009	335.50	328.10	331.80	118,251
21	November 25, 2009	337.05	324.20	330.63	351,100
22	December 2, 2009	334.90	330.55	332.73	337,904
23	December 9, 2009	330.05	326.45	328.25	152,352
24	December 16, 2009	392.15	328.05	360.10	166,086
25	December 23, 2009	398.85	378.90	388.88	33,767
26	December 30, 2009	422.70	400.70	411.70	90,965
Average Price				344.68	

(Source: NSE data from www.nseindia.com)

2 Weeks daily high low preceding the meeting of Board of Directors (December 31, 2009)

Day No.	Date	High (Rs)	Low (Rs)	Average (Rs)	Volume
1	December 17, 2009	404.70	360.00	382.35	530,688
2	December 18, 2009	391.80	375.15	383.48	110,181
3	December 21, 2009	397.50	379.00	388.25	69,608
4	December 22, 2009	392.40	380.10	386.25	27,441
5	December 23, 2009	410.90	386.00	398.45	140,620
6	December 24, 2009	411.60	399.05	405.33	57,227
7	December 29, 2009	412.45	405.00	408.73	45,821
8	December 30, 2009	428.00	410.00	419.00	56,975
Average Price				396.48	

(Source: NSE data from www.nseindia.com)

8.2 There are no partly paid up equity shares of the Target as on the date of the Public Announcement.

8.3 In the opinion of the Manager to the Offer, the Offer Price of Rs. 400 (Rupees Four Hundred only) per fully paid-up equity share of the Target is justified in terms of Regulation 20(11) of the Regulations.

8.4 The Acquirer and the PACs have not acquired any equity shares of the Target from the date of the PA up to the date of the Letter of Offer, other than the equity shares that have been acquired under the Preferential Allotment. If the Acquirer and PACs acquire equity shares of the Target after the date of the Public Announcement and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer.

8.5 There is no non-compete agreement.

8.6 Funding arrangement for the Offer:

1. The Acquirer and PACs have made firm financial arrangement for financing the acquisition of equity shares under the Open Offer, in terms of Regulation 16 (xiv) of the Regulations.

2. The total funds required for implementation of the Offer at Rs. 400 (Rupees Four Hundred only) per fully paid up equity share is Rs. 3,27,94,96,000 (Rupees three hundred twenty seven crores ninety four lacs ninety six thousand only) assuming that full acceptance for the Offer is received (“Offer Consideration”).

3. In accordance with Regulation 28 read with Regulation 22(7) of the SEBI (SAST) Regulations, the Acquirer has deposited cash amounting to Rs. 48,00,00,000 (Rupees Forty Eight Crores only) ("Escrow Amount") with the Kotak Mahindra Bank Limited, a banking company incorporated under the Companies Act and whose registered office is 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021, in the account name "Himadri Chemicals and Industries Limited Open Offer Escrow Account" (having account number 09582600006872) ("Escrow Account") empowering ENAM, Manager to the Offer, to issue instructions..

4. PWC with its office at 125 High Street, Boston, MA 02110-1707, by its letter dated December 31, 2009 confirmed that PAC 1 held cash in a segregated account which in combination with the Escrow Amount was greater than the Offer Consideration based on prevailing exchange rates as of December 31, 2009. PWC received bank confirmation that PAC 1 segregated account has no liens, encumbrances or disabilities. Further, Acquirer and the PACs confirmed that the funds deposited in the segregated account in combination with the Escrow Amount may be used for the Open Offer and are adequate to meet the financial requirements for the Open Offer based on prevailing exchange rates as of December 31, 2009.

5. The funds in the Escrow Account were obtained by the Acquirer through a capital contribution from PAC 3, which in turn obtained such funds from a capital contribution from PAC 2, which in turn obtained such funds from a capital contribution from PAC 1. PAC 1 obtained the funds it contributed to PAC 2 and the funds deposited in the segregated account from funded capital commitments from its investors. The Escrow Amount represents amount greater than 25% of the first Rs. 100 crores of Offer Consideration and 10% of the amount over and above the Rs. 100 crores, in accordance with Regulation 28 of the SEBI (SAST) Regulations read with the second proviso to Regulation 22(7). In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Manager to the Offer has been duly authorized to issue instructions to the Escrow Bank.

6. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer and the PACs to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

9. TERMS AND CONDITIONS OF THE OFFER

9.1 The Acquirer and the PACs made a Public Announcement on January 06, 2010 for the Offer. This Offer is being made to all the equity shareholders of the Target (other than the parties to the Agreements) and the Letter of Offer together with the Form of Acceptance, Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form) is being mailed to those shareholders of the Target whose names appear on the register of members of the Target and to the beneficial owners of the equity shares of the Target whose names appear as beneficiaries on the beneficial record of the respective depositories, at the close of business on the Specified Date (i.e. January 06, 2010). Owners of equity shares who are not registered as shareholder(s) are also eligible to participate in the Offer at any time prior to the date of closing of the Offer. No Letter of Offer together with a Form of Acceptance, Form of Withdrawal and Transfer Deed will be mailed to the parties to the Agreements.

9.2 The Offer is subject to the terms and condition set out in this Letter of Offer, the Form of Acceptance, the Form of Withdrawal, the PA and any other public announcements that may be issued about the Offer.

9.3 This Offer is subject to receipt of the statutory approvals mentioned in paragraph 10 of this LOF. In terms of Regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.

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

9.5 The Offer will open on March 04, 2010 and close on March 23, 2010.

9.6 The Offer is not subject to any minimum level of acceptance. The acceptance of the Offer is entirely at the discretion of the equity shareholders of the Target. Each shareholder of the Target to whom the Offer is being made, is free to offer his shareholding in the Target, in whole or in part while accepting the Offer.

9.7 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance and sent along with the other documents duly filled in and signed by the applicant shareholder(s).

9.8 Tendered equity shares that are subject to any charge, lien or encumbrance or court order/any other attachment/dispute are liable to be rejected. Tendered equity shares, that are the subject matter of litigation or are held in abeyance due to pending court cases, such that the shareholder(s) of the Target may be precluded from transferring the equity shares during pendency of the said litigation, are liable to be rejected unless directions/orders regarding the free transferability of such equity shares are received together with the equity shares tendered under the Offer prior to the date of closing of the Offer.

9.9 The Acquirer and the PACs will not be responsible in any manner for any loss of equity share certificate(s) and other documents during transit. The shareholders of the Target are therefore advised to adequately safeguard their interest in this regard.

9.10 The securities transaction tax will not be applicable to the equity shares accepted in the Offer.

10. STATUTORY/OTHER APPROVALS REQUIRED FOR THE OFFER

10.1 The Offer would require the approval from the RBI under the FEMA for acquiring Shares validly tendered under the Offer. The Acquirer has already applied for such RBI approval on January 22, 2010.

10.2 The Acquirer and the PACs shall complete all procedures relating to the Offer within a period of 15 days from the closure of the Offer.

10.3 As on the date of the Public Announcement, there are no other statutory approvals required to implement the Offer, other than those indicated above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirer and the PACs, in terms of Regulation 27 of SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused.

10.4 If non-resident shareholders, overseas corporate bodies and foreign shareholders had required any RBI or Foreign Investment Promotion Board ("FIPB") approval in respect of the equity shares held by them in the Target, they will be required to submit the previous RBI/FIPB approvals that they would have obtained for holding the equity shares of the Target. In case such permissions are not submitted, the Acquirer and the PACs reserve the right to reject such equity shares tendered in the Offer.

10.5 In case of delay in receipt of the above statutory approvals, SEBI has the power to grant extension of time to the Acquirer and the PACs for payment of consideration to the shareholders of the Target, subject to the Acquirer and the PACs 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 wilful default by the Acquirer and the PACs in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

10.6 If the Acquirer and the PACs fail to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on their part, the amount lying in the Escrow Account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28 (12) (e) of the Regulations.

10.7 The Acquirer and the PACs reserve the right to withdraw the Offer in the event of the requisite statutory approvals being refused. In the event of such withdrawal, a public announcement will be made in the same newspapers in which the Public Announcement was made.

11. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

11.1 The Acquirer has appointed Link Intime India Private Limited as Registrar to the Offer.

11.2 The Registrar has set up the following centres to collect the acceptances being tendered in this offer:

Sr. No.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax No.	Mode of delivery
1	**Mumbai**	Link Intime India Private Limited, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.	Nilesh Chalke	022-25960320	022-25960329	Hand Delivery & Registered Post
2	**Mumbai**	Link Intime India Private Limited, 203, Davar House, Next to Central Camera, D N Road, Fort Mumbai - 400 001	Vivek Limaye	022-22694127	022-25960329	Hand Delivery
3	**Ahmedabad**	Link Intime India Private Limited, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hitesh Patel	079-2646 5179	079-2646 5179 (Telefax)	Hand Delivery
4	**Bangalore**	Link Intime India Private Limited, 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560 019	Prashant D. Shedbal	080-26509004	080-26509004 (Telefax)	Hand Delivery
5	**Baroda**	Link Intime India Private Limited, First Floor, Jaldhara Complex, Nr. Manisha Society, Old Padara Road, Vadodara - 390015	Alpesh Gandhi	0265-2250241/ 3249857	0265-2250246 (Telefax)	Hand Delivery
6	**Kolkata**	Link Intime India Private Limited, 59C, Chowringhee Road,3rd Floor, Kolkata - 700020	Debu Ghosh	033-22890539/40	033-22890539 /40 (Telefax)	Hand Delivery
7	**New Delhi**	Link Intime India Private Limited, A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028	Swapan Naskar	011-41410592/93/94	011-41410591	Hand Delivery

Sr. No.	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax No.	Mode of delivery
8	**Chennai**	C/o SGS Corporate Solutions India Private Limited, Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Mrs. Solly Soy	044- 2815 2672, 044- 4207 0906	044- 2815 2672 (Telefax)	Hand Delivery

The documents can be tendered at the above centres between 10.00 am to 3.00 pm from Monday to Friday and 10.00 am to 1.00 pm on Saturdays. The centres will be closed on Sundays and public holidays.

Shareholders of the Target, other than the parties to the Agreements, who wish to avail this Offer should forward the under mentioned documents, by hand delivery on days and during the business hours mentioned above, at any of the collection centres listed above, or by registered post/courier to the Registrar to the Offer, Link Intime India Private Limited, Unit: Himadri Chemicals & Ind. Ltd – Open Offer, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078. Tel: (91) 022-25960320. Fax: (91) -022-25960329 E-mail: hcil@linkintime.co.in, Contact Person: Nilesh Chalke, so as to reach the Registrar on or before March 23, 2010 (i.e. the date of closing of the Offer).

In case of dematerialised equity shares, the shareholders should ensure that the credit to the Special Depository Account mentioned in paragraph 11.4 below of this Letter of Offer should be received on or before March 23, 2010. In order to ensure this, beneficial owners should tender the Delivery Instructions at least two working days prior i.e. by March 20, 2010. Form of Acceptance of such dematerialised equity shares not credited to the Special Depository Account before the date of closing of this Offer is liable to be rejected.

The Share certificate(s), share transfer form, Form of Acceptance and other documents, as required should be sent only to the Registrar to the Offer, at the collection centres mentioned in paragraph 11.2 above of this Letter of Offer. No document should be sent to the Acquirer or the PACs or the Manager to the Offer or the Target.

11.3 Procedure for equity shares held in physical form

- **Registered shareholders of the Target should enclose:**
  - ➢ Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the equity share certificate(s) and in the same order and as per the specimen signature lodged with the Target;
  - ➢ Original equity share certificate(s);
  - ➢ Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. A blank share transfer form is enclosed along with this Letter of Offer.

    In case of registered shareholder, non receipt of the aforesaid documents, but receipt of the share certificates and the duly completed transfer deed, shall be deemed that the Offer has been accepted.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target or are not in the same order, such equity shares are liable to be rejected under this Offer even if the Offer has been accepted by a *bona fide* owner of such equity shares.

- **Unregistered owners of equity shares of the Target should enclose:**

  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein;
  - Original equity share certificate(s);
  - Original broker contract note;
  - Valid share transfer deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
  - The acknowledgement received, if any, from the Target in case the equity shares have been lodged with the Target. Such persons should instruct the Target and its Registrar and Transfer agents to send the transferred share certificate(s) directly to the collection centres as mentioned in paragraph 11.2 above of this Letter of Offer. The applicant should ensure that the certificate(s) reach the designated collection centre before the date of closing of the Offer.

  Unregistered owners can send their acceptance of the Offer in writing to the Registrar to the Offer, Link Intime India Private Limited, at the collection centres as mentioned in paragraph 11.2 above of this Letter of Offer, on plain paper stating name, address, number of equity shares held, no. of equity shares offered, distinctive numbers, folio numbers, together with the original share certificate(s), valid transfer deeds in case of equity shares held in physical form or photocopy or counterfoil of the delivery instructions in "Off-market" mode in case of equity shares held in dematerialised form and the original contract note issued by the broker through whom they acquired their equity shares. No indemnity is required from the unregistered owners.

  Unregistered owners if they so desire may also apply on the Form of Acceptance downloaded from the SEBI's website (www.sebi.gov.in).

11.4 Procedure for equity shares held in dematerialised form

- **Beneficial Owners should enclose:**
  - Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose names appear in the beneficiary account and in the same order therein. The Form of Acceptance has to be tendered by the beneficial holder of equity shares only.

    In case of non-receipt of the aforesaid documents, but receipt of the equity shares in the Special Depository Account, the Offer shall be deemed to be accepted.

  - A photocopy or counterfoil of the Delivery Instructions in "Off-market" mode, duly acknowledged by the beneficial owners depository participant and filled as per the details of the Special Depository Account given below.
  - Registrar to the Offer has for the purpose of this Open Offer, opened a Special Depository Account with NSDL called, "LIIPL-HCIL Open Offer-Escrow Demat Account". 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:

Depository Participant ("DP") Name	Standard Chartered Bank
DP ID	IN 301524
Client ID	30025595
Account Name	LIIPL-HCIL Open Offer-Escrow Demat Account
Depository	NSDL

Shareholders, having their beneficiary account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Account with NSDL. Since the equity shares of the Target are in compulsory demat mode, the minimum marketable lot for such equity shares will be one.

- **Shareholders who have sent their equity share certificates for dematerialisation should enclose:**
  - ➢ Form of Acceptance duly completed and signed in accordance with the instructions contained therein by the sole/joint equity shareholders whose name appears on the equity share certificate and in the same order and as per the specimen signature lodged with the Target.
  - ➢ A copy of the dematerialisation request form duly acknowledged by the equity shareholders depository participant.

  Such equity shareholders should ensure that the credit of their equity shares tendered under Offer to the Special Depository Account is made on or before the date of closing of the Offer, otherwise the same are liable to be rejected. Alternatively, if the equity shares sent for dematerialisation are yet to be processed by the equity shareholders depository participants, the equity shareholders can withdraw their dematerialisation request and tender the equity share certificates in the Offer as per procedure mentioned in paragraph 11.3 of this Letter of Offer.

11.5 Procedure to be adopted in case of non-receipt of the Letter of Offer

- **By equity shareholders holding equity shares in physical form**

  In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance of the Offer in writing to the Registrar to the Offer, Link Intime India Private Limited, at the collection centres as mentioned in paragraph 11.2 above of this Letter of Offer, on plain paper stating their name, address, number of equity shares held, no. of equity shares offered, distinctive numbers, folio numbers together with the original share certificate(s), valid transfer deeds in case of equity shares held in physical form, so as to reach the Registrars to the Offer on or before the date of closing of the Offer.

  Shareholders who have lodged their equity shares for transfer with the Target must also send the acknowledgement received, if any, from the Target towards such lodging of equity shares.

  Shareholders who have sent their equity share certificates for dematerialisation should send a copy of the dematerialised request form duly acknowledged by their depository participant.

- **By equity shareholders holding equity shares in dematerialised form**

  Beneficial Owners may send the acceptance of the Offer in writing to the Registrar to the Offer, Link Intime India Private Limited, at the collection centres as mentioned in paragraph 11.2 above of this Letter of Offer, on plain paper, stating name, address, number of equity shares held, number of equity shares offered, DP name, DP ID, beneficiary account number and a photocopy or counterfoil of the delivery instructions in "Off market" mode, duly acknowledged by the beneficial owners depository participant, in favour of the Special Depository Account, the details of which are mentioned in paragraph 11.4 above of this Letter of Offer, so as to reach the Registrar to the Offer on or before the closing of the Offer.

Shareholders, having their beneficial account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Account with NSDL.

No indemnity is required while sending the acceptance of the Offer on plain paper.

Shareholders not receiving the Letter of Offer, if they so desire, may also apply on the Form of Acceptance downloaded from SEBI web site (www.sebi.gov.in).

11.6 As per the provisions of section 196D(2) of the Income-tax Act, 1961, and as amended ("Income-tax Act"), 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. However, if the equity shares are held by the FIIs on trade account or if the FIIs fails to certify in the Form of Acceptance that the Shares are held by it on investment/capital account, then the Acquirer will deduct tax at source from the gross proceeds at the applicable tax rate. Further, Non Resident Individuals, Overseas Corporate Bodies, FIIs holding equity shares on trade account and other non-resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate from Income Tax authorities under the Income-tax Act indicating the amount of tax to be deducted by the Acquirer and the PACs before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer and the PACs will arrange to deduct tax at the rate as may be applicable to the relevant category of shareholders on the entire consideration amount payable to such shareholders.

If non-resident shareholders, overseas corporate bodies and foreign shareholders had required any RBI or FIPB approval in respect of the equity shares held by them in the Target, they will be required to submit the previous RBI/FIPB approvals that they would have obtained for holding the equity shares of the Target. In the event such permissions are not submitted, the Acquirer and the PACs reserve the right to reject such equity shares tendered in the Offer.

11.7 The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the equity shares in respect of which the acceptance is being sent in connection with the Offer. Such documents may include, but are not limited to:

i. duly attested death certificate and succession certificate in case of single shareholder;
ii. duly attested Power of Attorney if any person apart from the shareholder has signed the Form of Acceptance and/or transfer deed(s);
iii. in case of companies, the necessary corporate authorization (including applicable resolutions, consents and approvals of the applicable governing bodies of such companies);
iv. any other relevant documentation.

11.8 The Registrar to the Offer will hold in trust the Form of Acceptance, equity share certificates, transfer deeds and equity shares lying in credit of the Special Depository Account and other documents on behalf of the shareholders of the Target who have tendered in the Offer, until the cheques/drafts for the consideration and/or the unaccepted equity shares/equity share certificates are dispatched/returned. The Acquirer and the PACs would not have access to these equity shares until such time.

11.9 The Acquirer and the PACs shall accept all valid fully paid up equity shares tendered (except those which are withdrawn, within the date specified for withdrawal) up to the Offer Size. Equity shares will be acquired by the Acquirer and the PACs free from lien, charges and encumbrances of any kind whatsoever and together with all the rights attached thereto including the right to dividend, bonus and rights issue thereafter.

11.10 If the number of equity shares tendered by the shareholders in connection with the Offer is more than the Offer Size, the acquisition from each shareholder will be as per Regulation 21(6) of the Regulations, on a proportionate basis 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 does not result in non-marketable lots. Provided that, acquisition of equity shares from a shareholder, shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. As the Shares trade in compulsory dematerialized segment, the minimum marketable lot for the equity shares is 1 (one).

11.11 The consideration for the equity shares of the Target accepted by the Acquirer and the PACs will be paid by crossed account payee cheques/demand drafts. Such cheques/demand drafts exceeding Rs. 1,500 or unaccepted equity share certificates, transfer deeds and other documents, if any, will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk, to the sole/first shareholder/unregistered owner. Cheques/demand drafts for Rs 1,500 or less will be sent under certificate of posting. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holders.
In case of dematerialised equity shares, the equity shares would reside in the Special Depository Account as mentioned above. The Registrars to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer and PACs and give instructions for the credit to the beneficial account of the Acquirer. The equity shares held in dematerialised form to the extent not accepted as a result of non-payment/part payment of consideration by the Acquirer under the Offer will be released to the beneficial owner's depository account with the respective beneficial owners depository participant as per details furnished by the beneficial owner in the Form of Acceptance, at the sole risk of the beneficial owners.

11.12 In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closing of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrars to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before March 18, 2010.

a) The withdrawal option can be exercised by submitting the following:

i. For equity shares held in dematerialised form:

Beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal accompanying this LOF. The signature(s) should be attested by the depository participant.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance submitted by registered post.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the depository participant.

ii. For equity shares held in physical form:

Registered shareholders should enclose:

- Duly signed and completed Form of Withdrawal accompanying this LOF.
- Acknowledgement slip in original/copy of the submitted Form of Acceptance submitted by registered post.
- 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 the Target and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance submitted by registered post.

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 equity shares: name; address; distinctive numbers; folio number, number of equity shares tendered and to be withdrawn; and
- In case of dematerialized equity shares: name; address; number of equity shares offered and number of equity shares to be withdrawn; 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;
- Acknowledgement slip in original/Copy of the submitted Form of Acceptance submitted by registered post.

b) The withdrawal of equity shares will be available only for the share certificates/shares that have been received by the Registrar to the Offer/credited to Special Depository Account.

c) The intimation of returned equity shares to the Shareholders will be at the address as per the records of the Target /Depository as the case may be.

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

e) In case of partial withdrawal of equity shares tendered in physical form by the registered shareholder, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target.

f) Partial withdrawal of tendered equity shares can be done only by the registered shareholders/Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

g) Shareholders holding equity shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

11.13 Mode of making payment

The payment of consideration, if any, would be done through any of the following modes:

a. National Electronic Clearing System (NECS) – Payment of consideration would be done through NECS for applicants having an account at any of the following 68 centres: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of consideration 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 of consideration through NECS is mandatory for applicants having a bank account at any of the abovementioned 68 centres, except where the applicant, being eligible, opts to receive payment through direct credit or RTGS.

b. Direct Credit – Applicants having bank accounts with HDFC Bank Limited, shall be eligible to receive consideration through direct credit. Charges, if any, levied by the Bank for the same would be borne by the Acquirer.

c. RTGS – Applicants having a bank account at any of the abovementioned 68 centres and whose consideration amount exceeds Rs. One Million, have the option to receive payment through RTGS. Such eligible applicants who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Form of Acceptance. In the event the same is not provided, payment shall be made through NECS. Charges, if any, levied by the HDFC Bank Limited for the same would be borne by the Acquirer. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

d. National Electronic Fund Transfer (NEFT) – Payment of consideration shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the applicants 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 of that particular bank branch and the payment of consideration will be made to the applicants through this method. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as mentioned above.

e. For all other applicants, including those who have not updated their bank particulars with the MICR code, the payments will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/Registered Post for payments of Rs. 1,500 and above. Such payments will be made by cheques, pay orders or demand drafts drawn on HDFC Bank Limited and payable at par.

11.14 Barring unforeseen circumstances and factors beyond their control, the Acquirer intend to complete all procedures relating to the Offer, including payment of consideration to the shareholders who have accepted the Offer, within 15 days from the date of closing of this Offer and for the purpose open a special account as provided under Regulation 29 of the Regulations.

Provided that where the Acquirer is unable to make the payment to the shareholders who have accepted the Offer before the said period of 15 days due to non-receipt of requisite statutory approvals, SEBI may, if satisfied that non-receipt of requisite statutory approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders for delay beyond 15 days, as may be specified by SEBI from time to time, in accordance with Regulation 22(12) of the Regulations.

12. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of the Target at Himadri Chemicals and Industries Limited, Fortuna Towers, 8th Floor, 23A Netaji Subhas Road, Kolkata, on all working days, from the date of opening of the Offer till the date of closing of the Offer, between 11.00 a.m. and 3.00 p.m., except Saturdays, Sundays and Public Holidays:

1. Certificate of Formation, Memorandum and Articles of Association, as applicable of the Acquirer and the PACs.

2. Audited annual financial statements as of and for the period ended December 31, 2008 and the financial results as of and for the period ended September 30, 2009 of the Acquirer. The Statement of Assets, Liabilities & Partners' Capital and the Statement of Operations as of and for the period ended December 31, 2008 and the period ended September 30, 2009 of PAC 1 and the Statement of Net Assets and the Statement of Operations as of and for the period ended December 31, 2008 and the Financial Results as of and for the period ended September 30, 2009 of PAC 3.

3. Certificate dated January 11, 2010 from PWC, certifying the financial data of the Acquirer and the PACs.

4. Copy of the Investment Agreement and the Undertaking both dated January 01, 2010.

5. Certificate of Incorporation, Memorandum and Articles of Association of the Target.

6. Annual reports of the Target for the accounting years ended March 31, 2007, 2008 and 2009.

7. Certificate dated January 07, 2010 from Statutory Auditors of the Target, M/s. S. Jaykishan, Chartered Accountants (Mr. Vivek Newatia - Partner, Membership no. 062636), certifying the financial data of the Target.

8. Letter dated December 31, 2009 from PWC, confirming that PAC 1 held cash in a segregated account which in combination with the Escrow Amount was greater than the Offer Consideration based on prevailing exchange rates as of December 31, 2009.

9. Letter from the Escrow Bank dated December 31, 2009 confirming cash deposit of Rs. 48,00,00,000 deposited in the Escrow Account and a lien marked in favor of the Manager to the Offer.

10. Copy of the observation letter from SEBI, February 22, 2010 in terms of proviso to Regulation 18(2) of the Regulations.

11. A published copy of the Public Announcement issued on January 06, 2010.

12. Agreement with the Registrar to the Offer dated December 31, 2009.

13. DECLARATION BY THE ACQUIRER

The Acquirer along with its Directors and PACs accept responsibility for the information contained in this Letter of Offer except for information relating to the Target.

Each of the Acquirer and PACs are severally and jointly responsible for ensuring compliance with the Regulations.

The persons signing this Letter of Offer are duly and legally authorized by the Acquirer and the PACs to sign the Letter of Offer.

By Order of the Board,

For and on behalf of the Acquirer and the PACs

Sd/ - ***Ranesh Ramanathan*** ***For and on behalf of Bain Capital India Investments and Bain Capital India Integral Mauritius***	***Sd/ -*** ***Matthew S. Levin*** ***For and on behalf of Bain Capital Fund X, L.P. and Bain Capital India Integral Investors L.P.***

Date: February 24, 2010

Enclosed:

a) Form of Acceptance-cum-Acknowledgement
b) Form of Withdrawal
c) Transfer Deed for shareholders holding equity shares of the Target in physical form