LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

*This Letter of offer (LOO) is sent to you as shareholder(s) of **DRILLCO METAL CARBIDES LIMITED.** If you require any clarification about the action to be taken, you may please consult your stock broker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in DRILLCO METAL CARBIDES LIMITED, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement ("Acceptance Form") and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.*

OPEN OFFER ("Offer")
BY

Mr. Rahul M. Timbadia
residing at 601, Crystal Apt, Plot No. 31, N.S.Road No.3, Shree Vallabh, Nagar Society, JVPD Scheme, Vile Parle (West), Mumbai – 400056 *(**Tel No.:** 022 64568600);*

Mr. Kartik M. Timbadia
residing at 901, Kalapana Apartments, Plot No. 69/A, 11th Road, Opp Ramkrishna Mission, Khar (West), Mumbai – 400052 *(**Tel No.:** 022 64568600);*

Mr. Parth R. Timbadia
residing at 701, Crystal Apt. Plot No. 31, Vallabh Nagar Society, N.S. Road No. 3, JVPD Scheme, Vile Parle (W), Mumbai – 400056 *(**Tel No.:** 022 26100329);*

Mrs. Jalpa K. Timbadia
residing at 901, Kalapana, 69A, 11th Road, Opp Ramkrishna Mission, Khar (West), Mumbai – 400052 *(**Tel No.:** 022 26055302)*

and

La Tim Sourcing (India) Private Limited
having its registered office at 201, Navkar Plaza, 3rd Floor, Bajaj Road, Vile Parle (West), Mumbai – 400056 *(**Tel No.:** 022 26203399)*

To acquire up to 5,70,538 equity shares of Rs. 10/- each at an Offer Price of Rs. 30.45 per equity share of Rs 10/- each payable in cash, representing 26% of the total paid up equity share capital/ voting share capital
Pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
OF
DRILLCO METAL CARBIDES LIMITED
Registered Office: 301/302, Navkar Plaza, Bajaj Road, Vile Parle (West), Mumbai 400 056
Tele No.: 022- 26203399/3434; **Fax No.:** 022-26240540; **Email Id:** accounts@sajresort.in

ATTENTION:

1. This Offer is being made by the Acquirers pursuant to Regulations 3(1) and 3(2) of the SEBI (SAST) Regulations.
2. As on date of this LOO, no statutory approvals are required, however, it will be subject to all statutory approvals that may become applicable at a later date as mentioned in Point 8.17.
3. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations
4. Upward revision/withdrawal, if any, of the Offer would be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Acquirers are permitted to revise the Offer Size and/or Offer Price upwards only at any time prior to the commencement of the last three working days before the commencement of the Tendering Period i.e. Monday, June 03, 2013. The same price will be payable by the Acquirers for all the shares tendered anytime during the Tendering Period.
5. **There is no competing offer.**
6. **A copy of Public Announcement ("PA"), Detailed Public Statement ("DPS") and this Letter of Offer (LOO) along with Form of Acceptance cum Acknowledgement is also available on SEBI website: www.sebi.gov.in**

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Chartered Capital and Investment Limited SEBI Registration No. : INM000004018 418-C, "215 Atrium", Andheri Kurla Road, Andheri (East), Mumbai 400 093. Tel No.: 022- 6692 4111 Fax No.: 022- 6692 6222 Email: mumbai@charteredcapital.net Contact Person: Mrs. Menka Jha / Ms. Swati Agrawal	**Satellite Corporate Services Private Limited** SEBI Registration No. : INR000003639 B-302, Sony Apartment, Opp. St. Jude's High School, 90 Feet Road, Jarimari, Sakinaka, Mumbai-400 072 Tel. No.: 022-2852 0461/ 2852 0462 Fax No.: 022-2851 1809 Email: service@satellitecorporate.com Contact Person: Mr. Harish D

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Sr. No.	Activity	Day and Date
1.	Date of Public Announcement (PA)	**Friday, April 12, 2013**
2.	**Date of publication of the Detailed Public Statement (DPS)**	Monday, April 22, 2013
3.	**Identified Date***	**Friday, May 24, 2013**
4.	Date by which Letter of offer (LOO) will be dispatched to the Shareholders	Friday, May 31, 2013
5.	Last date for upward revision of Offer Price and/or Offer Size	Monday, June 3, 2013
6.	Last date by which Board of Director of the Target Company shall give its recommendation	Wednesday, June 5, 2013
7.	Offer Opening Public Announcement	Thursday, June 6, 2013
8.	**Date of commencement of Tendering Period (Offer Opening Date)**	**Friday, June 7, 2013**
9.	**Date of Closing of Tendering Period (Offer Closing Date)**	**Thursday, June 20, 2013**
10.	Date by which all requirements including payment of consideration would be completed	Thursday, July 4, 2013

** Date falling on the 10th Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Shareholders to whom the Letter of Offer shall be sent.*

RISK FACTORS

i. Risk in association with the Transaction and Offer

- **To the best of knowledge of the Acquirers, no statutory approvals are required however, it will be subject to all statutory approvals that may become applicable at a later date. The Acquirers reserve the right to withdraw the Offer in accordance with Regulation 23 (1) (a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals for the purpose of this Offer or those that may be necessary at a later date are refused.**
- **In the event that (a) the regulatory approvals are not received in a timely manner; or (b) there is any litigation to stay the offer; or (c) SEBI instructs the Acquirers not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of offer. Consequently, the payment of consideration to the public shareholders of DMCL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirers, may be delayed. The tendered equity shares and documents will be held by the Registrar to the Offer, until such time as the process of acceptance of such equity shares and the payment of consideration thereto is completed.**
- **In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.**
- **The equity shares tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer (in accordance with the Regulations and other applicable laws, rules and regulations), and the shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such equity shares until the completion of the Offer or withdrawal of the Offer in accordance with Regulation 23(1) of the SEBI (SAST) Regulations. During such period there may be fluctuations in the market price of the equity shares. Accordingly, the Acquirers do not make any assurance with respect to the market price of the equity shares at any time, whether during or upon or after the completion of the Offer, and disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.**
- **Shareholders should note that the Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering Period even if the acceptance of shares under the offer and dispatch of consideration gets delayed.**
- **In the event of over-subscription to the offer, the acceptance will be on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.**
- **The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement, DPS or this Letter of Offer or in the advertisements or other materials issued by, or at the instance of the Acquirers and the Manager to the Offer, and anyone placing reliance on any other source of information, would be doing so at his/her/their own risk.**
- **This Offer is subject to completion risks as would be applicable to similar transactions**

ii. Risk in association with the Acquirers

- **The Acquirers makes no assurance with respect to financial performance of the Target Company.**
- **The Acquirers makes no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.**
- **The Acquirers makes no assurance of market price of shares of the Target Company during or after the offer**
- **The Acquirers has sufficient means to fulfil the financial obligation of this Open Offer through the internal resources only.**
- **The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer (LOO)/ Detailed Public Statement (DPS)/Public Announcement (PA) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its own risk**
- **The Acquirers does not accept the responsibility with respect to the information contained in PA or DPS or LOO that pertains to the Target Company and has been compiled from publicly available resources**

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of DMCL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of DMCL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choice, if any, for further risks with respect to each such Shareholder's participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirers.

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1. DEFINITIONS / ABBREVIATIONS

Sr. No.	Term	Definition / Abbreviation
1.	Acquirers or The Acquirers	Mr. Rahul M. Timbadia, Mr. Kartik M. Timbadia, Mr. Parth R. Timbadia, Mrs. Jalpa K. Timbadia and La Tim Sourcing (India) Private Limited
2.	Board of Directors	Board of Directors of the Target Company
3.	BSE	BSE Limited, Mumbai
4.	Book Value Per Share	[Equity Capital + Free Reserve (excluding Revaluation Reserve) - Debit balance in Profit & Loss A/c – Misc expenditure not written off] / No. of Equity Shares
5.	CDSL	Central Depository Services (India) Limited
6.	Closure of the Tendering Period	Thursday, June 20, 2013
7.	Depositories	CDSL and NSDL
8.	DLOO	Draft Letter of Offer filed with SEBI on Tuesday, April 30, 2013
9.	DPS or Detailed Public Statement	Detailed Public Statement appeared in the newspapers on Monday, April 22, 2013
10.	DMCL / Target Company	Drillco Metal Carbides Limited
11.	Earnings Per Share / EPS	Profit After Tax available to Equity Shareholders / Weighted Average No. of Equity Shares
12.	Equity Capital	Fully paid up Equity shares of Rs. 10/- each of Target Company
13.	Form of Acceptance or FOA	Form of Acceptance - cum - Acknowledgement
14.	Identified Date	Friday, May 24, 2013
15.	Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992 and subsequent amendments thereof
16.	LOO or Letter of offer	The Letter of Offer dated Monday, May 27, 2013, including the Form of Acceptance-cum-Acknowledgement
17.	Manager to the Offer / Manager/Merchant Banker	Chartered Capital and Investment Limited
18.	Networth	Equity Capital + Free Reserve (excluding Revaluation Reserve) –Debit balance in Profit & Loss A/c – Misc expenditure not written off
19.	NSDL	National Securities Depository Limited
20.	Offer or The Offer or Open Offer	Offer for acquisition up to 5,70,538 equity shares of Rs. 10/- each of DMCL representing up to 26% of equity share/ voting right of Target Company at a price of Rs. 30.45 per equity share of Rs 10/- each payable in cash.
21.	Offer Period	Period between the date of Public Announcement and the date on which payment of consideration to the Shareholders who have accepted the open offer.
22.	Offer Price	Rs.30.45 per equity share of Rs 10/- each of the Target Company payable in cash
23.	PAC	Persons Acting in Concert
24.	PAN	Permanent Account Number
25.	Public Announcement or **"PA"**	Public Announcement of the Open Offer by the Acquirers, made as per SEBI (SAST) Regulations sent on Friday, April 12, 2013 by Merchant Banker on behalf of Acquirers to BSE Limited **("BSE")** and Pune Stock Exchange Limited **("PSE")** and Target Company at its Registered Office and filed on Monday, April 15, 2013 with Securities and Exchange Board of India **("SEBI")**.
26.	PSE	Pune Stock Exchange Limited
27.	RBI	Reserve Bank of India
28.	Registrar or Registrar to the Offer	Satellite Corporate Services Private Limited
29.	Return on Net worth	(Profit after Tax available for Equity Shareholders) / (Equity Capital + Free Reserves excluding Revaluation reserve – Debit balance in Profit & Loss A/c – Misc expenditure not written off)

30.	Rs/ Rupee	Indian Rupee
31.	SEBI	Securities and Exchange Board of India
32.	SEBI (SAST) Regulations, 2011 / Takeover Regulation/ SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
33.	SEBI Act	Securities and Exchange Board of India Act, 1992
34.	SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subsequent amendment thereto
35.	SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto
36.	Tendering Period	Period commencing from Friday, June 07, 2013 and closing on Thursday, June 20, 2013 (both days inclusive)
37.	Working Days	A working day of SEBI

Note: All terms beginning with a capital letter used in this Letter of Offer, and not specifically defined herein, shall have the same meanings ascribed to them in the SEBI (SAST) Regulations.

2. 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 DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF DRILLCO METAL CARBIDES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, PERSONS ACTING IN CONCERT OR THE COMPANY WHOSE SHARES/CONTROL ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MONDAY, APRIL 29, 2013 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 This Open Offer is being made by the Acquirers to the equity shareholders of Drillco Metal Carbides Limited in compliance with Regulations 3(1) and 3(2) of SEBI (SAST) Regulations for substantial acquisition of shares/voting rights in the Target Company and to increase their holding in the Target Company.

3.1.2 The Acquirers are part of Promoters/ Promoter Group of the Target Company and are collectively holding 8,41,969 equity shares representing 38.37% of the total paid up equity share capital of the Target Company as on date of PA.

3.1.3 The individual holding of the Acquirers and the details of the acquisition during 52 weeks immediately preceding the date of Public Announcement are as given below:

Name of Acquirer	Opening Balance	% of equity capital	No. of Shares Acquired (*)	% of the Acquired Shares (*)	Highest Price Paid (per share in Rs.) (*)	Total Consideration (in Rs.) (*)	Closing Balance	% of equity capital
Rahul M. Timbadia	738250	33.64	-	-	-	-	738250	33.64
Kartik M. Timbadia	0	0.00	23400	1.07	14	327600	23400	1.07
Parth R. Timbadia	0	0.00	1075	0.05	11	11825	1075	0.05
Jalpa K. Timbadia	0	0.00	20000	0.91	14	280000	20000	0.91
La Tim Sourcing (India) Private Limited	0	0.00	59244	2.70	30.45**	1554756	59244	2.70
Total	**738250**	**33.64**	**103719**	**4.73**		**2174181**	**841969**	**38.37**

** During 52 weeks immediately preceding the date of Public Announcement*

*** Excluding the brokerage and other applicable charges.*

3.1.4 During the FY 2013-2014, following acquisitions have been made by the Acquirers in the Target Company.

a) From 01.04.2013 till date of PA i.e. 12.04.2013

Name of Acquirer	Opening Balance	% of equity capital	No. of Shares Acquired	% of the Acquired Shares	Highest Price Paid (per share in Rs.) (*)	Total Consideration (in Rs.) (*)	Closing Balance	% of equity capital
Rahul M Timbadia	738250	33.64	0	0.00	-	-	738250	33.64
Kartik M. Timbadia	23400	1.07	0	0.00	-	0	23400	1.07
Parth R. Timbadia	1075	0.05	0	0.00	-	0	1075	0.05
Jalpa K. Timbadia	20000	0.91	0	0.00	-	0	20000	0.91
La Tim Sourcing (India) Private Limited	9244	0.42	50000	2.28	30.45	1319000	59244	2.70
Total	**791969**	**36.09**	**50000**	**2.28**		**1319000**	**841969**	**38.37**

** In case of Market Purchases, rates and consideration are excluding of Brokerage and other applicable Charges*

b) From PA date i.e 12.04.2013 till date of LOO i.e 27.05.2013

Name of Acquirer	Opening Balance	% of equity capital	No. of Shares Acquired	% of the Acquired Shares	Highest Price Paid (per share in Rs.) (*)	Total Consideration (in Rs.) (*)	Closing Balance	% of equity capital
Rahul M Timbadia	738250	33.64	0	0.00	-	-	738250	33.64
Kartik M. Timbadia	23400	1.07	56710	2.58	29.75	1686643	80110	3.65
Parth R. Timbadia	1075	0.05	9900	0.45	28.95	286605	10975	0.50
Jalpa K. Timbadia	20000	0.91	85710	3.91	28.95	2481305	105710	4.82
La Tim Sourcing (India) Private Limited	59244	2.70	160400	7.31	29.75	4743340	219644	10.01
Total	**841969**	**38.37**	**312720**	**14.25**		**9197892**	**1154689**	**52.62**

** In case of Market Purchases, rates and consideration are excluding of Brokerage and other applicable Charges*

c) From 01.04.2013 till date of LOO i.e 27.05.2013

Name of Acquirer	Opening Balance As on 01.04.2013	% of equity capital As on 01.04.2013	No. of Shares Acquired	% of the Acquired Shares	Closing Balance As on date of LOO	% of equity capital As on date of LOO
Rahul M Timbadia	738250	33.64	0	0.00	738250	33.64
Kartik M. Timbadia	23400	1.07	56710	2.58	80110	3.65
Parth R. Timbadia	1075	0.05	9900	0.45	10975	0.50
Jalpa K. Timbadia	20000	0.91	85710	3.91	105710	4.82
La Tim Sourcing (India) Private Limited	9244	0.42	210400	9.59	219644	10.01
Total	**791969**	**36.09**	**362720**	**16.53**	**1154689**	**52.62**

3.1.5 This Open Offer has become mandatory in terms of Regulation 3(2) since the acquisition as mentioned in Para 3.1.4 (c) has exceeded 5% during the current financial year and the Acquirers intend to acquire more equity shares/voting rights in the Target Company through Market purchases including Bulk Deal/ Block Deal and/or through Off Market Purchase upto three working days prior to the commencement of the tendering period which may exceeds the stipulated threshold limit specified under Regulation 3(1) of SEBI (SAST) Regulations, 2011 and therefore in compliance with Regulations 3(1) and 3(2), read with other applicable provisions of SEBI (SAST) Regulations, this Open Offer is being made.

3.1.6 At present, the Acquirers are Promoters/ Promoter Group of the Target Company. Further Mr. Rahul M Timbadia, Mr. Kartik M Timbadia and Mr. Parth R Timbadia are also on the Board of Directors of the Target Company and are already in management control of the Company and they shall not participate in any deliberations of the board of directors of the Target Company or vote on any matter in relation to the open offer

3.1.7 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

3.1.8 The Acquirers namely Mr. Rahul M Timbadia, Mr. Kartik M Timbadia, Mr. Parth R Timbadia, Mrs. Jalpa K Timbadia and La Tim Sourcing (India) Private Limited and the Directors of La Tim Sourcing (India) Private Limited, have not been prohibited by SEBI from dealing in securities, in terms of direction u/s 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.9 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of Director of the Target Company will constitute a committee of independent directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published.

3.2 Details of the Offer

3.2.1 The Acquirers has made DPS in the following newspapers, namely i) **Business Standard (English)** (all editions), (ii) **Business Standard (Hindi)** (all editions) and (iii) **Mumbai Lakshadweep (Marathi)** (Mumbai) which appeared on Monday, April 22, 2013. The PA and the DPS are also available on the SEBI website at **www.sebi.gov.in**

3.2.2 Acquirers are making this Open Offer in terms of Regulations 3(1) and 3(2) of SEBI (SAST) Regulations to acquire up to 5,70,538 equity shares of Rs. 10/- each representing 26% of the total equity share capital / voting capital subject to the terms and conditions set out in DPS and this Letter of Offer, at a price of Rs. 30.45 (Rupees Thirty and Paise Fourty Five Only) per equity share of Rs. 10/- each payable in cash. These equity shares which are to be acquired by the Acquirers should be free from liens, charges and encumbrances of any kind whatsoever.

3.2.3 This Offer is not subject to the receipt of the Statutory Approvals however it will be subject to fulfilment of conditions as may become applicable as mentioned in Point 8.17 of this Letter of Offer.

3.2.4 As of the date of this Letter of Offer, there is neither partly paid-up shares in the Target Company; nor outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the Target Company.

3.2.5 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

3.2.6 This Offer is not subject to any minimum level of acceptance. Further there is no differential pricing for this Offer.

3.2.7 The Acquirers has not acquired any equity shares of the Target Company after the date of Public Announcement i.e. Friday, April 12, 2013, till the date of this Letter of Offer other than as detailed in Point 3.1.4 (b) above.

3.2.8 The equity shares are listed at BSE and PSE. As per Clause 40A of the listing agreement read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended ("SCRR"), the Target Company is required to maintain at least 25% public shareholding on a continuous basis for listing. In case, pursuant to the further acquisition upto three working days prior to the commencement of the tendering period and/or through this Offer, the public shareholding in the Target Company reduces below the minimum level required as per the listing agreement entered into by the Target Company with Stock Exchanges read with Rule 19A of the SCRR, the Acquirers hereby undertake that the promoter group shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding.

3.2.9 Further, the Acquirers shall not be eligible to make a voluntary delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2009, unless a period of twelve months have elapsed from the date of completion of the offer period as per regulation 7(5) of the SEBI (SAST) Regulations. 2011.

3.3 Object of the acquisition/Offer

3.3.1 The object and purpose of the Acquirers for making this Open Offer is to increase holding of Promoter/Promoter Group in the Target Company which shall achieve substantial acquisition of equity shares and voting capital, accompanied with effective management control over the Target Company after completion of Open Offer.

3.3.2 The Acquirers may diversify the business of the Target Company and may also set up a plant to manufacture Pre Painted Galvanized Sheets in future. However, depending on the requirements and expediency of the business situation and subject to the provisions of the Companies Act, 1956, Memorandum and Articles of Association of DMCL and all applicable laws, rules and regulations, the Board of Directors of DMCL will take appropriate business decisions from time to time in order to improve the performance of the Target Company. The Acquirers cannot ascertain the repercussions, if any, on the employees and locations of the business place of Target Company.

3.3.3 The Acquirers reserves the right to streamline/restructure its holding in the Target Company and/or the operations, assets, liabilities and/or business of the Target Company, through arrangements, reconstructions, restructurings, mergers, sale of assets or undertakings and/or renegotiation or termination of existing contractual /operating arrangements, at a later date. Such decisions will be taken in accordance with procedures set out by applicable law and pursuant to business requirements and in line with opportunities or changes in the economic scenario, from time to time and with approval of Board of Directors.

3.3.4 The Acquirers may dispose-off or otherwise encumber any assets or investments of the Target Company, through sale, lease, reconstruction, restructuring (including but not limited to amalgamation and/or demerger with its group companies) and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalizing the assets, investments or liabilities of the Target Company and/or it subsidiaries, to improve operational efficiencies and for other commercial reasons. The board of directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company

4. BACKGROUND OF THE ACQUIRERS

4.1 **Mr. Rahul M. Timbadia**

4.1.1 Mr. Rahul M. Timbadia, S/o. Mr. Maganlal Timbadia, aged 63 years is an Indian Resident residing at 601, Crystal Apt, Plot No. 31, N.S.Road No.3, Shree Vallabh Nagar Society, JVPD Scheme, Vile Parle (West), Mumbai – 400 056.

4.1.2 He is BSc, LLB and has completed Diploma in Entomology. He is having more than 40 years of experience in steel business and real estate development and belongs to the Latim Group.

4.1.3 CA Ravi Kumar Seth (Membership No. 016808, FRN. 108757W), Proprietor of Ravi Seth & Co. Chartered Accountants, having his office at 1st Floor, Nirant, Opp. Joy Villa, 19th Road, Khar (West), Mumbai - 400052 has certified and confirmed that the individual Net Worth of Mr. Rahul M. Timbadia as on February 28, 2013 is Rs.13,05,78,000/- (Rupees Thirteen Crore Five Lacs and Seventy Eight Thousand Only).

4.1.4 As on the date of this LOO, he does not hold any positions on the Board of Directors in any listed company except the following:

✓ Drillco Metal Carbides Limited i.e. Target Company

4.1.5 As on the date of this LOO, he is not a whole time director in any Company except the following:

✓ La Tim Lifestyle & Resorts Limited

✓ Saj Hotels Pvt Ltd and

✓ La Tim Sourcing (India) Pvt Ltd

4.2 **Mr. Kartik M. Timbadia**

4.2.1 Mr. Kartik M. Timbadia, S/o. Mr. Maganlal Timbadia, aged 61 years is an Indian Resident residing at 901, Kalapana Apartments, Plot No. 69/A, 11th Road, Opp Ramkrishna Mission, Khar (West), Mumbai – 400 052.

4.2.2 He is a B.Com from Siddharth College of Commerce, University of Bombay and has more than 40 years of experience in steel business and real estate development and belongs to the Latim Group.

4.2.3 CA Ravi Kumar Seth (Membership No. 016808, FRN. 108757W), Proprietor of Ravi Seth & Co. Chartered Accountants, having his office at 1st Floor, Nirant, Opp. Joy Villa, 19th Road, Khar (West), Mumbai - 400052 has certified and confirmed that the individual Net Worth of Mr. Kartik M. Timbadia as on February 28, 2013 is Rs. 6,87,37,000/- (Rupees Six Crores Eighty Seven Lacs and Thirty Seven Thousand Only).

4.2.4 As on the date of this LOO, he does not hold any positions on the Board of Directors in any listed company except the following:

✓ Drillco Metal Carbides Limited i.e. Target Company

4.2.5 As on the date of this LOO, he is not a whole time director in any Company except the following:

✓ La Tim Lifestyle & Resorts Limited

✓ Saj Hotels Pvt Ltd and

✓ La Tim Sourcing (India) Pvt Ltd

4.3 **Mr. Parth R. Timbadia**

4.3.1 Mr. Parth R. Timbadia, S/o. Mr. Rahul Timbadia, aged 32 years is an Indian Resident residing at 701, Crystal Apt. Plot No. 31, Vallabh Nagar Society, N.S. Road No. 3, JVPD Scheme, Vile Parle (W), Mumbai – 400056.

4.3.2 He is a Bachelor in Business Administration (B.B.A) from Oglethorpe University, Atlanta, USA and has 4 years of experience in Construction & Development and belongs to the Latim Group.

4.3.3 CA Ravi Kumar Seth (Membership No. 016808, FRN. 108757W), Proprietor of Ravi Seth & Co. Chartered Accountants, having his office 1st Floor, Nirant, Opp. Joy Villa, 19th Road, Khar (west), Mumbai - 400052 has certified and confirmed that the individual Net Worth of Mr. Parth R. Timbadia as on February 28, 2013 is Rs. 4,64,53,000/- (Rupees Four Crores Sixty Four Lacs and Fifty Three Thousand Only).

4.3.4 As on the date of this LOO, he does not hold any positions on the Board of Directors in any listed company except the following:

✓ Drillco Metal Carbides Limited i.e. Target Company

4.3.5 As on the date of this LOO, he is not a whole time director in any Company except the following:

✓ La Tim Lifestyle & Resorts Limited

4.4 **Mrs. Jalpa K. Timbadia**

4.4.1 Mrs. Jalpa K. Timbadia, W/o. Mr. Karna Timbadia, aged 29 years is an Indian Resident residing at 901, Kalapana, 69A, 11th Road, Opp Ramkrishna Mission, Khar (West), Mumbai – 400 052.

4.4.2 She is a Bachelor of Home Science from Shreemati Nathibai Damodar Thackersey Women's University, Mumbai and has an experience in educational and teaching field since last 6 months and belongs to the Latim Group.

4.4.3 CA Ravi Kumar Seth (Membership No. 016808, FRN. 108757W), Proprietor of Ravi Seth & Co. Chartered Accountants, having his office at 1st Floor, Nirant, Opp. Joy Villa, 19th Road, Khar (west), Mumbai - 400052 has certified and confirmed that the individual Net Worth of Mrs. Jalpa K. Timbadia as on February 28, 2013 is Rs 1, 35, 34, 610/- (Rupees One Crore Thirty Five Lacs Thirty Four Thousand and Six Hundred Ten only).

4.4.4 As on the date of this LOO, she does not hold any position on the Board of Directors of any listed company. Further, she is also not a whole time director in any Company.

4.5 **La Tim Sourcing (India) Private Limited**

4.5.1 La Tim Sourcing (India) Private Limited was incorporated on December 21, 2000 under the Companies Act 1956 with the Registrar of Companies, Mumbai. The Registered Office of Company is situated at 201, Navkar Plaza, 3rd Floor, Bajaj Road, Vile Parle (West), Mumbai - 400056.

4.5.2 The Authorized Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores Only) comprising of 50,00,000 equity shares of Rs. 10/- each. The total issued, subscribed and paid-up equity share capital of the Target Company is Rs. 2,02,00,200/- (Rupees Two Crores Two Lakhs and Two Hundred Only) comprising of 20,20,020 equity shares of Rs 10/- each. (Source: Annual Accounts of March 31, 2012).

4.5.3 The Company is engaged in the business of trading of plain and corrugated steel sheets.

4.5.4 The Promoters and Key Shareholders of the Company are Mr. Rahul M. Timbadia, Mr. Karna Timbadia and Mr. Kartik M. Timbadia.

4.5.5 The Company is a Promoter Group Company and belongs to the Latim Group.

4.5.6 The Shareholding Pattern of the Company, as on date, is as under:

Sr. No	Shareholders Category	No of Shares held	% of total share capital
1	Promoters	20,12,360	99.62
2	Promoter Group	7,660	0.38
3	FII/Mutual Funds/FIs/ Banks	-	-
4	Public	-	-
	Total Paid Up Capital	**20,20,020**	**100**

4.5.7 The details of the directors on the board of directors of the Company are as follows:

Sr. No	Name	DIN	Date of Appointment	Designation (Whole time director / Independent director)	Details of qualifications	Details of Experience
1	Mr. Rahul M. Timbadia	00691457	21.12.2000	Whole Time Director	BSc, LLB and Diploma in Entomology	More than 40 years of experience in steel business and real estate development
2	Mr. Kartik M. Timbadia	00473057	11.06.2003	Whole Time Director	B.Com	More than 40 years of experience in steel business and real estate development
3	Mr. Parth R. Timbadia	00472975	21.12.2011	Director	B.B.A (USA)	4 years of experience in Construction & Development
4	Mr. Karna K. Timbadia	01753308	28.12.2012	Director	HSC and Diploma in Hotel Management	Having experience in Hotel Industry.

4.5.8 Mr. Rahul M. Timbadia, Mr. Kartik M. Timbadia, Mr. Parth R. Timbadia, the Directors in La Tim Sourcing (India) Private Limited are also on the Board of Director of the Target Company .

4.5.9 The Key financial information of the Acquirer, as obtained from its audited financial statements as at and for the 12 months period ended March 31, 2010, March 31, 2011 and March 31, 2012 and the unaudited financial results for the 12 months period ended March 31, 2013 duly certified by the Statutory Auditor are as under:

Profit & Loss Account

(Rs. in Lacs)

Sr. No.	Particular	Year Ended 31.03.2013 (Unaudited)*	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2010 (Audited)
1	Income from Operations	4606.47	2158.37	2576.69	688.13
2	Other Income	22.99	3.48	4.93	1.51
3	**Total Income**	**4629.46**	**2161.85**	**2581.62**	**689.64**
4	Total Expenditure	4402.87	2025.65	2520.92	673.25
5	**Profit / (Loss) before Depreciation, Interest, Exceptional Items and Tax**	**226.59**	**136.20**	**60.70**	**16.39**
6	Depreciation	13.04	6.75	3.36	0.02
7	Interest	15.64	74.83	24.46	1.37
8	**Profit/(Loss) before Tax**	**197.91**	**54.62**	**32.88**	**15.01**
9	Provision for Tax	60.00	17.92	10.88	6.20
10	Taxes of Earlier Taxes	-0.05	0.01	3.62	0.00
11	**Profit/(Loss) after Tax**	**137.96**	**36.70**	**18.38**	**8.81**

Balance Sheet Statement (as per the old Schedule VI format)

(Rs. in Lacs)

Sr. No.	Particular	Year Ended 31.03.2013 (Unaudited)*	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2010 (Audited)
	Sources of funds	Separately provided as per revised Schedule VI Format	Separately provided as per revised Schedule VI Format		
1	Paid up equity share capital			202.00	202.00
2	Reserves and Surplus			56.15	37.77
3	***Networth***			***258.15***	***239.77***
4	Secured loans			152.53	238.76
5	Unsecured loans			0.00	28.50
	Total			**410.68**	**507.04**
	Uses of funds				
1	Net fixed assets			22.35	0.07
2	Investments			15.63	1.25
3	Net current assets			372.30	505.70
4	Deferred Tax Assets			0.39	0.02
5	Miscellaneous expenditure not written off			0.00	0.00
6	**Total**			**410.68**	**507.04**

Balance Sheet Statement (as per the revised Schedule VI format)

(Rs. in Lacs)

Particulars	Year ended 31.03.2013 (Unaudited)*	Year ended 31.03.2012 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	202.00	202.00
Reserves and surplus	230.80	92.85
	432.80	**294.85**
Non-Current Liabilities		
Long-term borrowings	6.76	10.52
Other Long term liabilities	0.93	0.00
Long-term provisions	0.00	0.00
	6.76	**10.52**
Current Liabilities		
Short-term borrowings	82.24	48.90
Trade payables	586.64	673.19
Other current liabilities	7.13	37.40
Short-term provisions	60.00	8.08
	736.02	**767.58**
Networth	**432.80**	**294.85**
TOTAL	**1175.58**	**1072.94**
ASSETS		
Non-Current Assets		
Fixed assets		
Tangible assets	163.54	21.33
Intangible assets	0.00	0.00
Capital work-in-progress	0.00	0.00
Non-current investments	1.25	1.25
Long-term loans and advances	7.50	12.70
Other non-current assets	0.00	0.00
Deferred Tax Assets (Net)	1.88	1.88
	174.17	**37.16**
Current Assets		
Current Investments	241.92	7.78
Inventories	501.55	536.92
Trade receivables	30.09	283.57
Cash and cash equivalents	92.52	126.68
Short-term loans and advances	135.34	80.19
Other Current Assets	0.00	0.64
	1001.42	**1035.78**
TOTAL	**1175.58**	**1072.94**

Other Financial Data

Sr. No.	Particular	Year Ended 31.03.2013 (Unaudited)*	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2010 (Audited)
1	Dividend (%)	0%	0%	0%	0%
2	Earning Per Share (in Rs.)	0.06	(0.21)	0.74	(0.01)

**Certified by the Statutory Auditor*

4.5.10 There are no major contingent liabilities of the Company.

4.5.11 The equity shares of the Company are not listed at any Stock Exchange.

4.6 Acquirers are person acting in concert with each other for this Open Offer.

4.7 The Acquirers have not entered into any formal agreement with respect to the acquisition of shares through this Offer and are acting together under an informal understanding.

4.8 Mr. Rahul M. Timbadia and Mr. Kartik M. Timbadia are brothers and Mr. Parth R. Timbadia is son of Mr. Rahul M. Timbadia and Mrs. Jalpa K. Timbadia is daughter -in-law of Mr. Kartik M. Timbadia and La Tim Sourcing (India) Private Limited is a group company promoted by Mr. Rahul M. Timbadia and Mr. Kartik M. Timbadia.

4.9 The details of earlier Open Offer and acquisition are as follows:

a) The Target Company was originally promoted by Mr. Ramesh Khanna, Mrs. Kavita Khanna, Ms Gayatri Khanna, Ms. Shalini Khanna and Mr. Sriram Narayan.

On January 07, 2010, Mr. Rahul M Timbadia had acquired 3,18,300 equity shares representing 14.51% from the erstwhile Promoter/ Promoter Group of the DMCL as an off market transaction. He entered into a Share Purchase Agreement on January 09, 2010 with Mr. Ramesh Khanna, Mrs. Kavita Khanna and Mr. Sriram Narayan, belonging to the erstwhile Promoter/Promoter Group, to acquire 2,84,600 equity shares representing 12.97% of the total paid up capital of the Company. In compliance with Regulation 10 and 12 of SEBI (Substantial Acquisition of Shares & Takeover) Regulations, 1997, Mr. Rahul M Timbadia made an Open Offer to the equity shareholders of the Target Company vide Public Announcement dated January 13, 2010 to acquire upto 9,87,469 equity shares of Rs. 10/- each representing 45% of the paid up capital and voting rights of the Target Company which was opened on Tuesday, March 30, 2010 and closed on Monday, April 19, 2010.

The Share Purchase Agreement was acted upon and shares were transferred to Mr. Rahul M Timbadia and also 1,35,350 equity shares of Rs. 10/- each representing 6.17% was acquired by him in the Open Offer thereby, resulting in increase in his holding to 7,38,250 equity shares representing 33.64% of the total paid up capital of the Target Company and also the Management Control of the Target Company has been taken over by Mr. Rahul M Timbadia.

b) The following are the acquisition made by the Acquirers in the Target Company till date of this Letter of Offer:

Name of Acquirer	No. of Shares Acquired	% of the Acquired Shares	Date of Acquisition	Mode of Acquisition	Highest Price Paid (per share in Rs.)*	Total Consideration (in Rs.)*
Rahul M. Timbadia	3,18,300	14.51	07.01.2010	Off Market	2.50	7,95,750
	2,84,600	12.97	20.04.2010	Share Purchase Agreement	2.50	7,11,500
	1,35,350	6.17	18.05.2010	Under Open Offer	2.50	3,38,375
Kartik M. Timbadia	23,400	1.07	13.08.2012	Off Market	14.00	3,27,600
	56,110	2.56	13.05.2013	Market	29.75	16,69,273
	600	0.03	16.05.2013	Market	28.95	17,370
Parth R. Timbadia	1,075	0.05	20.06.2012	Off Market	11.00	11,825
	9,900	0.45	20.05.2013	Market	28.95	2,86,605
Jalpa K. Timbadia	20,000	0.91	13.08.2012	Off Market	14.00	2,80,000
	1,800	0.08	21.05.2013	Market	28.25	52,110
	4,999	0.23	23.05.2013	Market	28.95	1,44,721
	78,911	3.60	24.05.2013	Market	29.65	23,39,711
La Tim Sourcing (India) Private Limited	1,100	0.05	18.02.2013	Market	25.85	28,435
	1,600	0.07	01.03.2013	Market	25.80	41,280
	4,574	0.21	11.03.2013	Market	24.70	1,12,978
	250	0.01	15.03.2013	Market	28.50	7,125
	585	0.03	20.03.2013	Market	30.45	17,647
	100	0.00	22.03.2013	Market	26.50	2,650
	600	0.03	22.03.2013	Market	25.30	15,180
	435	0.02	25.03.2013	Market	24.05	10,462
	10,000	0.46	05.04.2013	Market	25.25	2,52,500
	35,000	1.59	10.04.2013	Market	26.50	9,27,500
	5,000	0.23	11.04.2013	Market	27.80	1,39,000
	400	0.02	10.05.2013	Market	28.35	11,340
	75,000	3.42	13.05.2013	Market	29.75	22,31,250
	10,000	0.46	20.05.2013	Market	27.70	2,77,000
	75,000	3.42	24.05.2013	Market	29.65	22,23,750
TOTAL	**11,54,689**	**52.62**				**1,32,72,937**

** In case of Market Purchases, rates and consideration are excluding of Brokerage and other applicable Charges*

4.10 The Acquirers has filed the following disclosures for the acquisition made by them in the Target Company, under the provisions of Chapter II of SEBI (SAST) Regulations, 1997 and Chapter V of SEBI (SAST) Regulations, 2011:

a) Mr. Rahul M Timbadia

Sr. No	Regulation/ Sub-Regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations	Remarks
1.	7(1)	11-Jan-10	08-Jan-10	-	Complied	-
2.	8(2)	21-Apr-11	05-Apr-11	-	Complied	-
3.	30(2)	12-Apr-12	12-Apr-12	0	Complied	-
4.	30(2)	09-Apr-13	09-Apr-13	0	Complied	-

However, no records are available for the disclosures under SEBI (SAST) Regulations, 1997 for 3,18,300 equity shares representing 14.51% acquired by him vide Share Purchase Agreement dated January 09, 2010 and for 2,84,600 equity shares representing 12.97% acquired by him under Open Offer made vide Public Announcement dated January 13, 2010.

b) Mr. Kartik M. Timbadia

Sr. No	Regulation/ Sub-Regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations	Remarks
1.	29(2)	16-Aug-12	16-Aug-12	0	Complied	Nil
2.	29(2)	15-May-13	15-May-13	0	Complied	Nil
3.	30(2)	09-Apr-13	09-Apr-13	0	Complied	-

c) Mr. Parth R. Timbadia

Sr. No	Regulation/ Sub-Regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations	Remarks
1.	29(2)	16-Aug-12	16-Aug-12	0	Complied	-
2.	30(2)	09-Apr-13	09-Apr-13	0	Complied	-

d) Mrs. Jalpa K. Timbadia

Sr. No	Regulation/ Sub-Regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations	Remarks
1.	29(2)	16-Aug-12	16-Aug-12	0	Complied	-
2.	29(2)	28-May-13	25-May-13	0	Complied	-
3.	30(2)	09-Apr-13	09-Apr-13	0	Complied	-

e) La Tim Sourcing (India) Private Limited

Sr. No	Regulation/ Sub-Regulation	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations	Remarks
1.	29(2)	NA	20-Feb-13*	-	Complied	-
2.	29(2)	NA	04-Mar-13*	-	Complied	-
3.	29(2)	NA	14-Mar-13*	-	Complied	-
4.	29(2)	NA	20-Mar-13*	-	Complied	-
5.	29(2)	NA	29-Mar-13*	-	Complied	-
6.	29(2)	NA	10-Apr-13*	-	Complied	-
7.	29(2)	NA	16-Apr-13*	-	Complied	-
8.	29(2)	NA	16-Apr-13*	-	Complied	-
9.	29(2)	15-Apr-13	16-Apr-13	1	Complied	-
10.	29(2)	NA	16-Apr-13*	-	Complied	-
11.	29(2)	15-May-13	15-May-13	0	Complied	-
12.	29(2)	28-May-13	25-May-13	-	Complied	-
13.	30(2)	09-Apr-13	09-Apr-13	0	Complied	-

* Not due however disclosure is made to Stock Exchange

Sebi may take possible action against the promoter for the delay in compliance with the provisions of regulation 29(2) for the year 2013 of SEBI (SAST) Regulations, 2011

4.11 The Acquirers has confirmed that the contents of the public announcement, the detailed public statement, and the letter of offer are true, fair and adequate in all material aspects and not misleading in any material particular and also ensure the same for the post-offer advertisement and are based on reliable sources, and the source are stated wherever necessary

5. BACKGROUND OF THE TARGET COMPANY - DRILLCO METAL CARBIDES LIMITED

5.1 Drillco Metal Carbides Limited was originally incorporated on November 28, 1974 as Drillco Metal Carbides Private Limited with Registrar of Companies, Maharashtra, Bombay. The name of the company was changed from Drillco Metal Carbides Private Limited to Drillco Metal Carbides Limited and had consequently obtained fresh certificate of incorporation on August 22, 1975. The Target Company was incorporated with an object of carrying business of manufacturing, buying, selling and dealing in tungsten carbide products. However, the operations of the Target Company are standstill since August 2001. (Source: Letter of Offer dated March 23, 2010).

5.2 The Registered Office of the Target Company is situated at 301/302, Navkar Plaza, Bajaj Road, Vile Parle (West), Mumbai 400 056.

5.3 The Authorized Share Capital of the Target Company is Rs.5,00,00,000/- (Rupees Five Crores Only) comprising of 45,00,000 equity shares of Rs. 10/- each and 5,00,000 Redeemable Preference Shares of Rs. 10/- each. The total Issued, Subscribed and Paid-up Equity Share Capital of the Target Company is Rs. 2,19,43,750/- (Rupees Two Crores Nineteen Lakhs Forty Three Thousand and Seven Hundred Fifty Only) comprising of 21,94,375 equity shares of Rs 10/- each fully paid up. (Source: Annual Accounts of March 31, 2012).

5.4 The share capital structure of the Target Company is as follows:

Paid up Equity Shares of DMCL	No. of equity shares/ voting rights	% of Shares / voting rights
Fully paid-up equity shares	2194375	100
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	2194375	100
Total voting rights	2194375	100

5.5 The equity shares (ISIN: INE501N01012) of the Target Company are currently listed at BSE Limited, Mumbai ("BSE") and Pune Stock Exchange Limited ("PSE").

5.6 Based on the information available on the BSE website, the equity shares of DMCL are infrequently traded within the meaning of Regulation 2(1) (j) of SEBI (SAST) Regulations. However, no information is available from PSE.

5.7 There are no outstanding warrants/ convertible securities and/or partly paid-up shares in the Target Company. (Source: Annual Accounts of March 31, 2012).

5.8 Trading of the equity shares is not currently suspended on BSE Limited. (Source: BSE website)

5.9 There are no equity shares which are not listed with BSE Limited.

5.10 The composition of the Board of Directors of DMCL is as follow:

Name of Director	Designation (Whole time director / independent director)	Date of Appointment
Mr. Rahul M. Timbadia	Director	26.10.2007
Mr. Kartik M. Timbadia	Director	10.05.2010
Mr. Parth R. Timbadia	Director	26.10.2007
Mr. Ramesh Khanna	Director	13.05.2006
Mr. Ashok Kumar Deorah	Independent Director	11.04.2013
Mr. Praful Vora	Independent Director	11.04.2013

5.11 Mr. Rahul M. Timbadia, Mr. Kartik M. Timbadia and Mr. Parth R. Timbadia are representing Acquirers on the Board of Directors of the Target Company and they shall not participate in any deliberations of the board of directors of the Target Company or vote on any matter in relation to the open offer.

5.12 SEBI may take possible action against the Target Company for the delay in compliance with the provisions of Regulation 7(3) for the year 2010 of SEBI (SAST) Regulations, 1997.

5.13 Audited financial information of DMCL for the Financial Year ended March 31, 2010, 2011 and 2012 and unaudited financial information as reviewed by statutory auditor for 9 months period ended December 2012 are given below:

Profit & Loss Account

(Rs. in Lacs)

Sr. No.	Particular	9 Month Ended 31.12.2012	Year Ended 31.03.2012	Year Ended 31.03.2011	Year Ended 31.03.2010
		(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income from Operations	0.00	0.00	0.00	0.00
2	Other Income	0.00	0.00	0.00	0.00
3	**Total Income**	**0.00**	**0.00**	**0.00**	**0.00**
4	Total Expenditure	1.75	12.31	9.63	4.88
5	**Profit / (Loss) before Depreciation, Interest, Exceptional Items and Tax**	**-1.75**	**-12.31**	**-9.63**	**-4.88**
6	Depreciation	0.03	0.04	0.00	0.00
7	Interest	8.54	21.48	0.04	0.18
8	**Profit/(Loss) before Tax**	**-10.32**	**-33.83**	**-9.67**	**-5.06**
9	Provision for Tax	0.00	0.00	0.00	0.00
11	**Profit/(Loss) after Tax**	**-10.32**	**-33.83**	**-9.67**	**-5.06**

Balance Sheet Statement (as per the old Schedule VI format)

(Rs. in Lacs)

Sr. No.	Particular	9 Month Ended 31.12.2012	Year Ended 31.03.2012	Year Ended 31.03.2011	Year Ended 31.03.2010
		(Unaudited)	(Audited)	(Audited)	(Audited)
	Sources of funds	Separately provided as per revised Schedule VI Format	Separately provided as per revised Schedule VI Format		
1	Paid up equity share capital			219.44	219.44
2	Reserves and Surplus (Excluding Revaluation Reserve)			-543.31	-533.64
3	Revaluation Reserve			170.12	170.12
4	***Networth***			**-323.87**	**-314.20**
5	Secured loans			0.00	0.00
6	Unsecured loans			355.38	325.23
7	Deferred Tax Liability			0.00	0.00
	Total			**201.63**	**181.15**
	Uses of funds				
1	Net fixed assets			227.53	227.53
2	Investments			0.00	0.00
3	Net current assets			-25.90	-46.38
5	Miscellaneous expenditure not written off			0.00	0.00
6	**Total**			**201.63**	**181.15**

Balance Sheet Statement (as per the revised Schedule VI format)

(Rs. in Lacs)

Particulars	9 Month ended 31.12.2012 (Unaudited)	Year ended 31.03.2012 (Audited)
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	219.44	219.44
Reserves and surplus	-619.53	-577.13
Revaluation Reserve	170.12	170.12
	-229.97	**-187.57**
Non-Current Liabilities		
Long-term borrowings	0.00	0.00
Deferred Tax Liabilities (Net)	0.00	0.00
Other Long term liabilities	0.00	0.00
Long-term provisions	0.00	0.00
	0.00	**0.00**
Current Liabilities		
Short-term borrowings	340.58	313.63
Trade payables	97.55	97.55
Other current liabilities	106.61	84.55
Short-term provisions	0.00	0.00
	544.74	**495.73**
Networth	**-400.09**	**-357.69**
TOTAL	**314.77**	**308.16**
ASSETS		
Non-Current Assets		
Fixed assets		
Tangible assets	227.96	227.53
Intangible assets	0.00	0.17
Capital work-in-progress	0.00	0.00
Non-current investments	0.00	0.00
Long-term loans and advances	0.00	0.00
Other non-current assets	0.00	0.00
	227.96	**227.70**
Current Assets		
Inventories	0.00	0.00
Trade receivables	70.95	70.95
Cash and cash equivalents	0.64	0.02
Short-term loans and advances	5.74	0.00
Other Current Assets	9.48	9.48
	86.81	**80.45**
TOTAL	**314.77**	**308.15**

Other Financial Data

Sr. No.	Particular	9 Month Ended 31.12.2012 (Unaudited)	Year Ended 31.03.2012 (Audited)	Year Ended 31.03.2011 (Audited)	Year Ended 31.03.2010 (Audited)
1	Dividend (%)	0%	0%	0%	0%
2	Earning Per Share (in Rs.)	-0.47	-1.54	-0.44	-0.23
3	Return on Networth (%)	Negative	Negative	Negative	Negative
4	Book Value Per Share (in Rs.)	-18.23	-16.30	-14.76	-14.32

5.14 Pre and Post Offer shareholding pattern of the Target Company is as per the following table:

Sr. No.		Shareholder Category	Shareholding & voting rights prior to the Agreement/ acquisition and offer		Shares/voting rights Agreed to be acquired which triggerd off the Regulations		Shares/voting rights acquired Post Public Announcement		Shares/Voting rights to be acquired in the open offer (assuming full acceptance)		Shareholding/ voting rights after the acquisition and Offer[2]	
			(A)		(B)		(C)		(D)		A+B+C+D = (E)	
			No.	%	No.	%	No.	%	No.	%	No.	%
1		**Promoter Group**										
	a	Parties to agreement if any	-	-	-	-	-	-	-	-	-	-
	b	Promoters other than (a) above	-	-	-	-	-	-	-	-	-	-
		Total 1 (a+b)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2		**Main Acquirers***										
	2.1	Rahul M Timbadia	738250	33.64	-	-	-	-	570538	26.00	1725227	78.62
	2.2	Kartik M Timbadia	23400	1.07	-	-	56710	2.58				
	2.3	Parth R Timbadia	1075	0.05	-	-	9900	0.45				
	2.4	Jalpa K Timbadia	20000	0.91	-	-	85710	3.91				
	2.5	La Tim Sourcing (India) Pvt Ltd	59244	2.70	-	-	160400	7.31				
		Total 2 (2.1+2.2+2.3+2.4+2.5)	**841969**	**38.37**	**-**	**-**	**312720**	**14.25**	**570538**	**26.00**	**1725227**	**78.62**
3		**Parties to Agreement other than (1)(a) & (2)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4		**Public (other than parties to Agreement, acquirers)**										
	a	Individuals	1048920	47.80	-	-	(312,720)	(14.25)	(570,538)	(26.00)	469,148	21.38
	b	Bodies Corporate (FIs / Banks / Insurance Co.)	227985	10.39	-	-						
	c	Qualified Foreign Investor (Relatives / NRI/OCB)	75100	3.42	-	-						
	d	Others (Hindu Undivided Families)	401	0.02	-	-						
		Total 4 (a+b+c+d)	**1352406**	**61.63**	**-**	**-**	**(312,720)**	**(14.25)**	**(570,538)**	**(26.00)**	**469,148**	**21.38**
		Grand Total (1+2+3+4)	**2194375**	**100.00**							**2194375**	**100.00**

* Belongs to the existing Promoter / Promoter Group of the Target Company.

Notes: (1) The data within bracket indicates sale of equity shares.

(2) May undergo change in case further acquisition is being made by the Acquirers during the period between the date of this Letter Of Offer till three working days prior to the commencement of the tendering period.

6. JUSTIFICATION OF OFFER PRICE

6.1 The equity shares of the Target Company are listed at BSE and PSE. The equity shares of the Target Company are infrequently traded on BSE within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations, based on the information available on the BSE website.

6.2 The annualized trading turnover of the equity shares traded during the twelve calendar months preceding April 2013, the month in which the PA was made, is as given below:

Sr. No.	Name of the Stock Exchange	Total no. of equity shares during the 12 calendar months preceding to April 2013	Total no. of equity share listed	Traded Turnover (in terms of % to total listed shares)
1.	BSE*	42,399	21,94,375	1.93%
2.	PSE**	Not Available	Not Available	Not Available

**(Source: www.bseindia.com); **Data not available*

6.3 The Offer Price of Rs. 30.45 (Rupees Thirty and Paise Forty Five Only) per equity share of Rs. 10/- each is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, after considering the following facts:

a.	Highest Negotiated Price under the Acquisition Agreement attracting the obligation to make an Open Offer	NA
b.	Volume weighted average price paid or payable by the Acquirers for acquisition during 52 weeks immediately preceding the date of Public Announcement	Rs. 20.96
c.	Highest Price paid or payable by the Acquirers for any acquisition during 26 weeks immediately preceding date of Public Announcement.	Rs. 30.45*
d.	Volume weighted average market price calculated for a period of 60 trading days preceding the date of Public Announcement, if shares are frequently traded	Not Applicable
e.	The price determined by taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	Rs. 14.46**
f.	The per share value computed under sub-regulation (5) of SEBI (SAST) Regulations	Not Applicable

** The price is excluding the brokerage and other charges.*

*** An extract of the report by Dave & Dave (Chartered Accountants) dated April 10, 2013 is reproduced below: The Fair Value of the equity shares is considered and based on the Supreme Court's Decision in the case of Hindustan Lever Employees; Union Vs. Hindustan Lever Limited (1995) reported at (83 Company Cases 30) wherein the Apex Court has opined that the fair value of a Listed Company could be assessed based on different weights and while considering this following has been taken into consideration.*

i) Book Value (BV) (ii) Profit Earning Capacity Value (PCEV) Method (iii) Market Value (MV) in the case of listed shares

a) The Book Value is a negative figure as on March 31, 2012, therefore the Book Value Method has not been considered in this case;

b) The Profit of the Company for the last 3 years March 2012, March 2011 and March 2010 are negative and hence the PCEV Method has also not been considered and

c) The shares of the Company are listed at BSE Limited ("BSE") and at Pune Stock Exchange Limited ("PSE"). Since the trading details of the shares are not available at PSE, we have considered data from BSE Limited only under this method for the valuation purpose. The shares of the Company are very thinly traded/ infrequently traded for the past 12 months i.e. April 2012 to March 2013 on BSE and hence 50% of the value has been considered for Market Value method.

We are of the opinion that based on the information as referred to hereinabove, the Fair Value of the equity shares of DRILLCO METAL CARBIDES LIMITED of Rs. 10/- each is Rs 14.46 per share.

6.4 The Offer Price of Rs. 30.45 each (Rupees Thirty and Paise Forty Five Only) per equity share is justified as it is more than the Price in terms of Regulations 8(2) of SEBI (SAST) Regulations. The Offer Price is denominated and payable in Indian Rupees only.

6.5 There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regualtion 8(9) of the SEBI (SAST) Regulations. (Source: BSE website)

6.6 The Acquirers shall disclose during the offer period, every acquisition made by them of any equity shares of the Target Company, to the Stock Exchanges and to the Target Company at its registered office within twenty-four hours of such acquisition in accordance with Regulation 18(6).

6.7 In case the Acquirers acquires or agrees to acquire any shares or voting rights in the Target Company during the offer period, whether by subscription or purchase, at a price higher than the Offer price, the offer price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations. However, the Acquirers shall not acquire any equity shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.

6.8 There has been no revision in the Offer Price or to the size of this Offer as on the date of this Letter of Offer.

6.9 An upward revision to the Offer Price or to the Offer Size, if any, on account of future purchases/ competing Offer or otherwise, may be done at any time prior to the commencement of the last 3 working days before the date of commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirers shall (i) make further deposit into the Escrow Account; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform BSE, PSE, SEBI and the Target Company at its Registered Office of such revision.

7. FINANCIAL ARRANGEMENTS

7.1 Assuming full acceptance of this Offer, the total requirement of funds for this Offer is Rs 1,73,72,867/- (Rupees One Crore Seventy Three Lakhs Seventy Two Thousand and Eight Hundred Sixty Seven Only) ***("Offer Consideration").***

7.2 The Acquirers has adequate internal resources to meet the financial requirements of the Open Offer. No borrowings from any Bank/ Financial Institution such as NRIs or otherwise is envisaged by him. The Acquirers has made firm arrangement for financial resources required to complete the Open Offer in accordance with Regulation 25(1) of the SEBI (SAST) Regulations. The acquisition will be financed through his own internal resources.

7.3 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers has opened an Escrow Current Account as well as Fixed Deposit Escrow Account. Both accounts are part of Escrow Account which is in the name and style of ***"La Tim-Drillco- Escrow A/c-CCIL"*** with Oriental Bank of Commerce, having its Branch at Thakur Village, Kandivali (E), Mumbai - 400101 ***("Escrow Banker")*** and have deposited an amount of Rs. 45,00,000/- (Rupees Forty Five Lakhs Only) in cash, being more than 25% of the Maximum Consideration payable under this Offer.

7.4 The Acquirers has duly empowered and authorized **Chartered Capital and Investment Limited,** the Manager to the Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

7.5 CA Ravi Kumar Seth (Membership No. 016808, FRN. 108757W), Proprietor of Ravi Seth & Co. Chartered Accountants, having his office at 1st Floor, Nirant, Opp. Joy Villa, 19th Road, Khar (West), Mumbai - 400052 has certified and confirmed vide his Certificate dated April 11, 2013 that Mr. Rahul M. Timbadia, Mr. Kartik M. Timbadia, Mr. Parth R. Timbadia, Mrs. Jalpa K. Timbadia and La Tim Sourcing (India) Private Limited have sufficient liquid funds to meet the part of obligations under SEBI (SAST) Regulations.

7.6 In case of any upward revision in the Offer Price or the size of this Offer, the Cash Escrow amount shall be increased by the Acquirers prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

7.7 Based on the above, the Manager to the Offer is satisfied that firm financial arrangements for fund and money for payment through verifiable means are in place to fulfil the obligations of the Acquirers under the Offer.

7.8 In case the Acquirers acquire shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the offer price under these regulations, the Acquirers shall pay the difference between the highest acquisition price and the offer price, to all the shareholders whose shares were accepted in the open offer, within sixty days from the date of such acquisition.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 The offer is being made to all public shareholders of the Target Company, except the Acquirers and person acting in concert with the Acquirers, if any whether holding Equity shares in dematerialized form or physical form, registered or unregistered are eligible to participate in the Offer any time before closure of the tendering period. The Offer is subject to the terms and conditions set out in this LOO, the Form of Acceptance, PA, DPS and any other Public Announcements that may be issued with respect to the Offer.

8.2 The Letter of Offer (LOO) along with the Form of Acceptance shall be sent to all eligible Equity Shareholders / Beneficial Owners whose names appear in the register of members of the Target Company as on Identified Date i.e. Friday, May 24, 2013.

8.3 This Offer is also open to those persons who acquire the Equity Shares in the Target Company any time prior to the date of the Closure of the Tendering Period but are not registered Shareholders.

8.4 Accidental omission to dispatch the Letter of Offer to any Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Shareholder shall not invalidate this Offer in any way.

8.5 Applications in respect of tendered 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 this Offer. The applications in some of these cases may be forwarded (as per the discretion of the Acquirers) to the concerned statutory authorities for further action by such authorities.

8.6 The Acquirers shall 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.

8.7 Consideration for equity shares accepted would be paid in the name of first shareholder/ unregistered shareholder and will be intimated by the registered post/UPC to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

8.8 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations.

8.9 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Equity Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

8.10 Locked in Equity Shares: Regarding acceptance of Lock-in Shares, whether acquired pursuant to the agreement or the Offer, the same can be acquired to the Acquirers subject to continuation of the residual lock-in period in the hands of the Acquirers and there shall be no discrimanation in the acceptance of locked-in and not locked-in shares. To the best of our knowledge, the Target Company has no Equity Shares which are locked in.

8.11 The PA, DPS and LOO along with Form of Acceptance will be available on the SEBI website i.e. www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Equity Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date i.e. Friday, May 24, 2013, but before the Closure of Tendering Period, if they so desire, the Shareholders can also download the Letter of Offer and the Form of Acceptance-cum-Acknowledgement from SEBI website at www.sebi.gov.in, or obtain it from the Registrar to the Offer and send in their acceptances to the Registrar to the Offer by filling the same.

8.12 Incomplete acceptances, including non submission of necessary enclosures, if any, are liable to be rejected. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.

8.13 The acceptance of this offer is entirely at the discretion of the eligible Equity Shareholder(s) /Beneficial owner(s) of the Target Company. The Acquirers will not be responsible for any loss of share certificate(s) and the Offer acceptance documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.

8.14 In the event that the aggregate of the Equity Shares tendered in this Offer by the Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.

8.15 The Manager to the Offer further declares and undertakes that they will not deal in their own account in the equity shares of the Target Company during the Offer Period.

8.16 The Acquirers, Manager to the Offer or Registrar to the Offer accepts no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Share Transfer Deed etc, during transit and the Equity shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

8.17 **STATUTORY AND OTHER APPROVALS**

8.17.1 To the best of knowledge and belief of the Acquirers, as of the date of this LOO, there are no statutory approvals and/ or consent required to acquire the equity shares tendered pursuant to this Offer. However, if any other statutory approvals are required or become applicable prior to completion of this Offer; this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.

8.17.2 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserves the right to reject such Equity Shares tendered in this Offer.

8.17.3 Subject to the receipt of statutory approvals, if any, the Acquirers shall complete all procedures relating to this Offer within 10 working days from the Date of Closure of the Tendering Period to those equity shareholders whose share certificates and / or other documents are found valid and in order and are accepted for acquisition by the Acquirers.

8.17.4 If any of the statutory approval, are not met for reasons outside the reasonable control of the Acquirers, or in the event the statutory approvals are refused, the Acquirers, in terms of Regulation 23 of SEBI (SAST) Regulations, shall have a right to withdraw this Offer. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS is published and such announcement will also be sent to SEBI, the Stock Exchanges and the Target Company at its Registered Office.

8.17.5 In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant extension of time for the purpose of completion of this Offer, subject to the Acquirers agreeing to pay interest to the Equity Shareholders as directed by SEBI, in terms of regulation 18(11) of the SAST Regulations. However, where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirers have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

9.1 The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement will be mailed to, except the Acquirers and persons deemed to be acting in concert if any, (i) all the Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; and (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date. The Equity Shares and all other relevant documents should be sent to the Registrar to the Offer and not to the Acquirers or to DMCL or to the Manager to the Offer.

9.2 Shareholders who are holding Equity Shares in physical form:

9.2.1 Beneficial owner and shareholders holding shares in physical form, who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post/ courier, as the case may be, so as to reach them on or before 1700 hours upto the date of Closure of the Tendering Period i.e. **Thursday, June 20, 2013.**

9.2.2 Form of Acceptance along with self attested copy of PAN Card of all the transferor(s), duly completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with DMCL.

- Relevant Original Share Certificate(s).
- Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing in the Register of Members of DMCL or on the Share Certificate issued by DMCL) as per the specimen signature(s) lodged with DMCL and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognised stock exchanges with membership number). Please do not fill in any other details in the Share Transfer Deed. In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer as mentioned hereafter.
- Where the Transfer Deed(s) are executed by Constituted Attorney, attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer.
- Notwithstanding that the signature(s) of the transferor(s) has 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 in this Offer.
- In case of registered Shareholders in whose respect, the aforesaid documents have not been received, but the original share certificate(s) and duly signed transfer form(s) have been received, the Offer shall be deemed to have been accepted.

9.3 Shareholders who are holding Equity Shares in Dematerialised Form: Beneficial owners and shareholders holding shares in the dematerialised form, will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on or before 1700 hours up to the date of Closure of the Tendering Period i.e. **Thursday, June 20, 2013** along with:

9.3.1 A Form of Acceptance- cum- Acknowledgement, duly completed and signed in accordance with the instructions contained therein by sole/all shareholders whose names appear (in case of joint holdings) in the same order in which their names appear in their beneficiary account;

9.3.2 A photocopy of the delivery instructions in **"Off-market"** mode or counterfoil of the delivery instruction in **"Off-market"** mode, duly acknowledged by the Depository Participant ("DP"), in favour of **"SCSPL-Drillco Open Offer-Escrow A/c"** ("Depository Escrow Account") filled in as per the instructions given below:

DP Name	IL&FS Securities Services Limited
DP ID	IN300095
Client ID No.	11674533
Account Name	SCSPL-Drillco Open Offer-Escrow A/c
Depository	National Securities Depository Limited (NSDL)

Note: The Shareholders having their beneficiary account in CDSL shall use the inter-depository instruction for the purpose of crediting their Equity Shares in favour of the Depository Escrow Account with NSDL.

Delivery Instructions: Special attention should be paid to the following:

9.3.3 Beneficial owners, who hold equity shares of DMCL in dematerialized form, are required to execute an **"off-market"** trade by tendering the Delivery Instruction for debiting their beneficiary account with their concerned depository participant and crediting the above-mentioned account. The credit in the Depository Escrow Account should be received on or before the Closure of the Tendering Period; i.e. **Thursday, June 20, 2013** else the application would be rejected.

9.3.4 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.

9.3.5 The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Depository Escrow Account before the Closure of the Tendering Period is liable to be rejected.

9.3.6 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

9.4 In case the equity shares are held by a Company / Body Corporate, then a Certified True Copy of a valid Board Resolution giving authority and Certified True Copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

9.5 In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court.

9.6 **Special Note for shareholders who have sent their Shares for Dematerialisation:** Shareholders who have sent their physical shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Escrow Depository Account can be received on or before 1700 hours up to the Closure of the Tendering Period i.e. **Thursday, June 20, 2013** else the application would be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Shareholder's DP, the Shareholder can withdraw its dematerialization request and tender the share certificate (s) in this Offer as per the procedure mentioned in paragraph 9.2 above.

9.7 In case of non-receipt of Letter of Offer, the eligible shareholders may send his / her / their applications to the Registrar to the Offer on the address mentioned in Para 9.13, **on a plain paper** stating the **name, address, number of equity shares held, folio number(s), certificate number(s), distinctive number(s), and number of shares** tendered along with the relevant documents as mentioned hereinabove, so as to reach them on or before **1700 hours** up to the date of Closure of the Tendering Period i.e. **Thursday, June 20, 2013.**

9.8 Persons who own equity shares of DMCL any time prior to the date of Closure of the Tendering Period, but are not registered holders, can tender their equity shares for purchase by the Acquirers, by communicating his / her / their desire to tender, in writing to the Registrar to the Offer and obtain from them a copy of the Letter of Offer, the Application Form and Transfer Deed(s) and lodge the same along with the relevant Share Certificate(s) and other documents, as mentioned hereinabove together with the Original Contract Note issued by a Registered Stock Broker of a Recognised Stock Exchanges, only at the address of Registrar to the Offer as mentioned in para 9.13.

9.9 An unregistered shareholder can send his / her / their application to the Registrar to the Offer on the address mentioned in para 9.13, on a **plain paper** stating the name, address, number of shares held, folio number(s), certificate number(s), distinctive number(s) and number of equity shares tendered along with the relevant documents as mentioned hereinabove, so as to reach them **on or before 1700 hours on Thursday, June 20, 2013.**

9.10 No indemnity is required from the unregistered shareholders.

9.11 In case the Share Certificate(s) and the instrument(s) of transfer are lodged for transfer with DMCL, then t**he Form of Acceptance** should be accompanied by (i) the Share Transfer Deed(s) and (ii) the acknowledgement of lodgement or receipt issued by DMCL to individual. Whereas the Transfer Deed(s) are executed by Constituted Attorney, also attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer along with the acknowledgement of lodgement or receipt issued by DMCL. In case the equity shares are lodged by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed along with **the Form of Acceptance** and the acknowledgement of lodgement or receipt issued by DMCL.

9.12 In case of shareholders who have not received the LOO and holding shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository Name, Depository ID, Client Name, Client ID, number of shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in Para 9.3.2 above, so as to reach the Registrar to the Offer on or before 1700 hours up to the date of Closure of the Tendering Period i.e. **Thursday, June 20, 2013.** Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

9.13 The following collection centre would be accepting the documents as specified above both in case of shares in Physical and Dematerialised Form

Name and Address of Registrar to Offer	Satellite Corporate Services Private Limited B-302, Sony Apartment, Opp. St. Jude's High School, 90 Feet Road, Jarimari, Sakinaka, Mumbai - 400072
Contact Person	Mr. Harish D
Tel. No.	022-28520461/ 28520462
Fax No.	022-28511809
E-mail	service@satellitecorporate.com
Mode of Delivery	Hand Delivery, Registered Post & Courier

Banking hours: **Monday to Friday** **11:00 to 17:00 hours**

Holidays: **Saturday, Sunday and Bank Holiday (s)**

9.14 All communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

9.15 The Form of Acceptance and instructions contained therein are integral part of this Letter of Offer.

9.16 The Acquirers, the Manager, Registrar and the Target Company shall not be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, Share certificate(s), Share transfer deed(s) or other documents.

9.17 The Registrar to the Offer will hold in trust the Shares / Share Certificates, shares lying in credit of the Special Depository Account, Form of Acceptance-cum-Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of DMCL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are despatched / returned.

9.18 The intimation of returned shares to the Shareholders will be sent at the address as per the records of DMCL / Depository as the case may be.

9.19 The securities transaction tax will not be applicable on shares accepted in the Open Offer.

9.20 In addition to the documents mentioned elsewhere in this Offer document, Non-resident shareholders **(NRIs / OCBs / FIIs)** who wish to tender their Equity Shares must submit the following additional documents along with the Form of Acceptance-cum-Acknowledgement:

a. Self attested copy of PAN Card

b. Appropriate No Objection Certificate (NOC) or Tax Clearance Certificate (TCC) from the Income Tax Authorities under sections 195(3) or 197 of the Income Tax Act, for deduction of tax at a lower or nil rates. In case the aforesaid No Objection Certificate / Tax Clearance Certificate is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholder. The Acquirers will send the proof of having deducted and paid the tax along with the payment consideration.

c. Tax Residency Certificate from Government of the Country or Specified Territory of which you are tax resident (containing the particulars as prescribed under the Income Tax Act)

d. Self attested declaration in respect of residential status, status of Shareholders (e.g. Individual, Firm, Company, FII, Trust, or any other-please specify)

e. In case of FII, FII Certificate(i.e. self attested declaration certifying that the investment in the Equity Shares has been made under the FII regime as per the SEBI (Foreign Institutional Investors) Regulations, 1995 and that the nature of income arising from the sale of Equity Shares as per the Income Tax Act is capital gains.

f. SEBI registration certificate for FII

g. RBI and other approval (s) obtained for acquiring the Equity Shares of the Target Company, if applicable.

h. In case of Non-resident equity shareholders, Foreigners, Foreign Companies and Foreign Institutional Investors, photocopies of the approval(s) by the Reserve Bank of India for acquiring and holding equity shares in DMCL.

9.21 **Compliance with Tax Requirement:**

a) **NRIs/ OCBs/ FIIs**

✓ In case No Objection Certificate or Tax Clearance Certificate is not submitted, the Acquirers will deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholder. The Acquirers will send the proof of having deducted and paid the tax along with the payment consideration.

✓ In the case, shares being acquired by La Tim Sourcing (India) Private Limited and being responsible for paying to non-residents (including FIIs/OCBs) any income by way of interest, is required to deduct tax at source (including, in the case of non-residents, surcharge and education cess as applicable).

✓ All other taxes as may be applicable including TDS or withholding tax as per Income Tax Act 1961 will be deducted at the time of making payment to the successful shareholders. For claiming any lesser tax deduction/ withholding tax all necessary documents to be provided well in advance before making payments to successful shareholders. In absence of the same the Tax deduction/ withholding tax will be deducted at maximum marginal rate.

b) **Resident Shareholder:** In case of acquisition made by individual acquirers, no TAX will be deducted. However, the acquirers will deduct Tax at the stipulated rate on interest, to the extent of the acquisition made by the corporate entity, if such interest amount payable exceeds Rs. 5,000.

9.21 **Acquirers will acquire up to 5,70,538 equity shares of Rs. 10/- each tendered in the Offer with valid applications.**

9.22 **Method of Settlement**

9.22.1. Payment to those Shareholders whose Equity Shares and other documents are found valid and in order and are approved by the Acquirers, will be by way of a Bankers "Cheque/ Demand Draft/ Direct Credit/ NECS/ NEFT/ RTGS", so as to avoid fraudulent encashment in transit. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). <u>For Equity Shares that are tendered in dematerialized form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment shall be processed with the said bank particulars and not from any details provided in the Form of Acceptance cum Acknowledgement.</u> The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares; and/or (ii) the Equity Share certificates for any rejected Equity Shares, will be dispatched to the Shareholders by registered / speed post or by ordinary post as the case may be*, at the Shareholders' sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

[Dispatches involving payment of a value in excess of Rs. 1,500 will be made by registered / speed post at the Shareholders' sole risk. All other dispatches will be made by ordinary post at the Shareholders' sole risk.]*

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

9.22.3. All bankers' cheques/demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque /demand draft.

9.22.4. The Acquirers shall endeavour to complete all procedures relating to the Offer within fifteen days from the expiry of the Tendering Period **(i.e. Thursday, July 04, 2013),** including payment of consideration to the shareholders of DMCL whose equity shares are accepted for purchase by the Acquirers.

9.22.5. In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant extension of time for the purpose of completion of this Offer, subject to the Acquirers agreeing to pay interest to the Equity Shareholders as directed by SEBI, in terms of regulation 18(11) of the SAST Regulations.

10. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at 418-C, "215 Atrium", Andheri Kurla Road, Andheri (East), Mumbai 400093 from 10:30 hours to 13:00 hours on any working day, except Saturdays, Sundays and Holidays until the Closure of the Tendering Period.

10.1 Memorandum of Understanding between Manager to the Offer i.e. **Chartered Capital and Investment Limited** and the Acquirers.

10.2 Copy of the agreement between the Registrar to Issue i.e. **Satellite Corporate Services Private Limited** and the Acquirers.

10.3 Certificate from CA Ravi Kumar Seth (Membership No. 016808, FRN. 108757w), Proprietor of Ravi Seth & Co. Chartered Accountants dated April 11, 2013 confirming that Mr. Rahul M. Timbadia, Mr. Kartik M. Timbadia, Mr. Parth R. Timbadia, Mrs. Jalpa K. Timbadia and La Tim Sourcing (India) Private Limited have sufficient liquid resources to fulfil the obligations under the SEBI (SAST) Regulations.

10.4 Audited Annual Reports of DMCL for years ended on March 31, 2012, 2011 and 2010 and unaudited limited review results for 9 months period ended December 2012.

10.5 Undertaking from the Acquirers, stating full responsibility for all information contained in the PA and the Letter of Offer.

10.6 Certificate from Oriental Bank of Commerce dated April 17, 2013 confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulations.

10.7 Memorandum and Articles of Association of Drillco Metal Carbides Limited.

10.8 Public Announcement dated April 12, 2013 and Detailed Public Statement which is published on April 22, 2013.

10.9 Certificate dated April 10, 2013 from Dave & Dave, Chartered Accountants (FRN: 102163W, Membership No. - 042889, having their office at– 316 Gold Mohur Building, 174 Princess Street, Mumbai 400002, regarding the Fair Valuation of the equity shares of Drillco Metal Carbides Limited.

10.10 Recommendation made by the committee of independent directors of Target Company in compliance with Regulation 26(7) of SEBI (SAST) Regulations.

10.11 Observation letter dated May 20, 2013 on the Draft Letter of offer filed with the Securities and Exchange Board of India.

10.12 A copy of the agreement with the depository participant for opening a special depository account for the purpose of the offer

11. DECLARATION BY THE ACQUIRER

11.1 The Acquirers namely Mr. Rahul M Timbadia, Mr. Kartik M Timbadia, Mr. Parth R Timbadia, Mrs. Jalpa K Timbadia and La Tim Sourcing (India) Private Limited and the Directors of La Tim Sourcing (India) Private Limited accepts full responsibility, severally and jointly, for the information contained in this Letter of Offer (except for the information regarding the Target Company which has been compiled from the publicly available information and information provided by the Target Company) and also for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof. The Acquirers is responsible for ensuring compliance with the SEBI (SAST) Regulations.

11.2 The information contained in this Letter of Offer is as of the date of this Letter of Offer, unless expressly stated otherwise.

Mr. Rahul M Timbadia **Mr. Kartik M Timbadia** **Mr. Parth R Timbadia** **Mrs. Jalpa K Timbadia**

For La Tim Sourcing (India) Private Limited

(Authorised Signatory)

Place: Mumbai
Date: Monday, May 27, 2013

12. ENCLOSURES

1. Form of Acceptance - cum- Acknowledgement
2. Blank Share Transfer Deed(s) (in the case shareholding is in physical mode)

FORM OF ACCEPTANCE - CUM - ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance with enclosures to the Registrar to the Offer)

OFFER OPENS ON	**Friday, June 07, 2013**
OFFER CLOSES ON	**Thursday, June 20, 2013**

Please read the Instructions overleaf before filling-in this Form of Acceptance

From :

Tel. No.: Fax No.:

Email:

FOR OFFICE USE ONLY
Acceptance Number :
Number of Equity Shares offered :
Number of Equity Shares accepted :
Purchase Consideration (Rs.) :
Cheque/Demand Draft/Pay Order No. :

To,
Mr. Rahul M. Timbadia, Mr. Kartik M. Timbadia, Mr. Parth R. Timbadia,
Mrs. Jalpa K. Timbadia and La Tim Sourcing (India) Private Limited
C/o. Satellite Corporate Services Private Limited
B-302, Sony Apartment, Opp. St. Jude's High School, 90 Feet Road, Jarimari, Sakinaka, Mumbai - 400 072.

Dear Sirs,

Sub: Open Offer to acquire up to 5,70,538 equity shares of Rs. 10/- each representing 26% of the total paid up capital / the voting share capital of Rs. 10/- each of Drillco Metal Carbides Limited (Target Company) at a price of Rs.30.45(Rupees Thirty and Paise Fourty Five only) per equity share by Mr. Rahul M. Timbadia, Mr. Kartik M. Timbadia, Mr. Parth R. Timbadia, Mrs. Jalpa K. Timbadia and La Tim Sourcing (India) Private Limited pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.

I/We, refer to the PA, DPS, the Letter of Offer dated Monday, May 27, 2013 for acquiring the equity shares held by me / us in **Drillco Metal Carbides Limited**

1. I/We, the undersigned have read the PA, DPS and the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
2. I/We, unconditionally offer to sell to Mr. Rahul M. Timbadia, Mr. Kartik M. Timbadia, Mr. Parth R. Timbadia, Mrs. Jalpa K. Timbadia and La Tim Sourcing (India) Private Limited (hereinafter referred to as the "Acquirers") the following equity shares in **DRILLCO METAL CARBIDES LIMITED** (hereinafter referred to as "DMCL"), held by me / us, at price of Rs. 30.45 per equity share.

SHARES HELD IN PHYSICAL FORM

3. I/We and enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my/ our equity shares as detailed below (please enclose additional sheet(s), if required).

Ledger Folio No.................................. Number of share certificates attached.....................................
Representing .... equity shares

Number of equity shares held in DMCL		**Number of equity shares offered**	
In figures	**In words**	**In figures**	**In words**

Sr. No.	**Share Certificate No.**	**Distinctive Nos.**		**No. of Equity Shares**
		From	**To**	
Total Number of Equity Shares				

Enclosures (✓ whichever is applicable)

- Duly attested power of attorney, if any person apart from the Shareholder, has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)
- Original Equity Share certificates
- Valid Equity Share transfer deed(s)
- Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorised signatories
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired;
- Self attested copy of PAN card of all the transferor(s)
- Other relevant documents (please specify)

For Resident Shareholders

I / We, have enclosed the following documents:

❑ Self attested copy of PAN card

❑ Other relevant documents (please specify)

SHARES HELD IN DEMATERLISED FORM

DP NAME	**DP I.D.**	**CLIENT I.D.**	**NO. OF SHARES OFFERED**	**NAME OF BENEFICIARY**

4. I/We have done an off market transaction for crediting the equity Shares to the special depository account in NSDL styled **"SCSPL-Drillco Open Offer-Escrow A/c"** ("Depository Escrow Account") details are as under:

DP Name	: **IL&FS Securities Services Limited**
DP ID	: IN300095
Client ID No.	: 11674533
Depository	: **National Securities Depository Limited**
Account Name	: SCSPL-Drillco Open Offer-Escrow A/c

Note: The Shareholders having their beneficiary account in CDSL shall use the common inter-depository instruction for the purpose of crediting their Equity Shares in favour of the Depository Escrow Account with NSDL

Enclosures (✓ whichever is applicable)

- Photocopy or counterfoil of the delivery instructions in "off market" mode duly acknowledged by the Shareholders "DP, in favour of the Depository Escrow Account
- Duly attested power of attorney, if any person apart from the Shareholder, has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)
- Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorised signatories
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired
- Other relevant documents (please specify)

5. I/We confirm that the Equity Shares, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever and are also not the subject matter of litigation, whereunder the transfer of Equity Shares may be prohibited during the pendency of such litigation.
6. I/We authorize the Acquirer to accept the Equity Shares so tendered by me/us or such lesser number of Equity Shares offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer. I/We further authorize the Acquirer to return to me/us, Equity Share certificate(s)/Equity Shares to the extent that the Equity Shares tendered by me /us are not accepted without specifying the reasons thereof, at my/our sole risk. I/We authorize the Acquirer/ Registrar to the Offer to split / consolidate the Equity Share certificates comprising the Equity Shares that are not acquired or accepted to be returned to me/us and for the aforesaid purposes the Acquirer / Registrar to the Offer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.
7. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I / We agree that the Acquirer may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of offer.
8. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are despatched to the shareholders, as the case may be.
9. I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of offer.
10. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
11. I/We authorize the Acquirer ,the Registrar to the Offer and the Manager to the Offer to send by Registered / Speed Post, as may be applicable (as described in the Letter of Offer) at my/our sole risk, the bankers? cheque/ demand draft/ direct credit/ NECS/ NEFT/ RTGS as consideration, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below. In case I have tendered my Equity Shares in dematerialized form, I authorize the Acquirer, the Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my DP for the purpose of mailing the aforementioned instruments

Bank Details

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

Sr. No.	Particulars Required	Details
I.	Name of the Bank	
II.	Name of the Branch with address	
III.	Account Type (Current Account/ Saving Bank/Others – please mention)	
IV.	Account No.	
V.	9 Digit MICR Code	
VI.	IFSC Code (for RTGS/NEFT/NECS transfers)	

The Permanent Account No. (PAN / GIR No.) allotted under the Income Tax Act, 1961 is as under:

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN / GIR No.			

Yours faithfully,

Signed and Delivered:

	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First / Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Note: In case of joint holdings all the holders must sign. In case of body corporate, stamp of the company should be affixed and necessary Board Resolution should be attached.

INSTRUCTIONS

PLEASE NOTE THAT NO EQUITY SHARES / FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT SHOULD BE SENT DIRECTLY TO THE ACQUIRER / THE PAC / THE TARGET COMPANY/ THE MANAGER TO THE OFFER

1. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
2. **Shareholders holding registered Equity Shares** in physical form should submit the Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by the holders of the Equity Shares, along with the original Equity Share certificate(s) and valid Equity Share transfer deed(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill in any other details in the Equity Shares transfer deed(s).
3. **Shareholders holding Equity Shares in dematerialised form** should submit the Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Equity Shares, as per the records of the DP. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only.
4. **In case of Equity Shares held in joint names,** names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement and in the Equity Shares transfer deed(s) as the order in which they hold Equity Shares in the Target Company and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer
5. **In case where the signature is subscribed by thumb impression,** the same shall be verified and attested 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
6. **Persons who own physical Equity Shares but are not the registered holders** of such Equity Shares and who desire to accept this Offer, will have to communicate their acceptance in writing to the Registrar to the Offer on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, distinctive numbers, folio number or Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein together with the original contract note issued by the broker through whom they acquired the Equity Shares, the Equity Share certificate(s), valid Equity Share transfer deed(s) as received from the market, duly executed in favour of the unregistered owner as the proposed transferee(s), along with self attested copy of PAN card of all the proposed transferee(s), an additional valid Equity Share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The details of buyer should be left blank failing which the same will be invalid under this Offer. The details of the buyer will be filled by the Acquirer, upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance. In case the Equity Share certificate(s) and Equity Shares transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form of Acceptance-cum-Acknowledgement shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the Equity Share certificate(s) and Equity Shares transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or in person to the Registrar to the Offer at their offices as mentioned below. The sole/first Shareholder may also mention particulars relating to savings account /current account / Non-Resident External (NRE) account / Non-Resident Ordinary account (NRO) / others (please specify) number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form of Acceptance-cum-Acknowledgement, to enable the Registrar to the Offer to print the said details in the payment instrument after the name of the payee
7. **Non-resident Shareholders** should enclose copy(ies) of permission received from the RBI to acquire Equity Shares held by them in the Target Company
8. NRIs, OCBs and other foreign Shareholders are required to furnish Bankers' Certificate certifying inward remittances of funds for acquisition of Equity Shares of the Target Company
9. **In case of bodies corporate,** certified copies of appropriate authorization (including board/shareholder resolutions, as applicable) authorizing the sale of Equity Shares along with specimen signatures duly attested by a bank must be annexed. The common seal of the body corporate should also be affixed
10. **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
    a) Duly attested death certificate and succession certificate (in case of single Shareholder) in case the original Shareholder has expired
    b) Duly attested power of attorney if any person apart from the Shareholder has signed the Form of Acceptance-cum-Acknowledgement or Equity Shares transfer deed(s).

— **TEAR HERE** —

ACKNOWLEDGEMENT SLIP

Open Offer to acquire up to 5,70,538 equity shares of Rs. 10/- each representing 26% of the total paid up capital / the voting share capital of Rs. 10/- each of Drillco Metal Carbides Limited (Target Company) at a price of Rs.30.45(Rupees Thirty and Paise Fourty Five only) per equity share by Mr. Rahul M. Timbadia, Mr. Kartik M. Timbadia, Mr. Parth R. Timbadia, Mrs. Jalpa K. Timbadia and La Tim Sourcing (India) Private Limited pursuant to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof

Received from Mr. / Ms. / Mrs. ………………………..…………………………………………….. Ledger Folio No./Client ID. …………………………….....

DP ID…………….............................. Number of certificates enclosed..........................…….............…. under the Letter of Offer dated **Monday, May 27, 2013,** Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

Sr. No.	Share Certificate No.	Distinctive Nos.		No. of Equity Shares
		From	To	
Total Number of Equity Shares				

Authorised Signatory Stamp

Date

Note: All future correspondence, if any, should be addressed to

Registrar to the Offer : Satellite Corporate Services Private Limited

Contact Person : Mr. Harish D,

B-302, Sony Apartment, Opp. St. Jude's High School, 90 Feet Road, Jarimari, Sakinaka, Mumbai-400 072,

Tel No.: 022-2852 0461/ 2852 0462, Fax No.: 022-2851 1809,

E-mail: service@satellitecorporate.com, **SEBI Registration No.: INR000003639**

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BOOK POST

If undelivered, please return to :

SATELLITE CORPORATE SERVICES PRIVATE LIMITED
Contact Person : Mr. HARISH D
B-302, Sony Apartment, Opp. St. Jude's High School,
90 Feet Road, Jarimari, Sakinaka, Mumbai-400 072,
Tel No.: 022-2852 0461/ 2852 0462, Fax No.: 022-2851 1809
E-mail: service@satellitecorporate.com

Empire Sales Corporation - 22665334 / 66352976
Email : empiresales1990@gmail.com