



Kilburn Chemicals Ltd.,

A-81, Sipcot Industrial Complex, South Veerapandiapuram PO, THOOTHUKUDI - 628 002
Phone : 2340491 (4Lines), Fax : 0461 - 2340449, E-Mail : Kilburn@kilburnchemicals.com

03.10.2011

Bombay Stock Exchange Ltd

Floor 25, P J Towers, Dalal Street

Mumbai 400001

India

Dear Sirs

In furtherance to the approval of its board of directors in the meeting dated 29 July 2011 and shareholders' approval on 14 September 2011 by way of postal ballot, Kilburn Chemicals Limited ("**Company**") has entered into a business transfer agreement on 1 October 2011 ("**BTA**") for the sale and transfer of division engaged in manufacturing and marketing of the Anatase grade Titanium Dioxide ("**Chemicals Division**") including the identified assets and liabilities to V.V. Titanium Pigments Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Keeraikarantattu, Mahadevankulam, Tisayanvillai - 627 657 owned and controlled by Mr. S. Vaikundarajan, as a going concern on a slump sale basis ("**Purchaser**") subject to fulfillment of customary conditions precedents and other regulatory consents/approvals, as provided in the BTA. It is agreed in the BTA, that the Purchaser shall pay Rs 101 crores (One hundred and one crores) to the Seller on or before transfer of the Chemicals Division, which consideration may increase to Rs 112 crores or reduced to Rs 90 crores based on a post transfer audit of the net current assets of the Chemicals Division.

The Chemicals Division sought to be transferred to the Purchaser, includes, (a) the leasehold interest in the State Industries Promotion Corporation (SIPCOT) premises at Plots A79, A80 and A81 of the industrial complex promoted by the SIPCOT at Meelavittan, Tuticorin (SIPCOT Premises), including all rights to the common access ways, drainage, drains, easements, water rights etc., appurtenant to the said industrial plots and all superstructures, sheds, standing thereon, subject to the necessary approvals from the SIPCOT; (b) all plant and machinery, equipment, office equipment, furniture, fittings, vehicles and generally all assets of whatsoever description located at, or brought upon the SIPCOT Premises, (c) the employees working for the Chemicals Division; (d) inventories in relation to the Chemicals Division; (e) trade receivables; (f) sundry debtors and sundry creditors; etc.

Thanking you,

Yours faithfully,

For KILBURN CHEMICALS LTD

J THANGADURAI

COMPLIANCE OFFICER