PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS OF

HIMADRI CHEMICALS AND INDUSTRIES LIMITED

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CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS OF HIMADRI CHEMICALS AND INDUSTRIES LIMITED

This Public Announcement ("PA" or "Public Announcement") is being issued by Enam Securities Private Limited ("ENAM"), the Manager to the Offer, on behalf of Bain Capital India Investments ("Bain Capital" or the "Acquirer") along with the following Persons Acting in Concert: Bain Capital Fund X, L.P., Bain Capital India Integral Investors, L.P. and Bain Capital India Integral Mauritius (collectively, the "PACs"), to the equity shareholders of Himadri Chemicals and Industries Limited ("HCAIL" or the "Target") pursuant to and in compliance with Regulation 10 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereto ("SEBI (SAST) Regulations" or the "Regulations").

I. Background to the Offer

1. The Acquirer to this Offer is Bain Capital India Investments and the PACs to the Offer are Bain Capital Fund X, L.P. ("PAC 1" or "Fund X"), Bain Capital India Integral Investors, L.P. ("PAC 2" or "BCIIILP") and Bain Capital India Integral Mauritius ("PAC 3" or "BCIIM").

   The Board of Directors of the Target ("Board") in their meeting held on December 31, 2009 has duly authorised the preferential allotment of 6,310,000 equity shares of face value Rs 10 each to the Acquirer ("Preferential Allotment"). An extra ordinary general meeting of the Target will be convened on January 29, 2010 to approve this Preferential Allotment in accordance with the provisions of the Section 81(1A) of the Companies Act, 1956 and other applicable provisions.

   Post the Preferential Allotment , the Acquirer will own 6,310,000 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 i.e., equity capital after considering the Preferential Allotment of 6,310,000 equity shares and assuming an additional 2,420,444 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 Board Meeting) ("Fully Diluted Equity Share Capital").

2. Pursuant to the proposed substantial acquisition of equity shares authorised by the Board of Directors of the Target referred to in paragraph 1, this mandatory Offer (the "Offer" or "Open Offer") is being made by the Acquirer and PACs in compliance with Regulation 10 and other applicable provisions of SEBI (SAST) Regulations. The Acquirer and PACs hereby make this Offer to shareholders of the Target (other than the parties to the Agreements as defined in paragraph 3) to acquire up to 8,198,740 equity shares ("Shares") of the Target of face value of Rs.10 each representing in aggregate 20% of the Fully Diluted Equity Share Capital and of the Target at a price of Rs. 400 (Rupees Four Hundred) per fully paid up equity share ("Offer Price") payable in cash subject to the terms and conditions mentioned in this PA and in the Letter of Offer that will be circulated to the shareholders in accordance with the SEBI (SAST) Regulations (the "Letter of Offer"). This Offer is not subject to any minimum level of acceptance.

3. The Acquirer (Bain Capital India Investments) has executed an Investment Agreement ("IA") dated January 1, 2010 with the Target. The promoters of the Target 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 (collectively referred to as "Promoters") have executed a letter of undertaking dated January 1, 2010 in favour of the Acquirer ("Undertaking"). The IA and Undertaking collectively referred to as the "Agreements". Some salient features of the Agreements are as follows:

   - Subject to approval of shareholders of the Target, the Acquirer will be allotted 6,310,000 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").
   - 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) in accordance with the SEBI ICDR as applicable to Preferential Allotment.
   - The Agreements contemplate that the Acquirer could acquire such number of equity shares owned by the Promoters 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 Open Offer Shares acquired by the Acquirer. 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 that would represent the difference between 5% Ownership and the percentage Ownership represented by the Open Offer Shares acquired by the Acquirer.
   - 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).
   - Under the Agreements, there is a set of reserved matters for which prior written consent of the Acquirer is required including for 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, raising debt above an agreed value.
   - 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 promoters 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 promoters under any applicable law, unless required by applicable law.

II. The Offer

4. This Offer is being made by the Acquirer and PACs as a result of proposed 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 stated in paragraph I above.
5. In view of the above, the Offer is a mandatory Open Offer under Regulation 10 of the SEBI (SAST) Regulations.
6. For the purpose of this Offer, there are three PACs with the Acquirer, as mentioned in paragraph 1 above, within the meaning of Regulation 2(1)(e) of the Regulations.
7. The Acquirer and PACs are making an Open Offer to acquire up to 8,198,740 shares of the face value of Rs. 10 each, representing in aggregate 20% of the Fully Diluted Equity Share Capital of Target in terms of Regulation 21(1) of the SEBI (SAST) Regulations, at a price of Rs.400 (Rupees Four Hundred only) per fully paid up equity share payable in cash subject to the terms and conditions set out in this PA and the Letter of Offer.
8. This Offer is being made to all the shareholders of the Target (other than the parties to the Agreements). The Acquirer and PACs will acquire all the shares of the Target that are validly tendered as per terms of the Offer.
9. This Offer is not conditional upon any minimum level of acceptance.
10. The Offer is subject to the terms and condition set out herein and in the Letter of Offer that will be sent to the shareholders of the Target.
11. This Offer is subject to the receipt of the statutory and other approvals mentioned in paragraph 34 to 37 of this PA. In terms of Regulation 27 of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
12. The Acquirer and PACs will appoint one representative on the Board of Directors of the Target only after the completion of the 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).
13. The Acquirer and PACs do not hold any equity shares in the Target as of the date of this Public Announcement save and except those agreed to be acquired under the Agreements as stated in paragraph I above.
14. Neither the Acquirer nor the PACs nor their respective directors have acquired any shares of Target during the 12 months period prior to the date of this Public Announcement, save and except those to be acquired under the Agreements as stated in paragraph I above.
15. The Shares of the Target will be acquired by the Acquirer and PACs as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

III. The Offer Price

16. The shares of the Target are listed on The Bombay Stock Exchange, Mumbai ("BSE"), The National Stock Exchange of India ("NSE") and the Calcutta Stock Exchange Association Limited ("CSE").
17. The shares of the Target are frequently traded on BSE and NSE within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations. The shares of Target are infrequently traded on CSE.

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

Stock Exchange	Total No. of Shares traded during 6 calendar months prior to the month in which the PA is made	Total No. of Listed shares	Annualized Trading Turnover (as % of Total Shares Listed)
BSE	2,732,100	32,263,257	16.94%
NSE	4,142,455	32,263,257	25.68%
CSE	–	25,511,657*	N.A.

*The Target is in process of making necessary application to CSE for listing the balance equity shares.

(Source: www.bseindia.com, www.nseindia.com, www.cse-india.com)

18. The Offer Price of Rs. 400 (Rupees Four Hundred only) per fully paid up equity share 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 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 Public Announcement	N.A.
(c)	The average of the weekly high and low of closing prices of the shares on NSE of the Target for the 26 weeks preceding the date of the Board Meeting authorising Preferential Allotment	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 authorising Preferential Allotment	Rs. 396.48 per share
(e)	Other parameters based on the standalone audited accounts of the Target for financial year ended on March 31, 2009*.	
	(i) Return on Average Networth (%)	12.96%
	(ii) Book Value per Share (Rs.)	Rs. 120.12
	(iii) (a) Earning Per Share (Rs.) – Basic	Rs. 14.70
	(b) Earnings Per Share (Rs.) – Diluted	Rs. 13.51
	(iv) Price Earning Ratio	27.21**

* Based on standalone audited accounts for the year ended March 31, 2009

** calculated based on the Open Offer Price of Rs 400 and basic EPS for the year ended March 31, 2009.

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 PE is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to HCAIL and also vary widely in terms of financial parameters with HCAIL.

Mr. Parag Ved of M/s. SSPA & CO. Chartered Accountants, Membership No. 102432 have vide their report dated January 4, 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 Com case 30), the fair value per share (on weighted average basis) of the Target would be Rs. 352.64/- per share.

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

19. If the Acquirer and PACs acquire shares of the Target after the date of this 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.

IV. Information on Acquirer and PACs

20. 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 no 082442. Its registered office is located at Citco (Mauritius) Limited, 9th Floor, Medine Mews, La Chaussee Street, Port Louis, Mauritius. The telephone no. of the Acquirer is +230 210 2035 and the fax no. is +230 211 7889.

    The Acquirer was incorporated for the purpose of making investments in India. It is a wholly owned subsidiary of Bain Capital India Integral Mauritius, a private company limited by shares incorporated under laws of the Republic of Mauritius. The Acquirer has a stated capital of US$1 (1 Ordinary Share of par value of US$1) as on the 31st of March, 2009.

    The Acquirer is not listed on any stock exchange.

    The names of the Board of Directors of Bain Capital India Investments, the Acquirer, are as follows: Mohamed Javed Aboobakar, Michael Fenton Goss, Ramanand Guzadhur and Paul Edgerley.

    The financial details of the Acquirer on an unconsolidated basis are as follows:

(Amount in Rs.)

Particulars	For period from July 28, 2008 to December 31, 2008 (Audited)
Total Income	NIL
Net Investment Loss	(816,807)
Net Capital paid in on shares	47
Accumulated Deficit	(816,807)
Earning Per Share (EPS)	(816,807)
Return on Net Worth (%)	NIL
Net Assets	(816,760)

Exchange rate for USD to INR used is 46.68 as of 31/12/2009

The Acquirer has not promoted any company in India.

21. PAC 1, Bain Capital Fund X, L.P. ("Fund X") 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 ("GP") of Bain Capital Fund X, L.P. is Bain Capital Partners X, L.P., a Cayman Islands exempted limited partnership, the general partner of which is Bain Capital Investors, LLC, a Delaware (USA) limited liability company.

    Fund X has over US$ 10.7 billion of committed capital (as on the 31st of March, 2009) and was organized to invest in businesses, foreign or domestic, with the principal objective of achieving appreciation of capital invested. Fund X is not listed on any stock exchange.

    Fund X does not have a board of directors and is managed by its GP.

    The financial details of PAC 1 on an unconsolidated basis are as follows:

(Amount in Rs.)

Particulars	For period from October 19, 2007 to December 31, 2008 (Audited)
Total Income	186,056,350
Net Decrease in Partners' Capital Resulting from Operations	(82,151,805)
Total Partners' Capital	83,343,360,087

Exchange rate for USD to INR used is 46.68 as of 31/12/2009

PAC 1 has not promoted any company in India.

22. PAC 2, Bain Capital India Integral Investors L.P., 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 in India. PAC 2 is not listed on any stock exchange. 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 Cayman Islands Companies Law (2007 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 promoted any company in India.

23. Bain Capital India Integral Mauritius (or 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 Acquirer is +230 210 2035 and the fax no. is +230 211 7889

    PAC 3 was incorporated for the purpose of making investments in India. It has a stated capital of US$1 (1 Ordinary Share of par value of US$1) as on the 31st of March, 2009. It is a wholly owned subsidiary of Bain Capital India Integral Investors, L.P. a Cayman Islands limited partnership. PAC 3 is not listed on any exchange.

    The board of directors of PAC 3 consists of Mohamed Javed Aboobakar, Michael Fenton Goss, Ramanand Guzadhur and Paul Edgerley.

    The financial details of PAC 3 on an unconsolidated basis are as follows:

(Amount in Rs.)

Particulars	For period from July 28, 2008 to December 31, 2008 (Audited)
Total Income	NIL
Net Decrease in Net Assets Resulting from Operations	(780,443)
Net Capital paid in on shares	47
Accumulated deficit	(780,443)
Earning Per Share (EPS)	(780,443)
Return on Net Worth (%)	NIL
Net Assets	(780,396)

Exchange rate for USD to INR used is 46.68 as of 31/12/2009

PAC 3 has not promoted any company in India.

24. Neither the Acquirer nor any of the PACs owned any shares/voting rights of the Target before the Agreements that were executed on January 1, 2010.

V. Information on the Target

25. The Target, a company incorporated on July 28, 1987, under the Companies Act, 1956 and having its registered office at Fortuna Towers, 8th Floor, 23A Netaji Subhas Road, Kolkata – 700 001 is currently engaged, inter alia, in the business of manufacturing of coal tar pitch, carbon black, power generation etc.
26. 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 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.
27. The promoter and promoter group of the Target are Mr. Damodar Prasad Choudhary, Mr. Bankey Lal Choudhary, Mr. Vijay Kumar Choudhary, Mr. Shyam Sundar Choudhary, Ms. Shushila 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 17,213,991 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. Post dilution the promoter and promoter group will hold 41.99% of the Fully Diluted Equity Share Capital of the Target.
28. The subscribed, issued and paid up share capital of the Target consist of 32,263,257 equity shares of Rs.10/- each aggregating Rs. 322,632,570/-. As on the date of this announcement the Target has Rs.326.76 million FCCB outstanding (converted at an exchange rate of 46.68 as on the date of Board Meeting). There are no partly paid up shares of the Target as on the date of the Public Announcement. The shares of the Target are listed on the BSE, NSE and CSE. The equity shares are frequently traded on BSE & NSE and infrequently traded on CSE.
29. The audited financial highlights of the Target are as given below for last 3 years;

(Rs. In lacs except EPS)

Particulars	March 31, 2009 (consolidated)	March 31, 2008 (consolidated)	March 31, 2007 (standalone)
Total Income	37,942.65	36,871.19	32,921.12
Net Profit after tax	4,674.75	8,291.32	6,156.99
Equity Capital	3,185.13	3,151.13	3,151.13
Reserves and Surplus (net of misc. expenditure not written off)	32,478.60	28,092.22	20,502.48
Earning Per Share (EPS) (Basic)	14.70	26.31	22.39
Earning Per Share (EPS) (Diluted)	13.51	25.42	22.30

VI. Reasons for Acquisition and Offer

30. The Offer is being made pursuant to the Board Resolution dated December 31st 2009 for proposed acquisition of 15.39 % of Fully Diluted Equity Share Capital, pursuant to the Preferential Allotment and, as applicable, pursuant to any additional acquisition made from the Promoters as stated in Paragraph I above. This will result in substantial acquisition of 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.
31. The Acquirer and PACs believe that significant potential is offered by the coal tar pitch and related businesses and proposes to invest in the industry through this transaction. The Acquirer and PACs propose to strengthen the Target's position by making an equity investment.
32. To the extent required and to optimize the value to all shareholders, the Acquirer and PACs may, subject to applicable shareholder's consent, enter into any compromise or arrangement, reconstruction, restructuring, merger, rationalizing and/or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of the Target. Notwithstanding, the immediately preceding, the Board of Directors of Target will take appropriate decisions in these matters in line with the requirements of the business and opportunities from time to time. As of the date of this PA, the Acquirer and PACs does not have any plan to dispose off or otherwise encumber any asset of the Target in the next two years except in the ordinary course of business of Target and except to the extent mentioned above.
33. The Acquirer and PACs undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of Target, other than in the ordinary course, except with the prior approval of the shareholders of Target.

VII. Statutory / Other Approvals Required for the Offer

34. The Offer may be subject to approvals from Reserve Bank of India ("RBI") (if any) as may be required under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.
35. The Acquirer and PACs shall complete all procedures relating to the Offer within a period of 15 days from the closure of the Offer.
36. To the best of the knowledge of the Acquirer and PACs, as on the date of this 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 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.
37. In case of delay in receipt of the above statutory approvals, SEBI has the power to grant extension of time to the Acquirer and PACs for payment of consideration to the shareholders of the Target, subject to the Acquirer and 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 PACs in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

VIII. Disclosure under Regulation 21(2) of the SEBI (SAST) Regulations, 1997

38. Upon completion of the Offer, assuming full acceptances in the Offer and acquisition of shares under the Agreements, the Acquirer and PACs will hold 14,508,740 equity shares constituting 35.39 % of the Fully Diluted Equity Share Capital of the Target and will not result in public shareholding falling below the limit specified in Clause 40A of the Listing Agreement.

IX. Funding Arrangement for the Offer

39. 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.
40. The total funds required for implementation of the Offer at Rs. 400 (Rupees Four Hundred only) per fully paid up equity share is Rs. 327,94,96,116 /- (Rs three hundred twenty seven crores ninety four lacs ninety six thousand one hundred and sixteen) assuming that full acceptance for the Offer is received ("Offer Consideration").
41. In accordance with Regulation 28 read with Regulation 22(7) of the SEBI (SAST) Regulations, the Acquirer and PACs have 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, (hereinafter referred to as "Kotak") in the account name "Himadri Chemicals and Industries Limited Open Offer Escrow Account (having account number 09582600006872) empowering ENAM, Manager to the Offer, to issue instructions. 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, ENAM has been duly authorized to issue instructions to Kotak.
42. PricewaterhouseCoopers LLP ("PWC") located 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 the PAC 1 segregated account has no liens, encumbrances or disabilities. Further, Acquirer and 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.
43. Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirer and 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.

X. Other Terms of the Offer

44. A Letter of Offer specifying the detailed terms and conditions of the Offer, together with a Form of Acceptance-cum-Acknowledgement ("FOA") will be mailed on or before February 20, 2010 to the shareholders of the Target (other than parties to the Agreements), whose names appear on the Register of members of the Target and to the owner of the shares whose names appear as beneficiaries on the records of the respective depositories at the close of business hours on January 06, 2010 (the "Specified Date"). Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Offer is subject to terms and conditions set out herein and in the Letter of Offer that would be sent to the shareholders of the Target as on the Specified Date (as defined later).
45. Shareholders who wish to tender their Shares, held in physical form, will be required to send the FOA, original share certificate(s) and transfer deed(s) duly signed to the registrar to the Offer, Link Intime India Private Limited ("Registrar to the Offer"), C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (West) Mumbai 400 078, either by hand delivery on weekdays or by Registered Post, at their sole risk, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than March 17, 2010 in accordance with the instructions to be specified in the Letter of Offer and in the FOA.
46. The Registrar to the Offer, Link Intime India Private Limited, has opened a special depository account with National Securities Depository Limited ("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 in Central Depository Services (India) Limited ("CDSL") have to use inter-depository delivery instruction slips for crediting their shares in favour of the special depository account with NSDL.

47. All owners of equity shares demat/physical, registered/unregistered (other than parties to the Agreements) are eligible except as mentioned in paragraph 8 above, to participate in the Offer anytime before closure of the Offer. All registered owners can send duly completed FOA, filled and signed in accordance with the instructions contained in the Letter of Offer and FOA, to the Registrars to the Offer, at the collection centres mentioned in paragraph 49 below, before the closure of the Offer i.e., March 17, 2010. No indemnity shall be required from the unregistered shareholders.
48. Beneficial owners (holders of Shares in dematerialized form) who wish to tender their shares will be required to send their FOA along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account to the Registrar to the Offer, either by hand delivery on weekdays or by Registered Post, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., no later than March 17, 2010, in accordance with the instructions to be specified in the Letter of Offer and in the FOA. The credit for the delivered shares should be received in the special depository account on or before close of the Offer, i.e., no later than March 17, 2010.
49. In addition to the above-mentioned address, the shareholders of the Target, who wish to avail of and accept the Offer, can also deliver the FOA along with all the relevant documents at the collection centre below in accordance with the procedure as set out in the Letter of Offer. (Monday to Friday 10 am to 3 pm & Saturdays 10 am to 1 pm.)

	Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of delivery
1	Mumbai	Link Intime India Pvt. Ltd, 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 Pvt. Ltd, 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 Pvt. Ltd, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hitesh Patel	079-26465179	079-26465179 (Telefax)	Hand Delivery
4	Bangalore	Link Intime India Pvt. Ltd., 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 Pvt. Ltd., 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 Pvt. Ltd, 59C, Chowringhee Road, 3rd Floor, Kolkata -700020	Debu Ghosh	033-22890539/ 40	033-22890539/ 40 (Telefax)	Hand Delivery
7	New Delhi	Link Intime India Pvt. Ltd., 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
8	Chennai	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai- 600 017	Mrs. Solly Soy	044-28152672, 044-42070906	044-28152672 (Telefax)	Hand Delivery

50. All owners (registered or unregistered) of shares of the Target, except the parties to the Agreements, are eligible to participate in the Offer anytime before the closure of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they had acquired their shares..
51. In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, distinctive numbers, folio number, number of shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the close of the Offer, i.e., no later than March 17, 2010 or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closer of the Offer, i.e., no later than March 17, 2010.
52. Applications in respect of shares of the Target that are subject matter of litigation wherein the shareholders of the Target may be prohibited from transferring the shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these shares are not received together with the shares tendered under the Offer. The Letter of Offer in such cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
53. If the shares tendered in this Offer by the shareholders of the Target are more than the shares to be acquired under this Offer, the acquisition of shares from each shareholder will be on a proportionate basis as per the provisions of Regulation 21(6) of the Regulations such that the acquisition from each shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. The marketable lot for the Target is 1 (one) share.
54. Duly executed FOA along with share certificate(s) and share transfer form(s) should be sent only to the Registrar to the Offer and not to the Manager to the Offer or Acquirer or their advisors.
55. In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, equity shareholders desirous of withdrawing the acceptance tendered by them in the Offer, may do so upto 3 (three) working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before March 11, 2010.

    a. The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.
    b. In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:
       – In case of physical shares: name, address, distinctive numbers, folio number, number of shares tendered; and
       – In case of dematerialized shares: name, address, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

56. The Registrar to the Offer will hold in trust the shares/share certificates, shares lying in credit of the special depository account, FOA, if any, and the transfer form(s) on behalf of the shareholders of Target who have accepted the Offer, till the cheques/ drafts for the consideration and/or the unaccepted shares/share certificates are dispatched/returned.
57. The payment of consideration for accepted applications will be made by the Acquirer and PACs in cash through account payee cheques, drafts, warrants, etc. sent by registered post for amounts exceeding Rs.1,500/- and otherwise under certificates of posting in accordance with the Regulations.
58. Shares that are subject to any charge, lien or encumbrance are liable to be rejected.
59. Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Unaccepted Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the FOA.
60. Shareholders, who have sent their shares for dematerialization, need to ensure that the process of getting their shares dematerialized is completed well in time so that the credit in the special depository account is received on or before the date of closure of the Offer, i.e., no later than March 17, 2010 else their application would be rejected.
61. While tendering the shares under the Offer, NRIs/OCBs/foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the Shares of the Target. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject such shares tendered.
62. Compliance with tax and other regulatory requirements:
    a. As per the provisions of section 196D(2) of the Income-tax Act, 1961 no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD payable to a Foreign Institutional Investor as defined in section 115AD of the Income-tax Act, 1961.
    b. While tendering their equity shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a no objection certificate or tax clearance certificate or certificate for deduction of tax at lower rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs on the entire consideration amount payable to such shareholder.
63. Securities transaction tax will not be applicable to the shares accepted in the Offer.
64. A schedule of the activities pertaining to the Offer is given below:-

Activity	Date and Day
PA Date	Wednesday, January 06, 2010
Specified Date *	Wednesday, January 06, 2010
Last date for a competitive bid	Wednesday, January 27, 2010
Date by which Letter of Offer to be dispatched to shareholders	Saturday, February 20, 2010
Date of opening of the Offer	Thursday, February 25, 2010
Last date for revising the Offer Price	Friday, March 05, 2010
Last date for withdrawing acceptance from the Offer	Thursday, March 11, 2010
Last date of closing of the Offer	Wednesday, March 17, 2010
Last