DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer ("**DLOF**") is sent to you as a shareholder(s) of Aster Silicates Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager / Registrar to the Offer. In case you have recently sold your Equity Shares in Aster Silicates Limited, please handover this DLOF and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the member of the stock exchange through whom said sale was effected.

OPEN OFFER ("OFFER")

By

SICOM Investments & Finance Limited ("SIFL" or "Acquirer")

Registered Office: 402, Solitaire Corporate Park, Bldg No 4, Chakala, Andheri (East), Mumbai - 400093.
Tel No : + 91 22 28385932; **Fax No :** + 91 22 28385933

to acquire upto 61,16,922 fully paid up Equity Shares of Rs. 10/- each, representing 26% of the Emerging Voting Capital (as defined under "Abbreviations and Definitions" below)

from the Equity Shareholders of

Aster Silicates Limited ("ASL" or the "Target Company")

Registered office: A-602, Fairdeal House, Swastik Char Rasta,Off C.G. Road, Navrangpura, Ahmedabad-380 009, Gujarat.
Tel No: + 91 79 26422840; **Fax No:** + 91 79 26422840

at a price of Rs. 12.64 (Rupees Twelve and Paise Sixty Four Only) per Equity Share (the "**Offer Price**") payable in cash pursuant to Regulation 3(1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments there to (**"SEBI (SAST) Regulations, 2011"**)

Note:

1. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011.
2. As of the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Open Offer. However, in case of any statutory approvals being required by the Acquirer at a later date before the closure of the Tendering Period, the Open Offer shall be subject to all such statutory approvals. Non-resident Indians ("**NRI**") and overseas corporate bodies ("**OCB**") holders of Shares, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum- Acknowledgement and other documents required to accept this Open Offer.
3. Upward revision/withdrawal, if any, of the Open Offer would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement ("**DPS**") has appeared. The Acquirer is permitted to revise the Open Offer Price upwards only at any time prior to the last three working days before the Commencement of the Tendering Period i.e. up to Friday, April 12, 2013. Such revised Open Offer Price would be payable for all the Shares validly tendered anytime during the tendering period of the Open Offer.
4. The Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.**If there are competing offers: The public offers under all the subsisting bids shall open and close on the same date. As per the information available with the Acquirer and Target Company, no competitive bid has been announced as of the date of this DLOF.**
5. A copy of the Public Announcement ("**PA**"), the DPS and this DLOF (including Form of Acceptance-cum-Acknowledgment) is also available on SEBI's website: (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Dalmia Securities Private Limited **DALMIA SECURITIES PRIVATE LIMITED** Khetan Bhavan, Room No. 17, 2nd Floor, 198, Jamshedji Tata Road, Mumbai - 400 020. **Tel. No:** + 91 22 30272829/10/32; **Fax No:** +91 22 30272820; **Website:-**www.dalmiasec.com; **E-mail:**aster.openoffer@dalmiasec.com; **Investor Grievance Id:** grievances@dalmiasec.com; **SEBI Registration No.:** INM 000011476; **Contact person:** Mr. Krishna Mohta	adroit CORPORATE SERVICES PVT. LTD. **ADROIT CORPORATE SERVICES PVT. LTD.** 17-20, Jafferbhoy Ind. Estate, 1st Floor, Makhwana Road, Marol Naka, Andheri (E), Mumbai 400059. **Tel No:** +91 22 42270400 /423;**Fax No**: +91 22 28503748; **Website**: www.adroitcorporate.com; **E-mail :** surendrag@adroitcorporate.com **SEBI Registration No.:** INR000002227; **Contact person :** Mr. Surendra V. Gawade

SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

Activities	Day	Date
Date of the PA	Wednesday	February 20, 2013
Publication of DPS in newspapers	Wednesday	February 27, 2013
Last date of a competing offer	Wednesday	March 20, 2013
Identified Date*	Tuesday	April 02, 2013
Date by which the Letter of Offer will be dispatched to the shareholders	Tuesday	April 09, 2013
Last date for upward revision of Offer Price and/or Offer Size	Friday	April 12, 2013
Last date by which Board of the Target Company shall give its recommendation	Monday	April 15, 2013
Date of publication of Offer Opening Public Announcement	Tuesday	April 16, 2013
Date of Commencement of Tendering Period (Offer Opening Date)	Wednesday	April 17, 2013
Date of Closure of Tendering Period (Offer Closing Date)	Friday	May 03, 2013
Date by which all requirements including payment of consideration would be completed	Friday	May 17, 2013
Date of releasing Post Offer Public Announcement	Friday	May 24, 2013

**Identified Date is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirer) are eligible to participate in the Offer any time before the Closure of Tendering Period.*

RISK FACTORS

Risk factors: (a) relating to the Offer, (b) in association with the Acquirer and (c) relating to the transaction:

A. RELATING TO THE OFFER

1. The Offer involves an offer to acquire upto 26% of the Emerging Voting Capital of the Target Company from the Eligible Shareholders. In the case of over subscription in the Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Shareholders in the Offer will be accepted.

2. As of the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Open Offer. However, in case of any statutory approvals being required by the Acquirer at a later date before the closure of the Tendering Period, the Open Offer will be subject to all such approval(s). In case of delay in the Open Offer, due to non-receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of the Open Offer subject to the Acquirer agreeing to pay interest to the public shareholders for delay beyond 10 (ten) Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extends to some but not all Shareholders, the Acquirer has the option to make payment to such Shareholders in respect of whom no statutory approvals are required in order to complete the Open Offer. NRI and OCB Shareholders, if any, must obtain all requisite approvals required for tendering the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Open Offer.

3. In the event that either (a) there is any litigation leading to a stay or injunction on this Open Offer or that restricts or restrains the Acquirer from performing its obligations hereunder; or (b) SEBI instructing the Acquirer not to proceed with this Open Offer, then this Open Offer process may not proceed or may be delayed beyond the schedule of activities indicated in this DLOF. Consequently, in the event of any delay, the payment of consideration to the shareholders of the Target Company whose Shares are accepted under this Open Offer as well as the return of Shares not accepted under this Open Offer by the Acquirer may get delayed.

4. Eligible Shareholders should note that Equity Shares once tendered through Form of Acceptance cum Acknowledgement in the Offer, such Shareholders will not be entitled to withdraw such acceptances during the Tendering Period.

5. The Equity Shares tendered in the Offer will be held in trust for the Acquirer by the Registrar to the Offer until the completion of the Offer formalities and Shareholders would not be able to trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares. Accordingly, the Acquirer make no assurance with respect to the market price of the Equity Shares both during the Tendering Period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any Shareholder on whether or not to participate in the Offer.

6. The Acquirer and the Manager to the Offer jointly and severally do not accept any responsibility for statements made otherwise than in this DLOF, DPS, PA or in the advertisement or any materials issued by or at the instance of the Acquirer and any person placing reliance on any other sources of information (not released by the Acquirer or the Manager to the Open Offer) would be doing so at its own risk.

B. IN ASSOCIATION WITH THE ACQUIRER

1. The Acquirer makes no assurance with respect to the financial performance of the Target Company. They also make no assurance with respect to the market price of the Equity Shares upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the Eligible Shareholders on whether or not to participate in the Offer.

2. The Acquirer makes no assurance with respect to its investment/ divestment decisions relating to their proposed shareholding in the Target Company.

C. RISK IN THE TRANSACTION:

1. The Shares of the Target Company are listed on BSE and NSE. However, the Shares of the Target Company are presently traded in BSE only. The Trading in the shares on NSE is suspended. As per NSE circular Ref No: 862/2012 dated October 12, 2012, the trading in the Shares of the Target Company has been suspended from NSE *w.e.f* October 22, 2012 for non-compliance with the provisions of the listing agreement. As informed by the Target Company, the Target Company has applied to NSE for revocation of suspension by submitting the necessary documents on February14, 2013 and also paid revocation fees on the same date. The Target Company is yet to receive the order for revocation of suspension from NSE. Further, BSE *vide* its notice 20121224-26 dated December 24, 2012, had informed suspension of trading in Shares of the Target Company *w.e.f.* January 16, 2013 on account of non-compliance with the provision of listing agreement. However, on Target Company complying with the provision of Listing Agreement, the Shares of the Target Company was suspended only for a period of five days *i.e*, from January 16, 2013 to January 22, 2013 and suspension was revoked by BSE *w.e.f.* January 23, 2013, as per Notice No 20130117-6 dated January 17, 2013. (Source: www.bseindia.com).

2. The allotment of the Shares to the Acquirer under the Preferential Allotment, which triggered the Open Offer, is subject to the receipt of 'in-principle' approval from the BSE and the NSE under clause 24(a) of the listing agreement for the listing of the Shares under the Preferential Allotment. The Target Company has received the in-principle approval from BSE. The 'in-principle approval' form NSE is awaited.

3. The Offer contains a clause that it is subject to the provisions of the Regulations and in case of non-compliance with any of the provisions of the SEBI (SAST) Regulations, 2011, the Acquirer shall not act upon the acquisition of Equity Shares under the Offer.

The risk factors set forth above, are limited to the Offer, the Acquirer and transaction are not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer, but are only indicative and not exhaustive. The risk factors do not relate to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation in the Offer by an Eligible Shareholder. The Eligible Shareholders are advised to consult their stockbroker or tax advisor or investment consultant, if any, for further risks with respect to their participation in the Offer.

CURRENCY OF PRESENTATION:
In this DLOF, all references to "Rs." are to the Indian National Rupee(s). In this DLOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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ABBREVIATIONS AND DEFINITIONS

The following abbreviations / definitions apply throughout this document, unless the context requires otherwise:

Terms	Definitions
Acquirer/SIFL	SICOM Investments and Finance Limited
AGM	Annual General Meeting
B.A.	Bachelor of Arts
B.Com	Bachelor of Commerce
B.E.	Bachelor of Engineering
B. Sc	Bachelor of Science
BSE	BSE Limited
Board	Board of Directors of the Acquirer or the Target Company, as the case may be.

Terms	Definitions
CA – IIB	Certified Associate Indian Institute of Bankers
CAIB (London)	Certified Associate Institute of Bankers
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CIN	Corporate Identification Number
Closure of the Tendering Period	Friday, May 03, 2013 i.e. Offer Closing Date
Commencement of Tendering Period	Wednesday, April 17, 2013 i.e. Offer Opening Date
Companies Act	Companies Act, 1956 and subsequent amendments thereto
D.C.S	Diploma in Computer Science
DC	Direct Credit
DLOF/Draft Letter of Offer	This Draft Letter of Offer dated March 06, 2013 filed with SEBI in accordance with Regulation 16 (1) of SEBI (SAST) Regulations, 2011 on March 06, 2013.
DIN	Director Identification Number
DP	Depository Participant
Detailed Public Statement or DPS	Detailed Public Statement in relation to the Open Offer, dated February 26, 2013, published by the Manager to the Open Offer on February 27, 2013 in the news papers, on behalf of the Acquirer, in accordance with the Regulation 3(1) read with Regulations 13(4), 14 and 15(2) of the SEBI (SAST) Regulations, 2011.
Eligible Shareholders	Registered and unregistered Equity Shareholders except the Acquirer.
EPS	Earnings per share
Emerging Voting Capital	Fully paid-up capital of 2,35,26,622 Equity Shares being the capital post allotment of 86,65,511 Equity Shares to the Acquirer on Preferential Allotment basis (i.e. as of tenth Working Day from the Closure of the Tendering Period)
Escrow Account	Escrow account maintained by the Acquirer with the Escrow Bank in accordance with the Escrow Agreement.
Escrow Bank	DBS Bank Limited a banking corporation incorporated in Singapore and acting through its branch at 3rd Floor, Fort House, 221 Dr. D. N. Road, Fort, Mumbai – 400 001.
Escrow Agreement	Escrow Agreement dated February 20, 2013 executed between the Acquirer, Escrow Bank and Manager to the Offer.
Equity Shares/Shares	Fully paid up equity shares of the Target Company of face value Rs. 10/- each.
Form of Acceptance-Cum- Acknowledgement	Form of Acceptance cum Acknowledgement attached to the Letter of Offer
FY	Financial Year
IAS	Indian Administrative Services
Identified Date	Tuesday, April 2, 2013 *i.e.* date falling on the 10th Working Day prior to the Commencement of the Tendering Period, for the purpose of determining the Shareholders (other than the Acquirer) to whom the Letter of Offer shall be sent
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961 and subsequent amendments thereto.
ISIN	International Securities Identification Number
Letter of Offer or LOF	The letter of offer dated [•]
Listing Agreement	Listing Agreement with the Stock Exchanges in India, as amended from time to time
Loan	Loan availed by the Target Company form the Acquirer under the Loan Agreement.
Loan Agreement	Agreement dated December 11, 2012 entered into between Acquirer and Target Company for financial assistance Rs. 20 Crore (Rupees Twenty Crores Only) of secured loan by the Acquirer to the Target Company.
L.L.B	Bachelor of Laws
Manager to the Offer	Dalmia Securities Private Limited
M.B.A	Masters of Business Administration
MD	Managing Director
N.A.	Not Available/Not applicable
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NSE	The National Stock Exchange of India Limited
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Body
Offer Consideration	Assuming full acceptance under the Offer, the maximum consideration payable by the Acquirer under the Offer would be Rs. 7,73,17,895 (Rupees Seven Crore Seventy Three Lakh Seventeen Thousand Eight Hundred and Ninety Five only)

Terms	Definitions
Offer Period	Wednesday, February 20, 2013 to Friday, May 17, 2013
Offer Price	Rs. 12.64 per Equity Share payable in cash
Offer Size	61,16,922 Equity Shares being 26% of the Emerging Voting Capital
Preferential Allotment	Issue and allotment of upto 86,65,511 Equity Shares on preferential allotment basis to the Acquirer, in accordance with the provisions of Section 81(1A) of the Companies Act, 1956 read with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, approved by the Shareholders of the Target Company by passing special resolution in the AGM of the Target Company held on February 20, 2013.
RBI	The Reserve Bank of India
Registrar to the Offer	Adroit Corporate Services Pvt Ltd
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto.
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendments thereto.
SEBI (SAST) Regulations, 2011 or SEBI Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.
Shareholders / Equity Shareholders	Equity shareholders of the Target Company
SR. No.	Serial Number
Stock Exchanges	BSE and NSE
Target Company or ASL	Aster Silicates Limited
Tendering Period	Wednesday, April 17, 2013 to Friday, May 3, 2013
w.e.f	With Effect From
Working Days	Working days of SEBI

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DLOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS, 2011. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ASTER SILICATES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR ASTER SILICATES LIMITED WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, DALMIA SECURITIES PRIVATE LIMITED, THE MANAGER TO THE OFFER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 06, 2013 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS, 2011. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1 The Offer is a "**Triggered Offer**" under Regulation 3(1) of SEBI (SAST) Regulations, 2011 to the Equity Shareholders of the Target Company (except Acquirer) by SICOM Investments & Finance Limited for substantial acquisition of Shares and voting rights without any change in control or management thereof.

2.1.2 The Shareholders of the Target Company have, vide special resolution pursuant to the provisions of Section 81(1A) of the Companies Act and all other provisions as applicable passed at its AGM held on February 20, 2013, approved the issue and allotment of up to 86,65,511 Equity Shares of Rs. 10 each at a price of Rs. 11.54 per Share constituting 36.83% of the Emerging Voting Capital of the Target Company to the Acquirer on preferential allotment basis. The total consideration payable by the Acquirer for the Preferential Allotment is in the form of part conversion of Loan outstanding to the extent of Rs. 10 Crore (Rupees Ten Crore only) under the Loan Agreement. Presently the Acquirer holds NIL Equity Shares in the Target Company. Post Preferential Allotment, the shareholding of the Acquirer shall increase to 36.83% of the Emerging Voting Capital. The Equity Shares to be allotted to the Acquirer under Preferential Allotment will also be subject to Lock-in as per the SEBI (ICDR) Regulations.

2.1.3 There is no separate agreement between Acquirer and the Target Company for the allotment of the Equity Shares under the Preferential Allotment. The proposed acquisition of Shares under the Preferential Allotment basis is pursuant to exercising the conversion option under the Loan Agreement.

2.1.4 The Acquirer is engaged in providing special situation, turnaround and mezzanine finance to small & medium enterprises. The Acquirer, at the request of the Target Company has sanctioned the financial assistance by way of secured term Loan of Rs. 20 Crore (Rupees Twenty Crores Only) for revival/restarting of units of the Target Company at Kheda and Jhagadia and executed the Loan Agreement in this regard. The tenure of Loan is seven years and it carries interest at the rate of 25% p.a payable on monthly basis. The Loan is secured by way of (a) first legal mortgage/charge on all the immovable assets and hypothecation of all the movable assets (including but not limited to the receivables) of the Target Company (b) legal mortgage of residential properties of the promoter directors of the Target Company (c) Pledge of Equity Shares held by the promoters of the Target Company and (d) Personal Guarantees of the promoter directors of the Target Company.

2.1.5 The Loan Agreement has, *inter-alia*, provision for conversion/allotment option which are read as under :-

i. The Acquirer shall have an option and right to convert a part or entire outstanding amount of the said Loan with interest accrued thereon into Equity Shares of the Target Company at a mutually acceptable price at any time during the tenure of the said Loan. Such option may or may not be exercised by the Acquirer at its sole discretion.

ii. The Acquirer and its nominee shall have the right to subscribe to additional Equity Shares of the Target Company at any time during the currency of said Loan at price of Rs. 10/- each per Equity Share or as per prevailing guidelines, as applicable to the listed companies.

iii. The Acquirer, at its discretion, shall provide first right of refusal to the promoters of the Target Company for buy back of the Target Company Shares held/to be held by the Acquirer at market driven valuation at the time of exit of the investment in the Target Company.

2.1.6 The Acquirer has proposed to exercise the conversion option, as stated above, to convert part of the loan outstanding to the extent of Rs. 10 Crore (Rupees Ten Crore Only) in to Equity Shares of the Target Company by way of preferential issue.

2.1.7 The Loan Agreement also contains provisions for rights to the Acquirer, as a lender, for appointment of nominee directors/ observers as that of promoter group, to appoint/ change the existing management team of the Target Company with a view to improve the performance/effective monitoring of and control of the Target Company. The Acquirer, however, has not exercised or intended to exercise any of these rights as of date. The existing management of the Target Company shall continue with the current business without any day-to-day intervention in operations from the Acquirer.

2.1.8 The Acquirer does not intend / propose to make any changes in the Board of Directors or the management of the Target Company.

2.1.9 There is no Person Acting in Concert along with the Acquirer for the purpose of this Open Offer. Due to operation of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, Mr. Manoj Dwarkanath Thakur (Managing Director of the Acquirer) and Mr. Ganesan Venkatraman (Independent Director of the Acquirer) holding Equity Shares of the Target Company could be deemed to be acting in concert with the Acquirer. However Mr. Manoj Dwarkanath

Thakur, and/or Mr. Ganesan Venkatraman is/are not acting in concert with the Acquirer for purposes of the Open Offer. Further, Mr. Manoj Dwarkanath Thakur and Mr. Ganesan Venkatraman have confirmed that they will not tender the Equity Shares in the Offer and will not deal with aforesaid Equity Shares till the Closure of Tendering Period.

2.1.10 The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

2.1.11 The recommendation of the committee of independent directors as constituted by the Board on the Offer will be published latest by Monday, April 15, 2013 (as per the tentative time schedule), in the same newspapers where the DPS was published and a copy whereof shall be sent to SEBI, BSE, NSE and Manager to the Offer and in case of a competing offer/s to the manager/s to the open offer for every competing offer.

2.1.12 The Open Offer is not a result of a global acquisition, an open market purchase or a negotiated deal.

2.2 Details of the proposed Offer

2.2.1 The Acquirer has released the DPS on February 27, 2013 which appeared in the following newspapers:

News Paper	Language	Edition
Financial Express	English	All
Jansatta	Hindi	All
Mumbai Lakshadweep	Marathi	Mumbai
Financial Express	Gujarati	Ahmedabad

DPS is also available on the SEBI's website at www. sebi.gov.in

2.2.2 The Acquirer has made an Open Offer in accordance with the Regulation 3(1) of the SEBI (SAST) Regulations *vide* PA dated February 20, 2013 to the Shareholders of the Target Company to acquire up to 61,16,922 Equity Shares of face value of Rs. 10 each representing 26% of the Emerging Voting Capital of the Target Company at a price of Rs. 12.64 (Rupees Twelve and Paise Sixty Four only) per fully paid up Equity Share payable in cash, subject to the terms and conditions set out in the PA, the DPS and the Letter of Offer, that will be sent to the Shareholders of the Target Company .

2.2.3 The Offer is being made to all the Shareholders of the Target Company except Acquirer. The Equity Shares of the Target Company under the Offer will be acquired by the Acquirer as fully paid up, free from any lien, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof. There are no partly paid-up Equity Shares in the Target Company.

2.2.4 The Offer is neither conditional upon minimum level of acceptance in terms of Regulation 19(1) of the SEBI Regulations nor it is a competitive bid in terms of Regulation 20 of the SEBI (SAST) Regulations.

2.2.5 The Acquirer has not acquired any Equity Shares after the date of PA i.e. February 20, 2013 and up to the date of this DLOF.

2.2.6 The Manager to the Offer, Dalmia Securities Private Limited does not hold any Equity Shares as at the date of DLOF. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of during the Offer Period.

2.2.7 The Offer (assuming full acceptances) will not result in the public shareholding to fall below 25% of its outstanding Equity Share capital of the Target Company.

2.3 Object of the acquisition/ Offer:

2.3.1 The Acquirer is a Non- Banking Financial Institution, engaged in providing special situation, turnaround and mezzanine finance to small & medium enterprises. As part of its business objective, the Acquirer has provided, as per the terms and conditions of the Loan Agreement, a secured loan of Rs. 20 crore (Rupees Twenty Crore only) to the Target Company for revival/restarting of units of the Target Company at Kheda and Jhagadia in the state of Gujarat. The acquisition of the Shares by the Acquirer under the Preferential Allotment is pursuant to exercising the conversion option specified under the Loan Agreement and within the business objective of the Acquirer.

2.3.2 The Acquirer intends to remain as financial investor in the Target Company. The existing management of the Target Company shall continue with the current business without any day-to-day intervention in operations from the Acquirer. As a result, there would not be any repercussions of the acquisition by the Acquirer on the employment and the locations of the Target Company's places of business.

2.3.3 The Acquirer do not have any plans to dispose off or otherwise encumber any significant assets of the Target Company in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirer undertake that they shall do so only upon the receipt of the prior approval of the Shareholders of the Target Company through special resolution in terms of Regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

3. BACKGROUND OF THE ACQUIRER - SICOM INVESTMENTS & FINANCE LIMITED (SIFL)

3.1 SIFL was incorporated under the provisions of the Companies Act, 1956 on January 29, 1996 as a Public Limited Company with the Registrar of Companies, Mumbai, Maharashtra. SIFL had received the certificate of commencement of business on May 2, 1996. SIFL originally was incorporated under the name Shricom Housing Finance Company Limited and subsequently the name of SIFL was changed to SICOM Housing Development Finance Limited *vide* fresh certificate of incorporation dated December 20, 2000 and further to SICOM Investments & Finance Limited *vide* fresh certificate of incorporation dated January 16, 2006. The CIN of SIFL is U65922MH1996PLC096684.

3.2 The registered office of the Acquirer is situated at 402, Ground Floor, Solitare Corporate Park, Bldg No. 4, Chakala, Andheri (East) Mumbai – 400093. **Tel No:** +91-22-28385932**; Fax No:** +91-22-28385933.

3.3 The Acquirer is a 100% subsidiary of SICOM Ltd. SICOM Ltd. is the sole promoter and person in control of the Acquirer.

3.4 SIFL is registered with Reserve Bank of India RBI as a Non Banking Financial Institution (non deposit accepting). The Acquirer is engaged in providing special situation, turnaround and mezzanine finance to small & medium enterprises.

3.5 The Authorised Share Capital of SIFL is Rs. 25,00,00,000/- (Rupees Twenty Five Crore only) comprising 2,50,00,000 (Two Crore Fifty Lakh only) fully paid-up equity shares of Rs.10/- each. The Issued, Subscribed & Paid-up Capital of SIFL is Rs. 14,82,21,280/- (Rupees Fourteen Crore Eighty Two Lakh Twenty One Thousand Two Hundred and Eighty only) comprising of 1,48,22,128 (One Crore Forty Eight Lakh Twenty Two Thousand One Hundred and Twenty Eight only) fully paid-up equity shares of Rs. 10/- each. There are no partly paid-up equity shares in SIFL.

3.6 The equity shares of SIFL are not listed on any Stock Exchange.

3.7 As of the date of this DLOF, the Acquirer, its directors and key employees do not have any interest in the Target Company except for the following:

i. Conversion of Loan into Equity Shares through Preferential Allotment of the Target company (detailed in Background to the Offer) that has triggered this Offer.

ii. As the lender for remaining outstanding loan post conversion of part of loan into Equity Shares through Preferential Allotment.

iii. The existing promoters of the Target Company have pledged 67,84,011 Equity Shares representing 45.65 % of the existing paid up capital of the Target Company to the Acquirer in respect of loan provided by the Acquirer.

iv. Mr. Manoj Dwarkanath Thakur, Managing Director of the Acquirer holds 75,000 Equity Shares and Mr.Ganesan Venkatraman Independent Director of the Acquirer holds 37,085 Equity Shares, representing 0.47 % and 0.25% of the existing paid up capital of the Target Company.

3.8 There is no Person Acting in Concert along with the Acquirer for the purpose of this Open Offer. Due to operation of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, Mr. Manoj Dwarkanath Thakur (Managing Director of the Acquirer) and Mr. Ganesan Venkatraman (Independent Director of the Acquirer) holding Equity Shares of the Target Company could be deemed to be acting in concert with the Acquirer. However Mr. Manoj Dwarkanath Thakur, and/or Mr. Ganesan Venkatraman is/are not acting in concert with the Acquirer for purposes of the Open Offer. Further, Mr. Manoj Dwarkanath Thakur and Mr. Ganesan Venkatraman have confirmed that they will not tender the Equity Shares in the Offer and will not deal with aforesaid Equity Shares till the Closure of Tendering Period.

3.9 Details of the Board of directors as on the date of this DLOF are given below:

Sr. No.	Name, Designation & DIN	Date of Appointment	Qualifications	Experience
1.	Mr. Baldev Harpal Singh Chairman **DIN** : 03577274	September 13, 2011	B.A. (Eco), M.B.A. in Finance & Marketing	He is an IAS Officer from 1989 Batch. He has 22 years of Service in various Departments including Revenue, Food & Civil Supplies, Consumer Protection, etc.
2.	Mr. Manoj Dwarkanath Thakur Managing Director **DIN** : 01372581	October 10, 2006	B.E. (Electrical), D.I.E.	More than 32 years experience in hardcore project, sales & marketing and finance. He has worked in various departments of SICOM Ltd, the holding company since 1984.
3.	Mr. Hayagreeva Ravikumar Puranam Independent Director **DIN** : 00280010	December 23, 2011	B.Com, CAIIB, CAIB (London), FSII, Sr. Dip (French)	37 years of financial service experience as a banker across retail, corporate, treasury banking in India and abroad. He has worked for 22 years in Bank of India and 10 years in ICICI Bank. He was founder MD & CEO of National Commodity and Derivative Exchange Ltd (NCDEX).
4	Mr. Ganesan Venkatraman Independent Director **DIN** : 00010063	June 20, 2007	B.A. (Eco), L.L.B., CAIIB	More than 30 years of industrial experience. He was holding the position of General Manager in IDBI Bank Ltd at the time of his retirement.
5	Mr. Mahesh Bhaskar Gosavi Independent Director **DIN** : 01566959	June 20 , 2007	B. Sc, D.C.S	15 years of experience in the field of finance.

As on the date of this DLOF, none of the directors of the Acquirer are on the Board of the Target Company.

3.10 The shareholding pattern of SIFL as on the date of this DLOF is as follows:-

Sr. No.	Name of the shareholders	No. of shares	% to total shareholding
1.	Promoters – SICOM Limited	1,48,21,428	99.99
2.	Nominees of SICOM Limited	500	Balance Fractional %
3.	Others	200	Balance Fractional %
	Total	**1,48,22,128**	**100.00**

3.11 The key financial information of the Acquirer based on the audited financial statements for the FY ended March 31, 2010, March 31, 2011, March 31, 2012 and for the six months period ended September 30, 2012 are as under :

(Rs. in lakh)

Profit and Loss	For the FY ended March 31,			For six months period ended September 30, 2012
	2010	2011	2012	
	(Audited)	(Audited)	(Audited)	(Audited)
Income from operations	1877.59	2023.60	5012.06	1890.59
Other Income	15.96	494.88	107.22	2.81
Total Income	**1893.55**	**2518.48**	**5119.28**	**1893.40**
Total Expenditure	636.44	177.31	485.44	79.44
Profit/(Loss) Before Depreciation, Interest and Tax	**1257.10**	**2341.17**	**4633.84**	**1813.96**
Depreciation	0.96	1.82	2.26	1.59
Interest	1077.81	865.86	1139.21	475.09
Profit /(Loss) Before Tax	**178.31**	**1473.48**	**3492.35**	**1337.28**
Provision for Tax	59..84	526.36	595.39	434.13
Profit /(Loss) After Tax	**118.48**	**947.12**	**2896.96**	**903.15**

(Rs. in lakh)

Balance Sheet Statement	As on March 31,			As on September 30, 2012
	2010	2011	2012	
Sources of funds				
Paid up share capital	1125.07	1482.21	1482.21	1482.21
Reserves and Surplus (excluding revaluation reserves)	1907.64	4963.70	7677.64	8589.76
Less: Miscellaneous expenditure (to the extent not written off or adjusted	NIL	NIL	NIL	NIL
Net worth	**3032.71**	**6445.91**	**9159.85**	**10071.97**
Secured loans	6937.64	6993.91	3783.28	9406.73
Unsecured loans	2300.00	-	-	-
Deferred Tax Liability	-	0.57	1.73	1.85
Total	**12270.35**	**13440.39**	**12944.86**	**19480.55**
Uses of funds				
Net fixed assets	3.25	4.51	36.47	72.43
Investments	1780.74	1761.40	1366.47	3327.47
Deferred Tax Assets	184.89	-	-	-
Net current assets	10301.47	11674.48	11541.92	16080.65
Total	**12270.35**	**13440.39**	**12944.86**	**19480.55**

Other Financial Data	As at and for the FY ended March 31,			For six months period ended September 30, 2012
	2010	2011	2012	
Dividend (%)	-	-	10%	-
Earnings Per Share of Rs. 10/- each (Rs.)	1.05	8.12	19.54	6.09#
Return on Net worth (%)	3.91	14.69	31.63	8.97
Book Value Per Share of Rs. 10 each (Rs.)	26.96	43.49	61.80	67.95

#Not Annulised

*(**Source-** Annual Reports of the Acquirer for FY 2010, 2011 and 2012 and audited financial statement for six months period ended on September 30, 2012)*

3.12 The Acquirer does not have any major contingent liabilities as at September 30, 2012.

3.13 The Acquirer does not hold any Shares of the Target Company and hence provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011 with respect to the Target Company are not applicable.

4. BACKGROUND OF THE TARGET COMPANY – ASTER SILICATES LIMITED

4.1 ASL was originally incorporated under the provisions of the Companies Act, 1956 on August 27, 1996 as a Private Limited Company under the name and style "Arbuda Steel Private Limited" with the Registrar of Companies, Dadra and Nagar Haveli, Gujarat. The name of ASL was changed to Aster Silicates Private Limited vide fresh certificate of Incorporation dated April 13, 2006. The Company got converted into a Public Limited Company and pursuant to conversion, the name of the Company was changed to Aster Silicates Limited *vide* fresh certificate of Incorporation dated December 4, 2009. The CIN of the Target Company is L01403GJ1996LC030581.

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4.2 The registered office of the Target Company is situated at A-602, Fairdeal House, Swastik Char Rasta, Off. C.G. Road, Navrangpura, Ahmedabad – 380 009, Gujarat.

4.3 The Target Company is engaged in the business of manufacturing of sodium silicate which includes food grade sodium silicate, special drilling grade silicate and detergent grade silicate. It produces sodium silicate both in glass and liquid form.

4.4 The Authorised Share Capital of ASL is Rs. 25,00,00,000/- (Rupees Twenty Five Crore only) comprising 2,50,00,000 (Two Crore Fifty Lakh) Equity Shares of 10/- each. The issued, subscribed & fully paid-up capital of ASL is Rs. 14,86,11,110/- (Rupees Fourteen Crore Eighty Six Lakh Eleven Thousand One Hundred and Ten only) comprising 1,48,61,111 (One Crore Forty Eight Lakh Sixty One Thousand One Hundred and Eleven) Equity Shares of Rs.10/- each fully paid up.

Paid-up Equity Shares of Target Company	No. of Shares/voting rights	No. of Shares/voting rights*
Fully paid up Equity Shares	1,48,61,111 Equity Shares	100
Partly paid up Equity Shares	NIL	Nil
Total paid up Equity Shares	1,48,61,111 Equity Shares	100
Total voting rights	1,48,61,111 Equity Shares	100

4.5 The Shares of the Target Company are presently listed on BSE with Scrip Code: 533219; Scrip ID: ASTERSILI and on NSE with Scrip Symbol: ASTERSILI. Currently the Equity Shares are traded on BSE only. The trading in the Equity Shares has been suspended on NSE w.e.f. October 22, 2012.

4.6 As per NSE circular Ref No: 862/2012 dated October 12, 2012, the trading in the Shares of the Target Company has been suspended from NSE *w.e.f* . October 22, 2012 for non-compliance with the provisions of listing agreement. As informed by the Target Company, the Target Company has applied to NSE for revocation of suspension by submitting the necessary documents on February 14, 2013 and also paid revocation fees on the same day. The Target Company is yet to receive the order for revocation of suspension from NSE.

BSE also *vide* its notice 20121224-26 dated December 24, 2012, had informed suspension of trading in shares of the Target Company *w.e.f* January 16, 2013 on account of non compliance with the provision of listing agreement. However, on Target Company complying with the provision of listing agreement, the Shares of the Target Company was suspended only for a period of five days i.e, from January 16, 2013 to January 22, 2013 and suspension was revoked by BSE *w.e.f* January 23, 2013, as per Notice No. 20130117-6 dated January 17, 2013. (www.bseindia.com).

4.7 As on date of DLOF the Target Company does not have any partly paid Equity Shares and there are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. However, 30,90,500 Equity Shares of the Target Company held by the promoters are subject to lock-in obligations. The Equity Shares to be allotted to the Acquirer under Preferential Allotment will also be subject to Lock-in.

4.8 There are no Shares which are not listed on either BSE or NSE.

4.9 As on the date of DLOF, the composition of the Board is as under:

Sr No.	Name	Designation	DIN No.	Date of Appointment
1.	Mr.Mahesh Amolakhdas Maheshwari	Managing Director	00027682	August 27, 1996
2.	Ms. Namrata Mahesh Maheshwari	Whole Time Director	00027762	July 1, 2000
3.	Mr. Krishnan Umamaheswaran	Independent Non Executive Director	02055194	August 18, 2011
4.	Mr. Shailesh Manibhai Buch	Independent Non Executive Director	05247775	May 15, 2012
5.	Mr. Dushyant Manibhai Buch	Independent Non Executive Director	05247789	May 15, 2012

None of the above Directors are representative of Acquirer.

4.10 There has been no merger/de-merger, spin off during last 3 years involving Target Company.

4.11 The key financial information of the Target Company based on its audited financial statements for the FY ended March 31, 2010, March 31, 2011 and March 31, 2012 audited by the statutory auditors of the Target Company, and the unaudited interim financial statements (subjected to Limited Review by statutory auditors as required under Clause 41 of the Listing Agreement) for 9 months ended December 31, 2012 are as under:

(Rs. In Lakh)

Profit and Loss	**For the FY ending March 31,**			**For nine months period ended December 31, 2012**
	2010	**2011**	**2012**	
	(Audited)	**(Audited)**	**(Audited)**	**Unaudited Limited Review**
Income from operations	6187.24	9198.19	2059.17	NIL
Other Income	1.55	57.92	139.53	4.69
Total Income	**6188.79**	**9256.11**	**2198.7**	**4.69**
Total Expenditure	4926.58	7560.15	1822.51	103.10
Profit/(Loss) Before Depreciation, Interest and Tax	**1262.21**	**1695.96**	**376.19**	**(98.41)**
Depreciation	165.83	230.2	44.54	NIL
Interest	196.19	842.41	271.23	316.97
Profit /(Loss)Before Tax	**900.19**	**623.35**	**60.40**	**(415.38)**
Less: Exceptional Exp	NIL	NIL	NIL	4.61
Provision for Tax	268.29	NIL	NIL	NIL
Tax in respect of earlier years	189.74	329.84	NIL	NIL
Profit /(Loss)After Tax	**442.16**	**293.51**	**60.40**	**(419.99)**

(Rs. In Lakh)

Balance Sheet as on	As on March 31			As on December 31, 2012
	2010	2011	2012	
	(Audited)	(Audited)	(Audited)	
Sources of funds				
Paid up share capital	1036.11	1486.11		
Reserves and Surplus (excluding revaluation reserves)	1067.71	6134.57		
Less: Miscellaneous expenditure (to the extent not written off or adjusted	78.31	NIL		
Net worth	**2025.51**	**7620.68**		
Revaluation Reserve	492.01	492.01		
Secured loans	1277.20	1597.13		N.A
Unsecured loans	174.05	NIL		
Deferred Tax Liability	365.68	695.52		
Total	**4334.45**	10405.35		
Uses of funds				
Net fixed assets	1997.96	5952.62		
Capital Work in Progress	929.40	1995.85		
Investments	NIL	120		
Net current assets	1407.08	2336.88		
Total	**4334.45**	**10405.35**		

(Rs. In Lakh)

Balance Sheet Statement as on (as per revised Schedule VI)	As on March 31, 2012
Sources of Funds	
Capital Account	1486.11
Reserves and Surplus	6194.97
Net worth	7681.08
Revaluation Reserves	453.07
Minority Interest	NIL
Share application money pending Allotment	NIL
Non-Current Liabilities	
Long Term Borrowings	1723.46
Deferred Tax Liability	695.52
Other Long Term Liabilities	NIL
Long Term Provisions	NIL
Current Liabilities	
Short Term Borrowings	NIL
Trade Payables	129.05
Other Current Liablilities	0.82
Short Term Provisions	259.98
Total	**10942.98**
Uses of Funds	
Non- Current Assets:	
Fixed Assets	6069.01
(excluding Revaluation Reserves)	
Non Current Investments	4347.60
Long Term Loans And Advances	82.28
Other Non-Current Assets	NIL
Current Assets	
Current Investments	NIL
Inventories	278.64
Trade Receivables	94.25
Cash and Bank Balances	30.03
Short Term Loans and Advances	25.02
Other Current Assets	16.15
Total	**10942.98**

Other Financial Data	As at and for the FY ending 31 March			For nine months period ended December 31, 2012
	2010	2011	2012	
	(Audited)	(Audited)	(Audited)	Limited Review
Dividend (%)	NIL	5	NIL	N.A
Earning Per Share in Rs.	4.27	1.98	0.41	(2.38)#
Return on Net worth (%)	21.02	3.85	0.79	N.A
Book Value Per Share (Rs.)	19.55	51.28	51.69	N.A

 # not annualised

*(**Source-** Annual Reports of Acquirer for FY 2010, 2011 and 2012 and Results for 9 months period ending on December 31, 2012 have been limited review by the statutory auditors of the Target Company.)*

4.12 Pre and Post - Offer share holding pattern of the Target Company as on the date of DLOF is as follows:

Shareholders' Category	Shares & voting rights prior to the Preferential Allotment		Shares & voting rights post Preferential Allotment which has triggered the Open Offer		Shares & voting rights to be acquired in Open Offer (assuming full acceptances)		Shares & voting rights after the acquisition and Open Offer (assuming full acceptances)	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
	A @		B #		C #		A+B+C=D#	
1. Promoters								
a. Parties to agreement, if any	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
b. Promoters other than (a) above	69,27,953	46.62	69,27,953	29.45	*[.]	*[.]	*[.]	*[.]
Total 1 (a+b)	**69,27,953**	**46.62**	**69,27,953**	**29.45**	*[.]	*[.]	*[.]	*[.]
2. Acquirer	**NIL**	**NIL**	**86,65,511**	**36.83**	**61,16,922**	**26.00**	**14782433**	**62.83**
3. Parties to agreement other than 1 (a) & (b)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
4. Public (other than parties to the agreement, Acquirer)								
a.FIs / MFs / FIIs / Banks, SFIs	-	-	-	-				
b. Others	79,33,158	53.38	79,33,158	33.72	*[.]	*[.]	*[.]	*[.]
Total 4 (a+b)	**79,33,158**	**53.38**	**79,33,158**	**33.72**	*[.]	*[.]	*[.]	*[.]
Total (1+2+3+4)	**148,61,111**	**100.00**	**2,35,26,622**	**100.00**	0.00	**0.00**	**2,35,26,622**	**100.00**

@ Percentage in Column A is calculated on **1,48,61,111** Equity Shares of Target Company *i.e.* prior to Preferential allotment.
# Percentage in Column B, C and D are calculated on **2,35,26,622** Equity Shares of the Target Company *i.e.* post Preferential Allotment to the Acquirer.
* The figures will depend on response from each category

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 The Offer is made pursuant to the direct acquisition of Shares of the Target Company by the Acquirer. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Shares of the Target Company.

5.1.2 The Equity Shares of the Target Company are listed at BSE (Scrip Code of "533219" & Scrip ID: "ASTERSILI") and NSE (Symbol "ASTERSILI"). Currently the Equity Shares are traded on BSE only. The trading in the Equity Shares has been suspended on NSE *w.e.f.* October 22, 2012. The marketable lot for Equity Shares is 1 (One) Equity Share.

5.1.3 The annualised total trading turnover in the Equity Shares of the Target Company on BSE and NSE based on trading volume during the twelve calendar months prior to the month of PA (i.e. February 01, 2012 to January 31, 2013) is given as under:

Stock Exchange	Total No. of Equity Shares traded during the Twelve calendar months prior to the month of PA	Total No. of Equity Shares of the Target Company	Annualised Trading Turnover (as % of total Equity Shares)
BSE	36,38,065	1,48,61,111	24.48
NSE	14,64,086	1,48,61,111	9.85

(Source: www.bseindia.com and www.nseindia.com)

5.1.4 Based on the information available on the websites of BSE and NSE, the Equity Shares are frequently traded on BSE within the meaning of definition of "frequently traded shares" under Regulation 2(1)(j) of the SEBI (SAST) Regulations.

5.1.5 The Offer Price of Rs. 12.64 (Rupees Twelve and Paise Sixty Four only) per Equity Share is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations, being the highest of the following:

Sr. No.	Particulars	Price (In Rs. per Share)
a)	The price at which Equity Shares to be allotted to the Acquirer under Preferential Allotment attracting the obligations to make a PA of the Open Offer	11.54
b)	The Volume- Weighted Average Price paid or payable for acquisitions by the Acquirer during 52 weeks immediately preceding the date of PA, *i.e*. February 20, 2013	Not Applicable
c)	Highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA, i.e. February 20, 2013	Not Applicable
d)	The Volume-Weighted Average Market Price of Shares for a period of sixty trading days immediately preceding the date of the PA, *i.e*. February 20, 2013, as traded on BSE (As the maximum volume of trading in the Shares of the Target Company are recorded during such period)	12.64

5.1.6 The price and volume data of the Shares on BSE, where the Shares are most frequently traded, for a period of 60 trading days immediately preceding the date of the PA (i.e. February 20, 2013), are set forth below:

No.	Date	Net Turnover (BSE) (in Rs.)	Total Volume (BSE) (No. of Shares)
1.	19-Nov-12	96679	15863
2.	20-Nov-12	31441	5114
3.	21-Nov-12	53557	8272
4.	22-Nov-12	66940	9870
5.	23-Nov-12	315581	44862
6.	26-Nov-12	72381	9909
7.	27-Nov-12	210000	27239
8.	29-Nov-12	407460	50366
9.	30-Nov-12	516064	60785
10.	3-Dec-12	547787	61550
11.	4-Dec-12	241709	27650
12.	5-Dec-12	330555	37623
13.	6-Dec-12	186026	20814
14.	7-Dec-12	300252	32216
15.	10-Dec-12	429404	43942
16.	11-Dec-12	652351	62993
17.	12-Dec-12	211348	19643
18.	13-Dec-12	162866	14274
19.	14-Dec-12	286070	23879
20.	17-Dec-12	116561	9273
21.	18-Dec-12	124579	9445
22.	19-Dec-12	223363	16139
23.	20-Dec-12	112258	7726
24.	21-Dec-12	3578529	238051
25.	24-Dec-12	1505858	96628
26.	26-Dec-12	2538294	161829
27.	27-Dec-12	915845	62820
28.	28-Dec-12	188430	13724
29.	31-Dec-12	57380	4397
30.	1-Jan-13	50034	4035
31.	2-Jan-13	1452004	118547
32.	3-Jan-13	859034	71331
33.	4-Jan-13	252400	21248
34.	7-Jan-13	329863	26,707
35.	8-Jan-13	251569	21,220
36.	9-Jan-13	322307	26682
37.	10-Jan-13	88892	7423
38.	11-Jan-13	1741257	145143
39.	14-Jan-13	3723462	317194
40.	15-Jan-13	1489245	135447
41.	23-Jan-13	50957	4502
42.	24-Jan-13	154446	12892
43.	25-Jan-13	9930	790
44.	28-Jan-13	32104	2434
45.	29-Jan-13	98250	7099
46.	30-Jan-13	320633	22067

No.	Date	Net Turnover (BSE) (in Rs.)	Total Volume (BSE) (No. of Shares)
47.	31-Jan-13	1239962	81309
48.	1-Feb-13	2286377	145282
49.	4-Feb-13	698358	43900
50.	5-Feb-13	437273	27763
51.	6-Feb-13	580733	36310
52.	7-Feb-13	432627	28821
53.	8-Feb-13	142988	9858
54.	11-Feb-13	231085	15455
55.	12-Feb-13	201637	13490
56.	13-Feb-13	203707	13448
57.	14-Feb-13	117184	7909
58.	15-Feb-13	286245	19736
59.	18-Feb-13	570608	37948
60.	19-Feb-13	97718	6344
Total		**33232457**	**2629230**
Volume Weighted Average Market Price (Total Turnover divided by Total Traded Quantity)			**12.64**

5.1.7 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

5.1.8 In the event of acquisition of Equity Shares by the Acquirer during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not be acquiring any Equity Shares after the third Working Day prior to the Commencement of the Tendering Period and until the Closure of the Tendering Period.

5.1.9 If the Acquirer acquires Equity Shares during the period of 26 weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and Offer Price, to all shareholders whose Shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations, 2011 or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of Shares of the Target Company in any form.

5.1.10 As on date there is no revision in Open Offer price or Open Offer size. In case of any revision in the Open Offer price or Offer Size, the Acquirer shall comply with Regulation 18 of the SEBI (SAST) Regulations and all other applicable provisions of the SEBI (SAST) Regulations.

5.1.11 If there is any revision in the Offer Price on account of future purchases/ competing offers, it will be done only up to the period prior to (3) three Working Days before the date of Commencement of the Tendering Period and would be notified to shareholders.

5.2 FINANCIAL ARRANGEMENTS

The total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of up to 61,16,922 Equity Shares representing 26% of the Emerging Voting Capital of the Target Company from the Eligible Shareholders of the Target Company at a Offer Price of Rs. 12.64 per Equity Share is Rs. 7,73,17,895 (Rupees Seven Crore Seventy Three Lakh Seventeen Thousand Eight Hundred and Ninety Five only).

5.2.1 The Acquirer has adequate financial resources and has made firm financial arrangement for financing the acquisition of the Equity Shares under the Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The Acquirer has arranged the funds required for meeting the obligations in the Open Offer from its own resources and internal accruals and no borrowings from Banks or NRIs or Financial Institutions is envisaged. CA Mr. Sachin Pachkhede (Membership No.104660), Partner of M/s. Bakre, Pachkhede and Sagdeo, Chartered Accountants, having office at 301-B. Plot No 51-C, Yash Avenue, Sector 20, Kahargar, Navi Mumbai -410210; Tel No: 91 22 27744899; has certified *vide* certificate dated February 20, 2013, that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full.

5.2.2 The Acquirer, the Manager to the Offer and DBS Bank Ltd, a banking corporation incorporated in Singapore and acting through its branch at 3rd Floor, Fort House, 221 Dr. D. N. Road, Fort, Mumbai – 400 001, have entered into Escrow Agreement for the purpose of the Offer in accordance with Regulation 17 of the SEBI (SAST) Regulations. Pursuant to the Escrow Agreement, the Acquirer has deposited cash of an amount of Rs. 1,93,50,000/- (Rupees One Crore Ninety Three Lakhs Fifty Thousand Only) being in excess of 25% of the Offer Consideration in an Escrow Account opened with DBS Bank Limited.

5.2.3 The Manager to the Offer is authorized to operate the above mentioned Escrow Account to the exclusion of all others and has been duly empowered to realize the value of the Escrow Accounts in terms of the SEBI (SAST) Regulations.

5.2.4 Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied that firm arrangements have been put in place through verifiable means in relation to the Offer in accordance with the SEBI (SAST) Regulations.

6. TERMS AND CONDITIONS OF THE OFFER

6.1 OPERATIONAL TERMS AND CONDITIONS

6.1.1 The Open Offer is being made by the Acquirer to all Shareholders of the Target Company except Acquirer. All owners of the Shares, registered or unregistered (except Acquirer) who own the Equity Shares any time prior to the Closure of the Tendering Period are eligible to participate in the Offer as per the procedure set out in para 7 below. No indemnity is required from the unregistered owners.

6.1.2 The LOF together with the Form of Acceptance-cum-Acknowledgement and transfer deed (for Shareholders holding Shares in the physical form) will be mailed to those Shareholders of the Target Company whose names appear on the register of members of the Target Company and to the beneficial owners of the Shares of the Target Company whose names appear as beneficiaries on the beneficial record of the respective depositories, at the close of business hour on the Identified Date (i.e. Tuesday, April 02, 2013). Owners of Shares who are not registered as Shareholders are also eligible to participate in the Open Offer at any time prior to the Closure of the Tendering Period.

6.1.3 The Acquirer refrains itself to send the LOF to non-resident shareholders in accordance with Regulation 18(2) of the Regulations since the local laws or regulations of any jurisdiction outside India may expose them or the Target Company to material risk of civil, regulatory or criminal liabilities in case the LOF is sent in its original form. However, non-resident can participate in the Offer even if LOF is not sent to them.

6.1.4 The Acquirer shall accept this Open Offer subject to the following:

(a) Applications in respect of Shares that are the subject matter of litigation, wherein the Shareholders may be prohibited from transferring the Shares during the pendency of the said litigation, are liable to be rejected if directions or orders regarding these Shares are not received together with the Shares tendered under the Open Offer.

(b) The applications in some of these cases, may be forwarded (as per the discretion of the Acquirer) to the concerned statutory authorities for further action by such authorities. Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Open Offer.

(c) The Acquirer will acquire the Shares which are free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

6.1.5 The Open Offer is not conditional and is not subject to any minimum level of acceptance. The acceptance of the Open Offer must be unconditional and should be entirely at the discretion of the Shareholders of the Target Company. Each Shareholder of the Target Company to whom the Open Offer is being made, is free to offer his Shares, in whole or in part while accepting the Open Offer.

6.1.6 This Offer is subject to the receipt of the statutory and other approvals as mentioned in Para 6.4 of the DLOF. In terms of Regulation 23(1)(a) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn. However, there are no statutory approvals pending as on date of the DLOF.

6.1.7 The Offer is subject to the terms and conditions set out in the DLOF/LOF, the Form of Acceptance, the PA, the DPS and any other public announcements that may be issued with respect to the Offer.

6.1.8 The LOF along with the Form of Acceptance-cum-Acknowledgement would also be available at SEBI's website, www.sebi.gov.in, and Equity Shareholders can also apply by downloading such forms from the website.

6.1.9 In terms of the Regulation 18(9) of the SEBI (SAST) Regulations, the Shareholders who have accepted the Open Offer by tendering their Shares and requisite documents in terms of the PA, DPS and this Letter of Offer **are not entitled to withdraw** such acceptance during the Tendering Period for the Open Offer.

6.1.10 Accidental omission to dispatch the LOF or any further communication to any person to whom this Offer is made or the non-receipt of the LOF by any such person shall not invalidate the Offer in any way. The instructions, authorisations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute an integral part of the terms of this Offer.

6.1.11 The acceptance of the Offer must be unconditional and should be sent in the enclosed Form of Acceptance-cum-Acknowledgement along with the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at the collection centre mentioned in Para 7.4 under "Procedure for Acceptance and Settlement" on or before the Closure of the Tendering Period.

6.1.12 In the event that the Shares tendered in the Open Offer are more than the Shares to be acquired under the Open Offer, the acquisition of Shares from each Shareholder will be on a proportionate basis as detailed in para 7.14 of the DLOF.

6.1.13 The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The Equity Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

6.2 LOCKED IN SHARES

As on the date of DLOF 30,90,500 Shares held by the promoters of the Target Company are subject to lock-in obligations as per SEBI (ICDR) Regulations. Pursuant to regulation 40 of the SEBI (ICDR) Regulations, the shares held by the promoters and locked-in as per the regulation 36 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the Issuer. Since the Acquirer does not intend to take control over the Target Company, the aforesaid locked-in Shares of the promoters would not be eligible to be tendered under the Open Offer till completion of Lock-in Period.

Except for the above there shall be no discrimination in the acceptance of locked in and non-locked in Shares in the Offer.

6.3 ELIGIBILITY FOR ACCEPTING THE OFFER

The Open Offer is being made by the Acquirer to all Shareholders of the Target Company except Acquirer. All owners of the Shares, registered or unregistered (except Acquirer) who own the Equity Shares any time prior to the Closure of the Tendering Period are eligible to participate in the Offer as per the procedure set out in para 7 below. No indemnity is required from the unregistered owners.

6.4 STATUTORY APPROVALS

6.4.1 As of the date of the DLOF, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Open Offer. However, in case of any statutory approvals being required by the Acquirer at a later date before the closure of the Tendering Period, the Open Offer shall be subject to all such approvals and the Acquirer shall make the necessary applications for such approvals.

6.**4.2** The Acquirer, in terms of Regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within (2) two Working Days of such withdrawal, in the same newspapers in which the DPS has appeared.

6.4.3 In case of delay in receipt of any statutory approval which may be required at a later date before the Closure of the Tendering Period, SEBI may, if satisfied that delay in receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders as directed by the SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations. Provided where the statutory approvals extends to some but not all holders of Shares, the Acquirer has the option to make payment to such holders of Shares in respect of whom no statutory approvals are required in order to complete the Open Offer. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.

6.4.4 NRI and OCB Shareholders, if any, must obtain all requisite approvals required to tender the Shares held by them pursuant to the Open Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Open Offer. Further, if Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI or the FIPB or any other regulatory body in respect of the Shares held by them in the Target Company, they will be required to submit such previous approvals that they would have obtained for holding the Shares of the Target Company to tender Shares held by them pursuant to the Open Offer, along with the Form for Acceptance-cum Acknowledgement and other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered in the Open Offer.

6.4.5 The allotment of the Shares to the Acquirer under the Preferential Allotment, which triggered the Open Offer, is subject to the receipt of 'in-principle' approval from the BSE and the NSE under clause 24(a) of the listing agreement for the listing of the Shares under the Preferential Allotment. The Target Company has received the in-principle approval from BSE. The in-principle approval form NSE is awaited.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

7.1 The Letter of Offer will be mailed to the Shareholders, whose names appear on the register of members of the Target Company, as on the close of business on the Identified Date and to the beneficial owners of the Shares of the Target Company whose names appear in the beneficial records of the respective depositories as on the close of business on the Identified Date.

7.2 Every Shareholder in the Target Company, regardless of whether she / he held Shares on the Identified Date, or has not received the Letter of Offer, is entitled to participate in the Open Offer.

7.3 Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the SEBI website at www.sebi.gov.in and send in their acceptances by filling the same.

7.4 The Shareholders who qualify and who wish to avail of this Offer, can send or hand deliver the Form of Acceptance-cum-Acknowledgement duly signed along with all the relevant documents as mentioned in the Letter of Offer, at the following collection centre of the Registrar to the Offer during working hours on or before the Closure of the Tendering Period, i.e., no later than 5.00 p.m. on Friday, May 03, 2013, in accordance with the procedure as set out in the Draft Letter of Offer.

Name & Address	Contact Person, Tel. No., Fax No. and Email Id	Working days and Timing	Mode of Delivery
Adroit Corporate Services Pvt.Ltd. 17- 20, Jafferbhoy Ind. Estate, 1st Floor, Makhwana Road, Marol Naka, Andheri (E), Mumbai 400059. India.	**Mr. Surendra V. Gawade** **Tel**: + 91 22 42270400/423 **Fax**: +91 (0)22 28503748 **E-mail** surendrag@adroitcorporate.com	**Monday to Friday** 10.00 a.m. to 5.00 p.m. **Saturday** 10.00 a.m. to 1.00 p.m.	Hand Delivery/ Registered Post/ Courier

7.5 Shareholders who are unable to hand deliver their documents at the collection centre referred to above, may send the same by registered post or by courier, at their own risk and cost, to the Registrar to the Offer at aforesaid address so as to reach the Registrar to the Offer on or before the Closure of the Tendering Period, *i.e.* Friday, May 03, 2013.

NEITHER THE SHARE CERTIFICATE(S) NOR TRANSFER DEED(S) NOR THE FORM OF ACCEPTANCE SHOULD BE SENT TO THE ACQUIRER NOR THE TARGET COMPANY NOR THE MANAGER TO THE OFFER.

7.6 Procedure for Equity Shares held in dematerialised form

➢ **Beneficial Owners should enclose:**

a) Form of Acceptance-cum-Acknowledgement 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.

b) 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.

c) The Registrar to the Offer, Adroit Corporate Services Pvt. Ltd, has opened a special depository account (**Special Depository Account**) for receiving Shares during the Open Offer from Shareholders who hold Shares in dematerialised form. The details of the Special Depository Account are as follows:

DP Name	LKP SECURITIES LIMITED
DP ID	12030000
Client ID	00649718
Account name	M/S ASTER SILICATES LTD OPEN OFFER - OPERATED BY ADROIT CORPORATE SERVICES PRIVATE LIMITED
Depository	Central Depository Services (India) Limited ("**CDSL**")
ISIN	INE900K01012
Mode of Instruction	Off-Market

Shareholders of the Target Company having their beneficiary account with NSDL shall use the inter-depository delivery instruction slip and send the same (duly stamped by their Depository Participants) for the purpose of crediting their Equity Shares in favour of the Special Depository Account with "**CDSL**".

d) For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance cum Acknowledgement. In the case of Equity Shares in demat form, the Shareholders are advised to ensure that their Equity Shares are credited in favour of Special Depository Account, before the Closure of the Tendering Period.

The Form of Acceptance-cum-Acknowledgement of such demat Equity Shares not credited in favour of the Special Depository Account before the Closure of the Tendering Period is liable to be rejected.

e) 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.

➢ **Shareholders who have sent their equity share certificates for dematerialization 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 Company.

- 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 Closure of the Tendering Period, 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 dematerialization request and tender the equity share certificates in the Offer as per procedure mentioned in this DLOF.

7.7 Procedure for Equity Shares held in physical form

➢ **Registered Shareholders of the Target Company should enclose:**

- Form of Acceptance-cum-Acknowledgement 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 Company;
- 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 Company 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 the LOF; and
- 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 Company 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 Company 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; and
- The acknowledgement received, if any, from the Target Company in case the Equity Shares have been lodged with the Target Company. Such persons should instruct the Target Company and its Registrar and Transfer agents to send the transferred share certificate(s) directly to the collection centre as mentioned in Para 7.4 above of this DLOF. The applicant should ensure that the certificate(s) reach the designated collection centre before the date of Closure of the Tendering Period.

7.8 Procedure to be adopted in case of non-receipt of the LOF

➢ **By Equity Shareholders holding Equity Shares in physical form**

- In case of non-receipt of the LOF, eligible persons may send their acceptance of the Offer in writing to the Registrar to the Offer at the collection centre as mentioned in Para 7.4 above of this LOF, 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 Closure of the Tendering Period.

- Shareholders who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of Equity Shares. Shareholders who have sent their equity share certificates for dematerialisation should send a copy of the dematerialized 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 at the collection centre as mentioned in Para 7.4 above of the DLOF, 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 Para 7.6 (c) above, so as to reach the Registrar to the Offer, on or before the Closure of the Tendering Period, i.e. Friday, May 03, 2013.

- Shareholders, having their beneficial account with NSDL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with CDSL. No indemnity is required while sending the acceptance of the Offer on plain paper.

Shareholders who do not receive the LOF and hold Equity Shares of the Target Company may also apply by downloading the 'Form of Acceptance-cum-Acknowledgment' from SEBI's website (www.sebi.gov.in), if they desired to do so.

7.9 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:

a. Duly attested death certificate and succession certificate (in case of single shareholder) in case original Shareholders has expired;
b. Duly attested Power of Attorney if any person apart from the shareholder has signed the Form of Acceptance and/or transfer deed(s);
c. In case of companies, the necessary corporate authorization (including applicable resolutions, consents and approvals of the applicable governing bodies of such companies); and
d. Any other relevant documentation.

7.10 If Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approval from the RBI, the FIPB or any other regulatory body in respect of the Shares held by them in the Target Company, or in the case of NRI and OCB Shareholders, require any approvals to tender Shares held by them pursuant to the Open Offer, they will be required to submit such approvals along with the Form for Acceptance-cum Acknowledgement and other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered in the Open Offer.

7.11 The Registrar to the Offer will hold in trust the Form of Acceptance, equity share certificate(s), Shares lying in credit of the Special Depository Account, transfer deeds and other documents on behalf of the shareholders of the Target Company 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 and the Acquirer would not have access to these Equity Shares until such time.

7.12 The Acquirer shall accept all valid fully paid up Equity Shares tendered up to the Offer Size. Equity shares will be acquired by the Acquirer 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.

7.13 The consideration for the Equity Shares of the Target Company accepted by the Acquirer will be paid by crossed account payee cheques/demand drafts/electronic mode. Such cheques/demand drafts or unaccepted equity share certificates, transfer deeds and other documents, if any, will be returned/dispatch by registered post/speed post at the shareholders'/unregistered owners' sole risk, to the sole/first shareholder/unregistered owner. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

7.14 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 on a proportionate basis which would be determined in consultation with the Manager to the Offer so as 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 Equity Shares of the Target Company trade in the compulsory dematerialized segment, the minimum marketable lot for the Equity Shares is 1 (One).

7.15 Unaccepted equity share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered /speed post at the Shareholders' / unregistered owners' sole risk to the sole / first named Shareholder / unregistered owner. Except that, in case the share certificates tendered have to be split, the Acquirer will arrange to split the share certificates and send the balance share certificates (for Equity Shares not accepted in the Offer) by registered /speed post at the Shareholders' / unregistered owners' sole risk to the sole / first named Shareholder / unregistered owner. Unaccepted Equity Shares held in dematerialised 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 Form of Acceptance - cum - Acknowledgement or otherwise. It will be the responsibility of the Shareholders to ensure that the unaccepted Shares are accepted by their respective depository participants when transferred by the Registrar to the Open Offer. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the Open Offer formalities are completed.

7.16 In case of dematerialised Equity Shares, the Equity Shares would reside in the Special Depository Account as mentioned above. The Registrar to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer 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.

7.17 The consideration received by the Shareholders for Equity Shares accepted in the Offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act. Further, the securities transaction tax will not be applicable on Equity Shares accepted in this Offer.

7.18 While tendering Shares under the Offer, NRI / foreign Shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirer will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

7.19 As per the provisions of Section 196D(2) of the 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 of the Income Tax Act payable to a FIIs as defined in Section 115AD of the Income Tax Act.

7.20 Payment Consideration

Payment to those shareholders whose certificates and/or other documents are found valid and in order and are approved by the Manager to the Offer and the Registrar to the Offer will be paid by way of a crossed account payee Cheque/Demand Draft/Pay Order through Direct Credit ("**DC**")/National Electronic Fund Transfer ("**NEFT**")/Real Time Gross Settlement ("**RTGS**")/National Electronic Clearing Services ("**NECS**"). Shareholders who opt for receiving consideration through DC/NEFT/RTGS/NECS are requested to give the authorisation for the same in the Form of Acceptance cum Acknowledgement and enclosed a photocopy of cheque along with form of Form of Acceptance cum Acknowledgement. The consideration to the shareholders will be paid as per the option selected by the shareholders while providing their bank account details mentioned in the Form of Acceptance cum Acknowledgement.

7.21 Mode of making Payment to the Shareholders whose Shares are accepted in the Open Offer:

National Electronic Clearing Services ('NECS') – Payment would be done through NECS for Shareholders having an account at any of the centres where such facility is available. This mode of payment would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment through NECS is mandatory for Shareholders having a bank account at any of the centers where such facility is available, except where the Shareholder, being eligible, opts to receive payment through direct credit or RTGS.

Direct Credit (**'DC'**) – Shareholders having bank accounts with the Escrow Banker, as mentioned in the Acceptance cum Acknowledgement Form, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer.

Real Time Gross Settlement ('RTGS') – Shareholders having a bank account and whose amount exceeds Rs. 2.00 Lac, have the option to receive the payment through RTGS at any of the centres where such facility is available. Such eligible Shareholders who indicate their preference to receive payment through RTGS are required to provide the **IFSC code** in the Form of Acceptance-cum-Acknowledgement. In the event the same is not provided, payment shall be made through NECS. Charges, if any, levied by the Escrow Bank for the same would be borne by the Acquirer. Charges, if any, levied by the Shareholder's bank receiving the credit would be borne by the Shareholder.

National Electronic Fund Transfer ('NEFT') – Payment shall be undertaken through NEFT wherever the Shareholder's bank has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to a MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment, duly mapped with MICR numbers.

Wherever the Shareholders have registered their nine digit **MICR Number** and their **Bank Account Number** while opening and operating the demat account, the same will be duly mapped with the **IFSC Code** of that particular bank branch and the payment will be made to the Shareholder through this method. The process flow in respect of payments by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational

feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.
For all other Shareholders, and those who have not updated their bank particulars with the MICR code, the payments will be dispatched through Speed Post/ Registered Post. Such payments will be made by cheques, pay orders or demand drafts drawn on the Escrow Bank and payable at par at places where acceptance forms are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Shareholders.

For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected / not credited through DC / NECS / NEFT / RTGS, due to technical errors or incomplete / incorrect bank account details, payment consideration will be dispatched through registered / speed post at the Shareholder's sole risk.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at Dalmia Securities Private Limited, Khetan Bhavan, Room No. 17, 2nd Floor, 198, Jamshedji Tata Road, Mumbai - 400 020, the Manager to the Offer. The documents can be inspected during normal business hours (11.00 A.M. to 5.00 P.M.) on all Working Days (except Saturdays, Sundays and Public/Bank Holidays) from the date of Commencement of the Tendering Period up till the date of Closure of the Tendering Period.

8.1 Copy of Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer;

8.2 Copy of certificate dated February 20, 2013 form CA Mr. Sachin Pachkhede (Membership No.104660), Partner of M/s. Bakre, Pachkhede and Sagdeo, Chartered Accountants, certifying that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full;

8.3 Copy of audited annual reports of the Acquirer for the financial year ended March 31, 2012, March 31, 2011 and March 31, 2010 and audited financial statement for the half yearly ended September 30, 2012;

8.4 Copy of audited annual reports of the Target Company for financial year ended March 31, 2012, March 31, 2011 and March 31, 2010;

8.5 Copy of the letter dated February 25, 2013, issued by the Escrow Agent, confirming the amount kept in the Escrow Account and a lien in favour of the Manager to the Open Offer;

8.6 Copy of the Loan Agreement dated December 11, 2012 between the Acquirer and the Target Company;

8.7 Copy of the PA dated February 20, 2013, DPS dated February 26, 2013 published on February 27, 2013 in the news papers and Offer Opening Public Announcement;

8.8 Copy of the recommendation made by the Target Company’s committee of independent directors, as required under Regulation 26(7) of the SEBI (SAST) Regulations, 2011;

8.9 Copy of the Escrow Agreement dated February 20, 2013 between the Acquirer, Escrow Agent and Manager to Offer;

8.10 Copy of the letter number [•] from SEBI dated [•] containing its comments on the Draft Letter of Offer; and

8.11 A copy of the agreement entered into with the DP for opening a Special Depository Account for the purpose of this Offer.

9. DECLARATION BY THE ACQUIRER

9.1 The Acquirer and its Board of Directors accept full responsibility for the information contained in this Draft Letter of Offer. However, in respect of information relating to the Target Company, the Acquirer has relied on information obtained from the Target Company.

9.2 The Acquirer shall be responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations, 2011.

9.3 The person(s) signing this Draft Letter of Offer are duly and legally authorised by the Acquirer to sign the Draft Letter of Offer.

For and on behalf of **SICOM Investments and Finance Limited (Acquirer)**

Sd/-
Authorised Signatory

Place: Mumbai

Date: March 06, 2013

Enclosed:

(1) Form of Acceptance-cum-Acknowledgement
(2) Transfer deed for Shareholders holding Shares in physical form