

# LETTER OF OFFER

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder of Marathwada Refractories Limited ("**MRL**" / "**Target**"). If you require any clarifications about the action to be taken, you should consult your stockbroker or investment consultant or the Manager/Registrar to the Offer. In case you have sold your Shares, please hand over this Letter of Offer, the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

### CASH OFFER

Pursuant to Regulation 10 and Regulation 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ("**SEBI (SAST) Regulations**")

**BY**

**Mr. Sushil Pandurang Mantri ("Acquirer")**

having his office at No. 41, Vittal Mallya Road, Bangalore - 560 001, Karnataka, India  
Telephone: 080-41300000, Fax: 080-41325000

### TO ACQUIRE

Up to 1,40,000 fully paid-up equity shares of the face value of Rs. 10 each ("**Equity Shares**") representing 20% of the Emerging Voting Capital ("**Open Offer / Offer**")

**OF**

**Marathwada Refractories Limited ("MRL" / "Target")**

having its registered office at F-4/1, Chikalhana Industrial Area, M.I.D.C. Aurangabad - 431210  
Telephone and Facsimile: 0240-2482762

**AT**

**Rs. 397 (Rupees Three hundred and ninety seven only) per fully paid-up Equity Share of Rs. 10 each (the "Offer Price") payable in cash**

#### **ATTENTION:**

- a) This Open Offer is being made by the Acquirer pursuant to the provisions of Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations for the purpose of substantial acquisition of shares and voting rights and change in control and management of the Target Company.
- b) The acceptance of Equity Shares in the Offer from shareholders who are persons resident outside India is subject to the receipt of the approval of the Reserve Bank of India ("**RBI**") under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder ("**FEMA**") ("**RBI Approval**"). The Acquirer had made an application on December 6, 2010 for the approval of the RBI as aforesaid, which approval has been received on February 14, 2011. There are no other statutory approvals required to implement the Offer other than that specified above. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approvals.
- c) The Acquirer will have the right to make payment to resident Shareholders (as defined below) and non-resident Shareholders in respect of whom no RBI Approval is required and not accept Equity Shares from non-resident Shareholders in respect of whom prior RBI Approval is required in the event that the aforesaid RBI Approval is refused. In case of delay in the RBI Approval, the Acquirer has the option to make payment to the resident Shareholders and non-resident Shareholders in respect of whom no RBI Approval is required who have validly tendered their Equity Shares in the Offer as per the basis of acceptance if any.
- d) The Shareholders who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement (as defined below) and the Letter of Offer can withdraw the same upto Wednesday, March 9, 2011, i.e., 3 (three) working days prior to the date of the closure of the Offer.
- e) If there is any upward revision in the Offer Price or Offer Size (as defined below) prior to or on the last date for such revision, i.e. Thursday, March 3, 2011, or if the offer is withdrawn, you will be informed by way of another public announcement in the same newspapers where the Public Announcement had appeared. The Acquirer will pay such revised price for all the Equity Shares validly tendered at any time during the Open Offer and accepted under the Open Offer.
- f) This offer is not conditional on any minimum level of acceptance by the Shareholders.
- g) This document has not been filed, registered or approved in any jurisdiction outside India. Recipients of this document resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements.
- h) **There has been no competitive bid as on the date of this Letter of Offer.**
- i) The Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed are enclosed with the Letter of Offer.
- j) The Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal and the Public Announcement will also be available on SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)) from the date of opening of the Offer, being Tuesday, February 22, 2011.

#### MANAGER TO THE OFFER



**JM Financial Consultants Private Limited**  
141, Maker Chamber III, Nariman Point  
Mumbai 400 021  
Tel: +91 22 6630 3030  
Fax: +91 22 2204 7185  
Website: [www.jmfinancial.in](http://www.jmfinancial.in)  
Email: [lakshmi.lakshmanan@jmfinancial.in](mailto:lakshmi.lakshmanan@jmfinancial.in)  
Contact Person: Ms. Lakshmi Lakshmanan  
SEBI Registration Number: INM000010361

#### REGISTRAR TO THE OFFER



**Link Intime India Private Limited**  
Unit: Marathwada Refractories- Open Offer  
C-13, Panalal Silk Mills Compound, L B S Marg,  
Bhandup (W), Mumbai 400 078  
Tel.: +91 22 25960320  
Fax.: +91 22 25960329  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
Email: [mrl.offer@linkintime.co.in](mailto:mrl.offer@linkintime.co.in)  
Contact Person: Mr. Nilesh Chalke  
SEBI Registration Number: INR000004058

**OFFER OPENS ON : TUESDAY, FEBRUARY 22, 2011**

**OFFER CLOSSES ON : MONDAY, MARCH 14, 2011**

## SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Original Schedule	Revised Schedule
Public Announcement Date	Tuesday, November 30, 2010	Tuesday, November 30, 2010
Specified date*	Monday, December 20, 2010	Monday, December 20, 2010
Last date for a competitive bid	Tuesday, December 21, 2010	Tuesday, December 21, 2010
Date by which individual Letters of Offer will be dispatched to the shareholders	Tuesday, January 04, 2011	Thursday, February 17, 2011
Offer opening date	Friday, January 21, 2011	Tuesday, February 22, 2011
Last date for revising the Offer Price / Offer Size	Tuesday, February 01, 2011	Thursday, March 03, 2011
Last date for withdrawal of acceptances by the Shareholders	Monday, February 07, 2011	Wednesday, March 09, 2011
Offer Closing Date	Thursday, February 10, 2011	Monday, March 14, 2011
Date by which acceptance/ rejection would be intimated and the corresponding payment for the acquired Equity Shares and/or the share certificates for the rejected/ withdrawn Equity Shares will be dispatched and/or credited to the beneficiary account in case of dematerialised Equity Shares**	Friday, February 25, 2011	Tuesday, March 29, 2011

\* Specified date is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer will be sent. However, all owners (registered or unregistered) of the Equity Shares of the Target (except the Acquirer and the Sellers) are eligible to participate in the Offer anytime before the closure of the Offer.

\*\* Last date as per the SEBI (SAST) Regulations

## 1 RISK FACTORS

### Risks relating to the Offer and the Acquirer

- The acceptance of shares of non-resident Shareholders who validly tender their Equity Shares under this Offer and in respect of whom prior RBI Approval under FEMA is required shall be subject to the receipt of such approval from the RBI.
- The Acquirer will have the right to make payment to the resident Shareholders and non-resident Shareholders in respect of whom no approval is required from the RBI and not accept Equity Shares from such non-resident Shareholders in respect of whom prior approval of the RBI is required in the event of the aforesaid RBI approval being refused. Further, in case of non-receipt of RBI approval and if the Offer is oversubscribed, the Acquirer will have the right to reject acceptance of the Equity Shares tendered by the non-resident Shareholders in respect of whom prior RBI approval is required and acquire additional Equity Shares from the resident Shareholders and the non-resident Shareholders with respect to whom no prior RBI approval is required. To facilitate this, the Registrar to the Offer will hold in trust the Equity Shares or Equity Share certificates held in credit of the Special Depository Account (as defined below) for the resident Shareholders and non-resident Shareholders in respect of whom no RBI Approval is required and for acquiring Shares from non-resident Shareholders in respect of whom prior RBI Approval is required until the said approval is received.
- In the event of regulatory approvals not being received in a timely manner or litigation leading to a stay on the Offer or the Securities and Exchange Board of India instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares have been accepted in the Offer as well as the return of the Equity Shares not accepted by the Acquirer may be delayed. Shareholders should note that after the last date for withdrawal of acceptances under the Offer i.e. March 9, 2011, Shareholders who have lodged the Equity Shares will not be able to withdraw them even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed. The tendered Equity Shares and documents will be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.
- 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 trade such Shares. During such period there may be fluctuations in the market price of the Shares. Accordingly, the Acquirer makes no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to the decision by any Shareholder on whether to participate or not to participate in the Offer.
- In the event of oversubscription to the Offer, the acceptance of the Equity Shares tendered will be on a proportionate basis and will be contingent upon the level of subscription. The unaccepted Shares will be returned to the Equity Shareholders in accordance with the Schedule of Activities for the Offer. However, in the event that RBI approval as aforesaid is refused for one or more Shareholders in respect of whom prior RBI Approval is required, the basis of acceptance will be revised and additional Equity Shares will be accepted by the Acquirer from resident Shareholders and such non-resident Shareholders in respect of whom no prior RBI approval is required or non-resident Shareholders in respect of whom RBI approval is received, and further consideration shall be paid for such accepted shares.

### Others

- The Acquirer and the Manager to the Offer accept no responsibility for the statements made otherwise than in this Letter of Offer and the Public Announcement and anyone placing

reliance on any other source of information (not released by the Acquirer or the Manager to the Offer) would be doing so at his/her/their own risk.

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 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.

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## 1. DEFINITIONS

Unless the context otherwise indicates or requires in Letter of Offer, the following terms have the meanings given below.

<b>Acquirer</b>	Mr. Sushil Pandurang Mantri
<b>Act</b>	The Companies Act, 1956 as amended from time to time
<b>Board</b>	Board of Directors
<b>BSE</b>	Bombay Stock Exchange Limited
<b>CSE</b>	Calcutta Stock Exchange Limited
<b>CDSL</b>	Central Depository Services (India) Limited
<b>DLOF</b>	The Draft Letter of Offer dated December 13, 2010
<b>DP</b>	Depository Participant
<b>Emerging Voting Capital</b>	7,00,000 Equity Shares of the Target Company of a face value of Rs. 10 each as on March 29, 2011 i.e. 15 days post closure of the Offer
<b>Equity Share (s) / Share (s)</b>	Outstanding equity shares of face value Rs. 10 each of Marathwada Refractories Limited
<b>FY</b>	Financial Year ended March 31
<b>Form of Acceptance</b>	Form of Acceptance cum Acknowledgement
<b>INR or Rs</b>	Indian Rupees
<b>LOF</b>	This Letter of Offer dated February 15, 2011
<b>Manager to the Offer/JM Financial / Manager</b>	JM Financial Consultants Private Limited
<b>NSDL</b>	National Securities Depository Limited
<b>Offer/ Open Offer</b>	Open offer to acquire 1,40,000 Equity Shares being 20% of the Emerging Voting Capital of the Target Company pursuant to Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations, at a price of Rs. 397 per fully paid up Equity Share
<b>Offer Price</b>	Rs. 397 per fully paid up Equity Share
<b>Offer Size</b>	20% of the Emerging Voting Capital of Marathwada Refractories Limited consisting of 1,40,000 Equity Shares
<b>Person(s) eligible to participate in the Offer</b>	All shareholders (registered and unregistered) of Equity Shares of Marathwada Refractories Limited (other than the Acquirer and the Sellers) anytime before the closure of the Offer and whose equity shares have either reached the Registrar or credited to the Special Depository Account on or

	before the closure of the issue.
<b>Public Announcement/ PA</b>	Public announcement of the Offer made by the Acquirer on November 30, 2010
<b>RBI</b>	Reserve Bank of India
<b>Registrar / Registrar to the Offer</b>	Link Intime (India) Private Limited
<b>SEBI</b>	Securities and Exchange Board of India
<b>SEBI Act</b>	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto
<b>SEBI (SAST) Regulations</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers), 1997 and subsequent amendments thereto
<b>Sellers</b>	Mr. Mridu Hari Dalmia, Mr. Raghu Hari Dalmia and Ms. Padma Dalmia
<b>Shareholders / Equity Shareholders</b>	All owners (registered and unregistered) of Equity Shares of the Target excluding the Acquirer and the Sellers
<b>Specified Date</b>	December 20, 2010
<b>Special Depository Account</b>	Depository account with Ventura Securities Limited as Depository Participant, called "LIPL MRL Open Offer Escrow Demat Account"
<b>SPA</b>	Share Purchase Agreement dated November 26, 2010 entered into by the Acquirer with the Sellers for purchase of 3,50,760 Equity Shares of the Target
<b>Target / Target Company / MRL</b>	Marathwada Refractories Limited

All the information including financial unless otherwise specifically stated in this Letter of Offer are up to and as of the date of the PA i.e. November 30, 2010.

## 2. DISCLAIMER

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR THE LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF MARATHWADA REFRACTORIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET WHOSE SHARES/CONTROL ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER. THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES HIS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER, JM FINANCIAL CONSULTANTS PRIVATE LIMITED, HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED DECEMBER 13, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. 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 to the Offer

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



follows:

SI No.	Name of the Shareholder	Residential Address	No. of Shares Held	% of Equity Share Capital	Purchase Price Payable (Rs.)
1.	Mridu Hari Dalmia	20 F, Prithviraj Road, New Delhi-110 011 Ph: 011 - 23792300 Fax (office) – 011 - 23325160	2,03,750	29.11%	7,13,12,500
2.	Raghu Hari Dalmia	No.1, Tees January Marg, New Delhi-110 011 Ph: 011 - 23013777 Fax (office) – 011 - 23325160	10	-	3,500
3.	Padma Dalmia	No.1, Tees January Marg, New Delhi-110 011 Ph: 011 – 23013777 Fax (office) – 011 - 23325160	1,47,000	21.00%	5,14,50,000
<b>Total</b>			<b>3,50,760</b>	<b>50.11%</b>	<b>12,27,66,000</b>

- b. The Acquirer shall, upon transfer of the Sale Shares in his name, receive full legal and beneficial ownership and all shareholder rights relating thereto. The aforesaid sale and purchase of Sale Shares shall be by way of an on-market transfer on the block trading window of the BSE on the date of execution of the SPA or as soon as possible thereafter in accordance with the rules prescribed by the BSE, save and except for the 10 shares held by Mr. Raghu Hari Dalmia, which shall be purchased by way of an off-market transfer.
- c. The Acquirer shall take credit of the Sale Shares purchased as aforesaid in an escrow account opened for this purpose and in respect of which the Acquirer shall have authorized the Manager to the Offer to issue instructions (“**Share Escrow Account**”).
- d. The Existing Directors, Mr. Ashwani Kumar Bhatia, Mr. Hari Ballabh Belwal and Mr. Sandip Jhunjunwala have undertaken to resign from the Board of Directors of the Target (“**Board**”) as of January 1, 2011 or such other date as may be mutually agreed amongst the Acquirer and the Sellers, being not earlier than the date on which the Acquirer’s nominees may be appointed as directors of the Target in accordance with Regulation 22(7) of the SEBI Takeover Regulations (“**Replacement Date**”).
- e. For the period intervening the date of execution of the SPA and the Replacement Date, the Sellers have agreed to cause the business of the Target to be operated in the ordinary course.
- f. The completion of the transaction, pursuant to the SPA, is conditional upon completion of the Acquirer’s obligations under this Offer, such completion to be evidenced by the certificate of completion to be issued by the Manager to the Offer in terms of Regulation 24(7) of the SEBI (SAST) Regulations.

- g. The Acquirer and the Sellers have undertaken to reverse the sale and purchase of the Sale Shares in the event that the Acquirer is unable to complete his obligations under the SEBI (SAST) Regulations or is mandated by SEBI in writing, to reverse the sale and purchase of the Sale Shares. In the event that such an instruction is issued by SEBI, the Acquirer shall or the Acquirer shall ensure that the Manager to the Offer shall, issue all necessary instructions and authorisations to ensure that the Sale Shares are credited to the demat accounts of the Sellers from the Share Escrow Account in accordance with the provisions of Regulation 22(16) of the SEBI (SAST) Regulations.
- 3.1.5 The Acquirer has, in accordance with the terms of the SPA, opened a Share Escrow Account by the name of “Marathwada Refractories Limited – Escrow Account – Sushil Mantri Operated by JMF (Escrow Agent – Anand Rathi)” with Anand Rathi Share and Stock Brokers Limited (“**Escrow Agent**”) for the purpose of holding the Sale Shares to be acquired pursuant to the SPA.
- 3.1.6 The Acquirer has authorized the Manager to the Offer to issue instructions to the Escrow Agent in relation to the operation of the Share Escrow Account. The Acquirer has given an irrevocable authority to the Escrow Agent to solely operate the Share Escrow Account (including to the exclusion of the Acquirer) in accordance with the instructions of the Manager to the Offer and the Escrow Agent shall accept and honour instructions in respect of the Share Escrow Account only from the Manager to the Offer till the completion of the transaction (i.e. the completion of the Acquirer’s obligations under this Offer, such completion to be evidenced by the certificate of completion to be issued by the Manager to the Offer in terms of Regulation 24(7) of the SEBI (SAST) Regulations).
- 3.1.7 Pursuant to the SPA, the Acquirer has acquired 3,50,750 Equity Shares from Mr. Mridu Hari Dalmia and Ms. Padma Dalmia on the BSE by way of block deal at a price of Rs. 350 per Equity Share on November 26, 2010 and 10 Equity Shares at a price of Rs. 350 per Equity Share on November 30, 2010, by way of an off-market purchase, from Mr. Raghu Hari Dalmia. All the Sale Shares acquired pursuant to the SPA are being held in the Share Escrow Account.
- 3.1.8 The Acquirer has undertaken that he will not exercise any voting rights in the Target with respect to the Sale Shares prior to the completion of the Offer.
- 3.1.9 The Acquirer and Sellers agree and understand that the sale and purchase of Sale Shares is subject to the provisions of the SEBI (SAST) Regulations and if the obligations of the Acquirer in terms of the SEBI (SAST) Regulations in relation to the Offer are not successfully completed, the Manager to the Offer shall issue instructions to the Escrow Agent to reverse the transaction by transferring the Sale Shares to the Sellers. In this regard, the Manager to the Offer has been irrevocably authorized to reverse the sale and purchase of Sale Shares under the SPA.
- 3.1.10 Following completion of the acquisition of the Sale Shares under the SPA pursuant to the completion of the Offer, the Sellers shall be de-classified as “Promoter and Promoter Group” of the Target.
- 3.1.11 None of the Acquirer, Sellers or the Target have been prohibited by SEBI from dealing in securities under directions issued pursuant to Section 11B of Securities Exchange Board of India Act, 1992 or under any of the regulations made under the SEBI Act.

## **3.2 Details of the Offer**

- 3.2.1 The Public Announcement was made on November 30, 2010 in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations.

<b>Publications</b>	<b>Editions</b>	<b>Type</b>
The Financial Express	All editions	English
Jansatta	All editions	Hindi
Loksatta	Aurangabad edition	Marathi
Navshakti	Mumbai edition	Marathi

*(The Public Announcement is also available at the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in))*

- 3.2.2 The Target has an authorised capital of Rs. 1,00,00,000 comprising of 8,50,000 Equity Shares of Rs. 10 each and 15,000 preference shares of Rs.100 each. As on the date of the Public Announcement, the issued, subscribed and paid-up Equity Share capital of the Target is Rs. 70,00,000 divided into 7,00,000 fully paid up Equity Shares of a face value of Rs. 10/- each. In terms of Regulation 21 (5) of SEBI (SAST) Regulations, the voting rights at the expiration of 15 days after the closure of the Offer would be 7,00,000 Equity Shares. There are no partly paid-up shares of the Target as on November 30, 2010.
- 3.2.3 Pursuant to the Offer, the Acquirer proposes to acquire up to a maximum of 1,40,000 Equity Shares at Rs. 397 for each fully paid-up Equity Share payable in cash and subject to the terms and conditions mentioned in the Public Announcement and in this Letter of Offer, representing 20% of the Emerging Voting Capital and aggregating Rs. 5,55,80,000. The Offer is subject to the receipt of certain approvals as set forth below in the section titled “Terms and Conditions of the Offer”.
- 3.2.4 This is not a competitive bid. As of the date of this Letter of Offer, there has been no competitive bid.
- 3.2.5 The Offer is not conditional on any minimum level of acceptance by the Shareholders. The Acquirer will acquire all the fully paid-up Equity Shares of the Target that are validly tendered by the Shareholders in terms of the Offer up to a maximum of 1,40,000 Equity Shares representing in aggregate 20% of the Emerging Voting Capital, subject to the conditions specified in the Public Announcement and this Letter of Offer. In case the number of Equity Shares validly tendered in the Offer is more than the Equity Shares to be acquired in the Offer, the acquisition of Equity Shares from each Shareholder will, subject to the terms and conditions specified in the Letter of Offer, be on a proportionate basis (as per the provisions of Regulation 21(6) of the SEBI (SAST) Regulations) in such a way that the acquisition from any Shareholder shall not be less than the minimum marketable lot.
- 3.2.6 The Acquirer has not acquired any Equity Shares of the Target during the 12 month period prior to the date of the Public Announcement except as described in paragraph 3.1.7.
- 3.2.7 Subsequent to the PA and till the date of this LOF, other than the Equity Shares acquired pursuant to the SPA, the Acquirer has purchased a total of 127,250 Equity Shares constituting 18.18% of the Equity Share capital of the Target in accordance with Regulation 20(7) of the SEBI (SAST) Regulations and has made the requisite disclosures in this regard under the SEBI (SAST) Regulations. The details of the acquisitions are as follows:

<b>Date of Acquisition</b>	<b>No. of Shares acquired</b>	<b>Percentage of Emerging Voting Capital</b>	<b>Acquisition Price (Rs.)</b>	<b>Mode of Acquisition</b>	<b>Relevant SEBI (SAST) Regulations</b>	<b>Compliance Status</b>
December 4, 2010	29,700	4.24%	395	Off market	22(17), 7(1) & 7(1A)	Inadvertent delay *
December 6, 2010	1,400	0.20%	396	Off market	22(17)	Complied

December 8, 2010	10,000	1.43%	357.50	Open Market (i) 5,000 Shares at Rs.355; and (ii) 5,000 Shares at Rs.360	22(17)	Complied
December 9, 2010	15,000	2.14%	367.32	Open Market (i) 50 Shares at Rs.375.50; (ii) 100 Shares at Rs. 376; (iii) 4,850 Shares at Rs.377; (iv) 5,000 Shares at Rs.365; and (v) 5,000 Shares at Rs.360	22(17), 7(1A)	Complied
December 13, 2010	3,600	0.51%	322	Open Market	22(17)	Complied
December 14, 2010	17,600	2.51%	322.50	Open Market	7(1A), 22(17)	Complied
December 15, 2010	25,950	3.71%	396	Off Market	7(1A), 22(17)	Complied
December 16, 2010	21,500	3.07%	351.63	Open Market	7(1A), 22(17)	Complied
December 28, 2010	2,500	0.36%	395	Off Market	22(17)	Complied
<b>Total</b>	<b>127,250</b>	<b>18.18%</b>				

\* Delay of 1 day with respect to the filings to be made under Regulation 22(17) of the SEBI (SAST) Regulations. The Acquirer has initiated consent proceedings in relation to the said delay and has filed a consent application dated January 20, 2011 with SEBI.

- 3.2.8 Pursuant to the completion of all of the Offer formalities and assuming full acceptance in the Offer, the Sale Shares (in accordance with the terms and conditions of the SPA) and the shares acquired subsequent to the PA and till the date of the LOF, the Acquirer will hold 6,18,010 Equity Shares constituting 88.29% of the issued and paid up Equity Share capital of the Target.
- 3.2.9 The Acquirer may purchase additional Equity Shares of the Target from the open market or through negotiated transactions or otherwise, after the date of the Public Announcement in accordance with the Regulation 20(7) of SEBI (SAST) Regulations. Accordingly, the highest price paid for such acquisition shall be payable for all acceptances received under the Offer. No acquisitions shall be made by the Acquirer during the last 7 working days prior to the closure of the Offer.
- 3.2.10 If the Acquirer acquires any Shares in terms of Regulation 20(7) of the SEBI (SAST) Regulations, from the open market or through negotiations or otherwise, details of such acquisition will be disclosed by the Acquirer within 24 hours of such acquisition to the stock exchanges where the Equity Shares of the Target are listed and to the Manager to the Offer

in terms of Regulation 22(17) of the SEBI (SAST) Regulations.

- 3.2.11 There are no persons acting in concert for the purpose of this Offer within the meaning of Regulation 2(1)(e) of the SEBI (SAST) Regulations.
- 3.2.12 The Manager to the Offer did not hold any Equity Shares in the Target as at the date of PA.
- 3.2.13 The Manager to the Offer shall not deal in the shares of the Target during the period commencing from the date of its appointment in terms of Regulation 13 of the SEBI (SAST) Regulations till the expiry of the fifteen days period from the date of Closure of the Offer.
- 3.2.14 As the Offer Price cannot be revised during the period of 7 working days prior to the date of closure of this Offer, i.e., March 3, 2011, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final Offer Price and tender their acceptance accordingly. In case the Offer Price is revised, the same shall be given to all Shareholders who validly tender their Equity Shares anytime during the Offer.
- 3.2.15 The Letter of Offer is being sent to those Shareholders of the Target (other than the Acquirer and the Sellers) whose name appeared in the register of members of the Target and on the record of the depositories at close of business hours on December 20, 2010, being the Specified Date, as required under the SEBI (SAST) Regulations.
- 3.2.16 Equity Shares that are subject to any charge, lien or encumbrance, any court order/any other attachment/dispute are liable to be rejected in the Offer. Acceptance tendered in respect of Equity Shares of the Target Company that are the subject matter of litigation wherein the Shareholders of the Target Company may be prohibited from transferring the Equity Shares during the pendency of the said litigation are liable to be rejected if the relevant directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer. The Acquirer will acquire the Equity Shares together with all rights attached thereto, including the rights to all dividends, bonus and rights subsequently declared. The tender by any Shareholder of any Equity Shares in the Offer must be absolute, unconditional and unqualified. Locked in shares acquired in the Offer will be subject to the continuation of lock-in in the hands of Acquirer, in accordance with applicable SEBI regulations and guidelines.

### **3.3 Objects of the acquisition/Offer and future plans**

- 3.3.1 The Acquirer has agreed to acquire 50.11% of the Equity Shares of the Target under the SPA. Pursuant to this, the Offer is being made in compliance with Regulations 10 and 12 and other applicable provisions of SEBI (SAST) Regulations, for the purpose of substantial acquisition of shares and voting rights, accompanied with a change in control of the Target.
- 3.3.2 The Acquirer and the Target are not in the same line of business. The Acquirer proposes to reconstitute the Board of the Target pursuant to Regulation 22(7) of the SEBI (SAST) Regulations. Pursuant to the appointment of directors on the Board of the Target and substantial acquisition of Equity Shares, the Acquirer will be in control of the Target and shall be deemed to be the new promoter of the Target.

#### 4. BACKGROUND OF THE ACQUIRER

##### 4.1 Mr. Sushil Pandurang Mantri (“Acquirer”)

4.1.1 The Acquirer, Mr. Sushil Pandurang Mantri, is the son of Mr. Pandurang Jivraj Mantri, aged 47 years and having his office at No. 41, Vittal Mallya Road, Bangalore – 560 001, Karnataka, India, Tel: 080-41300000, Fax: 080-41325000.

4.1.2 Mr. Mantri is the Chairman & Managing Director of Mantri Developers Private Limited, the flagship company of the Sushil Mantri Group, which is engaged in property development with Bangalore as its headquarters. He has an experience of over 10 years in property development.

4.1.3 Mr. M. Padmanabha Bhat, Chartered Accountant, Membership No. 025305, located at Bangalore has by his letter dated November 26, 2010 certified the net worth of Mr. Mantri at Rs. 104.71 crore as on November 25, 2010.

4.1.4 The Acquirer does not hold any positions on the board of directors of any listed company.

4.1.5 Other Directorships of the Acquirer are as below:

Sl. No.	Name of the Companies/firm	Nature of interest
1	Mantri Developers Private Limited	Chairman & Managing Director (Full-time Director)
2	Manipal ETA Infotech Limited	Chairman & Managing Director
3	Indus International School (Pune) Private Limited*	Director
4	3D Megacity Private Limited	Director
5	Mantri Mansion Private Limited	Director
6	Mantri Habitats Private Limited	Director
7	Mantri Abodes Private Limited	Director
8	Mantri Cornerstone Holding Private Limited	Director
9	Indus Scholastic & Management Services Private Limited	Director
10	Mantri Technology Parks Private Limited	Director
11	Plaza Agencies Private Limited	Director
12	Shivashakthi Estates & Investments Private Limited	Director
13	Suraj Inn Private Limited	Director
14	Mantri Technology Constellations Private Limited	Director
15	Mantri Property Developers Private Limited	Director
16	Mantri Resi Structures Private Limited	Director
17	Lakeview Development Corporation Private Limited	Director

\*name changed from Aquarius Educational Academy Private Limited

4.1.6 Details of companies which are promoted by the Acquirer and the relevant information for the last 3 financial years based on the audited statements are as follows:

Sr. No	Name of the Company	Date of incorporation	Nature of business
1	North Educational Academy (India) Private Limited	26-Jul-07	Educational services
2	Mantri Geo Structures Private Limited	23-Jul-07	Property development
3	Mantri Technology Parks Private Limited	23-Jul-07	Property development
4	Mantri Sierra Structures Private Limited	23-Jul-07	Property development
5	Mantri Technology Constellations Private Limited	23-Jul-07	Property development

6	Mantri Infrastructure Private Limited	24-Jul-07	Property development
7	Smarthomes Developers (India) Private Limited	14-Dec-07	Property development
8	Suraj Inn Private Limited	2-Jul-08	Property development
9	VanGuard Hospitality Private Limited	15-Oct-09	Hospitality business
10	AvantGarde Beverages Private Limited	16-Oct-09	Beverages
11	PropCare Mall Management (India) Private Limited	16-Oct-09	Mall Management
12	3D Megacity Private Limited	23-Jun-10	Property development
13	Mantri Habitats Private Limited	2-Nov-10	Property development
14	Mantri Mansion Private Limited	26-Oct-10	Property development
15	Mantri Abodes Private Limited	9-Nov-10	Property development
16	Mantri Property Developers Private Limited	7-Dec-10	Property Development
17	Mantri Resi Structures Private Limited	29-Dec-10	Property Development
18	Lakeview Development Corporation Private Limited	04-Jan-11	Tourism and Property Development

(Amount in Rs.)

Sr. No	Name of the Company	Equity capital and reserves	Total Income	Profit/(loss) after Tax	Earnings per share	Net Asset Value
1	North Educational Academy (India) Private Limited					
	FY10	100,000.00	27,398.00	(285,537.00)	(28.55)	(379.23)
	FY09	100,000.00	18,446.00	(410,199.00)	(42.12)	(350.68)
	FY08	100,000.00	25,105.00	(3,157,566.00)	(315.76)	(308.55)
2	Mantri Geo Structures Private Limited					
	FY10	100,000.00	46.00	(153,076.00)	(15.31)	(12.30)
	FY09	100,000.00	215.00	(13,800.00)	(1.38)	(3.01)
	FY08	100,000.00	910.00	(56,124.00)	(5.61)	4.39
3	Mantri Technology Parks Private Limited					
	FY10	110,000.00	18,409.00	(38,680.00)	(3.87)	(17.71)
	FY09	110,000.00	49,318.00	(225,186.00)	(22.52)	(14.20)
	FY08	110,000.00	1,184.00	(40,996.00)	(4.10)	6.27
4	Mantri Sierra Structures Private Limited					
	FY10	100,000.00	-	(41,224.00)	(4.12)	(0.44)
	FY09	100,000.00	286.00	(13,701.00)	(1.37)	3.68
	FY08	100,000.00	1,164.00	(49,470.00)	(4.95)	5.05
5	Mantri Technology Constellations Private Limited					
	FY10	100,000.00	-	(15,708.00)	(1.57)	2.77

	FY09	100,000.00	286.00	(13,729.00)	(1.37)	4.34
	FY08	100,000.00	1,176.00	(42,858.00)	(4.29)	5.71
6	Mantri Infrastructure Private Limited					
	FY10	100,000.00	473.00	(13,835.00)	(1.38)	2.95
	FY09	100,000.00	286.00	(13,729.00)	(1.37)	4.33
	FY08	100,000.00	1,176.00	(42,958.00)	(4.30)	5.70
7	Smarthomes Developers (India) Private Limited					
	FY10	100,000.00	-	(14,508.00)	(1.45)	0.75
	FY09	100,000.00	-	(15,953.00)	(1.60)	2.20
	FY08	100,000.00	-	(62,053.00)	(6.21)	3.79
8	Suraj Inn Private Limited					
	FY10	2,965,773.00	15,513,590.00	2,004,996.00	25.06	36.29
	FY09	960,777.00	5,219,046.00	160,777.00	2.01	10.97
	FY08	Not in existence as on 31.03.2008				
9	VanGuard Hospitality Private Limited					
	FY10	100,000.00	-	(53,194.00)	(5.32)	4.68
	FY09	Not in existence as on 31.03.2009				
	FY08	Not in existence as on 31.03.2008				
10	AvantGarde Beverages Private Limited					
	FY10	100,000.00	-	(30,742.00)	(3.07)	6.93
	FY09	Not in existence as on 31.03.2009				
	FY08	Not in existence as on 31.03.2008				
11	PropCare Mall Management (India) Private Limited					
	FY10	150,000.00	5,630,739.00	(4,599,913.00)	(306.66)	(296.66)
	FY09	Not in existence as on 31.03.2009				
	FY08	Not in existence as on 31.03.2008				
12	3D Megacity Private Limited					
	FY10	100,000.00	Recently incorporated company			
	FY09	Not in existence as on 31.03.2009				
	FY08	Not in existence as on 31.03.2008				
13	Mantri Habitats Private Limited					
	FY10	100,000.00	Recently incorporated company			
	FY09	Not in existence as on 31.03.2009				
	FY08	Not in existence as on 31.03.2008				
14	Mantri Mansion Private Limited					
	FY10	100,000.00	Recently incorporated company			
	FY09	Not in existence as on 31.03.2009				



	FY08	Not in existence as on 31.03.2008			
15	Mantri Abodes Private Limited				
	FY10	100,000.00	Recently incorporated company		
	FY09	Not in existence as on 31.03.2009			
	FY08	Not in existence as on 31.03.2008			
16	Mantri Property Developers Private Limited				
	FY10	100,000.00	Recently incorporated company		
	FY09	Not in existence as on 31.03.2009			
	FY08	Not in existence as on 31.03.2008			
17	Mantri Resi Structures Private Limited				
	FY10	100,000.00	Recently incorporated company		
	FY09	Not in existence as on 31.03.2009			
	FY08	Not in existence as on 31.03.2008			
18	Lakeview Development Corporation Private Limited				
	FY10	100,000.00	Recently incorporated company		
	FY09	Not in existence as on 31.03.2009			
	FY08	Not in existence as on 31.03.2008			

None of the above companies are listed. None of the above companies are sick industrial companies as defined under Clause (o) of Subsection (1) of Section (3) of Sick Industrial Companies (Special Provisions) Act, 1985 (1 of 1986) or any statutory reenactment thereof.

- 4.1.7 The Acquirer has not acquired any Equity Shares in the Target Company prior to the Public Announcement except as described in paragraph 3.1.7 and 3.2.7.
- 4.1.8 There is no delay in compliance with Chapter II of the SEBI (SAST) Regulations by the Acquirer. There was a delay of 2 days and 1 day with respect to filings to be made by the Acquirer as per Regulation 22(17) of SEBI (SAST) Regulations for the due date of December 1, 2010 and December 5, 2010 respectively for the acquisitions as described in paragraph 3.1.7 and 3.2.7.

Sl. No.	Regulation/ Sub-regulation	Due date for compliance as mentioned in the regulations	Actual date of compliance	Delay, if any (in no. of days) Col4-Col.3	Remarks
1	2	3	4	5	6
1	7(1)	27.11.2010	27.11.2010	--	--
2	22(17)	01.12.2010	03.12.2010	2	Inadvertent delay*
3	22(17)	05.12.2010	06.12.2010	1	Inadvertent delay*
4	7(1) & 7(1A)	06.12.2010	06.12.2010	--	--
5	22(17)	07.12.2010	07.12.2010	--	--
5	22(17)	09.12.2010	08.12.2010	--	--
6	22(17)	10.12.2010	09.12.2010	--	--

Sl. No.	Regulation/ Sub-regulation	Due date for compliance as mentioned in the regulations	Actual date of compliance	Delay, if any (in no. of days) Col4-Col.3	Remarks
7	7(1A)	11.12.2010	09.12.2010	--	--
8	22(17)	14.12.2010	14.12.2010	--	--
9	22(17)	15.12.2010	14.12.2010	--	--
10	7(1A)	16.12.2010	14.12.2010	--	--
11	22(17)	16.12.2010	15.12.2010	--	--
12	7(1A)	17.12.2010	15.12.2010	--	--
13	22(17)	17.12.2010	17.12.2010	--	--
14	7(1A)	18.12.2010	17.12.2010	--	--
15	7(1A)	29.12.2010	28.12.2010	--	--

\* The Acquirer has initiated consent proceedings in relation to the said delays and has filed a consent application dated January 20, 2011 with SEBI.

- 4.2** The Acquirer does not have any plans to dispose off or otherwise encumber any assets of the Target in the next two years, except in the ordinary course of business.

Other than as aforesaid, the Acquirer undertakes that he shall not sell, dispose of or otherwise encumber any substantial asset of the Target without the prior approval of the shareholders of the Target and has also stated that he has no intention to delist the Target.

- 4.3** The Acquirer proposes to reconstitute the Board of the Target pursuant to Regulation 22(7) of the SEBI (SAST) Regulations. Pursuant to the appointment of directors on the board of the Target and substantial acquisition of Equity Shares, the Acquirer will be in control of the Target and shall be deemed to be the new promoter of the Target.

## 5. DISCLOSURE IN TERMS OF REGULATION 21(2)

- 5.1 As per the listing agreement with the BSE and the CSE ("**Listing Agreement**") and in terms of Clause 40A of the Listing Agreement, the Target is required to maintain at least 25% public shareholding for listing on a continuous basis.
- 5.2 In the event that the public shareholding of the Target falls below the minimum required under the Listing Agreement by virtue of the acquisition of shares by the Acquirer pursuant to the Open Offer or by the acquisition of shares in any other manner during the course of the Open Offer, the Acquirer will cause the Target to comply with the minimum public shareholding requirement specified in Rule 19(2)(b) and/or Rule 19A of the Securities Contracts (Regulation) Rules, 1957, within maximum of 12 months from the date of reduction in public shareholding below 25%, by adopting any or a combination of the following methods:
- (a) issuance of shares to public through prospectus;
  - (b) offer for sale of shares held by promoters to public through prospectus;
  - (c) sale of shares held by promoters through the secondary market;
  - (d) any other method permissible under the rules and regulations, as amended.

Provided that for the purpose of adopting the method specified at sub-clause (c) or sub-clause (d) above, the Target agrees to take prior approval of the BSE which may impose such conditions as it deems fit. The Acquirer's intention is to acquire control of the Target and the Acquirer has no intention to de-list the Target in the 3 years after the Offer.

## 6. BACKGROUND OF THE TARGET COMPANY

*(Information about the Target Company in this Letter of Offer has been taken from publicly available data and as provided by the Target Company)*

- 6.1 MRL is a public limited company incorporated under the Companies Act, 1956 on November 2, 1979 and has its registered office at F-4/1, Chikalthana Industrial Area, M.I.D.C. Aurangabad – 431210, Telephone and Fascimile: 0240-2482762.
- 6.2 The Target is promoted by Mr Mridu Hari Dalmia, Mr. Raghu Hari Dalmia and Ms. Padma Dalmia.
- 6.3 The Target is authorised to engage in the manufacture of refractories. At its board meeting on September 6, 2002, the Target decided to suspend its activities relating to the manufacturing of magnesia carbon bricks and magnesite ramming mass at Aurangabad due to the recession in September 2002 with effect from September 22, 2002.
- 6.4 The manufacturing/trading facilities of the Target at Aurangabad and Salem have been disposed off and the Target currently has no manufacturing / trading facilities.
- 6.5 The Target has an authorised capital of Rs. 1,00,00,000 comprising of 8,50,000 Equity Shares of Rs. 10 each and 15,000 preference shares of Rs.100 each. As on the date of the PA, the issued, subscribed and paid-up Equity Share capital of the Target was Rs. 70,00,000 divided into 7,00,000 fully paid up Equity Shares of a face value of Rs. 10/- each.
- 6.6 There are currently no outstanding partly paid up shares or any other instruments convertible into Equity Shares of the Target at a future date.
- 6.7 The paid-up share capital structure of the Target as on the date of the Public Announcement and this Letter of Offer is as follows:

Paid Up Equity Shares of the Target Company	No of Shares		Voting Rights	
	No of Shares	%	Voting Rights	%
Fully Paid Up Equity Shares	7,00,000	100%	7,00,000	100%
Partly paid up Equity Shares	Nil	Nil	Nil	Nil
Total paid up Equity Shares	7,00,000	100%	7,00,000	100%
Total voting rights in Target	<b>7,00,000</b>	<b>100%</b>	<b>7,00,000</b>	<b>100%</b>

- 6.8 The build-up of the current capital structure of the Target since inception and till the date of the Public Announcement and this Letter of Offer and the disclosure status of compliance with applicable provisions of SEBI (SAST) Regulations/other applicable regulations under the SEBI Act and other statutory requirements as applicable is set out below:

Date of Allotment	Number of Equity Shares	Percentage of Shares	Cumulative paid up Share capital	Mode of Allotment	Identity of Allottees (promoters/ex-promoters/others)	Status of Compliance
02.11.1979	700	0.10	7,000	Initial Subscribers	Subscribers to the memorandum	N.A
26.09.1980	2,10,000	30.00	21,07,000	Public Issue	Present promoter Group / Others	N.A
26.09.1980	1,39,300	19.90	35,00,000	Private placement	Present promoter Group / Others	N.A

Date of Allotment	Number of Equity Shares	Percentage of Shares	Cumulative paid up Share capital	Mode of Allotment	Identity of Allottees (promoters/ex-promoters/others)	Status of Compliance
13.07.1996	3,50,000	50.00	70,00,000	Rights issue	Present promoter Group / Others	N.A
<b>Total equity paid up share capital</b>		<b>100.00</b>	<b>70,00,000</b>			
Date of Allotment	Number of Preference Shares	Percentage of Shares	Cumulative paid up Share capital	Mode of Allotment	Identity of Allottees (promoters/ex-promoters/others)	Status of Compliance
26.09.1980	6,000	60.00	6,00,000	Public Issue	Present promoter Group / Others	N.A
26.09.1980	4,000	40.00	4,00,000	Private placement	Present promoter Group / Others	N.A
13.07.1996	(10,000)	(100.00)	(10,00,000)	Redemption	Present promoter Group / Others	N.A
<b>Total Preference paid up share capital</b>	<b>0</b>	<b>0</b>	<b>0</b>			

**6.9** The Equity Shares of the Target are listed on the BSE and CSE. The trading in shares of the Target had been suspended by the BSE from June 7, 1999 due to non-compliance of the requirement related to intimation of book closure as under clause 15 and 16 of the BSE Listing Agreement. Upon filing an application by the Target, BSE had *vide* its letter dated June 19, 2008 prescribed compliance with certain requirements within one month of the letter by the Target in order for the suspension to be revoked. The requirements included, *inter alia*, a payment of re-instatement penalty of Rs.3,61,400 and placing entire promoter holding of the Target under a lock-in for a period of 1 (one) year from the date of revocation. The suspension has subsequently been revoked *vide* a notice from BSE dated August 18, 2008 informing revocation of suspension of trading in Target's shares with effect from August 22, 2008.

**6.10** None of the Equity Shares of the Target Company are unlisted.

**6.11** There are no outstanding convertible instruments.

**6.12** The delay with respect to Chapter II compliance by the Target is as follows:

- a. Delay of 4589 Days in filing by the Target Company as per Regulation 6(2)/6(4) of the SEBI (SAST) Regulations for the due date of May 20, 1997.
- b. Delay of 4244, 3879, 3514, 3149, 2784, 2419 and 47 Days with respect to filings to be made by the Target Company as per Regulation 8(3) of the SEBI (SAST) Regulations for each year from 1998 through 2004 respectively.

Consent proceedings were initiated due to the delays in relation to disclosures under Regulations 6(2) and 6(4) of the SEBI (SAST) Regulations for the year 1997 and Regulation 8(3) for the years 1998 to 2004, and have been regularized *vide* Company's consent application No. 1653 of 2009 and corresponding consent order of SEBI, No. CO/CFD-DCR/1653/360/2010 dated April 26, 2010.

As confirmed and certified by the Target, compliance of the Target with the applicable provisions of Chapter II of the SEBI (SAST) Regulations is as follows:

Regulation	As on	Due date of compliance	Actual date of compliance	Delay, if any (no. of days)
6(2)/(4)	20.02.1997	20.05.1997	15.12.2009	4589*
8(3)	31.03.1998	30.04.1998	15.12.2009	4244*
8(3)	31.03.1999	30.04.1999	15.12.2009	3879*
8(3)	31.03.2000	30.04.2000	15.12.2009	3514*
8(3)	31.03.2001	30.04.2001	15.12.2009	3149*
8(3)	31.03.2002	30.04.2002	15.12.2009	2784*
8(3)	31.03.2003	30.04.2003	15.12.2009	2419*
8(3)	31.03.2004	30.04.2004	16.06.2004	47*
8(3)	31.03.2005	30.04.2005	28.04.2005	–
8(3)	31.03.2006	30.04.2006	21.04.2006	–
8(3)	31.03.2007	30.04.2007	23.04.2007	–
8(3)	31.03.2008	30.04.2008	23.04.2008	–
8(3)	31.03.2009	30.04.2009	21.04.2009	–
8(3)	30.03.2010	30.04.2010	16.04.2010	–
7(3)	25.04.2006	02.05.2006	01.05.2006	–
7(3)	25.04.2006	02.05.2006	02.05.2006	–
7(3)	13.05.2010	20.05.2010	14.05.2010	–
7(3)	17.05.2010	24.05.2010	18.05.2010	–
7(3)	18.05.2010 & 19.05.2010	25.05.2010	20.05.2010	–
7(3)	10.06.2010 & 11.06.2010	17.06.2010	14.06.2010	–
7(3)	18.06.2010 & 21.06.2010	28.06.2010	22.06.2010	–
7(3)	13.07.2010 & 14.07.2010	20.07.2010	16.07.2010	–

\*Note: Consent proceedings were initiated in relation to the delays in relation to disclosures under Regulations 6(2) and 6(4) of the SEBI (SAST) Regulations for the year 1997 and Regulation 8(3) for the years 1998 to 2004 and have been regularised vide Company's consent application No. 1653 of 2009 and corresponding consent order of SEBI, No. CO/CFD-DCR/1653/360/2010 dated April 26, 2010.

Consent proceedings were also initiated by the Sellers and others in relation to:

- (i) Delays in making the requisite filings under Regulations 3(3) and 3(4) of the SEBI (SAST) Regulations with regard to:
  - (a) the inter se transfer of 8,600 Equity Shares from Utkal Investments Limited to Kabirdas Investments Limited on February 16, 2000, and
  - (b) the inter se transfer of 2,24,950 Equity Shares from Capital Ideas Limited, Mr. A.H. Dalmia, Mr. Abhishek Dalmia, Mr. Chaitanya Dalmia and Ms. Usha Dalmia to Mridu Hari

Dalmia Parivar Trust, Ms. Padma Dalmia, Himalayan Natural Products Limited and Mr. R.H. Dalmia on February 28, 2000 and March 1, 2000, and

- (ii) Delay in filing a report under Regulation 3(4) of the SEBI (SAST) Regulations for the inter se transfer of 2,000 Equity Shares from Ms. Anuradha Dalmia to Raghu Hari Dalmia Parivar Trust on October 31, 2000,

These proceedings have been settled vide consent order no. CO/CFD-DCR/1672/362/2010 dated April 26, 2010 issued by SEBI.

- 6.13** The Target has complied with all the provisions of the Listing Agreements entered into with the BSE and CSE where its Equity Shares are listed and traded, save as described in paragraph 6.9. As per the revocation letter from BSE dated June 19, 2008, the Target was required to pay a re-instatement penalty of Rs.3,61,400 and entire promoter holding of the Target was required to be placed under a lock-in for a period of 1 (one) year from the date of revocation.

- 6.14** The directors of the Target as on the date of the Public Announcement were as follows:

**Composition of the Board of Directors:**

Name of the Director	Appointment Date	Residential Address
Mr. Hari Ballabh Belwal	20-07-2005 Director	Flat No 67 Pocket C GTB Enclave Delhi – 110-093
Mr. Ashwani Bhatia	20-03-2006 Director	Block B – 6/45 Rohini Sector – 7 New Delhi – 110-085
Mr. Sandip Girdharilal Jhunjunwala	30-10-2009 Director	1102 Mahindra Heights 96 Tardeo Rd Mumbai 400034

- 6.15** Brief details of the background and experience of the Directors of the Target Company is as follows:

**Mr. Hari Ballabh Belwal** residing in Flat No 67 Pocket C GTB Enclave Delhi, has been a Director at Marathwada Refractories Limited since July 20, 2005. He has a Masters degree in Chemistry and previously was a manager in a Dalmia Group Company.

**Mr. Ashwani Bhatia** residing in Block B – 6/45 Rohini Sector – 7 New Delhi, has been a Director at Marathwada Refractories Limited since March 20, 2006. He has a Commerce Graduate degree and has 10 years of experience in handling corporate accounts and taxation.

**Mr. Sandip Girdharilal Jhunjunwala** residing in 1102 Mahindra Heights 96 Tardeo Rd Mumbai, has been a Director at MRL since October 30, 2009. He has 20 years of experience in trade and industry. He is a qualified Chartered Accountant and is a member of ICAI.

- 6.16** The Target Company has confirmed that, there has been no merger / demerger or spin off involving the Target during the past 3 years.

- 6.17** The financial highlights for the financial year ending March 31, 2010, March 31, 2009 and March 31, 2008 and the six month period ending September 30, 2010 as certified by the Statutory Auditors, Khandelwal Jain & Co., Chartered Accountants, Membership no. 16119 vide its certificate dated December 11, 2010 are as follows:

(Rs. In lac except per Share data)

<b>Profit &amp; Loss Statement</b>	<b>Six months ending September 30, 2010 (Certified)</b>	<b>FY10 (Audited)</b>	<b>FY09 (Audited)</b>	<b>FY08 (Audited)</b>
Income from operations	-	-	-	1.63
Other Income	13.96	88.71	121.90	509.05
<b>Total Income</b>	<b>13.96</b>	<b>88.71</b>	<b>121.90</b>	<b>510.68</b>
Total Expenditure excluding interest and depreciation	6.85	7.50	10.95	15.75
Profit/(Loss) Before Depreciation Interest and Tax	7.14	81.21	110.95	494.94
Depreciation	0.04	0.11	0.13	0.17
Interest	-	-	-	-
Profit/(Loss) Before Tax	7.10	81.10	110.82	494.77
Provision for tax (Net of refund)	-	1.73	12.98	109.06
Prior period expenses	-	(75.33)	(0.02)	(0.04)
Profit/(Loss) After Tax	7.10	7.50	97.82	385.67

<b>Balance Sheet Statement</b>	<b>Six months ending September 30, 2010 (Certified)</b>	<b>FY10 (Audited)</b>	<b>FY09 (Audited)</b>	<b>FY08 (Audited)</b>
<b>Sources of funds</b>				
Paid up share capital	70.00	70.00	70.00	70.00
Reserves and Surplus (excluding revaluation reserves)	1021.72	1014.58	1007.08	909.26
Net worth	1091.72	1084.58	1077.08	979.26
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
Deferred tax liability	0.02	0.02	1.75	1.52
<b>Total</b>	<b>1091.74</b>	<b>1084.60</b>	<b>1078.83</b>	<b>980.78</b>
<b>Uses of funds</b>				
Net fixed assets (including CWIP)	0.24	0.24	0.49	0.65
Investments	0.21	0.21	0.21	160.69
Net current assets	1091.29	1084.15	1078.13	819.44
Deferred tax asset	-	-	-	-
Total miscellaneous expenditure not written off	-	-	-	-
<b>Total</b>	<b>1091.74</b>	<b>1084.60</b>	<b>1078.83</b>	<b>980.78</b>

<b>Other Financial Data</b>	<b>Six months ending September 30, 2010 (Certified)</b>	<b>FY10 (Audited)</b>	<b>FY09 (Audited)</b>	<b>FY08 (Audited)</b>
Dividend (%)	-	-	-	-
Earning Per Share (Rs)	1.05	1.07	13.86	55.09
Return on Networth (%)	0.65	0.69	9.08	39.38
Book Value Per Share (Rs)	155.96	154.94	153.87	139.89

**6.18** The reasons for fall/rise in total income and Profit after Tax for the relevant years are as follows:

**For the period ending March 31, 2010:**



The total income decreased from Rs. 121.90 lacs in FY09 to Rs. 88.71 lacs in FY10 as the only income was from interest on loan and dividend. Hence subsequently the Profit after Tax has also decreased from Rs. 97.82 Lacs to Rs. 7.50 lacs.

**For the period ending March 31, 2009:**

The total income decreased from Rs. 510.68 lacs in FY08 to Rs. 121.90 lacs in FY09 as the income mainly comprises of interest on loan, Income tax refund/interest thereon and dividend. Hence subsequently the Profit after Tax has also decreased from Rs. 385.67 lacs to Rs. 97.82 lacs.

**For the period ending March 31, 2008:**

The total income and consequently the profit after tax has been exceptionally high due to sale of fixed assets of the Company and receipt of interest on the loans and advances.

**6.19** The pre and post Offer shareholding pattern of the Target, is as follows:

Shareholder's Category	Shareholding & voting rights prior to the agreement/ acquisition and offer (As on September 30, 2010)		Shares/ voting rights agreed to be acquired which triggered off the Regulations		Shares/ voting rights acquired by Acquirer post PA* (other than pursuant to SPA)		Shares/ voting rights to be acquired in open offer (Assuming full acceptances)		Shareholding/ voting rights after the acquisition and offer	
	(A)		(B)		(C)		(D)		(E) = (A) + (B) + (C) + (D)	
	No.	%	No.	%	No.	%	No.	%	No.	%
<b>(1) Promoter</b>										
a. Parties to agreement, if any	3,50,760	50.11	(3,50,760)	(50.11)	-	-	-	-	-	-
b. Promoters other than (a) above	-	-	-	-	-	-	-	-	-	-
<b>Total 1 (a+b)</b>	3,50,760	50.11	(3,50,760)	(50.11)	-	-	-	-	-	-
<b>(2) Acquirer</b>										
a. Acquirer	-	-	3,50,760	50.11	127,250	18.18	1,40,000	20	6,18,010	88.29
b. PAC	-	-	-	-	-	-	-	-	-	-
<b>Total 2(a+b)</b>	-	-	3,50,760	50.11	127,250	18.18	1,40,000	20	6,18,010	88.29
<b>(3) Parties to agreement other than (1)(a) &amp; (2)</b>	-	-	-	-	-	-	-	-	-	-
<b>(4) Public (other than parties to agreement, acquirers &amp; PACs)</b>										
a. FIs/ MFs/ Banks/ SFIs/FII's	-	-	-	-	-	-	-	-	-	-
b. Others (including FVCI, NRI, Foreign companies)	3,49,240	49.89	-	-	(127,250)	(18.18)	(1,40,000)	(20)	81,990	11.71
<b>Total (4) (a+b)</b>	3,49,240	49.89	-	-	(127,250)	(18.18)	(1,40,000)	(20)	81,990	11.71
<b>GRAND TOTAL (1+2+3+4)</b>	7,00,000	100	-	-	-	-	-	-	7,00,000	100

\* Till the date of this LOF

The total number of public shareholders (other than Promoter holding) of the Target as on November 26, 2010 is 310 and December 3, 2010 is 307 and as on the Specified Date is 271.

**6.20** The share capital build-up of the Promoters in the Target is as follows:

**Capital build up in Marathwada Refractories Limited by Promoter/ Promoter Group since February 20, 1997**

Name of the promoter /promoter group entity	Date of transaction (allotment / purchase / transfer)	Opening Balance - Promoter group	Opening % holding -promoter group	Opening Capital	Acquisition			Sale/ Transfer		Closing Capital	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease / Transfer in percentage holding - Promoter Group (+/- %)	Applicable regulation of SEBI (SAST) Regulation	Compliance status with SEBI(SAST) Regulations and other applicable regulations
					Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	Name of promoter	No of shares						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Sh. M. H. Dalmia	Prior to 20.02.1997	0	0.00												
M. H. Dalmia (HUF)	Prior to 20.02.1997	30000	4.29												
Smt. Abha Dalmia	Prior to 20.02.1997	26000	3.71												
Sh. Gaurav Dalmia	Prior to 20.02.1997	40000	5.71												
Gaurav Dalmia (HUF)	Prior to 20.02.1997	30000	4.29												
Sh. R. H. Dalmia	Prior to 20.02.1997	40000	5.71												
R. H. Dalmia (HUF)	Prior to 20.02.1997	40000	5.71												
Smt. Padma Dalmia	Prior to 20.02.1997	44000	6.29												
Km. Anuradha Dalmia	Prior to 20.02.1997	2000	0.29												
Sh. A. H. Dalmia	Prior to 20.02.1997	30000	4.29												
Smt.Usha Dalmia	Prior to 20.02.1997	30000	4.29												
Sh. Abhishek Dalmia	Prior to 20.02.1997	33000	4.71												
Sh. Chaitanya Dalmia	Prior to 20.02.1997	33000	4.71												
Sunflower Mercantiles Ltd.	Prior to 20.02.1997	98950	14.14												
Epic Mercantiles Ltd.	Prior to 20.02.1997	98960	14.14												
Capital Ideas India Ltd. (Formerly Prayag Trading & Commercial Ltd.)	Prior to 20.02.1997	98950	14.14												
Utkal Investments	Prior to 20.02.1997	8600	1.23												

**Capital build up in Marathwada Refractories Limited by Promoter/ Promoter Group since February 20, 1997**

Name of the promoter /promoter group entity	Date of transaction (allotment / purchase / transfer)	Opening Balance - Promoter group	Opening % holding -promoter group	Opening Capital	Acquisition			Sale/ Transfer		Closing Capital	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease / Transfer in percentage holding - Promoter Group (+/- %)	Applicable regulation of SEBI (SAST) Regulation	Compliance status with SEBI(SAST) Regulations and other applicable regulations
					Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/Bonus Shares/Inter-se-transfer etc..)	Name of promoter	No of shares						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Ltd.															
<b>Total</b>		683460	97.64	700000	-	-	-	-	-	700000	683460	97.64	-	N.A.	N.A.
	16.02.2000	683460	97.64	700000	Kabirdas Investments Ltd.	8600	Inter-se	Utkal Investments Ltd.	8600	700000	683460	97.64	1.23%	Reg. 3	Report filed on 26.11.2009. Regularised vide SEBI consent order no. CO/CFD-DCR/1672/362/2010 dated 26.04.2010.
	28.02.2000 01.03.2000				Mridu Hari Dalmia Parivar Trust	98950		Capital Ideas India Ltd. (formerly Prayag Trading & Commercial Ltd.)	98950						Report filed on 26.11.2009. Regularised vide SEBI consent order no. CO/CFD-DCR/1672/362/2010 dated 26.04.2010.
					Smt. Padma Dalmia	30000		Sh. A.H. Dalmia	30000						
					Sh. M. H. Dalmia	7475		Shri Abhishek Dalmia	33000						
					Sh. R. H. Dalmia	25000		Shri Chaitanya Dalmia	33000						
					Smt. Padma Dalmia	31000		Smt. Usha Dalmia	30000						
					Himalayan Natural Products Ltd.	26475									
		683460	97.64	700000	<b>Total</b>	<b>224950</b>	Inter-se	<b>Total</b>	<b>224950</b>	700000	683460	97.64	32.13%	Reg. 3	
	31.10.2000	683460	97.64	700000	Raghu Hari Dalmia Parivar Trust	2000	Inter-se	Smt. Anuradha Dalmia	2000	700000	683460	97.64	0.29%	Reg. 3	Report filed on 26.11.2009. Regularised vide SEBI consent order no. CO/CFD-DCR/1672/362/2010 dated 26.04.2010.
	12.04.2001	683460	97.64	700000				Kabirdas Investment Ltd	8600	700000	674860	96.41	-1.23%		
	02.05.2001 02.05.2001							Sunflower Mercantiles Ltd.	23700						
								Epic Mercantiles Ltd.	23700						
		674860	96.41	700000	-	-	-	<b>Total</b>	<b>47400</b>	700000	627460	89.64	-6.77%	N.A.	N.A.

**Capital build up in Marathwada Refractories Limited by Promoter/ Promoter Group since February 20, 1997**

Name of the promoter /promoter group entity	Date of transaction (allotment / purchase / transfer)	Opening Balance - Promoter group	Opening % holding -promoter group	Opening Capital	Acquisition			Sale/ Transfer		Closing Capital	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease / Transfer in percentage holding - Promoter Group (+/- %)	Applicable regulation of SEBI (SAST) Regulation	Compliance status with SEBI(SAST) Regulations and other applicable regulations
					Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	Name of promoter	No of shares						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	31.01.2006				Sh. M. H. Dalmia Smt. Abha Dalmia Sh. R. H. Dalmia Smt. Padma Dalmia	145000 135250 101735 42000		M. H. Dalmia (HUF) Gaurav Dalmia (HUF) Shri Gaurav Dalmia Mridu Hari Dalmia Parivar Trust Raghu Hari Dalmia Parivar Trust R. H. Dalmia (HUF) Sunflower Mercantiles Ltd. Himalayan Natural Products Ltd. Epic Mercantiles Ltd.	30000 30000 40000 105000 2000 40000 75250 26475 75260						
		627460	89.64	700000	<b>Total</b>	<b>423985</b>	Inter-se	<b>Total</b>	<b>423985</b>	700000	627460	89.64	60.57%	Reg. 3(3)/(4)	Complied
	25.04.2006							Sh. R. H. Dalmia Smt. Abha Dalmia	51500 51500						
		627460	89.64	700000	-	-	-	<b>Total</b>	<b>103000</b>	700000	524460	74.92	-14.71%	Reg. 7(1A)	Complied
	11.05.2010	524460	74.92	700000	-	-	-	Smt. Abha Dalmia	8000	700000	516460	73.78	-1.14%	N.A.	N.A.
	13.05.2010	516460	73.78	700000	-	-	-	Smt. Abha Dalmia	21350	700000	495110	70.73	-3.05%	Reg. 7(1A)	Complied
	17.05.2010	495110	70.73	700000	-	-	-	Smt. Abha Dalmia	17500	700000	477610	68.23	-2.50%	Reg. 7(1A)	Complied
	18.05.2010 19.05.2010							Smt. Abha Dalmia Smt. Abha Dalmia	11350 3200						
		477610	68.23	700000	-	-	-	<b>Total</b>	<b>14550</b>	700000	463060	66.15	-2.08%	Reg. 7(1A)	Complied
	27.05.2010	463060	66.15	700000	-	-	-	Smt. Abha Dalmia	5000	700000	458060	65.44	-0.71%	N.A.	N.A.
	31.05.2010	458060	65.44	700000	-	-	-	Smt. Abha Dalmia	2000	700000	456060	65.15	-0.29%	N.A.	N.A.
	10.06.2010 11.06.2010				-	-	-	Smt. Abha Dalmia Smt. Abha Dalmia	21000 12650	700000 700000					
		456060	65.15	700000	-	-	-	<b>Total</b>	<b>33650</b>	700000	422410	60.34	-4.81%	Reg. 7(1A)	Complied
	18.06.2010 18.06.2010 21.06.2010				-	-	-	Smt. Abha Dalmia Sh. R. H. Dalmia Sh. R. H. Dalmia	7700 12300 10100	700000 700000 700000					

**Capital build up in Marathwada Refractories Limited by Promoter/ Promoter Group since February 20, 1997**

Name of the promoter /promoter group entity	Date of transaction (allotment / purchase / transfer)	Opening Balance - Promoter group	Opening % holding -promoter group	Opening Capital	Acquisition			Sale/ Transfer		Closing Capital	Closing holding - promoter group	Closing % holding - promoter group	Increase / Decrease / Transfer in percentage holding - Promoter Group (+/- %)	Applicable regulation of SEBI (SAST) Regulation	Compliance status with SEBI(SAST) Regulations and other applicable regulations
					Name of promoter	No of shares Acquired	Mode of Acquisition (Memorandum/IPO/FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/Bonus Shares/Inter-se-transfer etc.,)	Name of promoter	No of shares						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
		422410	60.34	700000				<b>Total</b>	<b>30100</b>	700000	392310	56.04	-4.30%	Reg. 7(1A)	Complied
	22.06.2010	392310	56.04	700000	-	-	-	Sh. R. H. Dalmia	6450	700000	385860	55.12	-0.92%	N.A.	N.A.
	07.07.2010	385860	55.12	700000	-	-	-	Sh. R. H. Dalmia	5550	700000	380310	54.33	-0.79%	N.A.	N.A.
	09.07.2010	380310	54.33	700000	-	-	-	Sh. R. H. Dalmia	5400	700000	374910	53.56	-0.77%	N.A.	N.A.
	12.07.2010	374910	53.56	700000	-	-	-	Sh. R. H. Dalmia	150	700000	374760	53.54	-0.02%	N.A.	N.A.
	13.07.2010							Sh. R. H. Dalmia	10000						
	14.07.2010							Sh. R. H. Dalmia	5050						
		374760	53.54	700000	-	-	-	<b>Total</b>	<b>15050</b>	700000	359710	51.39	-2.15%	Reg. 7(1A)	Complied
	15.07.2010	359710	51.39	700000	-	-	-	Sh. R. H. Dalmia	8950	700000	350760	50.11	-1.28%	N.A.	N.A.
	26.07.2010	350760	50.11	700000	Sh. M. H. Dalmia	51275	inter-se	Sh. R. H. Dalmia	51275	700000	350760	50.11	7.32%	Reg. 3(3)/(4)	Complied
	26.11.2010	350760	50.11	700000	Sushil Pandurang Mantri*	350750	SPA *	MH Dalmia	203750						
								Padma Dalmia	147000						
					<b>Total</b>	350750		<b>Total</b>	350750	700000	10	0	-50.11	N.A.	Pl. see note 1
	30.11.2010	10	0	700000	Sushil Pandurang Mantri*	10	SPA *	Raghu Hari Dalmia	10	700000	0	0		N.A.	Pl. see note 1

**Notes:**

- These transfers have been made pursuant to the SPA dated 26.11.2010 and has triggered an open offer under the SEBI (SAST), Regulations, 1997. Pending the completion of open offer, these shares are being held in an escrow account by the name of "Marathwada Refractories Limited-Escrow Account-Sushil Pandurang Mantri Operated by JMF(Escrow Agent -Anand Rathii)". The acquirer has undertaken not to exercise voting rights on these shares till the completion of open offer. The Acquirer shall become the promoter of the Target post the completion of the Open Offer. Further, Regulation 7(1A) is not applicable to the above, till the sale has been consummated with the Acquirer, which will occur on the transfer of shares from escrow account to the Acquirer's account.

There is no delay in compliance with respect to Chapter II of the SEBI (SAST) Regulations for the Promoters, Sellers and major shareholders.

There were delays in making the requisite filings under Regulations 3(3) and 3(4) of the SEBI (SAST) Regulations with regard to inter se transfers on February 16, 2000, February 28, 2000 and March 1, 2000. Also there were delays in making the requisite filings under Regulations 3(4) of the SEBI (SAST) Regulations with regard to inter se transfers on October 31, 2000.

These were regularised vide consent order no. CO/CFD-DCR/1672/362/2010 dated April 26, 2010 issued by SEBI.

**6.21** As per SEBI circular dated August 26, 2003, the provisions of Clause 49 of the Listing Agreement are not applicable to the Target as certified by the Target. Also, as certified by the Target, the Target has not received any show cause notice with respect to any non-compliance with Clause 49 of the Listing Agreement.

**6.22** The details of outstanding litigation of the Target are as follows:

S. No.	Suit No./ Case No./ Appeal No.	Date/ year	Plaintiff/ Petitioners/ Complainant/ Applicant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel	Amount under Consideration* (Rs.)	Brief Description of Case	Status
1.	W P No. 08/2004	2004	Marathwada Refractories Limited	Shivang Ispat Limited	Bombay High Court	6,26,729	Petition for winding up of Shivang Ispat Ltd.	Pending
2.	Appeal No. C/342/ 2008	2008	Marathwada Refractories Limited	Assistant Commissioner, Vishakhapatnam	CESTAT, Bangalore	3.48 lacs (approx)	Interest claimed by the Company on delayed refund of anti-dumping duty.	Pending
3.	Custom appeal no. 01/10	2010	Marathwada Refractories Limited	Assistant Commissioner, Paradip	CESTAT, Kolkata	90,400	Company's appeal against recovery of refund granted to Company	Appeal pending, meanwhile Rs. 45,000 deposited as per order of CESTAT.
4.	557/ 2006	2006	Marathwada Refractories Limited	Mardia Steel Limited	Official Liquidator, Ahmedabad	18,71,503	Claim by the Company for recovery of its receivables including interest.	Pending, amount already written-off in books of account.
5.	4497/97 & 4498/97	1997	Kalpana Enterprises	Marathwada Refractories Limited	District Court, Nagpur	50,580	Claim against the Company by its creditor for supply of material, which was defective as per the Company.	Pending

**6.23** The details of the Compliance Officer of the Target Company are as follows:

Mr. Sandip Jhunjhunwala  
 1102, Mahindra Heights,  
 96 Tardeo Rd  
 Mumbai 400034  
 Tel: 09322250713  
 Fax: 022 22663942

## 7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 7.1 Justification of Offer Price

7.1.1 The Equity Shares of the Target are listed on the BSE and the CSE.

7.1.2 The annualized trading turnover in the Equity Shares of the Target in the BSE and the CSE based on trading volume during the 6 calendar months prior to the month of the PA (May 2010 to October 2010) is as given below:

Stock Exchange	Total No. of Equity Shares traded during the period	Total No. of Listed Equity Shares	Annualised Trading Turnover (as % of Total Equity Shares Listed)
BSE	253,150	700,000	72%**
CSE*	-	700,000	-

(Source: [www.bseindia.com](http://www.bseindia.com) and [www.cse-india.com](http://www.cse-india.com))

\*The Equity Shares are listed but not traded on CSE.

\*\*As per the CA certificate dated November 29, 2010 provided by M. Padmanabha Bhat, Chartered Accountant, Membership No. 025305, located at Bangalore

Based on the above, the Equity Shares of the Target are most frequently traded on the BSE within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations and infrequently traded on CSE.

7.1.3 The Offer Price of Rs. 397 per Equity Share is justified, as in terms of Regulation 20(4) of the SEBI (SAST) Regulations, the minimum Offer Price as it is greater than the highest of the following:

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



Earning per share (Rs.)	1.07
Industry average P/E multiple **	13.6
Offer price P/E multiple ***	371.03

\*As per the CA certificate dated November 29, 2010 provided by M. Padmanabha Bhat, Chartered Accountant, Membership No. 025305, located at Bangalore

\*\*Source: Industry: Refractories/Intermediates, Capital Market, Vol. XXV/18, Nov 01-14, 2010. The Target has been considered under the Industry category of 'Refractories/Intermediates' as this was the business carried on by the Target till it ceased operations in September 2002.

\*\*\* Offer Price/FY10 EPS

7.1.4 The details of closing prices and volume on BSE for the 26-week period prior to the date of the Public Announcement are as under:

Week no.	Week ending	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (no. of Shares)
1	29-Nov-10	386.30	325.35	355.83	362,800
2	22-Nov-10	309.90	270.20	290.05	93,450
3	15-Nov-10	270.00	255.00	262.50	11,000
4	8-Nov-10	298.00	255.60	276.80	650
5	1-Nov-10	290.00	279.00	284.50	100
6	25-Oct-10	285.05	253.60	269.33	1,400
7	18-Oct-10	336.00	300.00	318.00	450
8	11-Oct-10	342.00	323.05	332.53	350
9	4-Oct-10	343.00	301.00	322.00	2,350
10	27-Sep-10	379.10	325.05	352.08	4,500
11	20-Sep-10	419.00	399.00	409.00	300
12	13-Sep-10	394.15	362.50	378.33	16,400
13	6-Sep-10	380.00	361.05	370.53	1,250
14	30-Aug-10	405.00	390.00	397.50	300
15	23-Aug-10	407.40	388.00	397.70	2,100
16	16-Aug-10	428.00	418.25	423.13	1,550
17	9-Aug-10	480.00	433.25	456.63	200
18	2-Aug-10	509.00	485.00	497.00	150
19	26-Jul-10	510.00	463.05	486.53	1,550
20	19-Jul-10	469.95	420.00	444.98	25,150
21	12-Jul-10	555.00	494.45	524.73	12,250
22	5-Jul-10	608.65	549.35	579.00	3,200
23	28-Jun-10	525.85	455.00	490.43	8,500
24	21-Jun-10	527.90	479.00	503.45	34,400
25	14-Jun-10	478.70	447.30	463.00	36,450
26	7-Jun-10	445.50	396.00	420.75	2,250
<b>26 – Weeks Average (Rs.)</b>				<b>396.39</b>	

Source: ([www.bseindia.com](http://www.bseindia.com))

The details of intra-day price and volume on BSE for the 2-week period prior to the date of the Public Announcement are as below:

Day	Date	Low (Rs)	High (Rs)	Average (Rs)	Volume
1	29-Nov-10	386.30	386.30	386.30	2,000
2	26-Nov-10	367.95	349.00	358.48	352,050
3	25-Nov-10	358.65	346.00	352.33	5,950
4	24-Nov-10	341.60	341.60	341.60	250
5	23-Nov-10	325.35	310.00	317.68	2,550
6	22-Nov-10	309.90	280.40	295.15	2,000
7	19-Nov-10	295.35	294.25	294.80	39,200
8	18-Nov-10	283.70	279.00	281.35	32,200
9	17-Nov-10	NA	NA	NA	NA
10	16-Nov-10	270.20	267.00	268.60	20,050
<b>2-weeks Average (Rs.)</b>				<b>321.81</b>	

Source: ([www.bseindia.com](http://www.bseindia.com))

- 7.1.5 There are no partly-paid shares in the Target.
- 7.1.6 There is no non-compete agreement entered into by the Acquirer with the Target or its Promoters and Promoter Group.
- 7.1.7 In the opinion of the Manager to the Offer, the Offer Price of Rs. 397 per Equity Share offered by the Acquirer to the Shareholders of the Target under the proposed Offer is therefore justified in terms of Regulation 20 (4) of the SEBI (SAST) Regulations.
- 7.1.8 The Acquirer may acquire Equity Shares of the Target after the date of the PA either through open market purchases and/or negotiated transactions or otherwise up to 7 working days prior to the closure of the Offer. In terms of Regulation 20(7) of the SEBI (SAST) Regulations, if the Acquirer acquires Equity Shares of the Target after the date of the PA and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer.
- 7.1.9 The Acquirer is permitted to revise the Offer Size and the Offer Price upwards up to 7 working days prior to the date of closure of the Offer. In the event of such revision, a public announcement will be made in the same newspapers where the PA has appeared and the revised Offer Price would be paid for all the Equity Shares validly tendered at any time during the Offer.

## 7.2 Financial Arrangements

- 7.2.1 The total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of 1,40,000 Equity Shares in the Offer at Rs. 397 per Equity Share is Rs 5,55,80,000/- (Rupees Five crore fifty five lacs eighty thousand only) (the “**Maximum Consideration**”).
- 7.2.2 The Acquirer, the Manager to the Offer and The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”), a company incorporated under the Companies Ordinance of the Hong Kong Special Administrative Region (HKSAR), having its registered office at 1, Queens Road Central, Hong Kong, and acting through its branch at Shiv Building, Plot No. 139-140 B, Western Express Highway, Sahar Road Junction, Vile Parle (East), Mumbai – 400 057 have entered into an Escrow Agreement for the Offer dated November 26, 2010 in accordance with Regulation 28 of the SEBI (SAST) Regulations. The Acquirer has made a cash deposit of Rs. 5,65,00,000 (Rupees Five Crores and Sixty Five Lacs only) in an escrow account named “Marathwada Refractories Limited - Open Offer Escrow Account” (“**Open Offer Escrow Account**”). The said amount is adequate as per the computation of the total

consideration payable under the Offer (assuming full acceptance) which is in excess of the minimum escrow amount required as per Regulation 28 (2) of the SEBI (SAST) Regulations and is in accordance with Regulation 22(7) of the SEBI (SAST) Regulations. The Manager to the Offer has been authorized to operate the Open Offer Escrow Account in terms of the SEBI (SAST) Regulations

- 7.2.3 The Acquirer proposes to fund the Offer out of owned funds. Mr. M. Padmanabha Bhat, Chartered Accountant, Membership no. 025305, located at Bangalore has in his letter dated November 26, 2010 certified that the Acquirer has sufficient means to fulfill his financial obligations under the Offer.
- 7.2.4 Based on the above and in light of the escrow arrangements set out above, the Manager to the Offer is satisfied with the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

## **8. TERMS AND CONDITIONS OF THE OFFER**

### **8.1 Statutory Approvals required for the Offer**

- 8.1.1 The acceptance by the Acquirer of Equity Shares tendered by non-resident shareholders pursuant to this Offer is subject to the RBI Approval in terms of the FEMA. The Acquirer had made an application to the RBI on December 6, 2010 for such approval, which approval has been received on February 14, 2011
- 8.1.2 As of the date of this Letter of Offer, to the best of the knowledge of the Acquirer, there are no other statutory approvals required to implement the Offer. However, in case of any regulatory or statutory approval being required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals and the Acquirer shall make the necessary applications for such approval.
- 8.1.3 The Acquirer shall within 15 days from the date of closure of the Offer complete all the procedures relating to the Offer including payment of consideration to the Shareholders who have accepted the Offer.
- 8.1.4 In terms of Regulation 27 of the SEBI (SAST) Regulations, the Acquirer will have the right not to proceed with the Offer in the event that any statutory approval that may be required is refused. In the event of withdrawal, a public announcement will be made in the same newspapers in which the PA has been made.
- 8.1.5 In case of delay in receipt of statutory approval(s), if any, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the Shareholders who have accepted the Offer, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. However, if the delay occurs on account of the willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approval(s), the amount held in the Open Offer Escrow Account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations. Nothing herein contained shall bind the Acquirer to procure the necessary approvals under the foreign exchange regulations of India if the same is not forthcoming or is refused.
- 8.1.6 In case of delay in the RBI Approval, the Acquirer has the option to make payment to the resident Shareholders and non-resident Shareholders in respect of whom no prior RBI Approval is required and who have validly tendered their Equity Shares in the Offer as per the basis of acceptance if any. Also, in the event the Offer is oversubscribed, the Registrar will hold in trust the Equity Shares/Equity Share certificates held in credit of the special depository account for the resident Shareholders and the non-resident Shareholders in respect of whom no prior RBI Approval is required till the approval from RBI is received for acquiring Equity Shares from the non-resident Shareholders in respect of whom prior RBI Approval is required.
- 8.1.7 After the receipt of the RBI Approval, payment shall be made to the non-resident Shareholders in respect of whom prior RBI Approval is required in accordance with the provisions of the SEBI (SAST) Regulations. However, in the event that the RBI Approval is refused for one or more Shareholders and if the Offer is oversubscribed, the basis of acceptance will be revised and additional Equity Shares would be accepted by the Acquirer from resident Shareholders and such other non-resident Shareholders in respect of whom no prior RBI Approval is required or such non-resident Shareholders in respect of whom RBI Approval is received and further consideration shall be paid for such accepted Equity Shares as per the provisions under Regulation 22(12) of the SEBI (SAST) Regulations.
- 8.1.8 To the best of his knowledge, no consents are required by the Acquirer from any financial institutions or banks for the Offer.
- 8.1.9 To the best of his knowledge, no consents are required by the Acquirer from any other regulatory authorities for the Offer other than as mentioned above.

- 8.2** All shareholders (registered or unregistered), except the Acquirer and signatories to the SPA, who own the Equity Shares of the Target are eligible to participate in the Offer at any time before the closure of the Offer.
- 8.3** The Offer is not conditional upon any minimum level of acceptance and the Acquirer will acquire up to 1,40,000 Equity Shares of the Target that are validly tendered by the public Shareholders in terms of the Offer, subject to the conditions specified in the PA, Letter of Offer and Form of Acceptance-cum-Acknowledgement.

## **9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT**

- 9.1** The Letter of Offer specifying the detailed terms and conditions of this Offer together with the Form of Acceptance-cum-Acknowledgement and Form of Withdrawal will be mailed to the Equity Shareholders of the Target whose names appear on the register of members of the Target (except the Acquirer and the Sellers), at the close of business hours on the Specified Date. The offer is made to (i) all the shareholders whose names appeared in the register of shareholders on the Specified Date (except the Acquirer and the Sellers), (ii) those persons who own the shares any time prior to the closure of the Offer, but are not the registered shareholder(s) and (iii) the beneficial owners of the dematerialized Shares, whose names appear as beneficiaries on the records of the respective depositories at the close of business hours on the Specified Date.
- 9.2** Subject to the conditions governing this Offer as mentioned herein, the acceptance of this Offer by the Shareholders of the Target must be absolute and unqualified. Any acceptance to this Offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever. The Acquirer shall accept locked-in shares, if any, under the Offer subject to the continuation of the residual lock-in period in his hands.
- 9.3** In case of non-receipt of the Letter of Offer, Form of Acceptance cum Acknowledgement and/or Form of Withdrawal, eligible persons, i.e. shareholders of the Target other than the Acquirer and parties to SPA, may (i) download the same from the SEBI website (<http://www.sebi.gov.in>), (ii) obtain a copy of the same by writing to the Registrar to the Offer, or (iii) send their consent to participate in the Offer to the Registrar to the Offer on a plain paper stating their name, address, number of shares held, distinctive numbers, folio number and number of shares offered along with documents as mentioned herein, so as to reach the Registrar to the Offer on or before the closure of the Offer (i.e. no later than March 14, 2011), or in case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating their name, address, number of shares held, number of shares offered, depository participant ("DP") name, DP ID, beneficiary account number, and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer (i.e. no later than March 14, 2011).
- 9.4** Shareholders who hold shares in physical form and who wish to tender their Shares will be required to send the Form of Acceptance cum Acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in the section of the LOF titled "Procedure for Acceptance and Settlement", to the Registrar to the Offer either by hand delivery during business hours or by registered post so that the same are received on or before the closing date i.e. March 14, 2011.
- 9.5** In respect of dematerialized shares, the credit for the shares tendered must be received in the special depository account as specified above on or before 5.00 p.m. Indian Standard Time on March 14, 2011.
- 9.6** The Registrar to the Offer will hold in trust the Equity Shares/share certificates, shares held in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target who have accepted the Open Offer, until the cheques/drafts for the consideration or the unaccepted Equity Shares/share certificates are dispatched/returned.
- 9.7** Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post / speed post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder. Unaccepted shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance-cum-Acknowledgement.
- 9.8** The Equity Shareholders of the Target who qualify and who wish to avail of this Offer will have to deliver the relevant documents as mentioned in paragraphs 9.9 to 9.12 and such

other documents as may be specified in the Letter of Offer at the Registrar to the Offer's office or at the following collection centres either by hand delivery or by registered post (between 10.00 a.m. and 5 p.m. on all working days i.e. except Sundays and public holidays and between 10.30 a.m. and 1.00 p.m. on Saturdays) on or before the Offer Closing Date. (The documents should not be sent to the Manager to the Offer or the Acquirer or the Target).

	City	Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery
1	Mumbai	Nilesh Chalke	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078.	022-25960320	022-25960329	nilesh.chalke@linkintime.co.in	Hand Delivery & Registered Post
2	Mumbai	Vivek Limaye	Link Intime India Pvt. Ltd, 203, Davar House, Next to Central Camera, D N Road, Fort Mumbai - 400 001	022-22694127	022-25960329	<a href="mailto:vivek.limaye@linkintime.co.in">vivek.limaye@linkintime.co.in</a>	Hand Delivery
3	Ahmedabad	Hitesh Patel	Link Intime India Pvt. Ltd, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	079-26465179	079-26465179 (Telefax)	<a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>	Hand Delivery
4	Kolkata	S.P.Guha	Link Intime India Pvt. Ltd, 59C, Chowringhee Road, 3rd Floor, Kolkata - 700020	033-22890539/40	033-22890539/40 (Telefax)	<a href="mailto:kolkata@linkintime.co.in">kolkata@linkintime.co.in</a>	Hand Delivery
5	New Delhi	Swapan Naskar	Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi - 110028	011-41410592/93/94	011-41410591	delhi@linkintime.co.in	Hand Delivery

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

**9.9** For the purpose of the Offer a special depository account has been opened by Registrar to the Offer, in the name and style of "LIPL MRL Open Offer Escrow Demat Account" with Ventura Securities Limited as the depository participant in NSDL. The DP ID is IN303116 and Client ID is 10660745. Equity Shareholders holding the Equity Shares in dematerialized form will have to deliver the following documents:

- i. Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the depository.

- ii. Photocopy of the delivery instruction slip in “off-market” mode or counterfoil of the delivery instruction slip in “off-market” mode, duly acknowledged by the relevant DP.
- iii. For each delivery instruction the beneficial owner should submit separate form of acceptance cum acknowledgment.

The Shareholders having their beneficiary account in CDSL have to use inter depository delivery instruction for the purpose of crediting their shares in favour of escrow depository account with NSDL. The ISIN number allotted to shares of the Target is INE347D01011. The Shareholders who have sent their physical shares for dematerialization need to ensure that the process of getting shares of the Target dematerialized is completed well in time so that the credit in the special depository account is received on or before closure of the Open Offer.

**9.10** Equity Shareholders holding shares in physical form should enclose:

- i. Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Equity Shareholders whose name appears on the share certificates.
- ii. Original share certificate(s).
- iii. Valid share transfer form(s) duly signed as transferors by all registered Equity Shareholders (in case of joint holdings), in the same order and as per the specimen signatures registered with and duly witnessed at the appropriate place.
- iv. In case of registered Shareholders in whose respect, the aforesaid documents have not been received, but the original share certificate(s) and duly signed transfer form(s) have been received, the Offer shall be deemed to have been accepted.

**9.11** Persons who have acquired Equity Shares of the Target (irrespective of the date of purchase) but whose names do not appear in the register of members of the Target on the Specified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer. Such application should be sent to the Registrar to the Offer together with the relevant share certificate(s) and transfer forms (if the Shares are held in physical form) or a photocopy of the DP instruction slip duly acknowledged by the DP (in case of Shares held in dematerialized form), the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired and/or such other documents as may be specified in the Letter of Offer.

**9.12** No indemnity is needed from unregistered Equity Shareholders.

**9.13** In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders who have accepted the offer by tendering the requisite documents in terms of the PA and the Letter of Offer can withdraw the same up to 3 working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents including Form of Withdrawal, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before March 9, 2011.

**9.14** In case of non-receipt of the ‘Form of Withdrawal’, the withdrawal option can be exercised by making an application on plain paper along with the (in case of Shares held in physical form) name, address, distinctive numbers, folio number, and number of Shares tendered and (in case of dematerialized Shares) name, address, number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favor of the Special Depository Account. In case of partial withdrawal of Equity Shares tendered in physical form, if the original share certificate is required to be split, the same will be returned on receipt of share certificate from Target. The facility of partial withdrawal is



available only for registered shareholders.

- 9.15** Shareholders, while tendering their Equity Shares in the Offer may indicate an option to receive the payment of Offer consideration through electronic form by indicating in the space provided in the Form of Acceptance cum Acknowledgement. The payment consideration for Equity Shares accepted under the Offer, in such cases, may be made through National Electronic Clearing Services (NECS), Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), as applicable, at specified centers where clearing houses are managed by the Reserve Bank of India, wherever possible. In other cases, payment of consideration would be made through cheque / demand draft / pay order sent by Registered post / speed post. Shareholders who opt for receiving consideration through electronic form are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance cum Acknowledgement, provide the Magnetic Ink Character Recognition / Indian Financial System Code of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance cum Acknowledgement. In case of joint holders/unregistered owners, payments will be made in the name of the first holder/ unregistered owner.
- 9.16** For the purposes of electronic transfer, in case of Shareholders opting for electronic payment of consideration and for purposes printing on the cheque / demand draft / pay-order for the other cases, the bank account details will be directly taken from the depositories' database, wherever possible. A Shareholder tendering Equity Shares in the Offer, is deemed to have given consent to obtain the bank account details from the Depositories, for this purpose. Only if the required details cannot be obtained from the depositories' database then the particulars provided by the Shareholders would be used.
- 9.17** For Shareholders who do not opt for electronic mode of transfer and for those shareholders, whose payment consideration is rejected / not credited through NECS / Direct Credit / RTGS / NEFT, due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post / Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the Shareholder is registered. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that the same can be incorporated in the cheque/demand draft/pay order. It will be the responsibility of the tendering Shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance cum Acknowledgment.
- 9.18** To the extent of the Offer Size and in accordance with the PA and this Letter of Offer to be sent to the Shareholders of the Target, the Equity Shares of the Target that are validly tendered and accepted pursuant to this Offer are proposed to be acquired by the Acquirer. In case the number of validly tendered Equity Shares in the Offer are more than the Equity Shares agreed to be acquired under the Offer, the Acquirer shall accept the offers received from the shareholders on a proportionate basis as per Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner. Rejected applications will be returned to the applicants by registered / speed post
- 9.19** The minimum marketable lot for the Shares is 50 (fifty).
- 9.20** The Registrar to the Offer will hold in trust the Equity Shares/share certificates, Equity Shares held in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the Shareholders of the Target who have accepted the Open Offer, until the cheques/drafts for the consideration or the unaccepted Equity Shares/share certificates are dispatched/returned.
- 9.21** The Acquirer reserves the right to withdraw the Offer pursuant to Regulation 27 of the SEBI (SAST) Regulations. Any such withdrawal will be notified in the form of a public announcement in the same newspapers in which the PA appeared.

## 10. TAX TO BE DEDUCTED AT SOURCE

Summary of various provisions related to Tax Deduction at Source (withholding tax) under the Income Tax Act, 1961.

- a. All the Shareholders will be classified either as Resident or Non-Resident. The residential status of the Shareholder will be determined as per the provisions of Section 6 of the Income Tax Act, 1961. The Shareholder will have to declare his status under the provisions of Income Tax Act, 1961 and the Acquirer will rely upon the said declaration.
- b. No tax will be required to deducted on payment of sale consideration to Resident Shareholders.
- c. The Acquirer is obliged to deduct Tax at Source (TDS) u/s 195 of Income Tax Act, 1961 in respect of payment of sale consideration to the Non Resident Shareholders. As per the provisions of the section 2(37A) (iii) of the Income Tax Act, 1961, for the purposes of deduction of tax under section 195, the rate or rates of income-tax specified in this behalf in the Finance Act of the assessment year i.e. 2010-11 or the rates or rates of income tax specified in an agreement entered into by the Central Government under section 90, or an agreement notified by the Central Government under section 90A, whichever is applicable by virtue of the provisions of section 90, or section 90A, as the case may be, i.e. whichever beneficial, would be the applicable rate of TDS.

- d. As per the provisions of Section 115E read with Section 115C, the capital gains in the hands of Non Resident Indians will be chargeable to tax as under :-

- i) Investment income in the nature of Short Term Capital Gain      20.6% \*
- ii) Long Term Capital Gain      10.3% \*

\* The above rates are inclusive of Education cess and Secondary & Higher Education cess @ 3%.

- e. The Acquirer is obliged to deduct tax at source in respect of payment of sale consideration to Non Resident Indians at the above rates. In the event the aforementioned categories of Shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the income tax authorities under section 195(3) of the Income Tax Act, 1961 and submit the same to Acquirer while submitting the Bid Form. In the absence of any such certificate from the income tax authorities, the Acquirer will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

- f. As per the provisions of Section 115AD the Capital gains in the hands of Foreign Institutional Investor (FII) will be chargeable to tax as under :-

- i) Short Term Capital Gain      30.9% \*
- ii) Long Term Capital Gain      10.3% \*

\* The above rates are inclusive of Education cess and Secondary & Higher Education cess @ 3%. If the status of FII is a foreign company then the applicable rate for short term capital gain will be 31.67% and in case of long term capital gain will be 10.56%.

- g. The Acquirer is obliged to deduct tax at source in respect of payment of sale consideration to FII at the above rates. In the event the aforementioned categories of Shareholders require the Acquirer not to deduct tax or to deduct tax at a lower rate or on a lower amount, they would need to obtain a certificate from the income tax authorities under section 195(3) of the Income Tax Act, 1961 and submit the same to Acquirer while submitting the Bid Form. In the absence of any such certificate from the income tax authorities, the Acquirer will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

- h. In case of other Non Resident Shareholders the Capital gains will be chargeable to tax as under :-

- |                            |         |
|----------------------------|---------|
| i) Short Term Capital Gain | 30.9% * |
| ii) Long Term Capital Gain | 20.6% * |

\* The above rates are inclusive of Education cess and Secondary & Higher Education cess @ 3%. If the status of Non Resident is a Foreign company then the applicable rate for short term capital gain will be 31.67% and in case of long term capital gain will be 21.12%.

**The Acquirer will have the right to deduct tax at source wherever applicable at the rates prescribed at the time of making payment. If there is any change in the rates of tax then the Acquirer will have a right to apply the amended rates prevailing at the time of making the payment.**

**Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.**

## **11. DOCUMENTS FOR INSPECTION**

**Material Documents for inspection by the public will be available at the office of the Acquirer at any day except Saturdays, Sundays and the Public Holidays till the closure of the Offer.**

- 11.1** Certificate from Mr. M. Padmanabha Bhat, Chartered Accountant certificate dated November 26, 2010 certifying the net worth of the Acquirer.
- 11.2** Certificate from Mr. M. Padmanabha Bhat, Chartered Accountant dated November 26, 2010 certificate certifying the adequacy of financial resources of the Acquirer to fulfil the Open Offer obligations.
- 11.3** Audited annual reports of the Target for the last three years.
- 11.4** A letter from HSBC confirming the amount kept in the Open Offer Escrow Account and lien in favor of Manager to the Offer
- 11.5** A Copy of the Share Purchase Agreement dated November 26, 2010.
- 11.6** A published copy of the Public announcement.
- 11.7** A copy of the letter from SEBI in terms of proviso to Regulation 18(2).
- 11.8** A copy of the agreement entered into with the Depository Participant for opening a special depository account for the purpose of the Offer.
- 11.9** Certificate of incorporation and memorandum and articles of association of the Target

## **12. DECLARATION BY THE ACQUIRER**

- 12.1** The Acquirer accepts full responsibility for the information contained in this Letter of Offer, (except information which pertains to the Target and has been compiled from publicly available sources and from information provided by the Target), including the Form of Acceptance and Form of Withdrawal and also for the obligations of the Acquirer as laid down in terms of the SEBI (SAST) Regulations.
- 12.2** The Acquirer shall be responsible for fulfilling its obligations under the SEBI (SAST) Regulations.

I/We are authorized on behalf of the Acquirer to sign this Letter of Offer.

**Signed for and on behalf of Mr. Sushil Pandurang Mantri**

**Sd/-**

**Authorised Officer**

**Date: February 15, 2011**

**Place: Bangalore**

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## FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to Link Intime India Private Limited at any of the collection centres as mentioned in Letter of Offer)

From: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OFFER	
Opens On	Tuesday, February 22, 2011
Last Date Of Withdrawal	Wednesday, March 9, 2011
Closes On	Monday, March 14, 2011

Tel No: (\_\_\_\_\_) \_\_\_\_\_ Fax No.: (\_\_\_\_\_) \_\_\_\_\_ E-mail: \_\_\_\_\_

To,  
The Acquirer – Mr. Sushil Pandurang Mantri  
**Unit: Marathwada Refractories- Open Offer**  
C/o. Link Intime India Private Limited,  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup West  
Mumbai – 400 078, India.

Dear Sir/Madam,

**SUB: Sub: Open offer to acquire up to 1,40,000 fully paid-up equity shares of face value Rs. 10/- each, representing 20% of the Share Capital of Marathwada Refractories Limited (“MRL” / “Target”) at a price of Rs. 397.00/- (Rupees Three Hundred and Ninety Seven only) (the “Offer Price”) for each fully paid-up equity share of MRL, payable in cash (“Offer”)**

I/We refer to the Letter of Offer dated February 15, 2011 for acquiring the Equity Shares held by me/us in the Target.

I/We, the undersigned, have read the Public Announcement, the corrigendums to the Public Announcement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

----- TEAR ALONG THIS LINE -----

#### ACKNOWLEDGMENT SLIP

#### Marathwada Refractories Limited – Open Offer

(To be filled in by the shareholders) (Subject to verification)

Sr. No.

Received from Mr./Ms./M/s \_\_\_\_\_

Address \_\_\_\_\_

Physical Shares: Folio No. \_\_\_\_\_ / Demat shares: DP ID \_\_\_\_\_; Client ID \_\_\_\_\_

Form of Acceptance along with :

Physical shares: No. of shares \_\_\_\_\_; No. of certificates enclosed \_\_\_\_\_

Demat Shares: Copy of delivery instruction for \_\_\_\_\_ number of shares enclosed

(Tick whichever is applicable)

Stamp of Collection Centre

Signature of Official: \_\_\_\_\_ Date of Receipt \_\_\_\_\_

### SHARES HELD IN PHYSICAL FORM

I/We, holding shares in physical form, 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.	Folio No.	Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
<b>Total No. of Equity Shares</b>					

Please attach additional sheets of paper and authenticate the same if the space is insufficient.

### SHARES HELD IN DEMAT FORM

I/We, holding shares in dematerialized form, accept the Offer and enclose a photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by my/our DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We have executed an off-market transaction for crediting the shares to the special depository account with Ventura Securities Limited as the DP in NSDL styled 'LIPL – MRL Open Offer Demat Escrow Account' whose particulars are:

<b>DP Name: Ventura Securities Limited</b>	<b>DP ID: IN 303116</b>	<b>Client ID: 10660475</b>
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Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their shares in favour of the Special Depository Account with NSDL.

Enclosures (Please tick as appropriate, if applicable)

- Power of Attorney
- Corporate authorization in Case of companies along with Board Resolution and specimen signatures of Authorized Signatories
- Death Certificate / Succession Certificate
- Others (Please specify) \_\_\_\_\_
- RBI approvals for acquiring shares of Marathwada Refractories Limited hereby tendered in the Offer, in case of non-resident shareholders

----- TEAR ALONG THIS LINE -----

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

**Link Intime India Private Limited**  
**(Unit: Marathwada Refractories - Open Offer)**  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup West,  
Mumbai – 400 078  
Tel: +91-22- 25960320,  
Fax: +91-22-25960329



I/We confirm that the equity shares of Marathwada Refractories Limited, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers pays the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

I/We authorize the Acquirer or the Registrar to the Offer to send by Speed Post/Registered Post/ or through electronic mode, as may be applicable, at my/our risk, the crossed account payee cheque, demand draft/pay order, in full and final settlement due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned above.

I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirers makes payment of purchase consideration as mentioned in the Letter of Offer.

I/We authorize the Acquirers to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirers to return to me/us, share certificate(s) in respect of which the offer is not found valid/not accepted.

I/We authorize the Acquirer to accept the shares so offered or such lesser number of shares that it may decide to accept in terms of the Letter of Offer

I/We authorize the Acquirer to split / consolidate the share certificates comprising the shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose. The Permanent Account No. (PAN/GIR No.) allotted under the Income Tax Act, 1961 is as under.

	1 <sup>st</sup> Shareholder	2 <sup>nd</sup> Shareholder	3 <sup>rd</sup> Shareholder
PAN No.			

So as to avoid fraudulent encashment in transit, shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank _____	Branch _____	City _____
Account Number _____	Savings/Current/Others (please specify) _____	
MICR Code; _____	IFSC Code _____	

For equity shares that are tendered in electronic form, the bank account details as contained from the beneficiary position provided by the depository will be considered and the draft/warrant/cheque will be issued with the said bank particulars.

**For all shareholders**

I / We, confirm that our residential status for the purposes of tax is:

Resident  Non-resident

I / We, confirm that our status is:

Individual  Firm  Any other - please specify \_\_\_\_\_  
 Company  Trust

**For FII Shareholders**

I / We, confirm that the income arising from the transfer of shares tendered by me/ us is in the nature of: (select whichever is applicable):

Capital gains  Any other income

I / We, have enclosed the following documents:

No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities  Banker certificate certifying inward remittance  
 SEBI Registration Certificate for FIIs  Self attested copy of PAN card

**For other Non-resident shareholders (except FIIs)**

I / We, have enclosed the following documents:

Self attested copy of PAN card  No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities  
 Banker certificate certifying inward remittance  RBI approval for acquiring shares of Marathwada Refractories Limited tendered herein

**For Resident shareholders**

I / We, have enclosed the following documents:

Self attested copy of PAN card  
 Self declaration form in Form 15G / Form 15H, if applicable to be obtained in duplicate copy  
 No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities (applicable only for interest payment, if any)  
 For Mutual fund/Banks/Notified Institution under Section 194A(3)(iii)(f) of the Income Tax Act, 1961, copy of relevant Registration or notification (applicable only for interest payment, if any)

Yours faithfully,

Signed and Delivered,

	Full name(s) of the holder	Signature(s)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings, all holders must sign. In case of body corporate, the Company seal should be affixed and necessary Board resolutions should be attached.

Place: \_\_\_\_\_ Date: \_\_\_\_\_

**SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR AFTER THE CLOSE OF THE OFFER i.e. BY 5.00 P.M. ON MONDAY, MARCH 14, 2011 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.**

**INSTRUCTIONS**

- PLEASE NOTE THAT NO EQUITY SHARES/FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER OR TO THE MANAGER TO THE OFFER
- The Form of Acceptance should be filled-up in English only.
- In the case of dematerialized shares, the shareholders are advised to ensure that their shares are credited in favour of the Special Depository Account, before the closure of the Offer i.e. **MONDAY, MARCH 14, 2011**. The Form of Acceptance-cum-Acknowledgement of such dematerialized shares not credited in favour of the Special Depository Account, before the closure of the Offer will be rejected.
- Shareholders should enclose the following:
  - For Equity shares held in demat form:
 

Beneficial owners should enclose-

    - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the Depository Participant ("DP").
    - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP as per the instruction in the Letter of Offer.
  - For Equity shares held in physical form:

Registered shareholders should enclose-

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s)
- 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 Marathwada Refractories Limited and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate or Notary Public or Bank Manager of a Bank where the shareholder holds an operative account, under their official seal.
- The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirers as buyer will be filled by the Acquirers upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

Unregistered owners should enclose-

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s)
- Original broker contract note
- Valid Share Transfer form(s) as received from the market leaving details of buyer blank. If the same is filled in then the Share(s) are liable to be rejected
- Owners of shares who have sent their shares for transfer should enclose along with this Form duly completed and signed, copy of the letter sent to the Target Company for transfer of shares and valid share transfer form(s).

5. All the shareholders are advised to refer to Section 10 – Tax to be Deducted at Source in the Letter of Offer in relation to important disclosures regarding the taxes to be deducted on the consideration to be received by them.
6. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to Link Intime India Private Limited, the Registrar to the Offer and not to JM Financial Consultants Private Limited, the Manager to the Offer or the Acquirer or Target Company.
7. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in favour of the special depository account with NSDL.
8. While tendering the 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 the shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered.
9. Non-Resident Shareholders are required to furnish Banker's Certificate certifying inward remittance of funds for acquisition of shares of Marathwada Refractories Limited.
10. FILs are requested to enclose the SEBI Registration Letter.
11. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at any of the Collection Centers of **Link Intime India Private Limited** as mentioned below.
12. The Form of Acceptance-cum-Acknowledgement along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at any of the collection centres below on all days (excluding Sundays and Public holidays) during the business hours i.e. (Mondays to Saturdays between 10.00 a.m. and 5.00 p.m).
13. All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
  - (a) duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single shareholder) if the original shareholder is deceased;
  - (b) duly attested Power of Attorney if any person apart from the shareholder has signed the application form and/or transfer deed(s);
  - (c) no objection certificates from the chargeholder/ lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance;
  - (d) in case of companies, the necessary corporate authorisation (including Board Resolutions);
  - (e) any other relevant documentation [Please refer to section 9 of the Letter of Offer]
14. Payment Consideration: Shareholders must note that on the basis of name of the Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance – cum – Acknowledgment, the Registrar to the Offer will obtain from the Depositories, the Shareholder's details including address, bank account and branch details. These bank account details will be used to make payment to the Shareholders. Hence Shareholders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Shareholders sole risk and neither the Acquirer, the Manager of the Offer, Registrar to the Offer nor the Escrow Bank shall be liable to compensate the Shareholders for any loss caused to the Shareholders due to any such delay or liable to pay any interest for such delay. Physical shareholders are requested to fill up their bank account details in the 'Form of Acceptance cum Acknowledgment'.

*The tax deducted under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the amount received pursuant to this Offer.*

*Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The tax rates and other provisions may undergo changes.*

#### Collection Centres

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

Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Link Intime India Private Limited, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078 so as to reach the Registrar to the Offer on or before the last date of acceptance i.e. **Monday, March 14, 2011.**

## FORM OF WITHDRAWAL

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to Link Intime India Private Limited at any of the collection centres as mentioned in Letter of Offer)

From: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OFFER	
Opens On	Tuesday, February 22, 2011
Last Date Of Withdrawal	Wednesday, March 9, 2011
Closes On	Monday, March 14, 2011

Tel No: (\_\_\_\_) \_\_\_\_\_ Fax No.: (\_\_\_\_) \_\_\_\_\_ E-mail: \_\_\_\_\_

To,  
The Acquirer – Mr. Sushil Pandurang Mantri  
**Unit: Marathwada Refractories- Open Offer**  
C/o. Link Intime India Private Limited,  
C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup West  
Mumbai – 400 078, India.

Dear Sir/Madam,

**SUB: Open offer to acquire up to 1,40,000 fully paid-up equity shares of face value Rs. 10/- each, representing 20% of the Share Capital of Marathwada Refractories Limited ("MRL" / "Target") at a price of Rs. 397.00/- (Rupees Three Hundred and Ninety Seven only) (the "Offer Price") for each fully paid-up equity share of MRL, payable in cash ("Offer")**

/We refer to the Letter of Offer dated February 15, 2011 for acquiring the Equity Shares held by me/us in Marathwada Refractories Limited.

I/We, the undersigned, have read the Public Announcement, the corrigendums to the Public Announcement and the Letter of Offer and understood its contents and unconditionally accepted the terms and conditions as mentioned therein.

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.

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/Financial Advisor to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or mentioned overleaf as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. **Wednesday, March 9, 2011**.

I/We note that the Acquirers/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 also for the non-receipt of shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirers will return the original share certificate(s), share transfer deed(s) and shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depositories from time to time.

----- TEAR ALONG THIS LINE -----

**Acknowledgment Slip**  
**Marathwada Refractories Limited – Open Offer**  
**Withdrawal Form**

Sr. No.

Received from Mr./Ms./M/s \_\_\_\_\_

Address \_\_\_\_\_

Physical Shares: Folio No. \_\_\_\_\_ / Demat shares: DP ID \_\_\_\_\_; Client ID \_\_\_\_\_

for \_\_\_\_\_ number of shares, signature of Official \_\_\_\_\_ Date of Receipt \_\_\_\_\_

Stamp of Collection Centre

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No.	Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
<b>Total No. of Shares (in case of insufficient space, please attach a separate sheet)</b>					

I/We hold the following Shares in dematerialised form and had done an off-market transaction for crediting the shares to the 'LIPL - MRL Open Offer Demat Escrow Account' as per the following particulars:-

<b>DP Name:</b> Ventura Securities Limited	<b>DP ID:</b> IN 303116	<b>Client ID:</b> 10660475
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Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my/our Shares have been tendered are as detailed below:-

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We note that the shares will be credited back only to that depository account, from which the shares have been tendered and necessary standing instructions have been issued in this regard.

In case of dematerialised shares, I/we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

I/We confirm that the particulars given above are true and correct.

Yours faithfully,

Signed and Delivered:

Full name(s) of the Holder(s)	PAN Number(s)	Signature(s)
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Note: In case of joint holdings, all shareholders must sign. In case of body corporate, the Company seal should be affixed and necessary Board resolutions should be attached.

Place: \_\_\_\_\_ Date: \_\_\_\_\_

----- TEAR ALONG THIS LINE -----

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

**Link Intime India Private Limited**  
**(Unit: Marathwada Refractories - Open Offer)**  
 C-13, Pannalal Silk Mills Compound,  
 LBS Marg, Bhandup West,  
 Mumbai – 400 078  
 Tel: :+91-22- 25960320,  
 Fax: +91-22-25960329

### INSTRUCTIONS

1. Shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to Three (3) working days i.e. by **Wednesday, March 9, 2011** prior to the close of the Offer, i.e. **Monday, March 14, 2011**.
2. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgement.
3. The Form of Withdrawal along with enclosure should be sent only to the Registrar to the Offer so as to reach the Registrar of the Offer at any of the collection centres below on all days (excluding Sundays and Public holidays) during the business hours i.e. (Mondays to Saturdays between 10.00 a.m. and 5.00 p.m.).

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

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