PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF

MARATHWADA REFRACTORIES LIMITED

Registered Office: F-4/1, Chikalthana Industrial Area, M.I.D.C. Aurangabad - 431210. **Telephone and Fascmile**: 0240-2482762

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM PUBLIC SHAREHOLDERS OF MARATHWADA REFRACTORIES LIMITED

This Public Announcement ("PA") is being issued by JM Financial Consultants Private Limited ("JM Financial" or "Manager to the Offer"), for and on behalf of Mr. Sushil Pandurang Mantri (the "Acquirer") to the equity shareholders of Marathwada Refractories Limited ("Target") ("Equity Shareholders") pursuant to and in compliance with, Regulation 10 and Regulation 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI (SAST) Regulations"). No other person / individual / entity is acting in concert with the Acquirer for the purpose of this Offer. This Offer is pursuant to a substantial acquisition of equity shares of Rs. 10/- (Rupees Ten only) each ("Equity Shares") of and control over the Target.

I. BACKGROUND TO THE OFFER

1. This Offer is being made by the Acquirer, viz Mr. Sushil Pandurang Mantri to the Equity Shareholders of Marathwada Refractories Limited having its registered office at F-4/1, Chikalthana Industrial Area, M.I.D.C. Aurangabad – 431210.
2. On November 26, 2010, the Acquirer entered into a Share Purchase Agreement ("**SPA**") to acquire 3,50,760 fully paid up Equity Shares representing 50.11 % of the existing paid up equity share capital and voting rights of the Target from Mr. Mridu Hari Dalmia, Mr. Raghu Hari Dalmia and Ms. Padma Dalmia (referred to as "**Sellers**") at a consideration of Rs. 350 per Equity Share, aggregating to a total consideration of Rs. 12.28 crore. The Sellers under the SPA have been named as the promoters of the Target in the shareholding pattern filed in accordance with Clause 35 of the Listing Agreement with the stock exchanges on which the Equity Shares of the Target are listed.
3. This Offer is being made under Regulations 10 and 12 of the SEBI (SAST) Regulations pursuant to the SPA entered into between the Acquirer and the Sellers.
4. Pursuant to the above, the Acquirer hereby makes this Offer to the Equity Shareholders (other than the parties to the SPA) to acquire up to an aggregate of 1,40,000 Equity Shares ("**Offer Size**") of the Target constituting 20% of the fully diluted voting capital of the Target as at 15 days post the closure of the Offer ("**Emerging Voting Capital**"), as required under Regulation 21(5) of the SEBI (SAST) Regulations, at a price of Rs 397/- (Rupees Three hundred and ninety seven Only) per Equity Share ("**Offer Price**") payable in cash, in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions mentioned in this PA and in the letter of offer that will be circulated to the Equity Shareholders in accordance with the SEBI (SAST) Regulations (the "**Letter of Offer**").
5. The Salient features of the SPA are:

a. The Shares to be acquired under the SPA from the Sellers ("**Sale Shares**") are as follows:

Sl No.	Name of the Shareholder	No. of Shares Held	% of Equity Share Capital	Purchase Price Payable (Rs.)
1.	Mridu Hari Dalmia	2,03,750	29.11%	7,13,12,500
2.	Raghu Hari Dalmia	10	-	3,500
3.	Padma Dalmia	1,47,000	21.00%	5,14,50,000
	Total	**3,50,760**	**50.11%**	**12,27,66,000**

b. The Sale Shares are to be transferred on a spot delivery basis, such that the Acquirer shall, upon transfer of the Sale Shares in its name, receive full legal and beneficial ownership and all shareholder rights relating thereto. The aforesaid sale and purchase of Sale Shares shall be by way of an on-market transfer on the block trading window of the Bombay Stock Exchange Limited ("**BSE**") on the date of execution of the SPA or as soon as possible thereafter in accordance with the rules prescribed by the BSE, save and except for the 10 shares held by Mr. Raghu Hari Dalmia, which shall be purchased by way of an off-market transfer.

c. The Acquirer shall take credit of the Sale Shares purchased as aforesaid in an escrow account opened for this purpose and in respect of which the Acquirer shall have authorized the Manager to the Offer to issue instructions ("**Share Escrow Account**").

d. The Existing Directors, Mr. Ashwani Kumar Bhatia, Mr. Hari Ballabh Belwal and Mr. Sandip Jhunjhunwala have undertaken to resign from the Board of Directors of the Target ("**Board**") as of January 1, 2011 or such other date as may be mutually agreed amongst the Acquirer and the Sellers, being not earlier than the date on which the Acquirer's nominees may be appointed as directors of the Target in accordance with Regulation 22(7) of the SEBI Takeover Regulations ("**Replacement Date**").

e. For the period intervening the date of execution of the SPA and the Replacement Date, the Sellers have agreed to cause the business of the Target to be operated in the ordinary course.

f. The completion of the transaction is conditional upon completion of the Acquirer's obligations under this Offer, such completion to be evidenced by the certificate of completion to be issued by the Manager to the Offer in terms of Regulation 24(7) of the SEBI (SAST) Regulations. Upon the Acquirer completing the Offer in accordance with the SEBI (SAST) Regulations as evidenced by submission, by the Manager to the Offer, of its final report to the Securities and Exchange Board of India ("**SEBI**") in accordance with Regulation 24(7) of the SEBI (SAST) Regulations, the Manager to the Offer will take appropriate steps to transfer the Sale Shares lying in the Share Escrow Account to such account as may be specified by the Acquirer.

g. The Acquirer and the Sellers have undertaken to reverse the sale and purchase of the Sale Shares in the event that the Acquirer is unable to complete his obligations under the SEBI (SAST) Regulations and is mandated by SEBI in writing, to reverse the sale and purchase of the Sale Shares. In the event that such an instruction is issued by SEBI, the Acquirer shall or the Acquirer shall ensure that the Manager to the Offer shall, issue all necessary instructions and authorisations to ensure that the Sale Shares are credited to the demat accounts of the Sellers from the Share Escrow Account in accordance with the provisions of Regulation 22(16) of the SEBI (SAST) Regulations.

6. The Acquirer has, in accordance with the terms of the SPA, opened a Share Escrow Account by the name of "Marathwada Refractories Limited – Escrow Account – Sushil Mantri Operated by JMF (Escrow Agent – Anand Rathi)" with Anand Rathi Share and Stock Brokers Limited ("**Escrow Agent**") for the purpose of holding the Sale Shares to be acquired pursuant to the SPA. The Acquirer has authorized the Manager to the Offer to issue instructions to the Escrow Agent in relation to the operation of the Share Escrow Account and the transfer of the Sale Shares from the Share Escrow Account to the account of the Acquirer or the Sellers in terms of the SPA.
7. The Acquirer has given an irrevocable authority to the Escrow Agent to solely operate the Share Escrow Account (including to the exclusion of the Acquirer) in accordance with the instructions of the Manager to the Offer; and the Escrow Agent shall accept and honour instructions in respect of the Share Escrow Account only from the Manager to the Offer.
8. The Acquirer and Sellers agree and understand that the sale and purchase of Sale Shares is subject to the provisions of the SEBI (SAST) Regulations and if the obligations of the Acquirer in terms of the SEBI (SAST) Regulations in relation to the Offer are not successfully completed, the Manager to the Offer shall issue instructions to the Escrow Agent to reverse the transaction by transferring the Sale Shares to the Sellers, together with a return to the Acquirer of the purchase consideration paid by the Acquirer to the Sellers. In this regard, the Manager to the Offer has been irrevocably authorized to reverse the sale and purchase of Sale Shares under the SPA.
9. The Acquirer does not hold, and is not entitled to, any voting rights with respect to the Sale Shares and has undertaken that he will not exercise any voting rights in the Target with respect to the Sale Shares prior to the completion of the Offer.
10. Pursuant to the SPA, the Acquirer has acquired 3,50,750 Equity Shares from Mr. Mridu Hari Dalmia and Ms. Padma Dalmia on the BSE by way of Block Deal at a price of Rs. 350 per Equity Share and will acquire 10 Equity Shares at a price of Rs. 350 per Equity Share by way of an off-market purchase from Mr. Raghu Hari Dalmia. All the Sale Shares acquired pursuant to the SPA shall be held in the Share Escrow Account.
11. Following completion of the acquisition of the Sale Shares under the SPA pursuant to the completion of the Offer, the Sellers shall be de-classified as "Promoter and Promoter Group" of the Target.

II. THE OFFER

12. Pursuant to the substantial acquisition of Equity Shares and control pursuant to the SPA, this mandatory Offer is being made by the Acquirer in compliance with Regulations 10 and 12 and other applicable provisions of the SEBI (SAST) Regulations. The Acquirer is hereby making this Offer to the Equity Shareholders of the Target (other than the parties to the SPA) to acquire up to an aggregate of 1,40,000 Equity Shares of face value of Rs.10/- each of the Target constituting 20% of the Emerging Voting Capital at a price of Rs 397/- (Rupees Three hundred and ninety seven only) per Equity Share ("**Offer Price**") payable in cash, in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions mentioned in this PA and in the letter of offer that will be circulated to the Equity Shareholders in accordance with the SEBI (SAST) Regulations (the "**Letter of Offer**").
13. The Acquirer, as on the date of the PA, has acquired 3,50,750 Equity Shares pursuant to the SPA and will acquire 10 Equity Shares from Mr. Raghu Hari Dalmia in terms of the SPA, all of which shall be held in the Share Escrow Account as described in paragraph 6. Pursuant to the completion of the Offer (assuming full acceptance in the Open Offer), the Acquirer would hold a maximum of 4,90,760 Equity Shares of the Target constituting 70.11% of the Emerging Voting Capital of the Target. The Acquirer will acquire all the Equity Shares of the Target that are validly tendered as per the terms of the Offer as stated in the Letter of Offer, subject to a maximum of 1,40,000 Equity Shares being 20% of the Emerging Voting Capital.
14. The Acquirer has deposited more than 100% of the consideration payable under this Offer in the Open Offer Escrow Account, details of which are set out in paragraph 58 below. Pursuant to Regulation 22(7), the Acquirer shall reconstitute the Board of the Target upon the expiry of 21 days from the date of this PA or such other date, being not earlier than the expiry of 21 days from the date of this PA, as may be mutually agreed between the Sellers and the Acquirer.
15. There are no persons acting in concert for the purpose of this Offer within the meaning of regulation 2(1)(e) of the SEBI (SAST) Regulations.
16. This is not a competitive bid.
17. This Offer is being made to all the public shareholders of the Target and is not conditional on any minimum level of acceptance by the public shareholders of the Target.
18. Subject to the receipt of regulatory and/or statutory approvals, if any, which may become applicable during the course of the Offer, and other terms and conditions as set out in this PA and the Letter of Offer to be sent to the public shareholders of the Target, the Acquirer will acquire all Equity Shares validly tendered pursuant to the Offer up to a maximum of 1,40,000 Equity Shares, being 20% of the Emerging Voting Capital. In terms of Regulation 27 of the SEBI (SAST) Regulations, if the regulatory and/or statutory approvals, if any, required are refused, the Open Offer shall stand withdrawn.
19. In terms of Clause 40A of the Listing Agreement with the BSE, the Target is required to maintain at least 25% public shareholding for listing on a continuous basis. The Acquirer undertakes to ensure compliance with the provisions of Clause 40A of the Listing Agreement.
20. The Acquirer has not acquired any Equity Shares of the Target during the 12 month period prior to the date of this PA save and except that the Acquirer has purchased 3,50,750 Equity Shares pursuant to the SPA and has agreed to purchase a further 10 Equity Shares pursuant to the SPA, all of which shall be held in the Share Escrow Account as described in paragraph 6.
21. The Equity Shares of the Target validly tendered pursuant to the Offer will be acquired by the Acquirer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
22. The Manager to the Offer does not hold any Equity Shares in the Target as at the date of PA.
23. This PA is being released as per Regulation 15(1) of the SEBI (SAST) Regulations in Financial Express, English national daily – all editions, Jansatta, Hindi national daily – all editions, Navshakti – Mumbai edition as the Equity Shares are listed and most frequently traded on the BSE and Loksatta – Aurangabad edition, Marathi regional language daily as the registered office of the Target is situated in Aurangabad.

III. THE OFFER PRICE

24. The Equity Shares of the Target are listed on the BSE and the Calcutta Stock Exchange Limited ("**CSE**") ("**Stock Exchanges**").
25. The annualised trading turnover in the Equity Shares of the Target in the above mentioned Stock Exchanges based on trading volume during the 6 calendar months prior to the month of the PA (May 2010 to October 2010) is as given below:

Stock Exchange	Total No. of Equity Shares traded during the six calendar months prior to the month of PA	Total No. of Listed Equity Shares as of date of the PA	Annualised Trading Turnover (as % of Total Equity Shares Listed)
BSE	253,150	700,000	72%**
CSE*	-	700,000	-

(Source: www.bseindia.com and www.cse-india.com)
**The Equity Shares are listed but not traded on CSE.*
***As per the CA certificate dated November 29, 2010 provided by M. Padmanabha Bhat, Chartered Accountant, Membership No. 025305, located at Bangalore*

26. Based on the above, the Equity Shares of the Target are most frequently traded on the BSE within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations and infrequently traded on CSE.
27. The Offer Price of Rs.397 per Equity Share is justified, in terms of Regulation 20(4) of the SEBI (SAST) Regulations, being greater than the highest of the following:

(a)	The negotiated price under the SPA	Rs. 350
(b)	Highest price paid by the Acquirer or persons acting in concert with him for acquisitions including by way of allotment in a public issue or rights issue or preferential Allotment during the 26 weeks prior to the date of this PA, i.e. November 30, 2010	N.A
(c)	The average of the weekly high and low of closing prices of the Equity Shares of the Target, on BSE where it was most frequently traded for the 26 weeks preceding the date of this PA*	396.39
(d)	The average of the daily high and low prices of the Equity Shares of the Target, on the BSE where it was most frequently traded for the 2 weeks preceding the date of this PA*	321.81
(e)	Other Financial Parameters	Based on Audited accounts for March 31, 2010
	Return on Net Worth (%)	0.69%
	Book Value per share (Rs.)	154.94
	Earning per share (Rs.)	1.07
	Industry average P/E multiple **	13.6
	Offer price P/E multiple ***	371.03

**As per the CA certificate dated November 29, 2010 provided by M. Padmanabha Bhat, Chartered Accountant, Membership No. 025305, located at Bangalore*
***Source: Industry: Refractories/Intermediates , Capital Market, Vol. XXV/18, Nov 01-14, 2010. The Target has been considered under the Industry category of 'Refractories/Intermediates' as this was the business carried on by the Target till it ceased operations in September 2002..*
**** Offer Price/FY10 EPS*

28. In the opinion of the Manager to the Offer, the Offer Price of Rs 397 per Equity Share offered by the Acquirer to the shareholders of the Target under the proposed Offer is therefore justified in terms of Regulation 20 (4) of the SEBI (SAST) Regulations.
29. The Acquirer may acquire Equity Shares of the Target after the date of this PA either through open market purchases and/ or negotiated transactions or otherwise up to 7 working days prior to the closure of the Offer. In terms of Regulation 20(7) of the SEBI (SAST) Regulations, if the Acquirer acquires Equity Shares of the Target after the date of this PA and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer.
30. The Acquirer is permitted to revise the size of the Offer and the Offer Price upwards up to 7 working days prior to the date of closure of the Offer. In the event of such revision, a public announcement will be made in the same newspapers where this PA has appeared and the revised Offer Price would be paid for all the Equity Shares validly tendered at any time during the Offer.

IV. INFORMATION ON ACQUIRER

31. The Acquirer, Mr. Sushil Pandurang Mantri, is the son of Mr. Pandurang Jivraj Mantri, aged 47 years and having his office at No. 41, Vittal Mallya Road, Bangalore – 560 001, Karnataka, India.
32. Mr. Mantri is the Chairman & Managing Director of Mantri Developers Private Limited, the flagship company of the Sushil Mantri Group, which is engaged in property development with Bangalore as its headquarters. He has an experience of over 10 years in property development.
33. Mr. M. Padmanabha Bhat, Chartered Accountant, Membership No. 025305, located at Bangalore has by his letter dated November 26, 2010 certified the net worth of Mr. Mantri at Rs. 104.71 crore as on November 25, 2010.

V. INFORMATION ABOUT THE TARGET

(Information about the Target in this section and this PA has been taken from publicly available information)

34. The Target was incorporated as a public limited company on November 2, 1979 under the Companies Act, 1956.
35. The registered office of the Target is F-4/1, Chikalthana Industrial Area, M.I.D.C. Aurangabad – 431210, Telephone and Fascimile: 0240-2482762.
36. The Target is promoted by Mr Mridu Hari Dalmia, Mr. Raghu Hari Dalmia and Ms. Padma Dalmia.
37. The Target has an authorised capital base of Rs. 1,00,00,000 comprising of 8,50,000 equity shares of Rs. 10 each and 15,000 preference shares of Rs.100 each. As on the date of this PA, the issued, subscribed and paid-up Equity Share capital of the Target is Rs. 70,00,000 divided into 7,00,000 fully paid up Equity Shares of a face value of Rs. 10/- each.
38. There are currently no outstanding partly paid up shares or any other instruments convertible into Equity Shares of the Target at a future date.
39. The Target is authorised to engage in the manufacture of refractories. It has ceased operations from September, 2002.
40. The Equity Shares of the Target are listed on BSE and CSE.
41. The financial highlights of the Target, based on audited financials are as follows:

(Figures in Rs. Lacs, unless otherwise stated)

Profit and Loss Statement	Year ended March 31, 2010	Year Ended March 31, 2009	Year Ended March 31, 2008
Total Income	88.71	121.90	510.68
Profit after tax	7.50	97.82	385.66
EPS (Rs.)	1.07	13.86	55.09
Equity Capital	70	70	70
Reserves and Surplus	1014.58	1007.08	909.26
Net Worth	1084.58	1077.08	979.26
Book Value per share [1] (Rs.)	154.94	153.87	139.89
Return on Net Worth [2] (%)	0.69%	9.08%	39.38%

Source: Annual Report
(1) Book value per share has been calculated by dividing the closing net worth of the year by the total number of shares outstanding at year end
(2) Return on net worth has been calculated by dividing the profit after tax of the year by the closing net worth of the year

42. The directors on the Board of the Target are as follows: Mr. Hari Ballabh Belwal, Mr. Ashwani Bhatia and Mr. Sandip Girdharilal Jhunjhunwala.
43. The Target does not have any subsidiary as on the date of the PA.

VI. REASONS FOR THE ACQUISITION AND THE OFFER AND FUTURE PLANS

44. The Acquirer has agreed to acquire 50.11% of the Equity Shares of the Target under the SPA. Pursuant to this, the Offer is being made in compliance with Regulations 10 and 12 and other applicable provisions of SEBI (SAST) Regulations, for the purpose of substantial acquisition of shares and voting rights, accompanied with change in control of the Target.
45. The Acquirer proposes to reconstitute the Board of the Target pursuant to Regulation 22(7) of the SEBI (SAST) Regulations. Pursuant to the appointment of Directors/Chairman and substantial acquisition of Equity Shares, the Acquirer will be in control of the management of the Target and shall be deemed to be the new promoter of the Target.
46. The Acquirer does not have any plans to dispose off or otherwise encumber any assets of the Target in the next two years, except in the ordinary course of business and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities, business or otherwise of the Target, which will be done subject to receipt of statutory approvals wherever necessary. Further, subject to the receipt of requisite approvals, the Acquirer may evaluate options regarding disposal of any surplus assets. The Acquirer reserves the right to streamline / restructure the operations, assets, liabilities and / or business of the Target through arrangement / reconstruction, restructuring, merger / demerger / sale of assets or undertakings, at a later date. Such decisions will be taken by the Board of the Target in accordance with the business requirements and in line with opportunities or changes in the economic scenario, from time to time. The Acquirer will evaluate and consider such proposals, if and when appropriate.
47. Other than as aforesaid, the Acquirer undertakes that he shall not sell, dispose of or otherwise encumber any substantial asset of the Target without the prior approval of the shareholders of the Target to the extent that applicable laws require such approval.

VII. STATUTORY APPROVALS FOR THE OFFER

48. The acceptance by the Acquirer of Equity Shares tendered by non-resident shareholders pursuant to this Offer is subject to the approval of the Reserve Bank of India ("**RBI**") under the Foreign Exchange Management Act, 1999 and the regulations made thereunder ("**FEMA**"). The Acquirer will make necessary applications to and filings with the RBI to obtain the approval described above.
49. As of the date of this PA, to the best of the knowledge of the Acquirer, there are no other statutory approvals required to implement the Offer. However, in case of any regulatory or statutory approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary applications for such approval.
50. The Acquirer shall within 15 days from the date of closure of the Offer complete all the procedures relating to the Offer including payment of consideration to the shareholders who have accepted the Offer.
51. In terms of Regulation 27 of the SEBI (SAST) Regulations, the Acquirer will have the right not to proceed with the Offer in the event that any statutory approval that may be required is refused. In the event of withdrawal, a public announcement will be made in the same newspapers in which this PA is being made.
52. In case of delay in receipt of statutory approval(s), if any, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the shareholders who have accepted the Offer, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. However, if the delay occurs on account of the wilful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approval(s), the amount held in the Open Offer Escrow Account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations. Nothing herein contained shall bind the Acquirer to procure the necessary approvals under the foreign exchange regulations of India if the same is not forthcoming or is refused.
53. To the best of his knowledge, no consents are required by the Acquirer from any financial institutions or banks for the Offer.
54. To the best of his knowledge, no consents are required by the Acquirer from any regulatory authorities for the Offer.

VIII. OPTION IN TERMS OF REGULATION 21(2)

55. As per the listing agreement with the Stock Exchanges ("**Listing Agreement**") and in terms of Clause 40A of the Listing Agreement, the Target is required to maintain at least 25% public shareholding for listing on a continuous basis.
56. In the event the public shareholding is found to be reduced below the minimum level required as per the Listing Agreement as a result of acquisition of Equity Shares under (i) the SPA; and/or (ii) acquisition of shares from persons other than parties to the SPA, if any, during the period of the Offer; and/or (iii) the Offer, the Acquirer shall take necessary steps to facilitate compliance of the Target with the relevant provisions of the Listing Agreement, within the time period stipulated therein in accordance with the provisions of Regulation 21(2) of the SEBI (SAST) Regulations.

IX. FINANCIAL ARRANGEMENTS

57. The total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of up to 1,40,000 Equity Shares of the Target from the public shareholders of the Target at Rs. 397/- per Equity Share is Rs. 5,55,80,000/- (Rupees Five crore fifty five lacs eighty thousand only).
58. The Acquirer, the Manager to the Offer and The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**"), a company incorporated under the Companies Ordinance of the Hong Kong Special Administrative Region (HKSAR), having its registered office at 1, Queens Road Central, Hong Kong, India and acting through its branch at Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai – 400 057 have entered into an Escrow Agreement for the Offer dated November 26, 2010 (the "**Escrow Agreement**") in accordance with Regulation 28 of the SEBI (SAST) Regulations. The Acquirer has made a cash deposit of Rs. 5,65,00,000 (Rupees Five crore sixty five lacs only) in an escrow account named "Marathwada Refractories Limited - Open Offer Escrow Account" ("**Open Offer Escrow Account**"). The said amount is adequate as per the computation of the total consideration payable under the Offer (assuming full acceptance) which is in excess of the minimum escrow amount required as per Regulation 28 (2) of the SEBI (SAST) Regulations and is in accordance with Regulation 22(7) of the SEBI (SAST) Regulations. The Manager to the Offer has been duly authorised by the Acquirer to operate the Open Offer Escrow Account in terms of the SEBI (SAST) Regulations.
59. The Acquirer proposes to fund the Offer out of owned funds. Mr. M. Padmanabha Bhat, Chartered Accountant, Membership no. 025305, located at Bangalore has in his letter dated November 26, 2010 certified that the Acquirer has sufficient means to fulfill his financial obligations under the Offer.
60. Based on the above and in light of the escrow arrangements set out above, the Manager to the Offer is satisfied with the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfil the obligations under the SEBI (SAST) Regulations.

X. OTHER TERMS OF THE OFFER

61. All shareholders (registered or unregistered), except the Acquirer and signatories to the SPA, who own the Equity Shares of the Target are eligible to participate in the Offer anytime before the closure of the Offer.
62. The Offer is not conditional upon any minimum level of acceptance and the Acquirer will acquire up to 1,40,000 Equity Shares of the Target that are validly tendered by the public shareholders in terms of the Offer, subject to the conditions specified in this PA, Letter of Offer and Form of Acceptance-cum-Acknowledgement.
63. The Letter of Offer specifying the detailed terms and conditions of this Offer together with the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed to the Equity Shareholders of the Target whose names appear on the register of members of the Target (except the Acquirer and the Sellers), at the close of business hours on December 20, 2010 (referred to as the "**Specified Date**"). The offer is made to (i) all the shareholders whose names appeared in the register of shareholders on the Specified Date, (ii) those persons who own the shares any time prior to the closure of the Offer, but are not the registered shareholder(s) and (iii) the beneficial owners of the dematerialized Shares, whose names appear as beneficiaries on the records of the respective depositories at the close of business hours on the Specified Date.
64. Subject to the conditions governing this Offer as mentioned herein, the acceptance of this Offer by the equity shareholders of the Target must be absolute and unqualified. Any acceptance to this Offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever. The Acquirer shall accept locked-in shares, if any, under the Offer subject to the continuation of the residual lock-in period in their hands.
65. In case of non-receipt of the Letter of Offer, Form of Acceptance cum Acknowledgement and/or Form of Withdrawal, eligible persons, i.e. shareholders of the Target other than the Acquirer and parties to SPA, may (i) download the same from the SEBI website (http://www.sebi.gov.in), (ii) obtain a copy of the same by writing to Link Intime India Private Limited ("**Registrar to the Offer**"), or (iii) send their consent to participate in the Offer to Registrar to the Offer on a plain paper stating their name, address, number of shares held, distinctive numbers, folio number and number of shares offered along with documents as mentioned herein, so as to reach the Registrar to the Offer on or before the closure of the Offer (i.e. no later than February 10, 2011), or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating their name, address, number of shares held, number of shares offered, depository participant ("**DP**") name, DP ID, beneficiary account number, and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer (i.e. no later than February 10, 2011).
66. Shareholders who hold shares in physical form and who wish to tender their shares will be required to send the Form of Acceptance cum Acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in the section of this PA titled "**Procedure for Acceptance and Settlement**", to the Registrar to the Offer either by hand delivery during business hours or by registered post so that the same are received on or before the closing date i.e. February 10, 2011.
67. In respect of dematerialized shares, the credit for the shares tendered must be received in the special depository account as specified above on or before 5.00 p.m. Indian Standard Time on February 10, 2011.
68. The Registrar to the Offer will hold in trust the shares/share certificates, shares held 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 the Target who have accepted the Open Offer, until the cheques/drafts for the consideration or the unaccepted shares/share certificates are dispatched/returned.
69. Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post / speed post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder. Unaccepted shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.
70. The Acquirer will not be responsible in any manner for any loss of share certificate(s) and/or offer acceptance documents during transit and the shareholders of the Target are advised to adequately safeguard their interest in this regard. In case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.

A tentative schedule of activities in respect of the Offer is given below:

Activity	Date	Day
Public Announcement Date	November 30, 2010	Tuesday
Specified Date*	December 20, 2010	Monday
Last date for competitive bid	December 21, 2010	Tuesday
Date by which Letter of Offer will be dispatched to the shareholders	January 04, 2011	Tuesday
Offer Opening Date	January 21, 2011	Friday
Last date for revising the Offer Price/ number of shares	February 01, 2011	Tuesday
Last date for withdrawing acceptances from the Offer by the shareholder	February 07, 2011	Monday
Offer Closing Date	February 10, 2011	Thursday
Last date of communicating of rejection/ acceptance and payment of consideration for accepted tenders/return of unaccepted shares**	February 25, 2011	Friday

**Specified date is only for the purpose of determining the names of the shareholders of the Target as on such date to whom the Letter of Offer would be sent.*
*** Last date as per the SEBI (SAST) Regulations*

XI. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

71. The Equity Shareholders of the Target who qualify and who wish to avail of this Offer will have to deliver the relevant documents as mentioned in paragraphs 72 – 74 and such other documents as may be specified in the Letter of Offer at the Registrar to the Offer's office or at the following collection centres either by hand delivery or by registered post (between 10.00 a.m. and 5 p.m. on all working days i.e. except Sundays and public holidays and between 10.30 a.m. and 1.00 p.m. on Saturdays) on or before the Offer Closing Date. **(The documents should not be sent to the Manager to the Offer or the Acquirer or the Target)**.

	City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
1.	Mumbai	Nilesh Chalke	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.	022-25960320	022-25960329	nilesh.chalke@linkintime.co.in	Hand Delivery & Registered Post
2.	Mumbai	Vivek Limaye	Link Intime India Pvt. Ltd, 203, Davar House, Next to Central Camera, D N Road, Fort , Mumbai - 400 001	022-22694127	022-25960329	vivek.limaye@linkintime.co.in	Hand Delivery
3.	Ahmedabad	Hitesh Patel	Link Intime India Pvt. Ltd, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	079-2646 5179	079-2646 5179 (Telefax)	ahmedabad@linkintime.co.in	Hand Delivery
4.	Kolkata	S.P.Guha	Link Intime India Pvt. Ltd, 59C,Chowringhee Road, 3rd Floor,Kolkata -700020	033-22890539/40	033-22890539/40 (Telefax)	kolkata@linkintime.co.in	Hand Delivery
5.	New Delhi	Swapan Naskar	Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi - 110028	011-41410592/93/94	011-41410591	delhi@linkintime.co.in	Hand Delivery

Shareholders who cannot hand deliver their documents at the collection centers referred to above may send the same by registered post /speed post, at their own risk, to the Registrar to the Offer and not to any other collection centre so that the same are received on or before the close of business hours on the Offer Closing Date.

72. For the purpose of the Offer a special depository account has been opened by Registrar to the Offer, in the name and style of "**LIIPL MRL Open Offer Escrow Demat Account**" with Ventura Securities Limited as the depository participant in National Securities Depository Limited. The DP ID is IN303116 and Client ID is 10660745. Equity Shareholders holding the Equity Shares in dematerialized form will have to deliver the following documents:
    i. Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the depository.
    ii. Photocopy of the delivery instruction slip in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the relevant DP.
    iii. For each delivery instruction the beneficial owner should submit separate form of acceptance cum acknowledgment.

    The shareholders having their beneficiary account in Central Depository Securities (India) Limited ("**CDSL**") have to use inter depository delivery instruction for the purpose of crediting their shares in favour of escrow depository account with NSDL. The ISIN number allotted to shares of the Target is INE347D01011. The shareholders who have sent their physical shares for dematerialization need to ensure that the process of getting shares of the Target dematerialized is completed well in time so that the credit in the special depository account is received on or before closure of Offer.
73. Equity Shareholders holding shares in physical form should enclose:
    i. Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Equity Shareholders whose name appears on the share certificates.
    ii. Original share certificate(s).
    iii. Valid share transfer form(s) duly signed as transferors by all registered Equity Shareholders (in case of joint holdings), in the same order and as per the specimen signatures registered with and duly witnessed at the appropriate place.
    iv. 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.
74. Persons who have acquired Equity Shares of the Target (irrespective of the date of purchase) but whose names do not appear in the register of members of the Target on the Specified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer. Such application should be sent to the Registrar to the Offer together with the relevant share certificate(s) and transfer forms (if the Shares are held in physical form) or a photocopy of the DP instruction slip duly acknowledged by the DP (in case of Shares held in dematerialized form), the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired and/or such other documents as may be specified in the Letter of Offer.
75. No indemnity is needed from unregistered Equity Shareholders.
76. In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders who have accepted the offer by tendering the requisite documents in terms of this PA and the Letter of Offer can withdraw the same up to 3 working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents including Form of Withdrawal, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before February 7, 2011.
77. In case of non-receipt of the 'Form of Withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the (in case of Shares held in physical form) name, address, distinctive numbers, folio number, and number of Shares tendered and (in case of dematerialized Shares) name, address, number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the special depository account. In case of partial withdrawal of Equity Shares tendered in physical form, if the original share certificate is required to be split, the same will be returned on receipt of share certificate from Target. The facility of partial withdrawal is available only for registered shareholders.
78. Shareholders, while tendering their Equity Shares in the Offer may indicate an option to receive the payment of Offer consideration through electronic form by indicating in the space provided in the Form of Acceptance cum Acknowledgement. The payment consideration for Equity Shares accepted under the Offer, in such cases, may be made through National Electronic Clearing Services (NECS), Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), as applicable, at specified centers where clearing houses are managed by the Reserve Bank of India, wherever possible. In other cases, payment of consideration would be made through cheque / demand draft / pay order sent by Registered post / speed post. Shareholders who opt for receiving consideration through electronic form are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance cum Acknowledgement, provide the Magnetic Ink Character Recognition / Indian Financial System Code of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance cum Acknowledgement. In case of joint holders/unregistered owners, payments will be made in the name of the first holder/ unregistered owner.
79. For the purposes of electronic transfer, in case of shareholders opting for electronic payment of consideration and for purposes printing on the cheque / demand draft / pay-order for the other cases, the bank account details will be directly taken from the depositories' database, wherever possible. A shareholder tendering Equity Shares in the Offer, is deemed to have given consent to obtain the bank account details from the Depositories, for this purpose. Only if the required details cannot be obtained from the depositories' database then the particulars provided by the shareholders would be used.
80. For shareholders, who do not opt for electronic mode of transfer and for those shareholders, whose payment consideration is rejected / not credited through ECS / Direct Credit / RTGS / NEFT, due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post / Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that the same can be incorporated in the cheque/demand draft/pay order. It will be the responsibility of the tendering shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance cum Acknowledgment.
81. To the extent of the Offer Size and in accordance with this PA and the Letter of Offer to be sent to the shareholders of the Target, the Equity Shares of the Target that are validly tendered and accepted pursuant to this Offer are proposed to be acquired by the Acquirer. In case the number of validly tendered Equity Shares in the Offer are more than the Equity Shares agreed to be acquired under the Offer, the Acquirer shall accept the offers received from the shareholders on a proportionate basis as per Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner. Rejected applications will be returned to the applicants by registered post.
82. The Acquirer reserves the right to withdraw the Offer pursuant to Regulation 27 of the SEBI (SAST) Regulations. Any such withdrawal will be notified in the form of a public announcement in the same newspapers in which this PA appears.

XII. GENERAL

83. **If there is a competitive bid, the public offers under all the subsisting bids will close on the same date. As the Offer Price cannot be revised during 7 working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their Equity Shares accordingly.**
84. For any queries regarding the Offer, the shareholders may contact the Registrar to the Offer.
85. Applications in respect of Equity Shares that are the subject matter of litigation wherein the shareholders of the Target may be prohibited from transferring the shares during the pendency of the said litigation are liable to be rejected if the directions/ orders regarding these shares are not received together with the shares tendered with the Offer. The Letter of Offer in such cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
86. Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected. Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder.
87. The Acquirer reserves the right to revise the Offer Price upwards up to 7 working days prior to closure of the Offer. If there is any upward revision in the Offer Price before the last date for revision (i.e. February 1, 2011) or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers where this PA appears. If Offer Price is revised upward, such revised price will be payable to all shareholders who have accepted this Offer and validly tendered their Equity Shares at any time during the tenure of the Offer to the extent their Equity Shares are acquired by the Acquirer.
88. Neither the Acquirer nor the Target have been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto.
89. Payment to those shareholders whose share certificates and/or other documents are found valid and in order will be by way of a crossed account payee cheque / demand draft / pay order or through Direct Credit ("**DC**"), National Electronic Funds Transfer ("**NEFT**"), Real Time Gross Settlement ("**RTGS**"), Electronic Clearing Services ("**ECS**"), at specified centers where clearing houses are managed by the Reserve Bank of India within 15 days from the date of closure of Offer. Shareholders who opt for receiving consideration through DC/NEFT/RTGS/ECS are requested to give the authorization for the same in the Form of acceptance cum acknowledgment and enclose a photocopy of cheque along with the Form of acceptance cum acknowledgment. The decision regarding the acquisition (in part or full), or rejection of the shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired shares and/or (ii) share certificates for any rejected shares or shares withdrawn, will be dispatched to the shareholders by registered post at the shareholder's sole risk. Shares held in dematerialized form to the extent not acquired or Shares withdrawn will be credited back to the respective beneficiary account with their respective DPs as per the details furnished by the beneficial owners in the Form of Acceptance cum Acknowledgement.
90. Unaccepted Equity Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per details received from the beneficial owner in the Form of acceptance cum Acknowledgement.
91. Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirer has appointed JM Financial Consultants Private Limited as the Manager to the Offer and Link Intime (India) Private Limited as the Registrar to the Offer. As of the date of the PA, the Manager to the Offer does not hold any Equity Shares of the Target.
92. Acquirer accepts full responsibility for the information contained in this PA (except that which pertains to the Target and has been complied from publicly available sources) and also accepts responsibility for the fulfilment of the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations.
93. For further details, shareholders are requested to refer to the Letter of Offer to be sent to the shareholders of the Target and the Form of Acceptance-cum-Acknowledgement.
94. Registrar to the Offer – Link Intime (India) Private Limited C-13, Panalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai 400 078, Tel No: +91-22-25960320, Fax: +91-22-25960329, Contact Person: Mr. Nilesh Chalke. e-mail:mrl.offer@linkintime.co.in

This PA along with Letter of Offer will also be available on SEBI's website (www.sebi.gov.in). Eligible shareholders to the Offer may also download a copy of the Form of Acceptance cum Acknowledgement, which will be available on SEBI's website at (www.sebi.gov.in) from the opening date of the Offer, i.e., January 21, 2011.

Issued for and on behalf of Acquirer by the Manager to the Offer

Manager to the Offer

JM FINANCIAL

JM FINANCIAL CONSULTANTS PRIVATE LIMITED
141, Maker Chambers III, Nariman Point, Mumbai 400 021
Tel.: +91-22-6630 3030 **Fax.:** +91-22-2204 7185
Email: lakshmi.lakshmanan@jmfinancial.in
Contact Person: Ms. Lakshmi Lakshmanan

Registrar to the Offer

LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD)

Link Intime India Private Limited
C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W),
Mumbai 400 078 **Tel.:** +91-22-25960320 **Fax.:** +91-22-25960329
Email: mrl.offer@linkintime.co.in
Contact Person: Mr. Nilesh Chalke

Place: Mumbai
Date: November 30, 2010