LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is being sent to you as an Equity Shareholder(s) of Drillco Metal Carbides Limited **("DMCL/Drillco")**. If you require any clarifications about the action to be taken, you may consult your stockbroker 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 DMCL, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the purchaser of Equity Shares or to the member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER

by

Mr. Rahul Timbadia

("Acquirer")

Residence: Sandeep, Plot No. 52, 3rd Floor, Jai Hind Society, 10th Road, JVPD Scheme, Vileparle (West) Mumbai 400049

Tel. No: +91 22 678 78 602, **Fax No:** +91 22 26104195.

To

acquire 9,87,469 fully paid up Equity Shares representing 45.00% of the Paid Up Equity Share capital and resultant voting rights of

Drillco Metal Carbides Limited

("Target Company")

Registered Office: 13/210, Building No. 6, V.N. Purav Marg, Jogani Industrial Complex, Chunabhatti Mumbai-400022

Tel: +91 22 24050603; **Fax:** + 91 22 24053824

At Rs. 2.50 [Rupees Two & Paise Fifty only] per Equity Share (the "Offer Price")

- The Offer is being made pursuant to and in compliance with the provisions of regulation 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Subsequent amendment thereof **[the "SEBI (SAST) Regulations"]**.
- The Offer is not a conditional offer and is not subject to any minimum level of acceptance by the shareholders of the Target Company.
- **This offer is not a competitive bid**.
- **There has been no competitive bid or revision of Offer Price as on the date of this Letter of Offer.**
- **If there is a competitive bid:**
  -The public offers under all the subsisting bids shall close on the same date.
  -As the Offer Price cannot be revised during seven (7) working days prior to the date of closure of offer (i.e. April 19, 2010), it would be in the interest of the shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.
- As on date, the Offer is not subject to any statutory and regulatory approval; however it will be subject to statutory approvals that may become applicable prior to completion of the Offer.
- All the public shareholders (registered or unregistered) [except parties to Share Purchase Agreement i.e. Acquirer & Seller] of the Target Company are eligible to participate in the Offer any time before the Closure of the Offer.
- Shareholders who accept the Offer by tendering the requisite documents, in terms of the Public Announcement/Letter of Offer, can withdraw the same up to three (3) working days prior to the Date of Closure of the Offer, in terms of Regulation 22 (5A) of the SEBI (SAST) Regulations.
- The Acquirer can revise the Offer Price upwards up to seven (7) working days prior to the date of Closure of the Offer. If there is any upward revision in the Offer Price by the Acquirer till the last date for revising the Offer Price, or if the Offer is withdrawn, the same would be communicated by a public announcement in the same newspapers in which the Public Announcement appeared. The Acquirer would pay such revised Offer Price for all the Equity Shares validly tendered any time during the Offer and accepted under the Offer.
- The Acquirer can withdraw this Offer, only under circumstances as mentioned under Regulation 27(1) and in this event the same would be informed by way of public announcement in the same news papers where the original Public Announcement had appeared.
- The procedure for acceptance is set out in section 10 of this Letter of Offer. Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer deed(s) are enclosed with this Letter of Offer. A copy of the Public Announcement and this Letter of Offer (including Form of Acceptance cum Acknowledgement and Form of Withdrawal) will also be available on SEBI's website www.sebi.gov.in
- All correspondence relating to this Offer, if any, should be addressed to the Registrar to the Offer.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Dalmia Securities Private Limited **Dalmia Securities Private Limited** Khetan Bhavan, Room No. 17, 2nd Floor, 198, Jamshedji Tata Road, Mumbai - 400 020 **Tel. No.:** + 91 22 30272828/29; **Fax No:** +91 22 30272820 **Website:-**www.dalmiasec.com; **Email:** dmcl.openoffer@dalmiasec.com **Contact Person:** Mr. Indrajit Bhagat/ Ms. Arthi Thanunathan	SATELLITE **Satellite Corporate Services Private Limited** B-302, Sony Apt, Opp. St Jude High School, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai-400072 **Tel. No:** +91 22 28520461/62 **Fax No.:** +91 22 28511809 **Email:** service@satellitecorporate.com **Contact person:** Mr. Michael Monteiro

Schedule of all the major activities in respect of the Offer is given below

ACTIVITY	ORIGINAL SCHEDULE		REVISED SCHEDULE	
	DAY	DATE	DAY	DATE
Date of Public Announcement	Wednesday	January 13, 2010	Wednesday	January 13, 2010
*Specified Date	Friday	February 5, 2010	Friday	February 5, 2010
Last date for announcement of a competitive bid	Wednesday	February 3, 2010	Wednesday	February 3, 2010
Date by which Letter of Offer will be posted to shareholders	Wednesday	February 24, 2010	Friday	March 26,2010
Date of Opening of the Offer	**Friday**	**March 5, 2010**	**Tuesday**	**March 30,2010**
Last date for revising the offer price / number of Shares	Monday	March 15, 2010	Wednesday	April 07, 2010
Last date for withdrawing acceptance from the Offer	Friday	March 19, 2010	Tuesday	April 13, 2010
Date of Closure of the Offer	**Thursday**	**March 25, 2010**	**Monday**	**April 19, 2010**
Date of communicating rejection / acceptance and payment of consideration for applications accepted.	Thursday	April 8, 2010	Monday	May 3, 2010

Note:

* Specified Date is the date for determining the names of the shareholders to whom the Letter of Offer would be sent, being all the shareholders of the Target Company (except the parties to Share Purchase Agreement), whose name appear on the register of members of the Target Company at the close of business hour on February 5, 2010.

RISK FACTORS

Given below are the risk factors related to the transaction, the proposed Offer and getting associated with the Acquirer:

1. To the best of the knowledge of the Acquirer, and except as stated in the Letter of Offer, no other statutory or regulatory approval is required for him to proceed with this Offer. If any other statutory approvals are required subsequently, the Offer would be subject to such additional approvals. In terms of Regulation 27 of the SEBI (SAST) Regulations, the Acquirer may not be able to proceed with the Offer in the event the approvals indicated above are not received. Delay, if any, in the receipt of such approvals may delay in completion of the Offer.

2. The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the shareholders will not be able to transfer such Equity Shares. Accordingly, the Acquire make no assurance with respect any decision by any shareholder of the Target Company on whether to participate or not to participate in the Offer.

3. In case the Equity Shares tendered in the Offer by the shareholders are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be as per the provisions of Regulation 21 (6) of the SEBI (SAST) Regulations on a proportionate basis, in such a way that the acquisition from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. Market lot for the Target Company's share is 50 (Fifty) shares.

4. Further, the Shareholders should note that after the last date of withdrawal i.e **April 13, 2010**, the shareholders who have lodged their acceptances would not be allowed to withdraw their acceptance even if the acceptance of shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer in trust for the Acquirer, till such time the process of acceptance of tenders, the payment of consideration and other Offer obligations are completed.

5. In the event of any litigation leading to stay on the Offer, or SEBI instructing that the Offer should not be proceeded with, the Offer process may be delayed beyond the Schedule of the Major Activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders, whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirer may be delayed. In case of delay due to non receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the willful default or negligence on part of the Acquirer, grant an extension for the purpose of the completion of the Offer.

6. Trading in Equity Shares of the Target Company has been suspended in BSE from 2002. The Target Company has not been complying with some of the requirements of the listing agreement with the Stock Exchanges where it is listed. The Target Company has not fully complied with the provisions of Chapter II of SEBI (SAST), Regulations, 1997.

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

*Please refer to the section on '**Definitions/ Abbreviations**' for the definition of the capitalized terms used above.*

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1. DEFINITIONS/ ABBREVIATIONS

Acquirer	Mr. Rahul Timbadia
BSE	Bombay Stock Exchange Limited.
DMCL/Target Company	Drillco Metal Carbides Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 13/210, Building No. 6, Jogani Industrial Complex, Chunabhatti, Mumbai-400022.
ECS	Electronic Clearing System
Eligible Shareholders	Registered shareholders of DMCL and unregistered shareholders who own the Equity Shares of DMCL any time prior to the closure of Offer other than the Parties to SPA i.e. the Acquirer & the Sellers.
Escrow Account	Escrow account opened in the name and style of “Drillco Metal Open Offer Escrow Account” with the Escrow Banker, established in accordance with Regulation 28 of the SEBI (SAST) Regulations by the Acquirer.
Escrow Banker	IDBI Bank Limited.
Equity Shares	Fully Paid up Equity Shares of Rs. 10/- each of the Target Company.
FCD	Fully Convertible Debentures.
FEMA	Foreign Exchange Management Act, 1999.
Form of Acceptance/FOA	Form of Acceptance cum Acknowledgement.
Form of Withdrawal/FOW	Form of Withdrawal cum Acknowledgement.
FY	Financial Year.
IFCI	Industrial Financial Corporation of India
Income Tax Act	Income Tax Act, 1961.
LIC	Life Insurance Corporation of India
Listing Agreement	Listing Agreement entered into by the Target Company with the Stock Exchanges (s).
LoO or Letter of Offer	The Letter of Offer.
Manager to the Offer/DSPL	Dalmia Securities Private Limited.
Maximum Consideration	Assuming full acceptance under the Offer, the maximum consideration payable by the Acquirer under the Offer would be Rs. 24,68,673 (Rupees Twenty Four Lacs Sixty Eight Thousand Six Hundred and Seventy Three Only)
OCB	A company, partnership firm and other body corporate owned directly or indirectly to the extent of at least 60% by NRIs including overseas trust, in which not less than 60% by NRIs of the beneficial interest irrevocable is held by the NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a person resident outside India) Regulations, 2000, as amended.
Offer or The Offer	The offer for acquisition of 9,87,469 Equity Shares representing 45% of the total paid up equity share capital of the Target Company at a price of Rs. 2.50 (Rupees Two & Paise Fifty only) per Equity Share payable in cash .
Offer Price	Rs. 2.50 (Rupees Two & Paise Fifty only) per Equity Share of the Target Company.

OTS	One Time Settlement
PCD	Partly Convertible Debentures
PSE	Pune Stock Exchange Limited
Promoters/Promoter Group	Ms. Gayatri Khanna, Ms. Shalini Khanna, Mr. Sriram Narayan, Mr.Ramesh Khanna, and Mrs. Kavita Khanna
Paid Up Capital	21,94,375 Equity Shares of Rs. 10 each fully paid up of the Target Company.
NEFT	National Electronic Fund Transfer
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin as defined under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
Public Announcement or PA	Announcement of the Offer made by the Manager to the Offer on behalf of the Acquirer as appeared in the newspapers on January 13, 2010.
RBI	Reserve Bank of India
Registrar to the Offer	Satellite Corporate Services Private Limited
Regulations/SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SPA/Share Purchase Agreement	Agreement entered into between the Acquirer and the Sellers on January 09, 2010 between Acquirer & Sellers to acquire 2,84,600 fully paid up shares of Rs. 10 (Rupees Ten only) each for cash at a price of Rs. 2.50 per share.
Sellers	Mr. Ramesh Khanna, Mrs. Kavita Khanna and Mr. Sriram Narayan
Specified Date	Friday, February 5, 2010
Stock Exchanges	BSE & PSE

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 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 ("THE TARGET COMPANY")** TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF MR. RAHUL TIMBADIA **("ACQUIRER")** OR OF **DRILLCO METAL CARBIDES LIMITED** WHOSE SHARES AND 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 ACQUIRER IS 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 ACQUIRER DULY DISCHARGE HIS RESPONSIBILITY ADEQUATELY IN HIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER **DALMIA SECURITIES PRIVATE LIMITED** HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED **JANUARY 25, 2010** TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 This offer to acquire 45% (or 9,87,469 Equity Shares) of the paid-up capital and voting rights of the Target Company is made in terms of Regulation 10 & 12 of SEBI (SAST) Regulations. The Acquirer proposes to do a substantial acquisition of shares and take over the management control of the Target Company pursuant to the SPA and this Offer. There are no other acquirers or other entities /person acting in concert for this Offer. Due to operation of regulation 2(1)(e) of SEBI (SAST) Regulations, Mr. Parth Timbadia, son of Mr. Rahul Timbadia may be treated as deemed person acting in concert by virtue of holding position of director in the Target Company.

3.1.2 The Acquirer presently holds 3,18,300 (constituting 14.50 %) Equity Shares and voting rights in the Target Company. The said Equity Shares have been acquired from the promoter group of the Target Company, the details of acquisition of the said Equity Shares are given below:-

Sr. No.	Name of the sellers	Date of acquisition	No. of equity shares acquired	% of total paid up capital	Average acquisition price (Rs.)	Highest price paid during such acquisitions (Rs.)
1	Ms. Gayatri Khanna	January 7, 2010	1,38,100	6.29	2.50	2.50
2	Ms. Shalini Khanna	January 7, 2010	1,02,000	4.65	2.50	2.50
3	Mr. Sriram Narayan	January 7, 2010	78,200	3.56	2.50	2.50
	Total		**3,18,300**	**14.50**		

3.1.3 The Acquirer has entered into a Share Purchase Agreement on January 09, 2010, with Mr. Ramesh Khanna, Mrs. Kavita Khanna and Mr. Sriram Narayan, belonging to the existing promoters' group of the Target Company, (hereinafter collectively referred as "**Sellers**"), to acquire 2,84,600 fully paid up shares of Rs. 10 (Rupees Ten only) each for cash at a price of Rs. 2.50 per share of the Target Company. The breakup of shares to be acquired under the SPA is given below:-

Sr. No.	Name & address of the sellers	No. of Equity Share to be acquired	% of total Paid up Capital	Consideration per share (Rs.)
1	Mr.Ramesh Khanna Flat no 2, Shri Trimurti, 17th Road, Khar (West) Mumbai-400052	1,33,500	6.08	2.50
2	Mrs. Kavita Khanna Flat no 2, Shri Trimurti, 17th Road, Khar (West) Mumbai-400052	1,31,600	6.00	2.50
3	Mr. Sriram Narayan Flat no 2, Shri Trimurti, 17th Road, Khar (West) Mumbai-400052	19,500	0.89	2.50
	Total	**2,84,600**	**12.97**	

3.1.4 By entering into SPA, the holding of the Acquirer will aggregate to 6,02,900 Equity Shares representing 27.47 % of the Paid Up capital/voting rights of the Target Company and this has resulted in the triggering of SEBI (SAST) Regulations, 1997.

3.1.5 Some of the salient features of SPA are as under:-

- After various discussions and analysis, the Acquirer and the Sellers have mutually agreed for a consideration of Rs. 2.50 (Rupees Two and Paise Fifty only) per share for Equity Shares of Rs 10/- each fully paid up.

- Acquirer shall acquire the above 2,84,600 Equity Shares only on completion of the Offer.

- The SPA shall be subject to compliance with the provisions of the SEBI (SAST) Regulations. In case of non-compliance with any of the provisions of the SEBI (SAST) Regulations by the Acquirer or the Sellers, the SPA shall not be acted upon by either the Acquirer or the Sellers.

3.1.6 The Acquirer, Sellers and Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of SEBI Act.

3.1.7 Mr. Parth Timbadia, son (relative) of Mr. Rahul Timbadia, is a director in the Target Company.

3.1.8 The Acquirer may be entitled to be appointed as director on the board of directors in the Target Company after a period of twenty one days from the date of the Public Announcement pursuant to Regulation 22(7) of the SEBI (SAST), Regulations, 1997.

3.2 Details of the Offer

3.2.1. The Acquirer had made a Public Announcement, which was published on January 13, 2010 in the following newspapers in accordance with the Regulation 15 and pursuant to Regulation 10 and 12 of the SEBI (SAST) Regulations.

Publication	Language	Editions
Financial Express	English	All editions
Navshakti	Marathi	Mumbai
Jansatta	Hindi	All editions

The Public Announcement is available on the website of SEBI (www.sebi.gov.in).

3.2.2. This Offer is being made to the shareholders of the Target Company to acquire upto 9,87,469 Equity Shares representing 45% of the total paid up capital of the Target Company as on May 3, 2010, being the date which is fifteen days from the date of Closure of the Offer. This Offer is being made at an Offer Price of Rs. 2.50/- (Rupees Two & Paise Fifty only) per Equity Share payable in cash subject to the terms and conditions mentioned hereinafter.

3.2.3 The Fully Paid Up Capital of the Target Company is Rs. 219.44 lacs consisting of 21,94,375 Equity Shares of face value of Rs. 10/- each. As on the date of this LoO, there are no partly-paid-up Equity Shares of the Target Company.

3.2.4 The entire consideration is payable in cash and hence there is no differential pricing.

3.2.5 DSPL, the Manager to the Offer, does not hold any Equity Shares in the Target Company as on date of this LoO.

3.2.6 The Offer is not conditional on any minimum level of acceptances and the Acquirer will be obliged to acquire all the Equity Shares validly tendered in response to this Offer, subject to a maximum of 9,87,469 Equity Shares and subject to the terms and conditions mentioned in this LoO.

3.2.7 The Acquirer has not acquired any Equity Shares of the Target Company after PA till the date of this LoO.

3.2.8. This is not a competitive bid. There has been no competitive bid or revision of Offer Price as on the date of this LoO.

3.2.9. The highest price paid by the Acquirer for acquiring Equity Shares of the Target Company during the 12 months period prior to the date of the PA is Rs. 2.50 per Equity Share and the average price paid by the Acquirer for all the acquisitions during such period is Rs. 2.50 per Equity Share.

3.3 Object of the Offer

3.3.1 The Offer is being made in accordance with Regulation 10 and Regulation 12 of the SEBI (SAST), Regulations, 1997 as a result of substantial acquisition of shares and voting rights along with change in the control of the Target Company.

3.3.2 The Open Offer to the public shareholders of the Target Company is made for acquiring 45% of the total equity share capital/resultant voting rights of the company. After completing the proposed Open Offer, the Acquirer will achieve substantial acquisition of equity shares and voting rights and control over the Target Company.

3.3.3 The Acquirer is contemplating to pursue the business activities of the Target Company after considering the present business/ market scenario. The Acquirer proposes to diversify the business activities of the Target Company in related/unrelated areas depending upon market conditions and available opportunities subject to the approval of the board of directors and, wherever applicable, approval of the shareholders at the general meeting in terms of relevant provisions of the Companies Act, 1956.

3.3.4 As on the date of PA, the Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company and with the prior approval of the shareholders of the Target Company to the extent required by applicable law.

3.3.5 The Acquirer may be entitled to be appointed as director on the board of directors of the Target Company after a period of twenty one days from the date of the Public Announcement pursuant to Regulation 22(7) of the SEBI (SAST), Regulations, 1997.

3.3.6 The Acquirer shall, on completion of the Offer, influence the Target Company to approach BSE and to take adequate steps to get the suspension of trading of its shares revoked from BSE.

4. BACKGROUND OF THE ACQUIRER

Mr. Rahul Timbadia (Acquirer)

4.1 Mr. Rahul Timbadia is residing at Sandeep, Plot No. 52, 3rd Floor, Jai Hind Society, 10th Road, JVPD Scheme, Vileparle (West) Mumbai 400049. Tele No:- +91 22 678 78 602.

4.2 He is a science graduate from Jai Hind College, Law graduate from Jitendra Chauhan College and Diploma in Etymology through BNHS. He is the Chairman & Managing Director of La Tim Life Style & Resorts Limited. This company is in the business of agriculture, construction, farmhouse and hotels/resorts. He was also an active Director of Bombay Iron Merchant Association for period of 9 years.

4.3 Mr. Ravi Seth, Chartered Accountant (Membership No 16808) proprietor of M/s Ravi Seth & Co having office at 4, Adarsh, 86, S.V. Road, Santacruz (West) Mumbai - 400 054, has certified vide certificate dated January 11, 2010 that the net worth of the Acquirer as on January 11, 2010 is Rs.8,08,23,800/- (Rupees Eight Crores Eight Lacs Twenty Three Thousand Eight Hundred only.)

4.4 He has complied with the applicable provisions of Chapter II of the Regulations within the time specified in the Regulation.

4.5 He does not hold any directorship in any listed company.

4.6 He is the Chairman & Managing Director of La Tim Life Style & Resorts Limited. He is a director in Saj Hotels Private Limited and La Tim Sourcing India Private Limited.

4.7 The companies promoted by Mr. Rahul Timbadia are La Tim Life Style & Resorts Limited, Saj Hotels Private Limited and La Tim Sourcing India Private Limited. Mr. Rahul Timbadia directly and indirectly controls La Tim Life Style & Resort Ltd, Saj Hotels Private Limited and La Tim Sourcing India Private Limited. The relevant details of these companies are given below:-

a) La Tim Life Style & Resorts Limited (formerly known as "Latim Land Development Pvt Ltd"

Date of Incorporation	April 16, 1987
Nature of Business	agriculture, construction, farmhouse and hotels/resorts
Whether sick Industrial Company	No

Present Shareholding Pattern

Sr. No	Category	Number of shares held	Shareholding in (%)
A	**Promoters & Promoters Group**		
	Rahul M Timbadia	19,93,630	39.88
	Parth R. Timbadia	9,19,030	18.38
	Kartik M. Timbadia	6,74,030	13.48
	Amita R. Timbadia	4,62,500	9.25
	Karna K. Timbadia	1,58,600	3.17
	Labhuben M. Timbadia	1,14,000	2.28
	Suchita K. Timbadia	1,11,000	2.22
	Radhika R. Timbadia	50,000	1.00
	Total	**44,82,790**	**89.66**
B	**Other**	**5,16,810**	**10.34**
	Total [A+B]	**49,99,600**	**100.00**

(Rs. In Lacs)

Particulars	March 31, 2007 (Audited)	March 31, 2008 (Audited)	March 31, 2009 (Audited)
Equity capital	328.96	360.46	499.96
Reserves (excluding revaluation reserves)	95.26	138.41	175.16
Total Income	390.56	925.49	920.35
Profit After Tax (PAT),	62.54	43.15	36.75
Earnings Per Share (EPS)	1.90	1.31	1.02
NAV (Net Asset Value)	424.22	498.87	675.12

b) Saj Hotels Private Limited

Date of Incorporation	February 4, 1981
Nature of Business	Hotel
Whether sick Industrial Company	No

Present Shareholding Pattern

Sr. No	Category	Number of shares held	Shareholding in (%)
A	**Promoters & Promoters Group**		
	Rahul M.Timbadia	2,25,000	94.94
	Latim Lifestyle & Resort Ltd	12,000	5.06
	Total	**2,37,000**	**100.00**
B	Other	-	-
	Total [A+B]	**2,37,000**	**100.00**

(Rs. In Lacs)

Particulars	March 31, 2007 (Audited)	March 31, 2008 (Audited)	March 31, 2009 (Audited)
Equity capital	12.00	12.00	237
Reserves (excluding revaluation reserves)	-	-	-
Accumulated (Loss)	(23.80)	(1.52)	(32.26)
Total Income	-	355.07	433.25
Profit/(Loss) After Tax	(1.25)	22.28	(30.74)
Earnings Per Share (EPS)	(1.29)	185.68	(149.01)
NAV (Net Asset Value)	Negative	10.48	204.74

c) La Tim Sourcing India Private Limited

Date of Incorporation	December 21, 2000
Nature of Business	Trading in steel & Fabric
Whether Sick Industrial Company	No

Present Shareholding Pattern

Sr. No	Category	Number of Shares Held	Shareholding (in %)
A	**Promoters & Promoters Group**		
	Rahul Timbadia	20,09,810	99.49
	Amita Timbadia	5,100	0.25
	Suchita Timbadia	2,550	0.13
	Kartik Timbadia	2,550	'0.13
	Valmik Soni	10	0.000
	Total	**20,20,020**	**100**
B	Other	-	-
	Total [A+B]	**20,20,020**	**100**

(Rs. In Lacs)

Particulars	March 31, 2007 (Audited)	March 31, 2008 (Audited)	March 31, 2009 (Audited)
Equity capital	2.00	2.00	2.00
Reserves (excluding revaluation reserves)	-	-	28.96
Accumulated (Loss)	(8.85)	(9.37)	-
Total Income	-	53.50	53.81
Profit After Tax (PAT),	2.50	(0.52)	12.99
Earnings Per Share (EPS)	12.5	(2.59)	191.49
NAV (Net Asset Value)	Negative	Negative	30.96

4.8. Except as stated below, the Acquirer has not acquired any shares in the Target Company.

Year of acquisition	Date of acquisition	No. of shares Acquired by the Acquirer	% of total paid up capital	Mode of acquisition	Compliances
2009-till PA	January 7, 2010	3,18,300	14.50%	Open Market	Complied

4.9 La Tim Lifestyle & Resorts Limited, a company in which Mr. Rahul Timbadia and his family members hold 89 % of equity shares, has given unsecured loan of Rs. 131 Lacs to the Target Company. La Tim Investment & Finance Company, a proprietorship concern of Mr. Rahul Timbadia has given unsecured loan of Rs.87 Lacs to the Target Company.

4.10 Mr. Parth Timbadia, son (relative) of Mr. Rahul Timbadia, is a director in the Target Company. Mr. Rahul Timbadia and Mr. Parth Timbadia have recused themselves and will not participate in any matter concerning or relating the Offer including any preparatory steps leading up to the Offer in terms of Regulation 22(9) of the SEBI (SAST) Regulations. The Acquirer has nominated Mrs. Usha Manish Ghelani wife of Mr. Manish Ghelani, residing at J 101, Vrushali Ship Society, New Link Road, Borivali (West), Mumbai-4000 92 as Constituted Attorney in Law, to complete the Open Offer formalities herein under SEBI (SAST) Regulations and do all such other things, acts and deed as may be necessary, incidental or consequential upon exercise of the powers herein delegated to her.

5. DISCLOSURE IN TERMS OF REGULATION 16(IX) AND FUTURE PLANS FOR TARGET COMPANY

The Acquirer is interested in taking over the management and control of Target Company. Thus substantial acquisition of shares and resultant voting rights accompanied with change in control and management is the reason and rationale for the acquisition.

The Acquirer does not have any plans to dispose of or otherwise encumber any assets of the Target Company in the next two years except in the ordinary course of business of the Target Company, and except to the extent required for the purpose of restructuring and/or rationalization of operations, assets, investments, liabilities or otherwise of the Target Company and with the prior approval of the shareholders of the Target Company to the extent permitted/required by applicable law.

6. OPTION TO THE ACQUIRER IN TERMS OF REGULATION 21(3)

Pursuant to listing norms applicable to the Target Company, it is required to ensure that the public shareholding does not fall below the minimum level of 25% of Paid Up Equity Shares capital. Assuming full acceptance of the Offer, the public shareholding of the Target Company would not fall below 25% of Equity Share capital of the Target Company, hence provisions of Regulation 21 (2) will not be applicable. Moreover, the Acquirer undertakes to comply with the stipulations of the listing agreement and they intend to keep the company listed.

7. BACKGROUND OF THE TARGET COMPANY (DRILLCO METAL CARBIDES LIMITED)

7.1 The registered and corporate office of the Target Company is at 13, 210, Building No 6, Jogani Industrial Complex, V.N. Purav Marg, Chunabhatti Mumbai-400022, Maharashtra, India. Tel: + 91 22 24050603; Fax: + 91 22 24053824.

Following are the persons who constitute existing promoter group of the Target Company and their name, address and date on which they first become shareholders and promoter of the Target Company are given below:-

<table>
<tr><th>Sr. No</th><th>Name of Existing Promoters</th><th>Date on which they became shareholder of the company and treated in promoter/promoter group</th><th>Address</th></tr>
<tr><td>1</td><td>Mr.Ramesh Khanna</td><td>Since Incorporation</td><td rowspan="5">Flat no 2, Shri Trimurti, 17th Road, Khar (West) Mumbai-400052</td></tr>
<tr><td>2</td><td>Mrs. Kavita Khanna</td><td>31.12.1981</td></tr>
<tr><td>3</td><td>Ms. Gayatri Khanna</td><td>19.03.1986</td></tr>
<tr><td>4</td><td>Ms. Shalini Khanna</td><td>19.03.1986</td></tr>
<tr><td>5</td><td>Mr. Sriram Narayan</td><td>01.12.1988</td></tr>
</table>

Ms. Gayatri Khanna and Ms. Shalini Khanna are not the shareholders of the Target Company with effect from January 07, 2010.

7.2 The Target Company was incorporated on November 28, 1974 as Drillco Metal Carbides Private Limited. The Company was converted into public limited company on August 22, 1975 and accordingly the name was changed to Drillco Metal Carbides Limited. 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.

7.3 The Target Company had a manufacturing unit for production of tungsten carbide products at E-3, M.I.D.C, Indl Area, Pune Manmad Road, Ahmednagar 414111. However as on date there does not exist any manufacturing facility at the unit.

7.4 As on date of PA, the total issued, subscribed and paid-up share capital of the Target Company was Rs. 219.44 lakhs (Rupees Two Hundred & Nineteen Lacs Only) consisting of 21,94,375 fully paid-up equity shares of face value Rs.10 (Rupees Ten Only) per Equity Share. All these shares of the Target Company are in physical form. The share capital /voting rights of the Target Company as on the date of PA is as under:

Paid up equity shares of Target Company	No. of shares/voting rights	% of shares /voting rights
Fully Paid up equity shares	21,94,375	100%
Partly paid up equity shares	NIL	NIL
Total Paid Up equity share capital	21,94,375	100%
Total Voting rights in the Target Company	21,94,375	100%

Out of the total paid up capital of Capital of 21, 94,375, only 15, 63,575 Shares of Target Company are listed on BSE & PSE (These shares are suspended due to some non/delayed compliance at BSE/PSE). But balance 6,30,800 shares are still not listed at any stock exchange. The said 6,30,800 Equity Shares were issued by the Target Company in the year 2000 to one Late Shri Purushottam Rijumal Karachiwala & his family members on preferential basis. The following are the reasons as given by the Target Company for suspension of shares and not listing 6,30,800 Equity Share;

- The Target Company was undergoing financial distress from 2000 therefore could not comply with several listing requirements of the stock exchanges.
- The networth of the company became negative due to financial challenges and in-adequate manpower which resulted into delay/non compliance and payment of the requisite fee to the stock exchanges. As the Target company had been undergoing financial distress, it was not able to fulfill all the listing compliances.

7.5 The current capital structure of the Target Company and its build up since Incorporation is as under:-

Year/Date of Allotment	No. of Equity Shares allotted	% of shares issued	Cumulative Equity Paid-up Capital		Mode of Allotment	(Promoters/ Ex-Promoters/ others)	Status of Compliance
			(No.of. Equity Shares)	(In Rs.)			
Incorporation	2	100	2	20	Subscriber to MOA	Promoters	Unlisted company, SEBI (SAST) Regulations not Applicable and also not in force
22-02-1975	9,998	99.98	10,000	1,00,000	Private placement	Friends , relatives of promoters , Directors	As above
22-12-1975	1,86,000	94.90	1,96,000	10,30,000	Private placement	Friends & relatives of promoters , Directors	As above
14-01-976	75,000	27.68	2,71,000	14,05,000	Private placement	SICOM	As above
14-01-76	25,000	8.45	2,96,000	15,30,000	Private placement	WMDC (Western maharashtra Development Corporation)	As above
04-02-1976	4,44,000	60	7,40,000	37,50,000	Public Issue	Public	As per the public issue procedure
09-09-1978	(3,750)	-	7,36,250	73,72,500* (Note :1)	Forfeiture of shares		SEBI (SAST) Regulations came into force in the year 1997
1980-1981	200	-	7,36,450	73,73,500*	Re issue of forfeited shares		As above
1989-1990	3,550	-	7,40,000	74,00,000	Re issue of forfeited shares to Directors & Employees		As above
1990 – 1991	8,23,575	52.67	15,63,575	1,56,35,750	Rights Issue	Existing shareholders	As above
29-09-2000	6,30,800	28.75	21,94,375	2,19,43,750	Preferential Allotment	(Note 2)	(Note 3)

** Paid up capital (in Rs.) includes amount originally paid on forfeited shares*

Note

1. Paid up capital of Rs. 73,72,500 includes amount received on first and second call made by the company on 7,30,000 equity shares and also includes amount originally paid on forfeited shares.

2. The Company had allotted 6,30,800 equity shares (representing 28.75 % of paid up share capital) on September 29, 2000 to one Late Shri Purushottam Rijumal Karachiwala & his family members on preferential basis. Details of name and number of shares allotted under the said preferential allotment are given below.

Sr. No	Name of Shareholders	Number of shares Allotted
1	Shri Purushottam Rijumal Karachiwala	1,00,000
2	Shri Jogeshwar Rijumal Karachiwala	1,00,000
3	Shri Parameshwar Rijumal Karachiwala	1,00,000
4	Shri Prabhudas Rijumal Karachiwala	1,00,000
5	Shri Avinash Purushottam Karachiwala	46,160
6	Shri Tarun Purushottam Karachiwala	46,160
7	Shri Monish Jogeshwar Karachiwala	46,160
8	Shri Vikram Parameshwar Karachiwala	46,160
9	Shri Nikhil Prabhudas Karachiwala	46,160
	Total	**6,30,800**

Late Shri Purushottam Rijumal Karachiwala & his family were allotted equity shares on preferential basis as co- promoters. The shareholders their meeting held on June 30, 2000 had accorded approval for allotment of the above shares to promoters, their friends and associates. However since the co-promoters could not fulfill their entire commitment to infuse funds as per the rehabilitation package, the rehabilitation package was withdrawn and he & his family members resigned from the board. Late Shri Purushottam Karachiwala was also to be inducted as Executive Chairman of the Target Company in the year 2000. However due to various reasons including his inability to infuse funds as agreed, the same did not materialize and that he was not treated as part of the management or as a co-promoters of the Target company at any point of time thereafter.

3. As per applicable regulation 3(1)(c) of SEBI (SAST) Regulations, the preferential allotment, made in pursuance of a resolution passed under Section 81 (1A) of the Companies Act, 1956 was exempted in the year 2001 from making Open Offer. Further, in case of preferential allotment, as per regulation 4 of SEBI (SAST) Regulations, acquirer shall, within 21 days of the date of acquisition, submit a report along with supporting documents to the Board giving all details in respect of acquisitions which (taken together with shares or voting rights, if any, held by him or by persons acting in concert with him) would entitle such person to exercise 15 per cent or more of the voting rights in a company. We are unable to ascertain whether the said report was filed with SEBI. The said 6,30,800 equity shares have not been listed with the stock exchanges on account of non compliance with the several listing requirements.

7.6 The Target Company has been intimated by BSE *vide* their letter No CRD/SUSP/2006/505693/110 dated May 2, 2006 and letter CRD/COMP/2006/154 dated July 10, 2006 that trading with BSE is suspended from January 07, 2002 for non-payment of listing fees and non filing of necessary declarations and documents with the exchange. Further BSE *vide* their letter No CRD/COMP /505693/317/2009-2010 dated December 2, 2009 has asked to the Target Company to approach the exchange for revocation of suspension of trading.

The following are the reasons given by the Target Company for suspension of trading in Equity Shares.

> The Target Company was undergoing financial distress from 2000 therefore could not comply with several listing requirements of the stock exchanges.

The networth of the company became negative due to financial challenges and in-adequate manpower which resulted into delay/non compliance and payment of the requisite fee to the stock exchanges

Steps taken by the Target Company for revocation of suspension of trading with BSE

In response to BSE letter No CRD/COMP /505693 /317/2009-2010 dated December 2, 2009, the Target Company has written to BSE seeking revocation of suspension of trading in its shares listed on BSE by filing certain documents on January 18, 2010**.** Further as per the declaration given by the Target Company, the Target Company has paid BSE listing fees till year 2009-10.

7.7 Out of the total Equity Paid Capital of 21,94,375 shares, 15,63,575 Equity Shares are listed with the Stock Exchanges. The balance 6,30,800 Equity Shares are yet to be listed with Stock Exchanges. The said 6,30,800 equity shares were issued by the Target Company in the year 2000 to one Late Shri Purushottam Rijumal Karachiwala & his family members on preferential basis.

As per declaration given by the Target Company, non listing 6,30,800 Equity Shares is on account of non compliance with the several listing requirements for listing of aforesaid shares. As the Target Company had been undergoing financial distress, it was not able to fulfill all the listing compliances.

The Target Company has not been able to take adequate steps for listing the Equity Shares.

7.8. There are no outstanding convertible instruments (warrants /FCDs / PCDs) etc. issued by the Target Company. There are no partly paid up shares of the Target Company.

7.9 The Target Company has not fully complied with the provisions of Regulation 6, 7 and 8 of Chapter II of SEBI (SAST), Regulations, 1997. The Target Company has submitted all the disclosure pertaining to holding of promoters under regulation 8(3) on January 18, 2010 with the Stock Exchanges. The Target Company has not availed the SEBI (Regularization Scheme), 2002. SEBI may initiate appropriate action against the Target Company for non compliance with aforementioned applicable provisions of the SEBI (SAST), Regulations, 1997.

The Promoters/Sellers have disclosed the necessary declaration to the Target Company pertaining to provisions of Regulation 6, 7 and 8 of Chapter-II of the SEBI (SAST), Regulations, 1997.

Further in the year 2000, the Target Company has allotted 6,30,800 Equity Shares (representing 28.75 % of paid up share capital) to one Late Mr. Purushottam Rijumal Karachiwala & his family member under Section 81 (1A) of the Companies Act, 1956. As per the declaration given by the Target Company, the Target Company have not been in receipt of any declaration under Chapter II of SEBI (SAST), Regulations, 1997 from Late Mr. Purushottam Rijumal Karachiwala or his family members. As per the records maintained by the Registrar & Share Transfer Agent of the Target Company, the address of Late Mr. Purushottam Rijumal Karachiwala and his family members is Satha Colony, Station Road, Ahmednagar Pin – 414001.

7.10 The Target Company has not complied with all the applicable clauses of the Listing Agreement within the time frame as mentioned in the Listing Agreement entered into with the Stock Exchanges. As per the declaration given by the Target Company, no penal action has been taken by the Stock Exchange against the Target Company except the suspension of trading from BSE.

7.11 Present Composition of Board of Directors of the Target Company as on the date of PA

Sr. No	Name	Directorship	Date of Appointment	Qualification	Experience
1	Mr. Ramesh Khanna	Director	May 13, 2006	CA, CS	Over 45 year of experience in financial and other management.
2	Mr. Virendra Singh Khurana	Director	May13, 2006	BA (Hons) LLB	35 years of experience as practicing lawyers. Also notary public.
3	Mr. Parth Timbadia*	Director	October 26, 2007	BBA	5 years of experience in land development and construction.

*Mr. Parth Timbadia is son (relative) of Acquirer

7.12 There have been no mergers/ de-mergers /spin-offs during the past three years involving the Target Company.

7.13 Brief Financials of the Target Company based on audited financial statements for the years ended March 31, 2007, March 31, 2008 and March 31, 2009 & unaudited financial for the nine months ended December 31, 2009.

(Amount Rs. In lacs)

Profit & Loss Statement	Year ending March 31, 2007 (Audited)	Year ending March 31, 2008 (Audited)	Year ending March 31, 2009 (Audited)	For the Period ended December 2009 (un audited)
Income from operations	-	-	-	-
Other Income	-	-	-	-
Total Income	-	-	-	-
Total Expenditure	-	-	(2.48)	(3.80)
Profit Before Depreciation, Interest and Tax	-	-	(2.48)	(3.80)
Depreciation	-	-	-	-
Interest	-	-	-	-
Profit Before Tax	-	-	(2.48)	(3.80)
Provision for Tax	-	-	-	-
Tax in respect of earlier years	-	-	-	-
Profit After Tax			(2.48)	(3.80)
Balance Sheet Statement	**As at March 31,2007 (Audited)**	**As at March 31,2008 (Audited)**	**As at March 31,2009 (Audited)**	**As at December 31,2009(Un Audited)**
Sources of funds				
Paid up share capital	219.44	219.44	219.44	219.44
Reserves and Surplus (excluding revaluation reserves)	(526.10)	(526.10)	(528.58)	(532.39)
Revaluation Reserve	170.12	170.12	170.12	170.12
Net worth	(306.66)	(306.66)	(309.14)	(312.95)
Secured loans	62.53	62.53	43.53	-
Unsecured loans	129.59	129.59	190.73	319.73
Deferred Tax Liability	-	-	-	-
Total	**55.57**	**55.57**	**95.24**	**176.90**
Uses of funds				
Net fixed assets	227.53	227.53	227.53	227.53
Investments	-	-	-	-
Deferred Tax Assets	-	-	-	-

Net current assets	(171.95)	(171.95)	(132.29)	(50.63)
Miscellaneous expenditure (to the extent not written off or adjusted)	-	-	-	-
Total	**55.57**	**55.57**	**95.24**	**176.90**
Other Financial Data	**Year ending March 31, 2007 (Audited)**	**Year ending March 31, 2008 (Audited)**	**Year ending March 31, 2009 (Audited)**	**For the Period ended December 2009 (un Audited)**
Dividend (%)	NIL	NIL	NIL	NIL
Earnings Per Share of Rs. 10/- each (Rs.)	NIL	NIL	(0.11)	(0.17)
Return on Net worth (Profit after Tax divided by average Net Worth)(%)	Negative	Negative	Negative	Negative
Book Value Per Share of Rs. 10 each (Rs.)	(13.97)	(13.97)	(14.09)	(14.26)

Note:- Unaudited Financial position and working result/other financial data for the 9 months period ended December 31, 2009 is certified by existing statutory auditor of the Target Company, Mr. Ravi Seth, Chartered Accountant (Membership No:- 16808) proprietor of M/s Ravi Seth & Co having office at 4, Adarsh, 86, S.V. Road, Santacruz (West) Mumbai - 400 054.

7.14 Significant Accounting Policies of the Company for the financial period ended 31.3.2009

The operation of the Target Company is standstill since August 2001. Since FY 2001 the Target Company has been adopting the same accounting policies as enumerated in annual report of 2000-01, which are prescribed below:-

1. **Fixed Assets**

   Fixed Assets includes all expenditure of capital nature (and are shown at cost less depreciation. Depreciation on Fixed Assets is provided on straight line/written down value in accordance with the Companies Act, 1956. Revalued Assets recorded at revalued amount and the additional depreciation on such revaluation has been adjusted against the revaluation reserve.

2. **Research & Development**

   Research & Development Expenditure of a capital is added to Fixed Assets. All other research and development is written off in the year in which it is incurred.

3. **Revenue Recognition**

   Sale of manufactured goods and bought out items are net of trade discount. Revenue in respect of sales is recognized at the time of physical dispatch of goods.

4. **Inventories**

   Raw materials, packing materials, stores spares and consumable and finished goods are valued at cost or market value whichever is lower.

5. **Retirement Benefit**

   Contribution in respect of payment to Employee Provident Fund charged to revenue.

6. **General**

   Accounting policies not specifically referred to are consistent with generally accounting policies.

7.15. Reasons for fall/rise in income in the relevant years are as follow:

The operation of the Target Company is standstill since August 2001. The Company has not earned any income during the financial year ended March 31, 2007, 2008 & 2009.The Target Company has made full & final settlement of their outstanding dues with the financial institution namely IDBI, IFCI, Kotak Mahindra Bank Limited and LIC. However, IDBI Bank Limited has subsequently asked for an increase in its OTS amount which is currently being discussed with IDBI Bank Limited.

7.16 The Target Company has taken unsecured loan of Rs. 131 Lacs from La Tim Lifestyle & Resorts Limited and Rs.87 Lacs from La Tim Investment & Finance Company. The Target Company had taken unsecured loan from acquirer group companies as part of plan to revive the company by reducing the debt burden through one time settlements with banks & financial Institutions. The Terms of the said unsecured loan are as follows:-

Rate of interest:- Interest Moratorium up to March 31, 2010 and carrying interest @ 15 % p.a thereafter.
Tenure of Loan: - Not exceeding 5 years.

7.17. Pre and Post offer Shareholding Pattern of the Target Company (considering 100% response to the Offer):

Shareholders Category	Shareholding & Voting rights prior to the SPA and offer (holding Before January 09, 2010)		Shares/Voting rights acquired which triggered off the Regulations (shares to be acquired under SPA)		Shares/Voting rights to be acquired in the open offer (assuming full acceptance)		Shareholding/ Voting rights after the acquisition and offer	
	(A)		(B)		(C)		(A)+(B)+(C) = (D)	
	No	%	No	%	No	%	No	%
(1) PROMOTER GROUP								
(a) Sellers								
Mr.Ramesh Khanna	1,33,500	6.08	(1,33,500)	(6.08)	-	-	-	
Mrs. Kavita Khanna	1,32,000	6.02	(1,31,600)	(6.00)	-	-	400* (Note 1)	0.02
Mr. Sriram Narayan	19,500	0.89	(19,500)	(0.89)	-	-	-	
c. Promoters other than (a) above	-	-	-	-	-	-	-	-
Total 1 (a+b+c)	**2,85,000**	**12.99**	**(2,84,600)**	**(12.97)**	**-**	**-**	**400**	**0.02**
(2) ACQUIRER								
a. Main Acquirer								
Rahul Timbadia	3,18,300	14.50	2,84,600	12.97	9,87,469	45	15,90,369	72.47
b. PAC	-	-	-	-	-	-	-	-
Total 2 (a+b)	**3,18,300**	**14.50**	**2,84,600**	**12.97**	**9,87,469**	**45**	**15,90,369**	**72.47**
(3) PARTIES TO THE AGREEMENT OTHER THAN (1)& (2)	-	-	-	-	-	-	-	-
(4) PUBLIC (OTHER THAN PARTIES TO AGREEMENT, SELLERS, ACQUIRERS & PACS.								
a. FIs/MFs, FIIs/Banks, SFIs*	3,58,600	16.34	-	-	(9,87,469)	(45)	6,03,606	27.51
b. Other (shareholders in public category)	12,32,475	56.17	-	-				
Total 4 (a+b)	**15,91,075**	**72.51**	**-**	**-**	**(9,87,469)**	**(45)**	**6,03,606**	**27.51**
GRAND TOTAL (1+2+3+4)	**21,94,375**	**100**	**-**	**-**	**-**	-	**21,94,375**	**100**

Note:- *As per the shareholding pattern provided by the Target Company, Ms. Kavita Khanna is holding 1, 32,000 Equity shares in the Target Company. However as per the declaration provided by Ms. Kavita Khanna under SEBI (SAST) Regulations, her holding is 1, 31,600 before the PA. The difference 400 Equity Shares due to non submission of transfer deeds pertaining to those shares by a purchaser of the shares form Ms. Kavita Khanna

Details of shares held by Banks, Financial Institutions/FIIs, MFs, etc.

Sr. No	Details	No shares held
1	**PUBLIC FINANCIAL INSTITUTIONS**	
	General Insurance Corporation of India	53,750
	LIC	25,650
	The New India Assurance Co Ltd	53,750
	Industrial Financial Corporation of India	8,250
	Total [A]	**1,41,400**
2	**NATIONALISED /OTHER BANKS**	
	Bank of Maharashtra	1,18,800
	Canara Bank	2,100
	IDBI Bank Limited	96,100
	Standard Chartered Bank	200
	Total [B]	**2,17,200**
	Total [A+B]	**3,58,600**

7.18 Details of the change in the shareholding of the promoters:-

Year of Acquisition	No. of Shares holding by Promoters	Acquisition or purchase /(Sale) or (transfer) of Shares	% of Paid up Capital Acquired or Purchased / (Sale) or (Transferred)	Cumulative % of Paid up Capital	Mode of Acquisition	Compliance
1996-97	6,30,400	-	-	40.32	-	-
1997-98	6,30,400	-	-	40.32	-	-
1998-99	6,30,400	2,13,800	14.39	40.32	Inter-se transfer among promoter group ***(Note :1)***	Complied
1999-00	6,30,400	-	-	40.32	-	-
2000-01	6,30,400	-	-	28.73	-	-
2001-02	6,30,400	-	-	28.73	-	-
2002-03	6,30,400	-	-	28.73	-	-
2003-04	6,30,400	-	-	28.73	-	-
2004-05	6,30,400	-	-	28.73	-	-
2005-06	6,30,400	-	-	28.73	-	-
2006-07	6,30,400	-	-	28.73	-	-
2007-08	6,30,400	(27,500)	(1.25)	27.47	Open Market Sale	NA
2008-09	6,02,900	-	-	27.47	-	-
2009-Till PA	6,02,900	(3,18,300)	(14.50)	12.97	Open Market sale	Complied

*As per the shareholding pattern provided by the Target Company, Ms. Kavita Khanna is holding 1,32,000 Equity shares in the Target Company. However as per the declaration provided by Ms. Kavita Khanna under SEBI (SAST) Regulations , her holding is 1,31,600 before the PA. The difference 400 Equity Shares due to non submission of transfer deeds pertaining to those shares by a purchaser of the shares form Ms. Kavita Khanna

Note 1

Interse transfer of 2,13,800 Equity Shares among the promoter group were effected in the year 1998-1999. Such interse transfer being exempted under SEBI (SAST) Regulations, 1997 and the necessary declaration filed by the Target Company with the Stock Exchanges.

7.19 The provisions of Clause 49 of the Listing Agreement are not applicable to the Target Company as, the paid-up capital is less than Rs.3 corers and the Networth is less than Rs.25 crores and also the net worth has never touched or crossed Rs. 25 crores since in its inception.

7.20 Pending Litigations involving DMCL

Case filed by the Shantidoot Traders through their proprietor firm against Target Company in Civil Court at Ahmednagar for recovery of Rs. 89,837 for supply of cloths made by Shanti Doot Traders to the employee of the Target Company.

7.21 Name and other details of compliance officer:

Name : Mr. Ramesh Khanna
Designation : Director
Address : 13/ 210, Building No 6, Jogani Industrial Complex Chunabhatti Mumbai-400022.

*(**Source:** All the data about Target Company is provided by Drillco Metal Carbides Limited)*

8. OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 JUSTIFICATION OF OFFER PRICE

8.1.1 The shares of the Target Company are listed at BSE having scrip code 505693 & PSE. The trading of shares is now suspended on BSE.

8.1.2 There has been no trading in the shares of the Target Company on BSE and PSE during 6 calendar months preceding the month in which the PA is made. The Equity shares of the Target Company are infrequently traded on BSE and PSE within the meaning of explanation (i) to Regulation 20 (5) of the SEBI (SAST) Regulations and hence Offer Price has been determined taking into account following parameters.

Sr. No	Particulars	Price (In Rs. per share)
1	Negotiated price under the SPA	2.50
2	Highest price paid by the Acquirer for acquisition including by way of allotment in a public or rights issue during the 26 weeks prior to the date of PA.	2.50
3	**Other Parameters**	**Based on the audited Balance Sheet as on March 31, 2009**
i	Return on Net worth	Negative
ii	Book value	(14.09)
iii	Earnings per share	(0.11)
	The average industry P/E for the sector in which ‘ the Target Company operates	Not Applicable since there is no operation

Mr. M. M. Chitale (Membership No. 14054), the partner of M/s Mukund M .Chitale & Co. having its office at 204/205, Agrawal Shyamkamal-A, Vile Parle (E) Mumbai-400 057 vide certificate dated January 09, 2010, has stated that based on the decision of the Hon’ble Supreme Court of India in the case of Hindustan Lever Employees Union Vs Hindustan Lever Limited, the fair value of the Equity Shares of the Target Company is Rs.1.72/- (Rupee One and Seventy Two Paise) per share.

8.1.3 In the opinion of Acquirer and Manager to the Offer, the Offer Price of Rs. 2.50 (Rupees Two & Paise Fifty only) for each fully paid up Equity Shares is justified in terms of Regulation 20(5) of the SEBI (SAST) Regulation 1997.

8.1.4 If the Acquirer acquires Equity Shares after the date of Public Announcement upto 7 (Seven) 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 acceptances received under the Offer.

8.1.5 There is no non-compete agreement entered into between the Acquirer and the Sellers and accordingly, no non-compete fee is being paid which should have any bearing on the Offer Price.

8.16 As per the Share Purchase Agreement dated January 9, 2010, the Sellers are to receive, either directly/indirectly, only Rs. 2.50 per share from the Acquirer for the shares to be acquired under the said SPA.

8.2 FINANCIAL ARRANGEMENT

8.2.1 Assuming full acceptance under the Offer, the maximum consideration payable by the Acquirer under the Offer would be Rs. 24,68,673 (Rupees Twenty Four Lacs Sixty Eight Thousand Six Hundred and Seventy Three Only).

8.2.2 In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirer has deposited an amount of Rs. 25 Lacs (Rupees Twenty Five Lacs Only) being in excess of 100% of the Maximum Consideration, in an escrow account with IDBI Bank Limited, IDBI Tower Centre, WTC Complex, Cuffe Parade Mumbai-400 005. The Manager to the Offer has been authorized to operate the above Escrow Account to the exclusion of all others and to instruct the Escrow Banker to issue cheques/pay orders/demand drafts/ECS credits if required, and has been empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations. In case of revision in the Offer Price, the Acquirer has agreed to deposit additional amount in the Escrow Account so as to ensure compliance with Regulation 28 of SEBI (SAST) Regulations.

8.2.3 The Acquirer has adequate resources to meet the financial requirements of the Offer. The same is certified by Mr. Ravi Seth, Chartered Accountant (Membership No 16808) proprietor of Ravi Seth & Co having office at 4, Adarsh, 86, S.V Road Santacruz (West) Mumbai -400 054 vide certificate dated January 12, 2010.

8.2.4 In view of the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

9. TERMS AND CONDITIONS OF OFFER

9.1 Persons eligible to participate in the Offer

9.1.1 Registered shareholders of Target Company and unregistered shareholders who own the equity shares of Target Company any time prior to the date of Closure of the Offer, other than the parties to the SPA i.e. the Acquire & the Sellers.

9.1.2 None of the existing shares of the Target Company are under any Lock-in requirements.

9.2 **STATUTORY APPROVALS**

9.2.1 This Offer is subject to receipt of approval from the RBI in terms of the RBI's Master Circular No. 02/2009-10 dated July 1, 2009 for the acquisition of equity shares tendered in this Offer by non-resident shareholders, if any, who are or may become shareholders during the course of this Offer. The Acquirer will be filing an application to the RBI to obtain such approval, if required. To the best of the knowledge of the Acquirer, no other statutory approval is required for the purpose of acquisition of equity shares by the Acquirer under the Offer as on the date of this Public Announcement. The Offer would be subject to such statutory approvals as may become applicable prior to completion of the Offer. In terms of Regulation 27 of SEBI (SAST) Regulations, the Acquirer will have a right not to proceed with the Offer in the event any statutory approvals that may be applicable are refused.

9.2.2 In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the shareholders of the Target Company, subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.

9.2.3 To the best of his knowledge, the Acquirer does not require any approvals from financial institutions or banks for the Offer.

9.3 Others

9.3.1 Accidental omission to dispatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

9.3.2 This Letter of Offer will be dispatched to all the shareholders of Target Company (other than parties to SPA), whose names appeared on the Register of Members of Target Company as on Friday, February 5, 2010, being the Specified Date. Persons who own Equity Shares of Target Company any time prior to the date of Offer Closure, but are not registered holders, are also eligible for accepting the Offer.

9.3.3 Unaccepted Share/ Shares Certificates, Share Transfer Forms and other documents, if any, will returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

9.3.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders / Electronic Clearance Services (ECS) wherever applicable and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

9.3.5 In accordance with the Regulation 22(6) of the SEBI (SAST) Regulations, the Acquirer accepts the responsibility for the information contained in this Letter of Offer.

10**. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER**

10.1 There are no Equity Shares of the Target Company in demat form, all the shares are held in physical form. The Target Company has not made any arrangements for the shareholders to hold the shares in demat form.

10.2 Shareholders who wish to tender their Equity Shares will be required to send their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and duly signed Share Transfer Form(s) to the Registrar to the Offer by hand delivery /registered post or through courier, as the case may be, at the address mentioned in Para 10.12, in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

10.3 Shareholders of the Target Company to whom this Offer is being made, are free to offer his / her / their Equity Shares of Target Company for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in this Offer.

10.4 Beneficial owners 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 or courier, as the case may be, on Mondays to Fridays between 10.00 AM and 5.00 PM and on Saturdays between 10.00 AM and 1.00PM, on or before the date of Closure of the Offer, i.e. **Monday, April 19, 2010**

- Form of Acceptance, 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 Target Company.

- 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 Target Company or on the Share Certificate issued by Target Company) as per the specimen signature(s) lodged with Target Company and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognized stock exchange 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.

10.5 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.

10.6 In case the Equity Shares stand in the name of a sole shareholder, who is deceased, the Notarized copy of the legal representation obtained from a Competent Court should also be enclosed.

10.7 All shareholders of the Target Company, except the Acquirer and Sellers, who own the shares any time before the closure of the Offer, are eligible to participate in the Offer.

10.8 In case of non-receipt of the Letter of Offer/FOA, the eligible persons may download the same from SEBI website or obtain a copy of the same by writing to Registrars to the Offer at the collection centre clearly marking the envelope **'Drillco Open Offer**' or make an application on plain paper duly signed and stating their name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, along with the original physical share certificate to the Registrar to the Offer, so as to reach them on or before 5.00 PM up to the date of closure of the offer i.e**. Monday, April 19, 2010**.

10.9 Persons who own Equity Shares of Target Company any time prior to the date of closure of Offer , but are not registered holders, can tender their equity shares for purchase by the Acquirer, 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 recognized Stock Exchange, only at the address of Registrar to the Offer as mentioned in Para 10.12.

10.10 Unregistered owners holding equity shares may also send their application in writing on a plain paper, duly signed and stating the name, address, number of shares held, distinctive numbers, folio number and the number of shares in respect of which they are accepting the Offer along with the original share certificate(s) and valid transfer deed(s) as received from the Broker (columns meant for transferee / buyer should be kept blank) to the Registrar to the Offer on the address mentioned in Para 10.12. Unregistered owners will also be required to submit documents to prove their title to the shares in respect of which they are accepting the Offer such as original broker's contract note and/or transfer deed(s) executed by the registered holder of the shares. No indemnity is required from the unregistered owners.

10.11 In case the Share Certificate(s) and the instrument(s) of transfer are lodged for transfer with Target Company, then the Form of Acceptance should be accompanied by (i) the Share Transfer Deed(s) and (ii) the acknowledgement of lodgment or receipt issued by Target Company by individual. In case 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 lodgment or receipt issued by Target Company. 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 lodgment or receipt issued by Target Company.

10.12 The Acquirer has appointed Satellite Corporate Services Private Limited as Registrar to the Offer. Shareholders of the Target Company, holding shares in physical and who wish to accept the Offer shall send/deliver the Form of Acceptance along with all of the relevant documents at the collection center of the Registrar of Offer mentioned below in accordance with the procedure as set out herein.

Address of Registrar to the Offer:

Sr. no	Address of registrar to the Offer	Business hours	Mode of Delivery
1.	**Satellite Corporate Services Pvt Ltd** B-302, Sony Apt, Opp. St Jude High School, off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai-400072 Tel. No: 022-28520461/62; Fax No.:022-28511809 Email service@satellitecorporate.com, Contact Person: Mr. Michael Monteiro	**Monday to Friday** between 10.00 am to 1.00 pm and 2.00 pm to 5.00 pm **Saturday** between 10.00 am to 1.00 pm	Hand delivery/ Courier / Registered Post

Holidays: Sundays and Bank Holidays

Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other documents are complete in all respects; otherwise the same are liable to be rejected.

10.13 No document should be sent to the Acquirer or to Target Company or to the Manager to the Offer.

10.14 Equity shares tendered by shareholders of the Target Company in the Offer which are not free from lien, charges and encumbrances of any kind whatsoever shall be rejected.

10.15 Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions/ orders regarding these equity shares are not received together with the equity shares tendered under the Offer prior to the date of Closure of the Offer.

10.16 While tendering equity shares under the Offer, NRIs / OCBs / foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of Target Company. In case of previous RBI approvals not being submitted, the Acquirer reserves the right to reject the equity shares. While tendering shares under the Offer, NRI / OCBs / foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

10.17 The consideration received by the shareholders for equity shares accepted in the Offer will be subject to the capital gains tax / deduction of tax at source applicable as per the Income Tax Act, 1961. Further, the securities transaction tax will not be applicable on equity shares accepted in this Offer.

10.18 The Registrar to the Offer will hold in trust the shares / share certificates, shares, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of Target Company who have accepted the Offer, until the cheques / drafts / ECS if applicable for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

10.19 Acquirer will acquire all the shares up to 9, 87,469 Equity Shares tendered in the Offer with valid applications. If the aggregate of the valid responses to the Offer exceeds the Offer size of 9, 87,469 fully paid-up equity shares of the Target Company DMCL (representing 45% of the paid-up equity share capital of DMCL), then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations.

10.20 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.

10.21 Accidental omission to dispatch of Letter of Offer to any member entitled to this Offer or non-receipt of the Letter of Offer by any member entitled to participate in this Offer shall not invalidate the Offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein and in the Letter of Offer.

10.22 The Acquirer shall endeavor to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer (i.e. **Monday, May 3,2010)**, including payment of consideration to the shareholders of Target Company whose equity shares are accepted for purchase by the Acquirer.

10.23 In case of non-receipt of any of statutory approvals, if any required, as per regulation 22(12), SEBI (SAST), Regulations, 1997, SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirer will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

10.24 Method of Settlement

(i) The marketable lot of Target Company is 50 [Fifty] and all the Equity Share are in physical form. The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents or/ and shares tendered by the shareholders of Target Company under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirer only upon the fulfillment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance

(ii) We shall give credit of consideration for Equity Shares tendered in the offer, if any, to the shareholders within 15 days from the date of the closure of the offer. Credit for the consideration will be paid to the shareholders who have tendered shares in the open offer by ECS, Direct Credit or crossed account payee cheques/pay orders/demand drafts in favour of first holder of equity shares and sent by registered post..

(iii) The payment to the shareholders would be done through various modes in the following order of preference.

a. Electronic Clearing System (ECS) - Payment would be done through ECS for shareholders having an account at any of the following 15 Centres : Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvanthapuram (managed by RBI). This mode of payment would be subject to availability of complete Bank Account details including the MICR Code as appearing on a cheque leaf, from the depositories. The payment through ECS is mandatory for shareholders having an Bank Account at any of the above mentioned 15 Centres except where the shareholder being eligible opts to receive payment through direct credit or RTGS.

b. Direct Credit - Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the FOA.

c. Real Time Gross Settlement –(RTGS) - Shareholders having an Bank account at any of the above mentioned 15 centres and whose amount exceeds Rs. 1 million have the option to receive the payment through RTGS.Such eligible shareholders who indicate their preference to receive payment through RTGS are required to provide the IFSC Code in the Acceptance-cum-Acknowledgement Form. In the event, the same is not provided; payment shall be made through ECS. Charges, if any, levied by the escrow bank for the same would be borne by the acquirers. Charges, if any, levied by the Shareholders Bank receiving the credit would be borne by the shareholder.

d. National Electronic Fund Transfer (NEFT) – Payment shall be undertaken through NEFT, wherever the shareholders bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR. If any available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on date immediately prior to the date of payment, duly mapped with MICR Nos. Wherever the shareholders have registered thrier 9 digit MICR Number and their Bank Account No while opening and operating the DEMAT Account the same will be duly mapped with the IFSC Code of that particular Bank Branch and the payment will be made to the shareholder through this method. The process flow in respect of payments by way of NEFT isat an evolving stage and hence use of NEFT is not operationally feasible.

The payment would be made through any one of the other modes as discussed above.

For all other shareholders, including those applicants whose payment consideration is not credited by ECS/Direct credit due to technical errors or incomplete/incorrect bank account detal the payment will be dispatched under certificate of posting for value upto Rs.1500/- and through a speed post / Registered post for payments above Rs.1500/-.

Such payment will be made by cheques, Pay Orders or Demand Draft payable at par at places where acceptance forms are received.

On fulfillment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirer will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of Target Company whose equity shares are accepted by the Acquirer at his address registered with Target Company. It is desirable that shareholders provide bank details of the first/ sole shareholder in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque /demand draft / ECS if applicable.

10.25 Procedure for Withdrawal of Application

(i) In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders shall have the option to withdraw acceptances tendered up to three working days prior to the date of closure of Offer.

(ii) Shareholders who wish to withdraw their shares from the Offer will be required to send the FOW duly completed & signed along with the requisite documents. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 5.00 PM upto the last date of withdrawal i.e **Tuesday, April 13, 2010.**

(iii) The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance cum- Acknowledgement / Plain paper application submitted and the Acknowledgement slip. In case of non receipt of FOW, the withdrawal can be exercised by making an application on plain paper along with following details :-

- Name, Address, Distinctive numbers, Folio number, Number of Equity Shares tendered and to be withdrawn.

10.26 General

(i) The Form of Acceptance/Form of Withdrawal and instructions contained therein are integral part of this Letter of Offer.

(ii) Neither the Acquirer nor the Manager nor the Registrar nor the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of acceptance, Share certificate(s), Share transfer deed(s), and copy of delivery instructions or other documents.

(iii) The Offer Price is denominated and payable in Indian Rupees only.

(iv) All the 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 lodgment of the Form of Acceptance and other relevant particulars.

(v) If there is any upward revision in the Offer Price (Regulation 26) by the Acquirer till the last day of revision, viz., at any time upto seven working days prior to the date of closure of the Open Offer i.e., the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

(vi) **"If there is competitive bid:**

The Public Offers under all the subsisting bids shall close on the same date.
As the Offer Price can not 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 acceptance accordingly"

11. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection for the shareholders of DMCL at the Mumbai office of Dalmia Securities Private Limited at Khetan Bhavan, Room No. 17, 2nd Floor, 198, Jamshedji Tata Road, Mumbai -400 020 from 10.00 a.m. to 1.00 p.m. and from 2.00 p.m. to 4.00 p.m. on any working day, except Saturday, Sundays, and Public/Bank Holidays until the offer closes.

a) Certificate of Incorporation and Memorandum & Articles of Association of DMCL.
b) Net Worth Certificate of Acquirer duly certified by Mr. Ravi Seth, Chartered Accountant (Membership No 16808), proprietor of M/s Ravi Seth & Co.
c) Certificate by Mr. Ravi Seth, Chartered Accountant (Membership No 16808), proprietor of M/s Ravi Seth & Co confirming that the Acquirer has adequate resources to meet the financial requirements of the Offer.
d) Audited Annual Report of DMCL for year ended March 31, 2007, March 31, 2008 and March 31, 2009.
e) A letter from IDBI Bank Limited dated January 12, 2010 confirming the amount kept in the Escrow Account and lien marked in favour of the Manager to the Offer.
g) Copy of the Share Purchase Agreement (SPA) dated January 09, 2010.
h) Copy of Public Announcement published in the newspapers January 13, 2010.
i) Copy of SEBI Observation letter bearing reference no. CFD/DCR/TO/BV/198854/2010 dated March 17, 2010 received in terms of proviso to regulation 18(2) of the Regulations.

12. DECLARATION BY THE ACQUIRER

The Acquirer accepts full responsibility for the information contained in this LoO and for ensuring compliance with the Regulations. The Acquirer is responsible for their respective obligations in terms of the Regulations.

All information contained in this document is as on the date of the Public Announcement, true unless stated otherwise. Ms. Usha Manish Ghelani has been appointed as constituted attorney by the Acquirer to do all necessary deeds, things and acts in connection with the Open Offer including signing of the LoO on his behalf.

On behalf of

Mr. Rahul Timbadia

Usha Manish Ghelani

Date:- March 23, 2010
Place:- Mumbai

Enclosures

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal cum Acknowledgement
3. Blank Share Transfer Form

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FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

(Please send this Form of Acceptance with enclosures to the Satellite Corporate Services Private Limited at the collection centre mentioned in the Letter of Offer)

OFFER SCHEDULE	
OFFER OPEN ON	Tuesday, March 30, 2010
LAST DATE OF WITHDRAWAL	Tuesday, April 13, 2010
OFFER CLOSES ON	Monday April 19, 2010

From

Name:

Address:

Status: Resident/Non-Resident

Tel. No: ______________ **Fax No:** ______________ **Email:** ______________

To

The Acquirer – Mr. Rahul Timbadia
C/o Satellite Corporate Services Private Limited
B-302, Sony Apt, Opp. St Jude High School,
Off Andheri Kurla Road, Jarimari, Sakinaka,
Mumbai - 400072.

FOR OFFICE USE ONLY	
Acceptance number	
Number of equity shares offered	
Number of equity shares accepted	
Purchase consideration	
Cheque/demand draft/pay order number/ECS	

Dear Sir,

Sub: Open offer to acquire upto 9,87,469 fully paid up Equity Shares of Rs 10/- each representing 45 % of the fully paid up equity capital and resultant voting rights of Drillco Metal Carbides Limited ("DMCL") by Mr. Rahul Timbadia ('Acquirer') at an offer price of Rs. 2.50 /- (Rupees Two and Paise Fifty Only) per fully paid up equity share ("Offer Price") payable in Cash

1. I/We refer to the Letter of Offer dated March 23, 2010, for acquiring the Equity Shares held by me/us in DMCL.
2. I/We, the undersigned have read the Public announcement, the corrigendum to the Public Announcement and the Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

3. I/We, hold the following shares in physical form and accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Sr. No.	Ledger Folio No.	Certificate Nos.	Distinctive Nos.		No. of shares
			From	To	
Total no. of equity shares					

(Please attach additional sheets of paper and authenticate the same, if space is insufficient)

4. I/We confirm that the equity shares of DMCL which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.
5. I/We note and understand that the original share certificate(s) and the valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.
   I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures.
6. I/We authorise the Acquirer to accept the shares so offered, which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorise the Acquirer to return to me/us, the equity share certificate(s) in respect of which the offer is not found valid/not accepted, specifying the reasons thereof and in at my/our sole risk.
7. I/We authorise the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by registered post the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.
8. The Permanent Account No. (PAN/GIR NO.) allotted under the Income Tax Act 1961 is as under:

	First/Sole Holder	Joint Holder 1	Joint Holder 2
PAN/GIR No.			

– – – – – – – – – – – – – – – – Tear along this line – – – – – – – – – – – – – – – –

ACKNOWLEDGEMENT SLIP

Satellite Corporate Services Private Limited
Drillco Metal Carbide Limited-Open Offer-Acceptance Form

Received from Mr./Mrs./Ms ______________ Residing at ______________

a Form of Acceptance cum Acknowledgement for ______________ No. of shares alongwith ______________
No. of certificate(s) ______________ transfer deed(s) under Folio No. ______________ for accepting the Offer made by the Acquirer.

Signature of Official	Date of Receipt	Stamp of Registrar

So as to avoid fraudulent encashment in transit, the shareholders may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. ***Please indicate the preferred mode of receiving the payment consideration. (Please ✓ tick)***

1. Electronic Mode:- ____________________ **2. Physical Mode:-** ____________________

Particulars required	Details
Bank Name	
Bank Account Number	
Name of the Branch and Address	
Type of Account (saving/current/other)	
9 Digit MICR Code	
IFSC Code (for RTGS/NEFT transfers)	

Yours Faithfully,

Signed and delivered by

	Full Name(s) of the Holder(s)	Address	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

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

Place: ____________________ Date: ____________________

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.
2. The Form of Acceptance should be filled-up in English only. Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.
3. **Mode of tendering the Equity Shares Pursuant to the Offer:**
   ● The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of the DMCL. ● Shareholders of the Target Company to whom this Offer is being made, are free to offer his / her / their shareholding in Target Company for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.
4. **Shareholders holding Physical shares should enclose**
   ● Form of Acceptance duly completed and signed. ● Original Share Certificate(s) ● Valid Share Transfer Deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signature lodged with Drillco Metal Carbides Limited, and duly witnessed.
5. **Unregistered owners should enclose**
   ● Form of Acceptance duly completed and signed. ● Original Share Certificate(s) ● Brokers contract note in original ● Transfer deed(s) executed by the registered holders of the shares.
6. **NRIs/OCBs/Foreign shareholders should submit**
   ● The previous RBI approvals (Specific or general) that they would have obtained for acquiring shares of Drillco Metal Carbides Limited. ● No Objection Certificate/ Tax clearance Certificate, indicating the amount of tax to be deducted by Acquirer before remitting the consideration, from the Income Tax Act, 1961.
7. **Other Documents as necessary**
   ● Duly attested death certificate and succession certificate (in case of single shareholder) if the original shareholder is deceased. ● Duly attested Power of attorney if any person apart from the shareholder has signed the Form of Acceptance and / or transfer deed(s). ● No Objection Certificate from the charge holder/lender, if the shares in respect of which the application is sent, are under any change, lien or encumbrance. ● In case of companies, the necessary corporate authorization (including Board Resolutions). ● Any other relevant documentation.
8. **The Form of Acceptance along with all of the relevant documents shall be sent only to the Registrar to Offer at below mentioned collection center:**

Sr. no.	Address of Registrar to the Offer	Business hours	Mode of Delivery
1.	**Satellite Corporate Services Pvt Ltd.** B-302, Sony Apt, Opp. St Jude High School, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai-400072 Tel. No: 022-28520461/62; Fax No.:022-28511809 Email service@ satellitecorporate.com, Contact Person: Mr. Michael Monteiro	Monday to Friday between 10.00 am to 1.00 pm and 2.00 pm to 5.00 pm Saturday between 10.00 am to 1.00 pm	Hand delivery/ Courier/ Registered Post

Holidays: Sundays and Bank Holidays:

9. Applicants who cannot hand deliver their documents at the collection center, may send their documents only by Registered Post/Courier at their own risk, to the Registrar to the Offer so as to reach on or before the closure of the Offer i.e 5.00 p.m on Monday, April 19, 2010.
10. The Shareholders are requested to note that the Form of Acceptance are received by the Registrar to Offer after the closure of the offer i.e 5.00 p.m on Monday, April 19, 2010 shall not be accepted under any circumstances and hence liable to be rejected.

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Note: All future correspondence, if any, should be addressed to the Registrars to the Offer at the following address:

Satellite Corporate Services Private Limited

B-302, Sony Apt, Opp. St Jude High School, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai-400072

Tel. No: 022-28520461/62; Fax No.:022-28511809; Email service@satellitecorporate.com

FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

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

Please read the Instruction in Letter of Offer and overleaf before filling in this Form of Withdrawal

From

Name:

Address:

OFFER SCHEDULE	
OFFER OPEN ON	Tuesday, March 30, 2010
LAST DATE OF WITHDRAWAL	Tuesday, April 13, 2010
OFFER CLOSES ON	Monday, April 19, 2010

Status: Resident / Non-Resident

Tel. No: ____________________ **Fax No:** ____________________ **Email:** ____________________

To

The Acquirer – Mr. Rahul Timbadia
C/o Satellite Corporate Services Private Limited
B-302, Sony Apt, Opp. St Jude High School,
Off Andheri Kurla Road, Jarimari, Sakinaka,
Mumbai - 400072.

FOR OFFICE USE ONLY	
Withdrawal number	
Number of equity shares offered	
Number of equity shares withdrawn	

Dear Sir,

Sub: Open offer to acquire upto 9,87,469 fully paid up Equity Shares of Rs 10/- each representing 45% of the fully paid up equity capital and resultant voting rights of Drillco Metal Carbides Limited ("DMCL") by Mr. Rahul Timbadia ('Acquirer') at an offer price of Rs. 2.50/- (Rupees Two and Paise Fifty Only) per fully paid up equity share ("Offer Price") payable in Cash

1. I/We refer to the Letter of Offer dated March 23, 2010, for acquiring the Shares held by me/us in Drillco Metal Carbides Limited.
2. I/We, the undersigned have read the Public announcement, the corrigendum to the Public Announcement and the Letter of Offer and understood their contents including the terms and conditions as mentioned therein.
3. I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.
4. I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.
5. I/We note that this Form of Withdrawal should reach the Registrar to the Offer at collection center mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e Tuesday, April 13, 2010.
6. I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and due to inaccurate/incomplete particulars/instructions.
7. I/We also note and understand that the Acquirer will return the original share certificate(s) and share transfer deed(s) only on completion of verification of the documents, signatures.

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ACKNOWLEDGEMENT SLIP

Drillco Metal Carbide Limited-Open Offer-Withdrawal form

Received from Mr./Mrs./Ms. ____________________

Residing at ____________________

a Form of Withdrawal for ____________________ Number of Share under Folio No. ____________________

Signature of Official	Date of Receipt	Stamp of Registrar

8. The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Sr. No.	Ledger Folio No.	Certificate Nos.	Distinctive Nos.		No. of shares
			From	To	
Total no of equity shares					

(Please attach additional sheets of paper and authenticate the same, if space is insufficient)

Yours faithfully,

Signed and delivered by

	Full Name(s) of the Holder(s)	Address	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

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

Place: ______________________ Date: ______________________

INSTRUCTIONS

1. The Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the Collection Center mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e not later than 5.00 p.m on Tuesday, April 13, 2010.
2. Shareholders should enclose the following :-

   i. For Equity Shares held in physical form:- Registered Shareholders should enclose:

   - Duly signed and completed Form of Withdrawal.
   - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance, in case FOA delivered by Registered A.D/ Courier.
   - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with DMCL and duly witnessed at the appropriate place.

   ii. Unregistered owners should enclose:

   - Duly signed and completed Form of Withdrawal.
   - Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement (FOA), in case FOA delivered by Registered A.D.
3. The withdrawal of shares will be available only for the Share certificates that have been received by the Registrar to the Offer.
4. The intimation of returned shares to the Shareholders will be at the address as per the records of the DMCL as the case may be.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the DMCL. The facility of partial withdrawal is available only to registered shareholders.
7. The Form of Withdrawal and other related documents should be submitted at the Collection Center mentioned in the Letter of Offer.
8. Applicants who cannot hand deliver their documents at the collection center, may send their documents only by Registered Post/Courier at their own risk, to the Registrar to the Offer so as to reach on or before the last date of withdrawal i.e. Tuesday, April 13, 2010.

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Note: All future correspondence, if any, should be addressed to the Registrars to the Offer at the following address:

Satellite Corporate Services Private Limited

B-302, Sony Apt, Opp. St Jude High School, Off Andheri Kurla Road, Jarimari, Sakinaka, Mumbai-400072

Tel. No: 022-28520461/62; Fax No.:022-28511809; Email service@satellitecorporate.com

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