ORIENT REFRACTORIES LIMITED

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Advertisement under Regulation 18(7) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

This advertisement is being issued by JM Financial Institutional Securities Private Limited ("**Manager to the Offer**"), on behalf of DutchUS Holding B.V.("**Acquirer**") and RHI AG acting as the person acting in concert with the Acquirer ("**PAC**"), pursuant to regulation 18 (7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011("**SEBI (SAST) Regulations**") in respect of the open offer ("**Open Offer**") to acquire up to 3,12,36,192 fully paid up equity shares of ₹ 1/- each ("**Offer Shares**") of Orient Refractories Limited ("**Target Company**"). The Offer Shares represent 26.0% of the total issued and paid up capital of the Target Company.The public announcement ("**PA**") and the detailed public statement ("**DPS**") with respect to the Open Offer was published on January 15, 2013 and January 22, 2013, respectively,in the following newspapers:

Newspaper	Language	Editions
Business Standard	English	All
Business Standard	Hindi	All (1)
Mumbai Lakshadeep	Marathi	Mumbai

Note 1: Also including the New Delhi edition i.e. the place where the registered office of the Target Company is situated.

1. The offer price is ₹ 43/- (Rupees forty three only) per Equity Share ("**Offer Price**"). There has been no revision in the Offer Price.
2. The board of directors of the Target Company constituted a committee of independent directors ("**IDC**") of the Target Company on February 5, 2013. The IDC, on March 21, 2013, has recommended that offer is fair and reasonable. The IDC's recommendation was published on March 22, 2013 in the same newspapers where the DPS was published.
   The relevant extracts of the recommendations of the IDC in relation to the Offer, including the Offer Price are as follows

a)	Members of the Committee of Independent Directors (IDC)	Mr Keshav Kumar Thirani - Chairman Mr Arun Kumar Jain - Member Mr Rama Shanker Bajoria - Member
b)	Recommendation on the Open offer, as to whether the offer is fair and reasonable	The IDC believes that the offer is fair and reasonable.
c)	Summary of reasons for recommendation	The IDC of the Target Company have reviewed the Public Announcement, Detailed Public Statement and Letter of Offer released by JM Financial Institutional Securities Private Limited as manager to the open offer, for and on behalf of Dutch US Holdings B.V. and RHI AG. The Committee has also examined the fair valuation report issued by independent advisors, Aether Consulting Private Limited dated March 20th, 2013. The Offer price of INR 43/- per equity share represents a premium of 11.12% over the Volume Weighted Average Market Price of INR 38.67/- per equity share of the Target Company for a period of 60 trading days immediately preceding the Public Announcement as traded on NSE. Based on the above, the IDC is of the opinion that the offer price of INR 43/- per equity share offered by the Acquirer is in line with the regulations prescribed by SEBI under SEBI (SAST) Regulations.
d)	Details of Independent Advisors, if any	Aether Consulting Private Limited

3. The Open Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.
4. The Letter of Offer dated March 11, 2013 **("LOF")** has been dispatched to all the Public Shareholders on March 19, 2013.
5. Please note that a copy of the Letter of Offer(including the Form of Acceptance cum Acknowledgement) will also be available on SEBI'swebsite (www.sebi.gov.in) and Equity Shareholders can also apply by downloading such forms from SEBI's website. Further, in case of non-receipt/non-availability of the Acceptance Form, the application can be made on plain paper along with the following details, and sent to the Registrar to the Offer so as to reach them on or before the date of closure of the Open Offer:
   a. In case of Equity Shares held in physical form: Application on a plain paper stating the name, address, number of Equity Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the original share certificates, valid share transfer deeds as received from the market (the details of the buyer should be left blank), self-attested copy of the PAN card of the proposed transferor and other documents as applicable.
   b. In case of Equity Shares held in dematerialized form: Application on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, DP name, DP ID, beneficiary account number and photocopy of the delivery instruction in "off-market", 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 date of closure of the Offer. The details of the Special Depository Account are as under:

Depository Participant Name	Ventura Securities Ltd
DP ID	IN303116
Beneficiary Account Number / Client ID	11117029
Special Depository Account Name	LIIPL ORL Open Offer Escrow Demat Account
ISIN	INE743M01012
Depository	National Securities Depositories Limited
Mode of Instruction	Off-Market

   Equity Shareholders having their beneficiary account with CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares of the Target Company in favor of the Special Depository Account with NSDL.
   The Equity share certificate (s), transfer deed, photocopy of delivery instruction slip, Acceptance Form and other relevant documents, as required should be sent only to the Registrar to the Offer, at the collection centers mentioned in paragraph 7.3of the Letter of Offer or to Link Intime India Private Limited, Unit: Orient Refractories Limited - Open Offer, C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078, Tel: +91 22 2596 7878 so as to reach the Registrar to the Offer on or before 5.00 pm on April 10, 2013 (i.e. the date of closure of the Tendering Period). The aforementioned documents should not be sent to the Acquirer, PAC, Target Company or Manager to the Offer.
6. In terms of Regulation 16(1) of the SEBI (SAST) Regulations, the Draft Letter of Offer was submitted to SEBI on January 30, 2013.The final observations were received from SEBI vide its letter no. CFD/DCR/TO/DV/OW/5846/2013 dated March 8, 2013 and these observations have been incorporated in the Letter of Offer.
7. The material changes in relation to the Open Offer (including the status of statutory and other approvals), since the date of PA on January 15, 2013 are:
   7.1.The Open Offer is subject to the following statutory approvals, namely:
   (i) the Austrian Federal Competition Authority (or any other relevant authority) having either, (i) declined jurisdiction, (ii) granted clearance, or (iii) being deemed to have granted clearance through the expiration of time periods available for their investigation. Vide letter dated February 22, 2013, the Austrian Federal Competition Authority has confirmed that the prohibition on the implementation of the acquisition/merger has lapsed with effect from February 22, 2013.
   (ii) the Turkish Competition Authority (or any other relevant authority) having either, (i) declined jurisdiction, (ii) granted clearance, or (iii) being deemed to have granted clearance through the expiration of time periods available for their investigation. The statutory approval from the Turkish Competition Authority is no longer needed. This is due to a change in local competition regulations increasing the applicable thresholds, pursuant to which there is no legal requirement for the Acquirer to make the filing in Turkey.
   (iii) Receipt of approval, as applicable, from the RBI for acquisition of the Sale Shares by the Acquirer from the Sellers at the negotiated price of ₹ 43.0 per Sale Shareunder the SPA. Vide letter dated February 22, 2013, the RBI has given its no objection to the Acquirer for acquisition of Sale Shares under the SPA, at the price of INR 43 per Sale Share, subject to the condition that the acquisition of Sale Shares should be carried out immediately after completion of the conditions precedent in terms of the SPA and in any case no later than six months from the date of the letter.

7.2. In addition to the statutory approvals mentioned above, the Open Offer is also subject to the satisfaction of the conditions or waiver, if applicable, stipulated under the SPA and disclosed herein below (all of which are considered to be outside the reasonable control of the Acquirer and the PAC):
   (I) no material adverse change having occurred- material adverse change shall mean any change, effect, event, circumstance, occurrence or state of affairs (other than any general change to the general outlook in the economy) which is materially adverse to the business, operations or financial condition of the Target Company taken as a whole and has happened during the period between the date of the SPA and the Closing Date, provided that if the Target fails to achieve an EBITDA margin of at least 12% in the period from April 1, 2012 to December 31, 2012, a material adverse change shall be deemed to have occurred. The Target has achieved the required EBITDA margin of at least 12% in the period from April 1, 2012 to December 31, 2012. Further, in the event a material adverse change occurs, in terms of regulation 23 (1)(d) of SEBI (SAST) Regulations, the Acquirer's right to withdraw the Offer shall be subject to receipt of approval of the same by SEBI.
   (ii) the key Sellers' warranties, as included in the SPA, being, (a) **Capitalisation/ Shareholding:** (i) Each of the Sellers is the sole owner of the relevant Sale Shares set forth against its name above in this Letter of Offer and in the SPA, free from all encumbrances and third party rights. The Sellers are entitled to transfer or procure the transfer of full ownership of the Sale Shares to the Acquirer on the terms set out in the SPA. The share ownership details set out in the SPA are true and accurate. (ii)There are no outstanding rights, options or warrants or any contracts or arrangements (either oral or written, firm or conditional) obligating the Sellers to sell or transfer any Sale Shares held by them to any person. (b) **Past transactions in accordance with applicable laws:** (i)The Target Company has carried out all material transactions in accordance with all applicable law and regulations. No material transaction undertaken by the Target Company constituted a transfer at an undervalue or an unlawful distribution or unlawful financial assistance by the Target Company (c) **Ownership:** (i)Except, for the plant and/or machinery of the Target Company that are installed or operated from customer locations in the ordinary course of business, or as disclosed in the disclosure letter forming part of the SPA, the Company is in possession of the whole of each of its properties, and no other person or entity is in or actually or conditionally entitled to possession, occupation, use or control of any of its properties. (ii)Other than in favour of the lenders, there are no encumbrances or existence of any third party rights on any of the Target Company's properties. The Target Company owns all the properties that are included in the fixed assets register of the company. Except as disclosed in the disclosure letter, the Target Company has title to and is in possession of the properties and is entitled to use them for the purpose of its business. The Target Company has not received any notice from any statutory authority challenging its title or possession of such properties.
   Please note that the conditions stated above in paragraph 7.2 (i) have been satisfied or waived off by the Acquirer, as applicable. Further, the Sellers have certified that the warranties mentioned in paragraph 7.2 (ii) were true and correct based on the facts and circumstances as on the Closing Date.

7.3. As on the date of the Letter of Offer, to the best of the knowledge of the Acquirer and PAC, there are no other statutory approvals required to complete the acquisition of Offer Shares, other than the ones mentioned in paragraph 7.1 above. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such other statutory approvals.

7.4. The acquisition of the Offer Shares from NRIs and OCBs is subject to the approval / exemption from the RBI. The Acquirer submitted an application to RBI on January 24, 2013. Vide letter dated February 22, 2013, RBI has given its no-objection to the Acquirer for acquisition of shares held by NRIs as on February 15, 2013 subject to the following conditions: (i) In case the shares were acquired through rupee resources, the sale proceeds should be credited to the NRO account of the NRI, (ii) The remittance of the consideration will be subject to the applicable taxes, and (iii) RBI approval shall be required in case of NRIs other than those mentioned in the application or OCBs who tender their shares in the Open Offer. Further if there are some statutory approvals that extend to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete the Offer

7.5. Paragraph 2.3.2 of the Draft Letter of Offer shall be read as follows: "The Acquirer currently does not have any intention to alienate, whether by way of sale, lease, encumbrance or otherwise any material assets belonging to the Target Company during the period of two years following the completion of the Offer, except in the ordinary course of business or as may be required to be alienated under applicable law".

7.6. In terms of regulation 22(2) of the of the SEBI (SAST) Regulations, the Acquirer has on March 1, 2013 deposited 100% of the consideration payable under the Open Offer in the Escrow Account maintained with Axis Bank. Accordingly, the Acquirer has, on expiry of 21 Working Days from the date of the DPS, on March 4, 2013 **("Closing Date")** completed the acquisition of shares from the existing promoters, reconstituted the board of directors, as mentioned below, and taken control over the Target Company in accordance with the SPA. The Acquirer holds 5,24,01,579equity shares/ voting rights in the Target Company representing 43.62% shareholding/ voting rights in the Target Company and is now the sole promoter of the Target Company. As on the date of the LoF, the Sellers did not hold any equity shares/ voting rights in the Target Company except for Mr. S.G. Rajgarhia who held 59,94,947 equity shares/ voting rights in the Target Company representing 4.99% of the issued and paid up equity share capital/ voting capital of the Target Company. He has been classified as a public shareholder of the Target Company and is no longer a promoter of the Target Company.

The reconstituted board of directors of the Target Company is as follows:

S. No.	Name of director	DIN No.	Date of Appointment	Whether represent Acquirer and/or PAC
1	Mr. Parmod Sagar	06500871	March 4, 2013 (1)	Yes
2	Mr. S G Rajgarhia	00002245	November 26, 2010 (2)	No
3	Ms. Barbara Potisk- Eibensteiner	06505772	March 4, 2013	Yes
4	Dr. Giorgio Cappelli	02757873	March 4, 2013	Yes
5	Mr. Michael John Williams	02757341	March 4, 2013	Yes
6	Mr. K KThirani	00280467	October 18, 2011	No
7	Mr. R S Bajoria	00033727	October 18, 2011	No
8	Mr. Arun Kumar Jain	01102484	March 4, 2013	No
9	Mr. Subhas ChanderSarin	03641706	October 18, 2011	Yes

Note 1: Mr.Parmod Sagar was appointed as managing director on March 4,2013.

Note 2:Mr. S G Rajgarhia had resigned as the managing director and was re-appointed as an executive director on the Closing Date

8. Schedule of Activities

Activity	Original schedule	Revised schedule
Public Announcement	Tuesday, January 15, 2013	Tuesday, January 15, 2013
Date of publishing the DPS	Tuesday, January 22, 2013	Tuesday, January 22, 2013
Filing of the Draft Letter of Offer with SEBI	Wednesday, January 30, 2013	Wednesday, January 30, 2013
Last date for a competing offer(s)	Wednesday, February 13, 2013	Wednesday, February 13, 2013
Last date for SEBI observations on Draft Letter of Offer (in the event SEBI does not seek clarifications or additional information from the Manager to the Offer)	Thursday, February 21, 2013	Friday, March 08, 2013#
Identified Date*	Monday, February 25, 2013	Tuesday,March 12, 2013
Last date for dispatch of the Letter of Offer to Public Shareholders	Monday, March 4, 2013	Tuesday,March 19, 2013
Last date for revising the Offer Price/ Offer Size	Tuesday, March 5, 2013	Thursday,March 21, 2013
Last Date by which the committee of independent directors of the Target Company shall give its recommendation	Thursday, March 7, 2013	Friday,March 22, 2013
Date of publication of the Offer Opening Public Announcement	Friday, March 8, 2013	Monday,March 25, 2013
Date of commencement of Tendering Period (Offer Opening Date)	Monday, March 11, 2013	Tuesday,March 26, 2013
Date of Expiry of Tendering Period (Offer Closing Date)	Friday, March 22, 2013	Wednesday,April 10, 2013
Last date of communicating rejection/ acceptance and payment of consideration for applications accepted/return of unaccepted Share Certificates/credit of unaccepted Equity Shares to demat account	Tuesday, April 9, 2013	Monday, April 29, 2013
Last Date of publication of the Offer Closing Public Announcement	Wednesday, April 17, 2013	Tuesday, May 7, 2013

#Date of receipt of final comments from SEBI on DLOF

**The Identified Date is only for the purposes of determining the Public Shareholders as on such date to whom the Letter of Offer would be mailed to. It is clarified that all the Public Shareholders (registered or unregistered) of the Target Company shall be eligible to participate in this Offer at any time prior to the closure of this Offer*

Capitalized terms used but not defined in this advertisement shall have the same meaning assigned to such terms in the PA, the DPS and the Letter of Offer.

A copy of this Advertisement is expected to be available on SEBI's website (www.sebi.gov.in).

For further details, please refer to the Letter of Offer issued by the Acquirer and the PAC.

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

JM FINANCIAL

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Contact Person: Ms. Lakshmi Lakshmanan
SEBI Registration Number: INM000010361

Place : Mumbai
Date : March 22, 2013

360 degree PR

Size: 16 x 50 Cms