

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Draft Letter of Offer (“**Draft Letter of Offer**”) is sent to you as an Equity Shareholder (*as defined hereinafter*) of Orient Abrasives Limited (“**OAL**”). If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer / the Registrar to the Offer. In case you have recently sold your Equity Shares in OAL, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

BOMBAY MINERALS LIMITED

CIN:U14100GJ1953PLC000699

A Public Limited Company incorporated under the Companies Act, 1956

Regd. Office: Dwarka Highway, Opposite Ashok Petrol Pump, Khambhalia, Jamnagar, Gujarat - 361 001.

Corp Office: **Jeevan Udyog Building, 3rd Floor, 278 D N Road, Fort, Mumbai - 400 001.**

(Tel: 022-22074767, Fax:022 - 22079395 Email Id: Cosec@bmlco.in)

(hereinafter referred to as the “**Acquirer 1**”)

ALONG WITH

Cura Global Holdings Limited

Company No.123087 C1/GBL

A Private Company Limited by Shares incorporated under Section 24 of the Companies Act of Republic of Mauritius

C/o Amicorp (Mauritius) Limited , 6th Floor, Tower 1, NeXTeracom Building, Ebene, Mauritius
Telephone : +230 4040200, Fax : +230 4040201,

Email id: r.emrit@amicorp.com

(hereinafter referred to as “**Acquirer 2**”)

Collectively referred to as “Acquirers”

&

Lambasa Global Opportunity Fund B.V.

Company Registration No: 78735(0)

A Private Company with Limited Liability established in Curacao

Pletterijweg # 43 Curacao Telephone +59994343694, Fax: +59994343693

Email id: contact@lambasaglobal.com, Website: www.lambasaglobal.com

(hereinafter referred to as “**Person Acting in Concert**” / “**PAC**”)


MAKES A CASH OFFER AT Rs. 29.50/- (Rupees Twenty Nine and Paise Fifty Only) (“Offer Price) PER FULLY PAID UP EQUITY SHARE OF Re.1 EACH (“EQUITY SHARES”) TO ACQUIRE UP TO 3,11,06,192 (THREE CRORES ELEVEN LACS SIX THOUSAND ONE HUNDRED AND NINETY TWO) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF Re. 1/- EACH REPRESENTING 26% OF THE TOTAL SHARE CAPITAL OF ORIENT ABRASIVES LIMITED (“TARGET COMPANY”)(“OAL”) ON A FULLY DILUTED BASIS, AS AT THE END OF THE TENTH WORKING DAY FROM THE DATE OF EXPIRY OF THE TENDERING PERIOD OF THE OPEN OFFER (“VOTING SHARE CAPITAL”), UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AS AMENDED (“TAKEOVER REGULATIONS”) FROM THE EQUITY SHARES OF

ORIENT ABRASIVES LIMITED
CIN: L24299DL1971PLC005854

A Public Limited Company incorporated under the Companies Act, 1956

Registered Office: 1307, Chiranjiv Tower, 43 Nehru Place, New Delhi - 110 019
Tel: 011-26425446/7 Fax: 011-26443859; Email: investor@oalmail.co.in
Website: www.orientabrasives.com

1. This Offer (*as defined hereinafter*) is made pursuant to and in compliance with the provisions of Regulation 3(1) and Regulation 4 of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer as per Regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. The Offer is subject to the compliance of the terms and conditions as set out under the Share Purchase Agreement. As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirers, there are no 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 Acquirers shall make the necessary applications for such approval.
5. The Acquirers can revise the Offer Price or the size of the Offer up to three working days prior to the opening of the Tendering Period (*as defined hereinafter*), i.e. Friday, July 24, 2015. Any such upward revision or withdrawal would be informed by way of the Offer Opening Public Announcement (*as defined hereinafter*) in the same newspapers and editions in which the Detailed Public Statement (*as defined hereinafter*) had appeared. The revised price payable pursuant to such revision of the Offer Price would be payable by the Acquirers for all the Equity Shares validly tendered during the Tendering Period.
6. **There has been no competing offer as on the date of this Draft Letter of Offer.**
7. **If there is a competing offer, the Open Offers under all subsisting bids will open and close on the same date.**
8. A copy of the Public Announcement (*as defined hereinafter*), the Detailed Public Statement and the Draft Letter of Offer (including Form of Acceptance-cum-Acknowledgement) is also available on SEBI's website (www.sebi.gov.in).
9. This Draft Letter of Offer has been made in compliance and is pursuant to SEBI (SAST) Regulations and the amendments thereto

| MERCHANT BANKER TO THE OFFER | REGISTRARS TO THE OFFER |
|--|---|
| <p>PINC Pioneer Money Management Limited (CIN . U67190MH2006PLC161353) SEBI Regn. No. INM000011906 1218, Maker Chambers V, Nariman Point, Mumbai – 400 021 Tel : +91-22-66186633 / 6619 Fax: +91-22- 22049195, E Mail Id: amitc@pinc.co.in Contact Person: Shri Amit Chandra</p> |  <p>Link Intime India Private Ltd. SEBI Regn No: INR000004058 C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400078 Tel: +91-22-61715400 Fax: +91-22-2596 0329 Website: www.linkintime.co.in Email: oal.offer@linkintime.co.in Contact Person: Shri Ganesh Mhatre</p> |

The Schedule of activities under this Offer is as follows:

| Activity | Date |
|---|----------------------------|
| Date of Public Announcement (PA) | Monday, June 08, 2015 |
| Date of Detailed Public Statement (DPS) | Monday, June 15, 2015 |
| Date of filing the draft Draft Letter of Offer with SEBI | Monday, June 22, 2015 |
| Last date for a competitive bid | Monday, July 06, 2015 |
| Last date for SEBI observations on Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer) | Monday, July 13, 2015 |
| Identified Date* | Wednesday, July 15, 2015 |
| Draft Letter of Offer to be dispatched to Equity Shareholders | Wednesday, July 22, 2015 |
| Last date for revising the Offer Price/ Size of the Offer | Friday, July 24, 2015 |
| Last date by which the committee of the independent directors of OAL shall give its recommendation | Monday, July 27, 2015 |
| Date of publication of Offer Opening Public Announcement | Tuesday, July 28, 2015 |
| Date of commencement of Tendering Period (Offer Opening Date) | Wednesday, July 29, 2015 |
| Date of closure of Tendering Period (Offer Closing Date) | Tuesday, August 11, 2015 |
| Last date of communicating rejection/ acceptance and payment of consideration for applications accepted/return of unaccepted Share Certificates/credit of unaccepted Equity Shares to Demat account | Tuesday, August 25, 2015 |
| Last Date of publication of Offer Closing Public Announcement | Tuesday, September 1, 2015 |
| Last date for submission of the final report with SEBI | Tuesday, September 1, 2015 |

**The Identified Date is only for the purpose of determining the Equity Shareholders as on such date to whom this Draft Letter of Offer would be mailed. It is clarified that all the Equity Shareholders of OAL*

(registered or unregistered), except the Acquirers, PAC, Sellers and promoter group shareholders of OAL, are eligible to participate in this Offer at any time prior to the closure of this Offer.

RISK FACTORS

Given below are the risk factors relating to the transaction, the Offer and the probable risks involved in associating with the Acquirers. For capitalized terms used herein please refer to the Definitions set out on page no. 5 of this Draft Letter of Offer.

A. Risk factors relating to the transaction

1. The consummation of the acquisition of the Sale Shares by the Acquirers, as envisaged under the SPA, is subject to satisfaction of all the conditions of the SPA and receipt of the statutory approvals, if any, which may become applicable at a later date. As on date of this Draft Letter of Offer, all the conditions of the SPA have not been satisfied. Furthermore, the approval of the RBI for the acquisition of the Sale Shares by Acquirer 2 is currently awaited. For further details in relation to the status of satisfaction of the conditions of the SPA and the approval of the RBI for the acquisition of the Sale Shares under the SPA by Acquirer 2, please refer to paragraphs 2.1.8 of this Draft Letter of Offer.

B. Risk factors relating to the Offer

1. Equity Shareholders tendering their Equity Shares in this Offer will be doing so prior to receipt of consideration in relation to such tendered Equity Shares as the Acquirers have up to 10 working days from the date of closure of the Tendering Period to pay the consideration to the Equity Shareholders whose Equity Shares are accepted in this Offer.
2. The tendered Equity Shares will lie to the credit of a designated escrow depository account and the documents relating to the tendered Equity Shares would be held in trust by the Registrar to the Offer, till the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares and the Equity Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer, thereby restricting the ability of such Equity Shareholders to take advantage of any favorable price movements. Accordingly, the Acquirers make no assurance with respect to the market price of the Equity Shares before, during or upon completion of this Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Equity Shareholders on whether or not to participate in this Offer.
3. Equity Shares, once tendered through the Form of Acceptance-cum-Acknowledgement in the Offer, cannot be withdrawn by the Equity Shareholders during the Tendering Period.
4. In the event that any statutory approval, which may become applicable at a later date is not received or is delayed, or there is any litigation leading to a stay on this Offer or related to this Offer by a court of competent jurisdiction, or SEBI or a court or governmental authority of competent jurisdiction directs the Acquirers not to proceed with this Offer, this Offer may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Equity Shareholders, whose Equity Shares are accepted in this Offer, may be delayed.
5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations if the sale and purchase of the Sale Shares, pursuant to the SPA, is not consummated because any of the conditions (as mentioned in

paragraph 2.1.5 below), as stated in the SPA (which are outside the reasonable control of the Acquirers), are not met within the time specified in the SPA, this Offer may stand withdrawn. Furthermore, if, at a later date, any other statutory approvals are required, this Offer would become subject to receipt of such other statutory approvals.

6. The Acquirers and the Manager to the Offer do not accept any responsibility for statements made otherwise than in this Draft Letter of Offer or the Public Announcement or the DPS and anyone placing reliance on any other source of information (not released by the Acquirers or the Manager to the Offer) would be doing so at his/her/their own risk.
7. The Open Offer is an offer to acquire not more than 26% of the Voting Share Capital of the Target Company from the Public Shareholders. In the case of over subscription in the Open Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Shares tendered by the Public Shareholders in the Open Offer will be accepted.
8. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirers or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
9. The Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as 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 Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Draft Letter of Offer.
10. This Offer is subject to completion risks as would be applicable to similar transactions.
11. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis as detailed in paragraph 5.1.10 below. Therefore, there is no certainty that all the Equity Shares tendered in the Offer will be accepted. The unaccepted Equity Shares will be returned to the respective Public Shareholders in accordance with the schedule of activities for the Offer.

C. Probable risks involved in associating with the Acquirers

1. The Acquirers make no assurance with respect to the financial performance of OAL nor do they make any assurance with respect to the market price of the Equity Shares upon the completion of this Offer. Each of the Acquirers disclaim any responsibility with respect to any decision by the Equity Shareholders on whether or not to participate in this Offer.
2. The Acquirers make no assurance with respect to their investment / disinvestment relating to their proposed shareholding in OAL

The risk factors set forth above pertain to this Offer and are not in relation to the present or future business operations of OAL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by an Equity Shareholder in this Offer. The Equity Shareholders are advised to consult their stockbrokers or investment consultants, if any, for analyzing all the risks with respect to their participation in this Offer.

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to “Rs.”/“INR”/ “₹” are to Indian Rupee(s), the official currency of India, and all references to “USD”/“US\$”/“US Dollar” are to United States Dollars, the official currency of the United States of America. Throughout this Draft Draft Letter of Offer, all figures have been expressed in Lacs unless otherwise specifically stated. In this Draft Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

All the data presented in US Dollar in this Draft Letter of Offer has been converted into INR by adopting a translation (convenience translation) of such data into Indian Rupees. The conversion has been assumed at the following rate as on June 08, 2015, being the date of the PA (unless otherwise stated in this Draft Letter of Offer).

1 US DOLLAR = Rs. 64.1100

(Source : Reserve Bank of India www.rbi.org.in)

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KEY DEFINITIONS

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| Acquirer 1 | Bombay Minerals Limited, a company incorporated under the Companies Act, 1956 having its Registered Office at Dwarka Highway, Opposite Ashok Petrol Pump, Khambhalia, Jamnagar, Gujarat - 361 001 and its Corporate Office at Jeevan Udyog Building, 3 rd Floor, 278 D N Road, Fort, Mumbai - 400 001. |
| Acquirer 2 | Cura Global Holdings Ltd having its Registered Office at C/o Amicorp (Mauritius) Limited, 6 th Floor, Tower 1, NeXTeracom Building, Ebene, Mauritius. |
| Acquirers | Acquirer 1 and Acquirer 2 collectively. |
| Agreement/ Share Purchase Agreement/ SPA | Share Purchase Agreement dated June 08, 2015 entered into between the Acquirers and the Sellers. |
| Board of Directors | Board of Directors of the Target company. |
| BSE | BSE Limited. |
| CDSL | Central Depository Services (India) Limited. |
| Companies Act | The (Indian) Companies Act, 1956 and the (Indian) Companies Act, 2013 (to the extent applicable) as amended, substituted or replaced from time to time. |
| Depositories | CDSL and NSDL. |
| Detailed Public Statement/ DPS | Detailed Public Statement dated June 15, 2015 issued by the Manager to the Offer, on behalf of the Acquirers, in relation to the Offer and published in all editions of Financial Express, Jansatta (Delhi, Kolkatta, Chandigarh and Lucknow) and Mumbai Lakshwadeep (Mumbai Edition) on June 15, 2015 in accordance with Regulations 3(1) and 4 read with Regulations 13(4), 14 and 15(2) and other applicable regulations of the Takeover Regulations. |
| DP | Depository participant. |
| Equity Share(s)/ Share(s) | The fully paid up equity share(s) of the Target Company having a face value of Re. 1/- (Rupee One) per equity share. |
| Equity Share Capital / | The Issued and Subscribed Capital of the Target Company is |

| | |
|--|--|
| Voting Share Capital | Rs.11,96,59,200 and paid up Share Capital of the Target Company is Rs.11,96,52,244 comprising of 11,96,39,200 Equity Shares of face value Re.1/- each. (amount received on forfeited shares : Rs.13,044) as on the date of the Public Announcement. |
| Equity / Public Shareholders | The equity shareholders of OAL other than the Acquirers, PAC and the promoter group shareholders / sellers of the Target Company. |
| Escrow Agreement | Escrow Agreement entered between the Acquirers, Escrow Agents and Manager to the Offer. |
| Escrow Bank(1) / Escrow Agent(1) | Kotak Mahindra Bank Ltd., Fort, Mumbai. |
| Escrow Bank(2) / Escrow Agent(2) | IndusInd Bank Ltd., Andheri Branch, Mumbai. |
| Escrow Agents | Escrow Agent (1) and Escrow Agent (2), collectively. |
| FEMA | The Foreign Exchange Management Act, 1999, as amended or modified from time to time. |
| FII(s) | Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act, which includes sub-accounts of FIIs and if any Foreign Institutional Investor(s) have been reorganized as Foreign Portfolio Investors, such Foreign Portfolio Investors. |
| Form of Acceptance-cum-Acknowledgment | Form of Acceptance-cum-Acknowledgement attached to this Draft Draft Letter of Offer. |
| Identified Date | Wednesday, July 15, 2015 i.e., the date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Public Shareholders to whom this Draft Letter of Offer shall be sent. |
| Draft Letter of Offer/ LOF | This Draft Letter of Offer, duly incorporating SEBI's comments on this Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement. |
| Manager to the Offer | Pioneer Money Management Ltd. |
| NECS | National Electronic Clearing System. |
| NEFT | National Electronic Funds Transfer. |
| NRI | Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended. |
| NSDL | National Securities Depository Limited. |
| NSE | National Stock Exchange of India Ltd. |
| OCB | Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. |
| Offer/Open Offer | The Offer being made by the Acquirers for acquiring upto 3,11,06,192 (Three Crores Eleven Lacs Six Thousand One Hundred and Ninety Two) fully paid-up equity shares of face value of Re. 1/- each representing 26% of the Voting Share Capital, from the Public Shareholders at the Offer Price payable in cash. |
| Offer Consideration | The maximum consideration payable under this Offer, assuming full acceptance is Rs. 91,76,32,664/- (Rupees Ninety One Crores Seventy Six Lacs Thirty Two Thousand Six Hundred and Sixty Four Only). |
| Offer Period | Period commencing from June 08 2015 till the date on which the payment of consideration to the Public Shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be. |
| Offer Price | Rs. 29.50/- (Rupees Twenty Nine and Paise Fifty Only) per Equity Share. |

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| Offer Size | Up to 3,11,06,192 (Three Crores Eleven Lacs Six Thousand One Hundred and Ninety Two) fully paid-up equity shares of face value of Re.1/- each representing 26% of the Voting Share Capital. |
| Person Acting in Concert (PAC) | Lambasa Global Opportunity Fund B.V. having its Registered Office at Pletterijweg #43, Curacao. |
| Public Announcement/PA | Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirers on June 08, 2015 in accordance with Takeover Regulations. |
| RBI | Reserve Bank of India. |
| Registrar to the Offer | Link Intime India Private Ltd. |
| Regulations / Takeover Regulations /SEBI (SAST) Regulations | SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 2011, as amended. |
| Sale Shares | 3,05,34,857 fully paid up Equity Shares, representing 25.52% of the Voting Share Capital, proposed to be acquired by the Acquirers from the Sellers pursuant to the SPA. |
| SCRR | Securities Contract (Regulations) Rules, 1957, as amended. |
| SEBI | Securities and Exchange Board of India. |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended. |
| Sellers | Collectively, Seller 1 to Seller 4. |
| Seller 1 | Ms. Usha Rajgarhia, residing at 33/1 Friends Colony East, New Delhi - 110 065 India. |
| Seller 2 | Ms. Bhavna Rajgarhia residing at 33/1 Friends Colony East, New Delhi - 110 065 India. |
| Seller 3 | Ms. Anisha Mittal, residing at 15 Eastern Avenue, Second Floor, Maharani Bagh, New Delhi – 110 065 India. |
| Seller 4 | Shri. Shri Gopal Rajgarhia, residing at 33/1 Friends Colony East, New Delhi – 110 065 India. |
| SPA | Share Purchase Agreement dated June 08, 2015 entered into amongst the Acquirers and the Sellers. |
| Special Depository Account | The special depository account opened pursuant to the Offer with NSDL for receiving Equity Shares tendered during the Offer. |
| Stock Exchange(s) | BSE Limited and National Stock Exchange of India Limited. |
| Target Company | Orient Abrasives Limited having its Registered Office at 1307, Chiranjiv Tower, 43 Nehru Place, New Delhi - 110 019. |
| Tendering Period | Wednesday, July 29, 2015 to Tuesday, August 11, 2015. |
| USD | US Dollar |
| Working Day | Working days of SEBI |

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

1 DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF OALTO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER, PIONEER MONEY MANAGEMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 22, 2015 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THIS OFFER.”

2 DETAILS OF THIS OFFER

2.1 Background of this Offer:

- 2.1.1 This Offer is a mandatory offer, being made by the Acquirers to the Equity Shareholders, in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations. This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations and is being made as a result of an agreement for a direct substantial acquisition of Equity Shares and voting rights, accompanied with a change in control of the Target Company, pursuant to the SPA.
- 2.1.2 The Acquirers have entered into an SPA on June 08, 2015 with the existing promoters and Sellers of OAL, comprising of Ms. Usha Rajgarhia, Ms. Bhavna Rajgarhia, Ms. Anisha Mittal and Shri. Shri Gopal Rajgarhia for acquiring 3,05,34,857 Equity Shares of the Target Company constituting 25.52% of the paid up share capital of the Company at a negotiated price of Rs. 29.50/- per Equity Share. Acquirer 1 holds 2,15,35,056 Equity Shares constituting 18% of the paid up share capital of OAL as on the date of this Draft Letter of Offer. Acquirer 2 does not hold any shares in OAL.
- 2.1.3 The Acquirers hereby make this Offer to the Public Shareholders of the Target Company (other than Promoter and Promoter Group members and parties to the SPA) to acquire Equity Shares held by Public Shareholders, representing in aggregate 26% of the Voting Share Capital of the Target Company at a price of Rs. 29.50/- (Rupees Twenty Nine and Paise Fifty only) per fully

paid up equity share (“**Offer Price**”) payable in cash subject to the terms and conditions mentioned in the PA, DPS and in this Draft Letter of Offer that will be circulated to the shareholders in accordance with the Takeover Regulations (“**Draft Letter of Offer**”).

2.1.4 As per the SPA, Acquirer 1 proposes to acquire 2,43,62,212 shares constituting 20.36% of the paid up capital of the Target Company and Acquirer 2 proposes to acquire 61,72,645 shares constituting 5.16% of the paid up capital of the Target Company from Seller 1 to Seller 4. The acquisition of the Sale Shares by the Acquirers is subject to certain conditions as provided in the SPA. The acquisition of the Sale Shares will result in a change in control of the Target Company.

The salient features of the SPA are as follows:

- The Sellers agree to sell 3,05,34,857 fully paid up equity shares of face value Re.1/- each for cash at a price of Rs. 29.50/- per equity share, and the Acquirers agree to buy the Sale Shares held by the Sellers.
- The Sellers confirm that the Sale Shares as referred herein above are fully paid up and are free from any lien, pledge and other encumbrances whatsoever.
- The consideration of the shares in lieu of the transfer of shares has been agreed to be Rs.29.50/- per Share resulting in an aggregate consideration of Rs. 90,07,78,281.50/- (Rupees Ninety Crores Seven Lacs Seventy Eight Thousand Two Hundred and Eighty One and Paise Fifty Only) (“**Consideration**”) payable by the Acquirers.
- The Sellers recognize that the sale of the said Sale Shares shall trigger an Open Offer in terms of the Regulations 3(1) and 4 of Takeover Regulations and accordingly, the Sale could be given effect to only after due compliance of the Takeover Regulations.
- The Acquirers agree to comply with the requirements of the Takeover Regulations and any other provisions as may be applicable under any statute rules, bye-laws and regulations.
- The sellers agree to provide a written confirmation on fulfillment of the Conditions Precedent to the Purchasers within 2 (*two*) Business Days of fulfillment (*or waiver by the Purchasers, as the case may be*), of all the Conditions Precedent.
- The SPA contains certain non-compete provisions whereby the sellers and their affiliates and the Acquirers have agreed subject to certain exceptions, not to directly or indirectly undertake the mining, producing, processing, importing, exporting, buying and selling of all kinds of calcinated bauxite, abrasive grits and grains including white and brown aluminium oxide, silicon carbide and all kinds of fused and abrasives business as carried on by OAL as of the date of the SPA for a period of five years after the closing date under the SPA (“**Non Compete Period**”) It is clarified that no separate consideration is being paid for this non-compete obligation of the Sellers and their affiliates have also undertaken that until the expiry of the Non Compete Period, they shall not solicit any employee, customer or vendor of OAL.
- The consummation of the acquisition of the Sale Shares by the Acquirers, as envisaged in the SPA, is subject to the following conditions, amongst others, of the SPA,
 - No Litigation or Change in Law: There has not been any legal or administrative action, ruling, or order from any Governmental Authority or threatened instituted, given or pending nor has there been any Change in Law which:

(i) restrains or prohibits the Transaction or has permitted the Transaction subject to payment by the Company or the Purchasers of damages in connection therewith, to any third party, (ii) may have the effect of preventing, delaying, making illegal or otherwise interfering with the consummation of the Transactions contemplated hereby or the performance of this Agreement;
prohibit or limit the ownership or operation of all or any portion of the Business or material Assets of the Company or the Shares or compels or seeks to compel the Purchasers or its Affiliates to dispose of or hold separate all or any portion of the Business or material Assets of the Company or seeks to impose any material limitation of the ability of the Purchasers or the Company to conduct the Business or own its Assets after the Closing;

- Authorisations: Each of the Seller shall have received Authorisations, if any, required to be obtained by the Sellers, in connection with the lawful sale of the Sale Shares in accordance with the terms of this Agreement;
 - Material Adverse Effect: There shall not have occurred any event that shall result in a Material Adverse Effect;
 - Letter of Adherence: The Sellers shall cause the Company to provide a letter of adherence in the Agreed Form, acknowledging their knowledge of the terms and conditions of this Agreement;
- If any of the Conditions Precedent, is not fulfilled by the Closing Date, the Parties will mutually discuss and decide the further course of action which may include extension of the period for achieving the satisfaction of the Conditions Precedent or termination of the SPA.

2.1.5 In accordance with Regulation 22(2) of the SEBI (SAST) Regulations, the Acquirers intend to complete the acquisition of the Sale Shares, as contemplated under the SPA, as soon as the conditions stipulated in the SPA are satisfied.

In accordance with Regulation 22(3) of the SEBI (SAST) Regulations, the Acquirers shall complete the acquisitions contemplated under the SPA, attracting the obligation to make this Offer by not later than twenty-six weeks from the date of closure of the Offer, subject to satisfaction of the conditions of the SPA, as set out above.

However, in the event of any extraordinary and supervening circumstances rendering it impossible to complete such acquisition within such period, SEBI may, for reasons to be published, grant an extension of time by such period as it may deem fit in the interests of investors in securities and the securities market.

2.1.6 This Offer is not made pursuant to any indirect acquisition, arrangement or agreement and is not a conditional offer.

2.1.7 This Offer is not a result of a global acquisition, an open market purchase or a negotiated deal.

2.1.8 As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirers, there are no statutory approvals required by the Acquirers and the PAC to complete this Offer, except approval from RBI for Acquirer 2 to acquire 61,72,645 shares under the SPA i.e. from Ms.

Anisha Mittal (31,25,522 Shares) and Ms. Bhavna Rajgarhia (30,47,123 Shares) under the SPA. Necessary application has been made by Acquirer 2 to RBI for approval. In the event the approval from RBI is delayed beyond 21 business days from the date of DPS then Acquirer 1 shall proceed with the purchase of 2,43,62,212 shares from the Sellers on the closing date and Acquirer 2 shall purchase the balance 61,72,645 shares from Sellers within 5 days from the date of receipt of RBI approval. In the event that RBI approval is not obtained for any reason whatsoever than Acquirer 1 shall cause the purchase of 61,72,645 shares either by themselves or any other manner as may be agreed between the parties. However, in case any further statutory approvals are required by the Acquirers and the PAC at a later date before the closure of the tendering period, this Offer shall be subject to such approvals and the Acquirers and the PAC shall make the necessary applications for such statutory approvals.

- 2.1.9 The Acquirers vide letters dated June 08, 2015 and June 10, 2015 have confirmed that they are not prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.
- 2.1.10 The Acquirers vide letters dated June 05, 2015 and June 8, 2015, have confirmed that they will not acquire any Shares of Target Company after the date of PA i.e. June 08, 2015 and up to the date of this Draft Letter of Offer.
- 2.1.11 Both the Acquirers will acquire Equity Shares being tendered and accepted in this Offer. All the Equity Shares validly tendered and accepted in this Offer and pursuant to the SPA will be acquired by both the Acquirers only.
- 2.1.12 After the completion of this Offer and pursuant to the acquisition of Equity Shares under the SPA, Acquirer 1 shall hold the majority of the Equity Shares by virtue of which it shall be in a position to exercise effective control over the management and affairs of the Target Company and shall consequently replace the Sellers as the promoter of the Target Company. Acquirer 2 shall also form part of the Promoter Group of the Target Company.
- 2.1.13 Upon the consummation of the acquisition of the Sale Shares by the Acquirers, as envisaged under the SPA, the Acquirers intend to take control over the Target Company.
- 2.1.14 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required to constitute a Committee of Independent Directors to provide their reasoned recommendations on the Offer. These reasoned recommendations are required to be published in the same newspapers and editions which carried the Detailed Public Statement, no later than by Monday, July 27, 2015, prior to commencement of the Tendering Period.
- 2.1.15 The Acquirers reserve the right to reconstitute the Board of Directors of the Target Company after/upon completion of the Open Offer in accordance with the provisions contained in the SEBI (SAST) Regulations..

2.2 Details of the Proposed Offer

2.2.1 The details pertaining to the publication of the Detailed Public Statement in Newspapers is given below:

| Newspaper | Language | Editions | Date of DPS |
|-----------------------|-----------------|---|--------------------|
| The Financial Express | English | All Editions | June 15, 2015 |
| Jansatta | Hindi | Delhi, Kolkata, Chandigarh, and Lucknow | June 15, 2015 |
| Mumbai Lakshwadeep | Marathi | Mumbai | June 15, 2015 |

The Public Announcement and the Detailed Public Statement are also available at SEBI's website: www.sebi.gov.in.

2.2.2 Pursuant to the Offer, the Acquirers will acquire up to 3,11,06,192 Equity Shares of the Target Company constituting 26.00% of the paid up equity share capital of the Target Company under the SEBI (SAST) Regulations at a price of Rs. 29.50/- (Rupees Twenty Nine and Paise Fifty only) per Equity Share in cash, free from all lien, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

2.2.3 There are no partly paid up Equity Shares in the share capital of the Target Company.

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

2.2.5 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the Takeover Regulations.

2.2.6 The Acquirers have vide their letters dated June 08, 2015 and June 10, 2015, confirmed that they shall not acquire any Shares of the Target Company after the date of PA i.e. June 08, 2015, and up to the date of this Draft Letter of Offer.

2.2.7 This Offer is not subject to any minimum level of acceptance. Further, there is no differential pricing for this Offer. All Equity Shares validly tendered by the Equity Shareholders will be accepted at the Offer Price by the Acquirers in accordance with the terms and conditions contained in the PA, DPS and this Draft Letter of Offer.

2.2.8 The Manager to the Offer does not hold any Equity Shares as on the date of this Draft Letter of Offer. The Manager to the Offer further declares and undertakes that it will not deal on its own account in the Equity Shares during the Offer Period.

2.2.9 The Equity Shares of the Target Company are listed on BSE and NSE. As per Clause 40A of the listing agreement with BSE read with Rule 19A of Securities Contract (Regulation) Rules, 1957 ("SCRR"), the Target Company is required to maintain at least 25% public shareholding (i.e. Shares of the Target Company held by the public as determined in accordance with the SCRR, on a continuous basis for listing. Consequent to this Offer (assuming full acceptance in the Open Offer), if the shareholding of the Acquirers in the Target Company pursuant to the SPA exceeds

the maximum permissible non public shareholding specified in the listing agreement entered into by the Target Company with the Stock Exchange, as per Rule 19A of the SCRR, for the purpose of listing on continuous basis, the Acquirers hereby undertake that the promoter and promoter group shareholding in the Target Company will be reduced, within the time period and in the manner specified in the SCRR and Clause 40A of the Listing Agreement, such that the Target Company complies with the required minimum level of public shareholding.

2.3 Object of the acquisition / Offer

- 2.3.1 The Target Company is ISO certified and enjoys the position of being one of the leading producer of Fused Products in India. The Company has installed wind power plants of 11.1 M.W. in Rajasthan & Karnataka. The company has also set up thermal power plant having a capacity of 18 MW out of which 9 MW is based on coal and 9 MW on furnace oil, for captive consumption. The Company's products are, Brown Fused Alumina, White Fused Alumina, White Mulite, Pink Fused Alumina, calcined bauxite abrasive grade and refractories grade, castables.
- 2.3.2 The promoters of the Target Company had expressed their desire to exit the company as promoters and the Acquirers have thereafter entered into an SPA with the exiting promoters of the Target Company, thereby acquiring substantial shares / voting rights along with control over the management of the Target Company. Acquirer 1 (BML) has considerable expertise in creating quality value addition to Bauxite to produce Calcined Bauxite, Castables, Calcined Alumina, Mulite etc. The finished product of Acquirer is the raw material for OAL to produce Castables, Brown Fused Alumina etc. Thus, by taking over OAL, Acquirer 1 will consolidate its refractory products, both the units will produce Refractory Bricks and Grinding wheels. Acquirer 1 through its network will also export many products from OAL thereby enhancing value in OAL. With this consolidation Acquirer 1 & OAL's net worth will improve, and be beneficial to the shareholders of both the Companies.
- 2.3.3 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirers do not currently have any intention to alienate, restructure, dispose off or otherwise encumber any assets of OAL in the succeeding two years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by OAL. Notwithstanding anything contained herein and except with the prior approval of the shareholders of OAL through a special resolution, passed by way of postal ballot, the Acquirers undertake that they will not restructure, sell, lease, dispose off or otherwise encumber any substantial assets of OAL or any of its subsidiaries other than in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by OAL.

3. BACKGROUND OF THE ACQUIRERS

3.1 BOMBAY MINERALS LIMITED (ACQUIRER 1)

- 3.1.1 Acquirer 1 is a Public Limited Company incorporated on 24.01.1953 under the Companies Act, 1913 under the name and style of Bombay Mineral Supply Company Private Limited in the state of Gujarat. The name of Acquirer 1 was changed to Bombay Minerals Limited and Acquirer 1 was converted into a Public Limited Company with the approval of the shareholders and the Central Government on 04.12.1992 and a fresh Certificate of Incorporation has been obtained from the Registrar of Companies Gujarat on 04.12.1992 for the change in name and constitution into a Public Limited Company.

- 3.1.2 The Registered Office of Acquirer 1 is located at Dwarka Highway, Opposite Ashok Petrol Pump, Khambhalia, Jamnagar, Gujarat - 361 001.
- 3.1.3 Acquirer 1 is engaged in the mining of Bauxite and value added products of Bauxite i.e. manufacturing of Calcined Bauxite.
- 3.1.4 Acquirer 1 is presently a wholly owned subsidiary of Ashapura Minechem Limited ('Ashapura'), a company incorporated under the Indian Companies Act, 1956. Ashapura Minechem is an exporter of Bentonite and has access to quality sodium and calcium bentonite reserves. Ashapura has diversified into bauxite since the year 1998.
- 3.1.5 The main objects of Acquirer 1, amongst others are, "To carry on the business of and to search for, get, work, refine, sell and deal in Minerals of all descriptions and the derivatives thereof. To produce, manufacture, refine, purchase, prepare, import, export, sell to search for, get, work, supply and deal in every kind of minerals and their by-products and generally to undertake and execute all kinds of commercial, financial, trading and other operations and transactions in connection with the said minerals."
- 3.1.6 The Authorised Capital of Acquirer 1 is Rs. 1,50,00,000 comprising of 14,00,000 Equity Shares of Rs.10/- each and 1,00,000 12% Cumulative Redeemable Preference Shares of Rs.10/- each aggregating to Rs.150,00,000. The paid up capital of the company is Rs. 21,80,800 comprising 2,18,080 Equity Shares of Rs.10/- each.
- 3.1.7 Acquirer 1 currently holds 2,15,35,056 equity shares of Re.1/- each constituting 18% of the paid up capital of the Target Company, but there are no Directors on the Board of Directors of Target Company representing Acquirer 1. It has complied with disclosure requirements under Chapter V of the SEBI (SAST) Regulations, 2011 without any delay.
- 3.1.8 The shareholding pattern of Acquirer 1 is as under:

| Name of the Promoter Shareholder | Number of Shares | % age of Shareholding (in %age) |
|--|------------------|---------------------------------|
| Ashapura Minechem Ltd. | 2,17,430 | 99.70 |
| Shri Chetan N. Shah & Shri Navnitlal R. Shah * | 220 | 0.10 |
| Shri Navnitlal R. Shah & Shri Chetan N. Shah * | 30 | 0.00 |
| Shri Chetan N. Shah & Smt. Dina C. Shah * | 100 | 0.05 |
| Smt. Dina C. Shah & Shri Chetan N. Shah * | 100 | 0.05 |
| Shri Navnitlal R. Shah & Smt. Dina C. Shah * | 100 | 0.05 |
| Smt. Dina C. Shah & Shri Navnitlal R. Shah * | 100 | 0.05 |
| Total | 2,18,080 | 100.00 |

- Shares held as nominee of Ashapura Minechem Ltd.

3.1.9 The details of the Directors of Acquirer 1 are as follows. None of the Directors of Acquirer 1 are on the Board of Directors of the Target Company:

| Name, DIN Number & Designation | Date of appointment | Qualification | Experience |
|--|---------------------|------------------------|---|
| Shri Chetan N Shah (DIN No: 00018960) Director | 2/11/2009 | B.Com | He has more than 30 years of experience in the Bentonite industry and his skills in marketing are well established. He is currently leading Ashapura Group and under his guidance, the group has achieved excellence in exports of bauxite and other value added products |
| Shri Hemul R Shah (DIN No:00058558) Executive Director | 25/09/2001 | B.Com | He has more than 20 years of experience in various fields including accounts, marketing and operations. |
| Shri Abhilash N Munsif (DIN No:02773542) Independent Director | 01/11/2013 | B.Com, ACA - London | He has held several positions at CFO/ CAO/Director Level, with several organs of United Nations in Switzerland, Asia & Africa and with High Level Commissions like "South Commission" comprising 18 countries & Summit level group of Developing Countries (G-15) comprising 15 countries. His last assignment was with 'World Intellectual Property Organization (Geneva)' as the Director of Finance for 8 years. |
| Shri Ashok M Kadakia (DIN No: 00317237) Independent Director | 01/11/2013 | B.Com | He is an Industrialist with over 3 decades of experience in Chemical Industry |

3.1.10 The brief Audited standalone financials of Acquirer 1, for the past three years are as under:

(In Lacs except for EPS)

| Particulars | March 31, 2015 | March 31, 2014 | March 31, 2013 |
|---|-------------------|-------------------|-------------------|
| Profit & Loss Statement | | | |
| Income from Operations | 56,921.32 | 13,375.91 | 6,630.11 |
| Other Income | 137.95 | 82.21 | 178.42 |
| Total Income | 57,059.27 | 13,458.12 | 6,808.53 |
| Total Expenditure | 49,524.26 | 11,670.68 | 5,908.95 |
| Profit/(Loss) Before Depreciation Interest and Tax | 7,535.01 | 1,787.44 | 899.58 |

| Particulars | March 31, 2015 | March 31, 2014 | March 31, 2013 |
|---|-------------------|-------------------|-------------------|
| Depreciation | 224.24 | 157.01 | 83.81 |
| Interest Expense/(Income) | 481.46 | 228.64 | 161.15 |
| Profit Before Tax | 6,829.31 | 1,401.79 | 654.62 |
| Provision for Taxation | 2,322.79 | 438.29 | 126.51 |
| Profit After Tax/ (Loss) | 4,506.52 | 963.50 | 528.11 |
| Balance Sheet Statement | | | |
| Sources of Funds | | | |
| Paid Up Equity Share Capital | 21.81 | 21.81 | 21.81 |
| Reserves and Surplus (Excluding Revaluation Reserves) | 7,956.30 | 3,468.48 | 2,504.98 |
| Net worth | 7,978.11 | 3,490.29 | 2,526.79 |
| Secured Loans | 108.12 | 2,112.15 | 1,179.05 |
| Unsecured Loans | 925.00 | 2,100.00 | 0.00 |
| Other Non- Current Liabilities & Provisions | 13,361.30 | 7,305.28 | 2,864.05 |
| Total | 22,372.53 | 15,007.72 | 6,569.89 |
| Uses of Funds | | | |
| Net Fixed Assets | 1,216.51 | 1,092.66 | 950.77 |
| Investments(At Cost) | 5,566.44 | 5,566.44 | 75.00 |
| Other Non- Current Assets | - | - | - |
| Long term Loans and Advances | 434.68 | 434.82 | 744.57 |
| Deferred Tax Assets | 270.00 | 104.94 | 112.93 |
| Current Assets | 14,884.90 | 7,808.86 | 4,686.62 |
| Total | 22,372.53 | 15,007.72 | 6,569.89 |
| Other Financial Data | | | |
| Dividend (%) | - | - | - |
| Earnings Per Share (Rs.) | 2,066.45 | 441.81 | 242.16 |

3.1.11 Acquirer 1 has no major contingent liabilities as on March 31, 2015.

3.1.12 Acquirer 1 confirms that currently there are no pending litigations pertaining to securities market where it has been made a party.

3.1.13 Acquirer 1 has adequate resources to meet the funds requirements/obligations under this Offer. The funds required in relation to the Offer have been met from the own funds of Acquirer 1.

3.1.14 The Acquirers have entered into a non-compete arrangement and/or agreement with the Sellers, as per which the sellers and their affiliates cannot engage in mining, producing, processing, importing, exporting, buying and selling of all kinds of calcinated bauxite, abrasive grits and grains including white and brown aluminium oxide, silicon carbide and all kinds of fused and

abrasives carried by the company for a period of 5 years from the closing date. No compete fee is however payable to the sellers for the same.

- 3.1.15 Acquirer 1, its promoters / persons in control and directors have not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act, 1992 as amended (the “SEBI Act”) or under any of the regulations made under the SEBI Act.
- 3.1.16 The Shares of the Acquirer 1 are not listed on any Stock Exchange.
- 3.1.17 There is no relationship between Acquirer 1 and Acquirer 2 / PAC.

3.2 CURA GLOBAL HOLDINGS LIMITED (ACQUIRER 2)

- 3.2.1 Acquirer 2, a private company limited by shares incorporated on 21.05.2014 under the Companies Act, 2001 in the Republic of Mauritius as a Global Business Company and holds a Category 1 Global Business License from the Financial Services Commission, Mauritius. The Administrator and Secretary of Acquirer 2 is Amicorp (Mauritius) Limited, Mauritius.
- 3.2.2 The Registered Office of Acquirer 2 is located at C/o Amicorp (Mauritius) Limited, 6th Floor, Tower 1, NeXTeracom Building, Ebene, Mauritius Telephone : +230 4040200 Fax : +230 4040201 Email id: r.emrit@amicorp.com
- 3.2.3 The main objects of the Acquirer 2, amongst others are “To carry on the business of investments and to acquire and hold either in the name of the company or in that of any nominee shares, debentures, debenture stocks, bonds, notes, obligations and securities issued or guaranteed by any company wherever incorporated or carrying on business and debentures, debenture stocks, bonds, notes, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body or the authority supreme, dependent, municipal, local or otherwise in any part of the world.”
- 3.2.4 Acquirer 2 is a company engaged in the business of purchasing, acquiring, possessing, and disposing of securities. It will continue to act as an investment holding company and invest primarily in both private and public (both listed and unlisted) companies in India.
- 3.2.5 Acquirer 2 is presently the wholly owned subsidiary of Lambasa Global Opportunity Fund B.V. (“Lambasa”), a private company with limited liability, incorporated in Curacao on April 29, 1998. The directors of Lambasa are Sudamco Management Services N.V. and Pares Management B.V. Lambasa, is an emerging markets based fund, which concentrates in investments into emerging markets. The Fund’s investment objective is to provide superior absolute returns by investing primarily in equity and debt obligations in emerging markets of Asia, Africa, Latin America and others. One of Lambasa’s subsidiaries, LGOF Global Opportunities Limited holds a Category III Foreign Portfolio Investor Registration with SEBI (Registration Number: INMUF014115).
- 3.2.6 Acquirer 2 has agreed to acquire the shares under the SPA and pursuant to the Open Offer as financial investors and consequently shall not take part in the day-to-day management of the OAL.
- 3.2.7 The Stated Capital of Acquirer 2 is US\$1 comprising of 1 Ordinary share of US\$1.

3.2.8 Acquirer 2 does not hold any equity share in the Target Company and hence the provisions of Chapter II or Chapter V of the SEBI (SAST) Regulations, do not apply.

3.2.9 The shareholding pattern of Acquirer 2 is as under:

| Name of the Promoter Shareholder | Number of Ordinary Shares | % age of Shareholding (in %age) |
|---|----------------------------------|---|
| Lambasa Global Opportunity Fund BV | 1 | 100% |
| Total | 1 | 100% |

3.2.10 The details of the Directors of the Acquirer 2 are as follows. None of the Directors of the Acquirer 2 are on the Board of Directors of the Target Company. Both the directors are nationals of Mauritius.

| Name, & Designation | Date of appointment | Qualification | Experience |
|--|---------------------|---|---|
| Rishi Kumar Emrit Director | 22.09.2014 | BA(Hons) Economics, from the University of Delhi and member of the Institute of Chartered Secretaries and Administrators UK | More than 14 years of experience with approx., 10 years in fund and corporate administration. Currently the Senior Relationship Manager and Company Secretary of Amicorp (Mauritius) Limited. |
| Heetesh Kumar Singh Lilkunt Director | 22.09.2014 | BA(Hons), Law and Management from University of Mauritius and a Member of Association of Certified Chartered Accountants (ACCA) | Has been in the Audit and Assurance Department of Price Waterhouse Coopers and then moved to International Management (Mauritius) Ltd, belonging to the CIM group in 2007. He has joined Amicorp (Mauritius) Limited in 2012 and currently holds the position of Controller (Operations and Finance). |

3.2.11 The brief Audited standalone financials of the Acquirer 2, from the date of incorporation (May 21, 2014), are as under :

| Particulars | December 31, 2014 (In US\$) | December 31, 2014 (In Rs. Lacs) |
|--|-----------------------------|---------------------------------|
| Profit & Loss Statement | | |
| Income from Operations | 0.00 | 0.00 |
| Other Income | 0.00 | 0.00 |
| Total Income | 0.00 | 0.00 |
| Total Expenditure | 8,432.00 | 5.41 |
| Profit/(Loss) Before Depreciation Interest and Tax | (8,432.00) | (5.41) |
| Depreciation | 0.00 | 0.00 |
| Interest Expense/(Income) | 0.00 | 0.00 |
| Profit Before Tax | (8,432.00) | (5.41) |
| Provision for Taxation | 0.00 | 0.00 |
| Profit After Tax/ (Loss) | (8,432.00) | (5.41) |

| Particulars | December 31, 2014 (In US\$) | December 31, 2014 (In Rs. Lacs) |
|---|-----------------------------|------------------------------------|
| Balance Sheet Statement | | |
| Sources of Funds | | |
| Paid Up Equity Share Capital | 1.00 | 0,00 (Rs.64.11) |
| Reserves and Surplus (Excluding Revaluation Reserves) | (8,432.00) | (5.41) |
| Net worth | (8,431.00) | (5.40) |
| Secured Loans | 0.00 | 0.00 |
| Unsecured Loans | 8,152.00 | 5.22 |
| Other Current Liabilities | 1,504.00 | 0.96 |
| Total | 1,225.00 | 0.78 |
| Uses of Funds | | |
| Net Fixed Assets | 0.00 | 0.00 |
| Investments(At Cost) | 0.00 | 0.00 |
| Other Non- Current Assets | 0.00 | 0.00 |
| Net Current Assets (Liabilities) | 1,225.00 | 0.78 |
| Total | 1,225.00 | 0.78 |
| Other Financial Data | | |
| Dividend (%) | 0 | 0 |
| Earnings Per Share (In Rs.) | (-ve) | (-ve) |

Note: Since the financials of Acquirer 2 are presented in USD, we have adopted a translation (convenience translation) of such financials into Indian Rupees. The USD to Indian Rupee conversion has been assumed at the rate of 1 USD = 64.1100 Rupees as on June 08, 2015, the date of the Public Announcement (Source: RBI).

3.2.12 Acquirer 2 has no major contingent liabilities as on December 31, 2014.

3.2.13 Acquirer 2, its promoters / persons in control and directors have not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act, 1992 as amended (the “SEBI Act”) or under any of the regulations made under the SEBI Act.

3.2.14 The Shares of the Acquirer 2 are not listed on any Stock Exchange.

3.2.15 There is no relationship between Acquirer 2 and Acquirer 1. However Acquirer 2 is the Wholly Owned subsidiary of the PAC.

3.3 LAMBASA GLOBAL OPPORTUNITY FUND B.V. (PAC)/ (“Lambasa”)

3.3.1 Lambasa is a private company with limited liability, incorporated in Curacao, an autonomous territory within the Kingdom of Netherlands on April 29, 1998. . The holder of the Management Shares of Lambasa is Andetta Private Equity NV, which is owned by Jobina Limited, a company incorporated in Cyprus.

- 3.3.2 The Registered Office of Lambasa is located at Pletterijweg # 43 Curacao, Telephone: +59994343694, Fax: +59994343693, Email id: contact@lambasaglobal.com, website: www.lambasaglobal.com.
- 3.3.3 Lambasa is an emerging markets based fund, which concentrates in investments into Emerging markets. The Fund's investment objective is to provide superior absolute returns by investing primarily in equity and debt obligations in emerging markets of Asia, Africa, Latin America and others.
- 3.3.4 One of Lambasa's subsidiaries, LGOF Global Opportunities Limited, holds a Category III Foreign Portfolio Investor Registration with SEBI. (Registration Number: INMUF014115) .
- 3.3.5 The main objects of Lambasa, amongst others are "to purchase, acquire, possess, manage and dispose of securities in the widest sense of the word and everything connected therewith in the widest sense of the word, including , without limiting the generality of the foregoing, the writing, purchase and sale of options, swap agreements, commodities, forward contracts, futures, currencies, interests in loans, interests in partnerships and corporations, and the borrowing and lending of money. Without limiting the generality of the foregoing, the Corporation shall have the power to guarantee any obligations of third parties or any direct or majority owned subsidiary of the Corporation incurred in furtherance of the lawful investments or business of any such third party or subsidiary, without regard to whether the Corporation itself would be permitted to engage directly in the type of investments or business giving rise to the obligations supported by any such guarantee."
- 3.3.6 The capital of Lambasa comprises of 100 voting non-profit sharing shares identified as Management Shares with a par value of US\$1 each held by Andetta Private Equity N.V. and 1,62,912 Non-voting participating shares with a par value of US\$1 each held mostly by institutional investors The shares of Andetta Private Equity N.V. are held by Jobina Limited, a company which is incorporated and operating at Cyprus.
- 3.3.7 The Managing Directors of Lambasa are Sudamco Management Services N.V. appointed on 20th September, 2013 and Pares Management B.V. appointed on 25th June, 2014, both entities established in Curacao.
- 3.3.8 Lambasa does not hold any equity share in the Target Company and hence the provisions of Chapter II or Chapter V of the SEBI (SAST) Regulations, do not apply. However, as on the date of this Draft Letter of Offer, New Leaina Investments Ltd., associated group company of Andetta Private Equity N.V. (Promoter of Lambasa – PAC) holds 43,33,158 shares constituting 3.62% of the Paid Up Capital of the Target Company and LGOF Global Opportunities Limited which is a subsidiary company of Lambasa holds 14,45,852 shares constituting 1.21% of the paid up capital of the company.
- 3.3.9 The shareholding pattern of Lambasa is as under:

| Name of the Promoter Shareholder | Number of Management Shares (Non Profit Sharing) | % age of Shareholding (in %age) |
|----------------------------------|--|---------------------------------|
| Andetta Private Equity N.V. | 100 | 100% |
| Total | 100 | 100% |

3.3.10 The brief Audited financials of Lambasa for December 31, 2014 and 2013 and the Management Accounts of December 31, 2012 (unaudited) are as under:

| Particulars | As on December 31, 2014 | | As on December 31, 2013 | | As on December 31, 2012 | |
|---|-------------------------|---------------------|-------------------------|----------------|-------------------------|---------------|
| | In USD | In Rs. Lacs | In USD | In Rs. Lacs | In USD | In Rs. Lacs |
| Profit & Loss Statement | | | | | | |
| Income from Operations | 8,333,274 | 5,342.46 | 0 | 0 | 0 | 0 |
| Other Income | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Income | 8,333,274 | 5,342.46 | 0 | 0 | 0 | 0 |
| Total Expenditure | 8,230,047 | 5,276.28 | 25,465 | 16.33 | 135 | 0.09 |
| Profit/(Loss) Before Depreciation Interest and Tax | 103,227 | 66.18 | (25,465) | (16.33) | (135) | (0.09) |
| Depreciation | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest Expense/(Income) | 0 | 0 | 0 | 0 | 0 | 0 |
| Profit / (Loss) Before Tax | 103,227 | 66.18 | (25,465) | (16.33) | (135) | (0.09) |
| Provision for Tax | 0 | 0 | 0 | 0 | 0 | 0 |
| Profit After Tax/ (Loss) | 103,227 | 66.18 | (25,465) | (16.33) | (135) | (0.09) |
| Balance Sheet Statement | | | | | | |
| Sources of Funds | | | | | | |
| Paid Up Equity Share Capital | 163,012 | 104.51 | 100 | 0.06 | 6,000 | 3.85 |
| Reserves and Surplus (Excluding Revaluation Reserves) | 1,629,039,654 | 10,44,377.32 | (25,465) | (16.33) | (6,270) | (4.02) |
| Net worth | 1,629,202,666 | 10,44,481.83 | (25,365) | (16.26) | (270) | (0.17) |
| Secured Loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Unsecured Loans | 0 | 0 | 0 | 0 | 0 | 0 |
| Current Liabilities | 326,459 | 209.29 | 25,465 | 16.32 | 270 | (0.17) |
| Total | 1,629,529,125 | 10,44,691.12 | 100 | 0.06 | 0 | 0 |
| Uses of Funds | | | | | | |
| Net Fixed Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Investments(At Cost) | 1629,087,588 | 10,44,408.05 | 0 | 0 | 0 | 0 |
| Other Non- Current Assets | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Current Assets | 441,537 | 283.07 | 100 | 0.06 | 0 | 0 |

| Particulars | As on December 31, 2014 | | As on December 31, 2013 | | As on December 31, 2012 | |
|-----------------------------|-------------------------|---------------------|-------------------------|-------------|-------------------------|-------------|
| | In USD | In Rs. Lacs | In USD | In Rs. Lacs | In USD | In Rs. Lacs |
| Total | 1,629,529,125 | 10,44,691.12 | 100 | 0.06 | 0 | 0 |
| Other Financial Data | | | | | | |
| Dividend % | 0 | 0 | 0 | 0 | 0 | 0 |
| Earnings Per Share (In Rs.) | 0.633 | 40.58 | -ve | -ve | -ve | -ve |

Note: Since the financials of PAC are presented in USD, we have adopted a translation (convenience translation) of such financials into Indian Rupees. The USD to Indian Rupee conversion has been assumed at the rate of 1 USD = 64.1100 Rupees as on June 08, 2015, the date of the Public Announcement (Source: RBI).

3.3.11 Lambasa has no major contingent liabilities as on December 31, 2014

3.3.12 Lambasa, its promoters / persons in control and directors have not been prohibited by SEBI from dealing in securities in India in terms of Section 11B of the SEBI Act, 1992 as amended (the "SEBI Act") or under any of the regulations made under the SEBI Act.

3.3.13 The Shares of PAC are not listed on any Stock Exchange.

3.3.14 The PAC is not related in any manner whatsoever to Acquirer 1, but is the holding company and promoter of Acquirer 2.

4 BACKGROUND OF THE TARGET COMPANY

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

4.1 Orient Abrasives Limited was incorporated on November 12, 1971 under the Companies Act 1956 as a Public Limited Company and obtained a Certificate of Incorporation from the Registrar of Companies New Delhi. The registered office of the Target Company is situated at 1307, Chiranjiv Tower, 43 Nehru Place, New Delhi - 110 019 Tel: 011-2642 5446 /7, Fax: 011-2644 3859, Email: investor@oalmail.co.in Website: www.orientabrasives.com.

4.2 The Company Identification Number of the Target Company is L24299DL1971PLC005854.

4.3 The Target Company is ISO certified and enjoys the position of being one of the leading producers of Fused Products in India. The Company has installed wind power plants of 11.1 M.W. in Rajasthan & Karnataka. The company has also set up thermal power plant having a capacity of 18 MW out of which 9 MW is based on coal and 9 MW on furnace oil, for captive consumption. The Company products are, Brown Fused Alumina, White Fused Alumina, White Mullite, Pink Fused Alumina, calcined bauxite abrasive grade and refractories grade, castables, etc.

4.4 The main object of the Target Company as per its Memorandum of Association inter-alia includes:-

- To carry on the business of manufacturers, producers, processors, importers, exporters, buyers, sellers of and dealers in all kinds of calcined bauxite, abrasive grits and grains including white and brown aluminium oxide, silicon carbide and all kinds of abrasives including bonded and coated abrasives, grinding wheels, sharpening stones, hones, paper and cloth and all types of refractories based on alumina or on any other material of any other kind and all materials, goods and ingredients used or that could be used in the manufacture or processing of abrasives of any kind and all other products, allied products, by products and substitutes for all or any of them and to treat any utilise any waste arising from any such manufacture, production or process whether carried on by the Company or otherwise.
- To explore, prospect, take on lease or on royalty basis or otherwise acquirer mines, mining rights and lands or any interest therein and to quarry, mine, dress, reduce, draw, extract, purify, calcine, smelt, refine, manufacture, process, purchase or otherwise acquire, sell or otherwise dispose of or deal in all grades, types, qualities and descriptions of iron ore, ileminite ore, rutile ore, tungsten ore, wolframite ore, moly denum ore, copper ore, bauxite, nickel ore, cobalt ore, quartz fluorspar, lime stone, dolomite, magnesite, coal, graphite, fire clay, kyanite, siliminite, stone, bricks, crick earth and other refractory materials etc and all other metals, minerals and substances of every kind.
- To carry on the business of manufacturers, dealers and importers, exporters, merchants, distributors and stockists of paper, cloth, canvas and all kinds of backing materials used in the manufacture of abrasives.
- To carry on the business of and act as buyers and sellers, suppliers and traders, brokers and agents, exporters and importers, stockists and distributors and dealers of and in all kinds of forest products, industrial products, agricultural products, food products, whether processed, semi-processed or otherwise, wood articles and metals, minerals, industrial and other wasters and bye-products, industrial and other gases, alcohol, edible and non-edible oils, fats and consumer goods, house-hold goods, hardware and stores, plant and machinery, stores, all types of ball and rollers, bearings, spare parts and accessories, commercial and manmade fibres, textiles of all kinds, readymade garments, silk, hemp, wool and flax and other fibres, substances, blankets and any products of cotton and yard and woolen textile, raw jute and jute products, cement, plastics, chemicals, building materials, bullion, belting, batteries, bronzes, canned and tinned goods, curios, cotton, crockery, cutlery, caramels, cozebinders, cashewnuts, confectionery, coffee, coir coal and chemicals, iron and steel, casting of metals and alloys, carpets, cosmetics, cinematograph films, corks and crown corks, dextrines, drugs and medicines, dressing materials, dyes and dyestuffs, essence, electrical goods and accessories, engineering goods, fertilizers, fodder, flour, fura, fibres and wastes, furniture and upholstery, grain and fruits, jaggery, cardamons, ginger, stone, guel, gums and resins, glass and glassware, gramophone records, hides and skins, hemp, handicrafts, handlooms, hardware, ivory, electrical, mechanical, photographic, surgical, scientific and other instruments, apparatus and appliances, leather goods, lac, linoleum, liquid gold, linen, manures, machine tools, metals, motor cars, milling stones, nut and bolts, ores, oils and oil cakes, ornaments, pulses, printing and drawing materials, provisions, perfumes, spirits, pulp of wood, pharmaceuticals, precious stones, pearls, plants, paints, papers, patent, synthetic fuel, quartz, crystals, rags rubbers, spices, sports goods, sugar and molasses, scrap, metallurgical residues, seeks, shellac, artificial and silk fabrics, soap, small tools, stationery, tobacco, toys, umbrellas, vegetables, varnishes, vanaspati, wood and timber wax woolen and all sorts of apparels, wigs, yarns, sizing, vehicles of all kinds and accessories thereof, pigments, polymers and PVC goods, all kinds of gloves marine products, electronics goods

- including computer, TV, VCR/VCP, antiques, precious and semi precious stones, goods and products and compounds of any and every description and kinds.
- To carry on in India or elsewhere the business to generate, develop and accumulate electric power from conventional and non conventional resources like wind mill, hydro power, solar power etc for own / captive consumption and commercial sale and to erect and /or commission wind mill turbines, hydro power stations and / or plants, thermal power stations and / or plants, nuclear power stations and/ or plants to transmit, distribute and supply such electric power and to carry on business of a general electric power manufacturer and / or supply company and to construct, lay down establish, fix and carry out all necessary power stations / plants, cables, wires, lines, accumulators, lamps and in general undertake execution of turnkey contracts for setting up of wind mill stations, hydro power generation and other power projects involving conventional and non conventional energy sources in India and abroad and also to undertake engineering and technical consultancy service in the fields of wind power generation and other power projects from conventional and non conventional energy sources and to set up power plants in India and abroad.
- 4.5 The Authorized Share Capital of the Target Company is Rs. 16,00,00,000 comprising of 12,00,00,000 Equity Shares of face value Re. 1/- each and 4,00,000 6% Redeemable Cumulative Preference Shares of Rs.100/- each . The Issued and subscribed Capital of the Target Company is Rs. 11,96,59,200, while the paid up capital of the company is Rs. 11,96,52,244 comprising of comprising of 11,96,39,200 Equity Shares of face value of Re. 1/- each. (amount received on forfeited shares: Rs.13,044) (Source: Annual Report for the financial year 2014).
- 4.6 There are no outstanding partly paid up shares or any other convertible instruments to be converted into Equity Shares of the Target Company at a future date.
- 4.7 The equity shares of the Target Company are currently listed on BSE Limited (“BSE”) (Scrip Code: 504879) and the National Stock Exchange Of India Limited (“NSE”) (Scrip Symbol: ORIENTABRA EQ). The Equity Shares have been delisted from the Delhi Stock Exchange voluntarily with effect from March 08, 2004 and the Calcutta Stock Exchange with effect from December 14, 2011. There is no other stock exchange on which the shares of the company are listed.
- 4.8 The equity shares of the Target Company are infrequently traded on BSE and frequently traded on NSE within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations, 2011. The Target Company has paid listing fees to BSE and NSE for the financial year ended 2015-16.
- 4.9 The Target Company confirms that the trading in the Equity Shares of the Target Company has never been suspended on any of the Stock Exchanges.
- 4.10 There has been no change in the name of the Target Company during the last three years.
- 4.11 The capital structure of the Target Company as of the date of this Draft Letter of Offer is:

| <i>Issued and Paid-up Equity Share Capital</i> | <i>Number of Equity Shares (Face Value - Re. 1/-)/Voting Rights</i> | <i>Percentage of Equity Shares/Voting Rights</i> |
|--|---|--|
| Fully paid-up equity shares | 11,96,39,200 | 100% |
| Partly paid-up equity shares | | |

| | | |
|-----------------------------|--|--|
| Total paid-up equity shares | | |
| Total Voting Rights | | |

4.12 The Target Company confirms that it is in compliance with various clauses of extant Listing Agreement.

4.13 The Target Company has confirmed that the Promoter and Promoter Group members are in compliance with the provisions of Regulations 7(1) and 8(2) of the SEBI (SAST) Regulations 1997 and Chapter V of SEBI (SAST) Regulations, 2011. However there are certain non-compliances of Regulation 7(1A) of the SEBI (SAST) Regulations 1997. There have also been instances of non-compliance of Regulation 11(1) of the (SAST) Regulations 1997 and Regulation 3(2) of the SEBI (SAST) Regulations, 2011 in the past. SEBI may initiate action against the promoters and the promoter group members for these non compliances / delayed compliances in the future. Further, the Target Company confirms that it is in compliance with the provisions of Chapter II of the SEBI (SAST) Regulations 1997.

Please note that the Target Company and the promoters don't have acknowledgements for all the submissions made under Chapter II of the SEBI (SAST) Regulations 1997 and Chapter V of the SEBI(SAST) Regulations, 2011. The date of the covering letter addressed to the Stock Exchanges has been considered for reckoning the compliance.

4.14 As on the date of this Draft Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

| Sr. No. | Name, Age and Address | Designation | DIN | Date of Appointment |
|----------------|---|--|------------|----------------------------|
| 1. | Shri R S Bajoria, 72 years A-49, Friends Colony (East), New Delhi-110 065 | Chairman, Non-Executive, Independent Director | 00033727 | July 30, 2001 |
| 2. | Shri S G Rajgarhia, 69 years 33/1, Friends Colony (East), New Delhi-110 065 | Managing Director | 00002245 | August 31, 1989 |
| 3. | Shri P P Khanna, 76 years H - 4/6, Phase I,DLF City, Gurgaon-122 002, Haryana | Executive Director | 00570059 | August 07, 2006 |
| 4. | Shri R K Khanna, 63 years A-4, Orient Apartment, Near Lal Palace Hotel, Porbandar-360 575, Gujarat | Executive Director | 03585256 | August 11, 2012 |
| 5. | Shri U K Khaitan, 67 years 39, Friends Colony, New Delhi- 110 065 | Non-Executive Independent Director | 01180359 | February 11, 1997 |
| 6. | Shri Manoj C Ganatra, 53 years AUM, Plot No. 64-C, Near Kalakshetra, Off Satyanarayan Road, Bhavnagar, 364 001, Gujarat | Non-Executive Independent Director | 00568914 | May 02, 2014 |
| 7. | Smt Anisha Mittal, 42 years | Director | 00002252 | March 30, 2015 |

| | | | |
|--|--|--|--|
| 15 Eastern Avenue, 2 nd Floor, Maharani Bagh, New Delhi-110 065 | | | |
|--|--|--|--|

None of the Directors represent the Acquirers.

4.15 No merger / demerger / spin off has taken place in the Target Company during the last three years. The refractory unit of the Company was demerged from the business of the Company and vested into a separate company “Orient Refractories Ltd.,” vide a Scheme of Arrangement (demerger) under Section 394(1) of the Companies Act, 1956 duly approved by the Hon’ble High Court of Delhi on September 19, 2011.

4.16 The brief financial details of the Target Company, as obtained from its audited standalone financial statements as at and for the 12-month period ended March 31, 2015, March 31, 2014 and March 31, 2013 are as follows:

(Rs. In Lacs)

| <i>Profit & Loss Statement</i> | <i>March 31, 2015</i> | <i>March 31, 2014</i> | <i>March 31, 2013</i> |
|---|-----------------------|-----------------------|-----------------------|
| Total Income (Including Other Income) | 18,381.03 | 17,506.20 | 18,456.69 |
| Total Expenditure | 15,332.35 | 14,911.58 | 14,597.41 |
| Profit Before Depreciation Interest and Tax | 3,048.68 | 2,594.62 | 3,859.28 |
| Depreciation | 1,059.07 | 1,270.06 | 1,273.98 |
| Interest | 275.71 | 266.71 | 523.28 |
| Profit Before Tax | 1,713.90 | 1,057.85 | 2,062.02 |
| Provision for Tax | 482.98 | 351.75 | 467.18 |
| Profit After Tax | 1,230.92 | 706.10 | 1,594.84 |
| <i>Balance Sheet Statement</i> | | | |
| Paid up Share Capital | 1,196.52 | 1,196.52 | 1,196.52 |
| Reserves and Surplus | 14,336.20 | 13,507.36 | 13,081.21 |
| Networth | 15,532.72 | 14,703.88 | 14,277.73 |
| Secured loans | 2,613.91 | 2,182.98 | 2,693.36 |
| Unsecured loans | 256.71 | 479.82 | 517.34 |
| Deferred Tax Liability (Net) | 922.20 | 972.23 | 960.26 |
| Other Liabilities and Provisions | 3,277.74 | 2,114.47 | 2,580.74 |
| Total | 22,603.28 | 20,453.38 | 21,029.43 |
| Net fixed assets | 10,221.19 | 10,324.09 | 11,286.55 |
| Investments | 0.00 | 0.00 | 0.00 |
| Other Non-Current Assets | 54.60 | 61.78 | 110.09 |
| Long Term Loans and Advances | 1,241.81 | 1,084.91 | 976.54 |
| Current assets | 11,085.68 | 8,982.60 | 8,656.25 |
| Total | 22,603.28 | 20,453.38 | 21,029.43 |
| <i>Other Financial Data</i> | | | |
| Dividend (%) | 25 | 20 | 35 |
| Earnings Per Share (In Rs.) | 1.03 | 0.59 | 1.33 |

| | | | |
|-------------------------------|-------|-------|-------|
| Return on Net worth (%) | 7.92 | 4.80 | 11.17 |
| Book Value per share (In Rs.) | 12.98 | 12.29 | 11.93 |

(Source: The financial information has been extracted from the audited financial statements of the Target Company for the financial years ended March 31, 2015, 2014, and 2013)

- Other income figures for the financial years ended March 31, 2015, March 31, 2014 and March 31, 2013 include Interest Income, Exchange Difference, Dividend Income on Current Investment, Liabilities no longer required written back, Profit on sale of non current investments and Miscellaneous Income.
- Net fixed assets include capital work in progress.
- Dividend % refers to dividend per equity share as a % of face value of Equity Shares.
- Return on Net Worth calculated as (profit after tax)/(paid up equity capital + reserves & surplus).
- Book value per share calculated as (paid-up equity capital + reserves & surplus)/total Equity Shares outstanding at the year end.

4.17 The contingent liabilities not provided for as on March 31, 2015 is Rs. 718.76 lacs, as provided in the notes to the audited accounts for the financial year ended March 31, 2015.

4.18 Pre and Post Offer Shareholding Pattern of the Target Company as on date of this Draft Letter of Offer is and shall be as follows:

| Shareholders' Category | Shareholding & voting rights prior to the acquisition (SPA) and Open Offer | | Equity Shares/voting rights agreed to be acquired which has triggered the Regulations | | Equity Shares/voting rights to be acquired in Open Offer (Assuming full acceptances) | | Shareholding / voting rights after the SPA and Open Offer (Assuming full acceptances) | |
|---|--|--------------|---|--------------|--|--------------|---|--------------|
| | (A) | | (B) | | (C) | | (D) = (A) + (B) + (C) | |
| | No. | % | No. | % | No. | % | No. | % |
| (1) Promoter/ promoter group | | | | | | | | |
| a. Parties to agreement, if any | 3,05,34,857 | 25.52 | - | - | - | - | - | - |
| b. Promoters other than (a) above | - | - | - | - | - | - | - | - |
| Total (1) | 3,05,34,857 | 25.52 | - | - | - | - | - | - |
| (2) Acquirers | 2,15,35,056 | 18.00 | 3,05,34,857 | 25.52 | 3,11,06,192 | 26.00 | 8,31,76,105 | 69.52 |
| (3) Parties to Agreements other than (1) & (2)* | 57,79,010 | 4.83* | - | - | - | - | 57,79,010 | 4.83* |
| (4) Public (other than parties to agreement, Acquirers and PAC) | 6,17,90,277 | 51.65 | - | - | - | - | 3,06,84,085 | 25.65 |

| | | | | | | | | |
|----------------------------------|---------------------|---------------|--------------------|--------------|--------------------|--------------|---------------------|---------------|
| Grand Total (1+2+3+4) | 11,96,39,200 | 100.00 | 3,05,34,857 | 25.52 | 3,11,06,192 | 26.00 | 11,96,39,200 | 100.00 |
|----------------------------------|---------------------|---------------|--------------------|--------------|--------------------|--------------|---------------------|---------------|

* As on date of this Draft Letter of Offer i.e. June 22, 2015, New Leaina Investments Ltd., associated group company of Andetta Private Equity N.V. (Promoter of Lambasa – PAC) holds 43,33,158 shares constituting 3.62% of the Paid Up Capital of the Target Company and LGOF Global Opportunities Limited which is a subsidiary company of PAC - Lambasa holds 14,45,852 shares constituting 1.21% of the paid up capital of the Target Company.

** The Sale Shares under the SPA maybe acquired at any time after the expiry of 21 working days from the Detailed Public Statement in compliance with Regulations 22(2) and 17(1) of the SEBI (SAST) Regulations.

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 JUSTIFICATION FOR THE OFFER PRICE

5.1.1 The Offer is made pursuant to the execution of the SPA for the direct acquisition of Equity Shares from the Sellers by the Acquirers.

5.1.2 The equity shares of the Target Company are listed on BSE and NSE. The annualized trading turnover in the equity shares of the Target Company on BSE and NSE based on trading volume during the twelve calendar months prior to the month of PA (June 01, 2014 to May 31, 2015) is as given below:

| <i>Stock Exchange</i> | <i>Total no. of equity shares traded during the twelve calendar months prior to the month of PA</i> | <i>Total no. of listed equity shares</i> | <i>Annualized trading turnover (as % of shares listed)</i> |
|-----------------------|---|--|--|
| BSE | 1,06,96,111 | 11,96,39,200 | 8.94% |
| NSE | 2,52,51,804 | 11,96,39,200 | 21.11% |

5.1.3 Based on the information provided in point above, the equity shares of the Target Company are infrequently traded on the BSE and frequently trade on NSE within the meaning of explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.

5.1.4 The Offer Price of Rs. 29.50/- (Rupees Twenty Nine and Paise Fifty only) is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, 2011, being the highest of the following:

| | | |
|----|---|----------------|
| a) | Highest negotiated price per share for acquisition under the SPA; | Rs. 29.50/- |
| b) | The volume-weighted average price paid or payable for acquisition(s), whether by the Acquirers or by any person(s) acting in concert, during the fifty-two weeks immediately preceding the date of public announcement; | No Acquisition |
| c) | The highest price paid or payable for any acquisition, whether by the Acquirers or by any person(s) acting in concert, during the Twenty-six weeks immediately preceding the date of the Public Announcement | No Acquisition |

| | | |
|----|--|-------------------|
| d) | The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period | Rs. 25.68 |
| e) | Where the shares are not frequently traded, the price determined by the Acquirers and the Manager to the Open Offer taking into account valuation parameters per Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares | #Rs. 18.64 |
| | Other Financial Parameters as at: | 31.03.2015 |
| | i. Return on Net Worth (%) | 7.92 |
| | ii. Book Value Per Share (Rs.) | 12.98 |
| | iii. Earnings Per Share (Diluted) (Rs.) | 1.03 |

Shri Hemanshu M. Vora, Partner, M/s. Atul HVM & Associates, Chartered Accountants (Membership No 100283 and FRN 124043W) vide their certificate dated June 8, 2015, has certified that they in terms of Supreme Court decision in the case of *Hindustan Lever Employee Union V/s. Hindustan Lever Limited (1995) (83 Companies Cases 30)*, considered the (i) Net Assets Value (“NAV”) Method, (ii) Earnings Basis Method and (iii) Market Price Method and accorded equal weights to the values arrived at under each methodology for the purpose of arriving at the fair value for the Shares of the Target Company. As per the certification given, the Fair Value has been arrived at Rs. 18.64 per equity share.

- 5.1.5 Calculation of the volume – weighted average market price of the Equity Shares for a period of sixty (60) trading days immediately preceding the date of PA i.e. June 08, 2015 as traded on NSE (as the maximum volume of trading in the Equity Shares was recorded on NSE during such period) as per Regulation 8 (2) (d) of the SEBI (SAST) Regulations is as follows:

| S No. | Date | Volume Traded | Total Turnover (In Lacs) |
|-------|-----------|---------------|--------------------------|
| 1 | 10-Mar-15 | 736419 | 198.76 |
| 2 | 11-Mar-15 | 222402 | 60.01 |
| 3 | 12-Mar-15 | 637710 | 171.92 |
| 4 | 13-Mar-15 | 44679 | 11.7 |
| 5 | 16-Mar-15 | 33058 | 8.56 |
| 6 | 17-Mar-15 | 40433 | 10.23 |
| 7 | 18-Mar-15 | 473413 | 120.01 |
| 8 | 19-Mar-15 | 12997 | 3.24 |
| 9 | 20-Mar-15 | 533031 | 134.15 |
| 10 | 23-Mar-15 | 62702 | 15.06 |
| 11 | 24-Mar-15 | 20136 | 4.74 |
| 12 | 25-Mar-15 | 13916 | 3.19 |
| 13 | 26-Mar-15 | 32026 | 7.37 |
| 14 | 27-Mar-15 | 22610 | 5.27 |
| 15 | 30-Mar-15 | 25032 | 5.91 |
| 16 | 31-Mar-15 | 6522 | 1.54 |
| 17 | 01-Apr-15 | 22425 | 5.38 |
| 18 | 06-Apr-15 | 18869 | 4.52 |
| 19 | 07-Apr-15 | 46236 | 11.05 |
| 20 | 08-Apr-15 | 48345 | 11.61 |
| 21 | 09-Apr-15 | 32716 | 7.89 |
| 22 | 10-Apr-15 | 58907 | 14.37 |
| 23 | 13-Apr-15 | 89151 | 22.18 |
| 24 | 15-Apr-15 | 77510 | 19.81 |
| 25 | 16-Apr-15 | 44555 | 11.53 |
| 26 | 17-Apr-15 | 16410 | 4.18 |
| 27 | 20-Apr-15 | 16737 | 4.18 |
| 28 | 21-Apr-15 | 121362 | 30.11 |
| 29 | 22-Apr-15 | 49059 | 12.24 |
| 30 | 23-Apr-15 | 9383 | 2.36 |
| 31 | 24-Apr-15 | 14994 | 3.75 |
| 32 | 27-Apr-15 | 12829 | 3.15 |
| 33 | 28-Apr-15 | 34675 | 8.43 |
| 34 | 29-Apr-15 | 18286 | 4.43 |
| 35 | 30-Apr-15 | 30702 | 7.46 |
| 36 | 04-May-15 | 56360 | 13.84 |
| 37 | 05-May-15 | 99569 | 24.73 |
| 38 | 06-May-15 | 40448 | 9.99 |
| 39 | 07-May-15 | 13913 | 3.38 |
| 40 | 08-May-15 | 74745 | 18.63 |

| S No. | Date | Volume Traded | Total Turnover (In Lacs) |
|--------------|---|----------------------|---------------------------------|
| 41 | 11-May-15 | 61670 | 15.41 |
| 42 | 12-May-15 | 173209 | 44.83 |
| 43 | 13-May-15 | 78537 | 20.4 |
| 44 | 14-May-15 | 19691 | 5.12 |
| 45 | 15-May-15 | 97006 | 25.41 |
| 46 | 18-May-15 | 57753 | 14.62 |
| 47 | 19-May-15 | 63686 | 15.94 |
| 48 | 20-May-15 | 11665 | 2.98 |
| 49 | 21-May-15 | 33132 | 8.39 |
| 50 | 22-May-15 | 37269 | 9.45 |
| 51 | 25-May-15 | 23867 | 6.07 |
| 52 | 26-May-15 | 36176 | 9.1 |
| 53 | 27-May-15 | 6148 | 1.53 |
| 54 | 28-May-15 | 6088 | 1.49 |
| 55 | 29-May-15 | 14765 | 3.62 |
| 56 | 01-Jun-15 | 43797 | 11.07 |
| 57 | 02-Jun-15 | 12102 | 3.03 |
| 58 | 03-Jun-15 | 54914 | 13.5 |
| 59 | 04-Jun-15 | 101880 | 25.48 |
| 60 | 05-Jun-15 | 72491 | 18.41 |
| | Total | 4971118 | 1276.71 |
| | Volume weighted average price (Total turnover divided by the total number of Equity Shares traded) | | 25.68 |
| | | | |

- 5.1.6 In view of the above parameters considered and in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 29.50/- per equity share is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations.
- 5.1.7 There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.
- 5.1.8 There has been no revision in the Offer Price or to the size of this Offer as on the date of this Draft Letter of Offer.
- 5.1.9 An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last three working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the Takeover Regulations. In the event of such revision, the Acquirers shall (i) make corresponding increase to the escrow amount (ii) make a public announcement in the same newspapers in which the DPS has been published; and iii) simultaneously with the issue of such announcement, inform SEBI, BSE, NSE and the Target Company at its registered office of such revision.

5.1.10 In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the public shareholders on a proportionate basis in consultation with the Managers, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a public shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

5.2 FINANCIAL ARRANGEMENTS

5.2.1 Assuming full acceptance, the total funds requirements to meet this Offer is Rs. 91,76,32,664/- (Rupees Ninety One Crores Seventy Six Lacs Thirty Two Thousand Six Hundred and Sixty Four) only.

5.2.2 As per Certificate dated June 8, 2015 issued by Shri Hemanshu M. Vora, Partner of Atul HMV & Associates, Chartered Accountants (*Membership No. 100283; FRN: 124043W*) having their office at Chitalia House, 274/276, Dr. Cawasji Hormasji Lane, 3rd Floor, Near Marine Lines Station, Mumbai – 400 002; Email id: atulhmv@yahoo.co.in, the Acquirer 1 has adequate liquid resources to meet the funds requirements/obligations under this Offer and further as per Certificate dated June 09, 2015 issued by Asif Beebeejaun, Partner, Clarksons & Associates., Chartered Accountants, Republic of Mauritius (*Business Registration No.C10097768*) having their office at Seneck Road, Reviere du Rempart, Mauritius, Tel: +230 265 6319 / +230 5737 3547 Email id: asif.beebeejaun@intnet.mu. The Acquirer 2 has adequate liquid resources to meet the funds requirements/obligations under this Offer.

The funds required in relation to the Offer have been met from the own funds of Acquirer 1 and Acquirer 2.

5.2.3 In accordance with Regulations 17(1) and 17(4) of the Takeover Regulations, the Acquirer 1 has opened an escrow cash account bearing account No. 0911613290 (“**Escrow Cash Account 1**”) with Kotak Mahindra Bank Ltd. and acting through its branch offices at Fort, Mumbai (“**Escrow Bank 1**”), and has made a cash deposit of Rs.17,64,67,820/- (Rupees Seventeen Crores Sixty Four Lacs Sixty Seven Thousand Eight Hundred and Twenty Only) (“**Escrow Account 1**”) in the same and further Acquirer 2 has opened an escrow cash account bearing account No.201000029194 (“**Escrow Cash Account 2**”) with IndusInd Bank Ltd., and acting through its branch offices at Andheri Mumbai (“**Escrow Bank 2**”) and has made a cash deposit of Rs. 74,22,04,364/- (Rupees Seventy Four Crores Twenty Two Lacs Four thousand Three Hundred Sixty Four only) (“**Escrow Account 2**”) in the same, aggregating to Rs. 91,86,72,184/- (Rupees Ninety One Crore Eighty Six Lacs Seventy two thousand one hundred eighty four only). The cash deposited in Escrow Cash Account 1 and 2 represents 100% of the total consideration payable to the Equity Shareholders under this Offer. Escrow Bank 1 and 2 vide letters dated June 09, 2015 and June 10, 2015 respectively, have confirmed the aggregate credit balance of Rs. 91,86,72,184/- (Rupees Ninety One Crore Eighty Six Lacs Seventy two thousand one hundred

eighty four only. The Acquirers have empowered the Manager to the Offer to operate and to realize the value of the Escrow Accounts in terms of the Regulations.

- 5.2.4 In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirers, prior to effecting such revision, in terms of Regulation 17(2) of the Takeover Regulations.
- 5.2.5 Based on the above, Pioneer Money Management Limited, Manager to the Offer satisfied that firm arrangements have been put in place by the Acquirers to implement the offer in full accordance with the SEBI (SAST) Regulations.

6. TERMS AND CONDITIONS OF THE OFFER

6.1. OPERATIONAL CONDITIONS

- 6.1.1. The tendering period will commence on Wednesday July 29, 2015 and will close on Tuesday, August 11, 2015
- 6.1.2. The Equity Shares offered under this Offer should be free from all lien, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.
- 6.1.3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance in terms of Regulation 19 of the Takeover Regulations,
- 6.1.4. The Identified date for this Offer is Wednesday, July 15, 2015.
- 6.1.5. The Target Company has signed agreements with both the Depositories for offering Shares in dematerialized form. The ISIN Number is INE569C01020. The Marketable lot for the Shares of the Target Company for the purpose of this Offer shall be 1 (One only).
- 6.1.6 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Equity Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 6.1.7 Locked in Equity Shares: To the best of our knowledge, the Target Company has no Equity Shares which are “locked in”.

6.2 ELIGIBILITY FOR ACCEPTING THE OFFER

- 6.2.1 This Draft Letter of Offer shall be mailed to all Public Shareholders/Beneficial Owners holding Equity Shares in dematerialized form (except the present promoter group shareholders, parties to the Agreements and Acquirers) whose names appear in register of Target Company as on Wednesday, July 15, 2015 the Identified Date.
- 6.2.2 This Offer is also open to persons who own Equity Shares in Target Company but are not registered Shareholders as on the Identified date.

- 6.2.3 All Public Shareholders/Beneficial Owners (except the present promoter group Shareholders, parties to the Agreements and the Acquirers) who own Equity Shares of Target Company any time before the closure of the Offer are eligible to participate in the Offer.
- 6.2.4 The Form of acceptance and other documents required to be submitted, herewith, will be accepted by Registrar to the Offer, Link Intime India Private Ltd. SEBI Regn No: INR000004058, C-13, Pannalal Silk Mills Compound, LBS Marg , Bhandup West, Mumbai - 400078 Tel: +91 22 6171 5400 Fax: +91 22 2596 0329 Email Id: oal.offer@linkintime.co.in, Contact person: Shri Ganesh Mhatre between 10:00 a.m. to 4:00 p.m. on working days (except Saturdays, Sundays and all public holidays), during the period the Offer is open.
- 6.2.5 The Public Announcement, the Detailed Public Statement, this Draft Letter of Offer and the Form of Acceptance will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of this Draft Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download this Draft Letter of Offer, the Form of Acceptance from the SEBI's website for applying in the Offer.
- 6.2.6 Unregistered Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Shareholders.
- 6.2.7 The acceptance of this Offer by the Equity Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 6.2.8 The acceptance of this Offer is entirely at the discretion of the Equity Shareholder(s)/Beneficial owner(s) of Target Company.
- 6.2.9 The Acquirers, PAC, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Share Transfer Deed etc. during transit and the Equity Shareholders of Target Company are advised to adequately safeguard their interest in this regard.
- 6.2.10 The acceptance of Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.
- 6.2.11 The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of the Offer.

7 STATUTORY AND OTHER APPROVALS

- 7.1 As of the date of this DLOF, to the best of the knowledge of the Acquirers and the PAC, there are no 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 Acquirers / PAC shall make the necessary applications for such approval.
- 7.2 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity

Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer.

NRI and OCB holders of equity shares, if any, must obtain all requisite approvals required to tender the equity shares held by them pursuant to this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of this Draft Letter of Offer.

- 7.3 The Acquirers, in terms of Regulation 23 of Takeover Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made in the same newspapers in which this DPS has been published.
- 7.4 In terms of Regulation 18(11) of the SEBI (SAST) Regulations, the Acquirers shall be responsible to pursue all statutory approvals required by the Acquirers in order to complete the Open Offer without any default, neglect or delay. In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or the failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by the SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- 7.5 In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if any of the conditions precedent and other conditions as stated in the SPA and Share Sale/Purchase Confirmation or any of the statutory approvals which may become applicable are refused, the Acquirers have a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be filed with SEBI, the Stock Exchanges and the registered office of the Target Company.
- 7.6 Subject to the receipt of statutory and other approvals, the Acquirers shall complete all procedures relating to this Offer within 10 working days from the date of closure of the tendering period to those Shareholders whose share certificates and/ or other documents are found valid and in order and are accepted for acquisition by the Acquirers.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1 This Draft Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be mailed to the Shareholders, (other than the parties to the SPA) whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective Depositories, as of the close of business on Wednesday, July 15, 2015, i.e. the Identified Date.
- 8.2 The Shareholders can also download this Draft Letter of Offer and the Form of Acceptance-cum-Acknowledgement from the SEBI website at www.sebi.gov.in.

8.3 The Shareholders who wish to accept this Offer can hand-deliver the Form of Acceptance-cum-Acknowledgement along with the other documents required to accept this Offer, at Link Intime India Private Ltd. SEBI Regn No: INR000004058, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai – 400078, Tel: +91 22 6171 5400, Fax: +91 22 2596 0329, Email Id: oal.offer@linkintime.co.in, Contact person: Shri Ganesh Mhatre so as to reach the Registrar to the Offer during Business Hours on all Working Days or before 5:00 pm on Tuesday, August 11, 2015 i.e., Closure of the tendering period, in accordance with the procedure as set out in this Draft Letter of Offer.

Name and Address of the Persons (Registrar to the Offer) to whom the Equity Shares along with documents required to be submitted therewith, at the following collection centre of the Registrar:

| Sr. no. | City | Contact Person | Address | Tel. No. | Fax No. | E-mail ID | Mode of Delivery |
|---------|------------------|----------------|--|---------------|----------------------------|--|---------------------------------|
| 1 | Mumbai | Ganesh Mhatre | Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078. | 022-61715400 | 022-25960329 | oal.offer@linkintime.co.in | Hand Delivery & Registered Post |
| 2 | Ahmedabad | Hitesh Patel | Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009 Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009 | 079-2646 5179 | 079-2646 5179 (Telefax) | ahmedabad@linkintime.co.in | Hand Delivery |
| 3 | Bangalore | Nagendra Rao | Link Intime India Pvt. Ltd., 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560 019 | 080-26509004 | 080-26509004 (Telefax) | bangalore@linkintime.co.in linkblr@gmail.com | Hand Delivery |

| | | | | | | | |
|---|-------------------|------------------|--|----------------------------------|------------------------------|--|---------------|
| 4 | Baroda | Alpesh Gandhi | Link Intime India Pvt. Ltd., B Tower, 102 B & 103, Sangrila Complex, First Floor, Radhakrishna Char Rasta, Akota, Vadodara - 390020 | 0265-2356573 / 2356796 / 2356794 | 0265-2356791 | vadodara@linkintime.co.in | Hand Delivery |
| 5 | Coimbatore | S. Dhanalakshmi | Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028 | 0422-2314792 / 2315792 | 0422-2314792 (Telefax) | coimbatore@linkintime.co.in | Hand Delivery |
| 6 | 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 |
| 7 | New Delhi | Swapan Naskar | Link Intime India Pvt. Ltd., 44 Community Centre 2nd Floor, Nariana Industrial Area Phase I, Near PVR, Nariana, New Delhi 110 028 | 011-41410592/93/94 | 011-41410591 | delhi@linkintime.co.in | Hand Delivery |
| 8 | Pune | Rajeeva Koteswar | Link Intime India Pvt. Ltd, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001. | 020-26160084, 26161629 | 020 - 26163503 (Telefax) | pune@linkintime.co.in | Hand Delivery |
| 9 | Chennai | Ms. Solly Soy | C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai-600 017 | 044- 2815 2672, 044-4207 0906 | 044- 2815 2672 (Telefax) | chennai@sapartners.com | Hand Delivery |

Note: Business Hours: Monday to Friday 10:00 AM to 4:00 PM, except public holidays.

- 8.4 The Equity Shares and all other relevant documents should only be sent to the Registrar to the Offer and not to the Manager to the Offer, the Acquirers, or the Target Company.
- 8.5 Applicants who cannot hand deliver their documents at any of the collection centers referred to above, may send the same by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: Link Intime India Private Ltd. SEBI

Regn No: INR000004058, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai – 400078, Tel: +91 22 6171 5400, Fax: +91 22 2596 0329, Email Id: oal.offer@linkintime.co.in, Contact person: Shri Ganesh Mhatre so as to reach the Registrar to the Offer on or before 5:00 pm on Tuesday, August 11, 2015 i.e. Closure of the tendering period.

8.6 SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN PHYSICAL FORM:

8.6.1 The Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer will be required to duly complete, sign and send the Form of Acceptance-cum-Acknowledgement in accordance with the instructions contained therein, by sole/joint Shareholders whose name(s) appears on the Equity Share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer. Original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, in accordance with the instructions specified in this Draft Letter of Offer and the Form of Acceptance-cum-Acknowledgement along with self-attested copy of PAN Card of all the transferors are required to be submitted. In case of non receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Open Offer shall be deemed to be accepted

8.6.2 Valid transfer deed(s) should be duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The transfer deed(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer deed(s)) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer.

8.7 SHAREHOLDERS WHO ARE HOLDING EQUITY SHARES IN DEMATERIALIZED FORM:

8.7.1 Beneficial owners (holders of Equity Shares in dematerialized form) who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with the photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favor of the Depository Escrow Account. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein, by the sole/joint Shareholder(s) whose name appears in the beneficiary account and in the same order therein. The Form of Acceptance-cum-Acknowledgement has to be executed by the beneficial holder of the Equity Shares only.

8.7.2 The Registrar to the Offer has opened a special depository account with NSDL called "LIPL Orient Abrasives Open Offer Escrow Demat Account" through Depository Participant - "Ventura Securities Ltd" ("**Depository Escrow Account**"). The Shareholders are requested to fill in the following details in the delivery instructions for the purpose of crediting their Equity Shares in the Depository Escrow Account:

| | |
|---|---|
| Depository Name | National Securities Depository Limited (NSDL) |
| Account Name | LI IPL Orient Abrasives Open Offer Escrow Demat Account |
| Depository Participant (“DP”) Name | Ventura Securities Ltd |
| DP ID Number | IN303116 |
| Beneficiary Account Number | 11695206 |
| ISIN | INE569C01020 |
| Market | Off Market |

- 8.7.3 It is the sole responsibility of the Shareholders to ensure credit of their Equity Shares in the Depository Escrow Account, on or before 5:00 pm on Tuesday, August 11, 2015, i.e. Closure of the tendering period.
- 8.7.4 The Shareholders having their beneficiary account in CDSL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favor of the Depository Escrow Account with NSDL.
- 8.7.5 The Form of Acceptance-cum-Acknowledgement in respect of dematerialized Equity Shares not credited to the Depository Escrow Account before the Closure of the tendering period is liable to be rejected.
- 8.7.6 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance-cum-Acknowledgement.

In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Escrow Demat Account, the Open Offer shall be deemed to be accepted.

8.8. SHAREHOLDERS WHO HAVE SENT THEIR EQUITY SHARES FOR DEMATERIALIZATION:

- 8.8.1 The Shareholders who have sent their Equity Shares for dematerialization, who wish to tender their Equity Shares in this Offer will be required to send their Form of Acceptance-cum-Acknowledgement along with a copy of the dematerialization request form duly acknowledged by the Shareholder’s DP, in accordance with the instructions mentioned in paragraph above. The Form of Acceptance-cum-Acknowledgement has to be duly completed and signed in accordance with the instructions contained therein by the sole/joint Shareholder(s) whose name appears on the Equity Share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- 8.8.2 Such Shareholders need to ensure that the process of getting their Equity Shares dematerialized is completed in time for the credit in the Depository Escrow Account, to be received on or before 5:00 pm on Tuesday, August 11, 2015, i.e. Closure of the tendering period, or else their application will be rejected. Alternatively, if the Equity Shares sent for dematerialization are yet to be processed by the Shareholder’s DP, the Shareholder can withdraw its dematerialization request and tender the Equity Share certificate(s) in this Offer as per the procedure mentioned in paragraph above.
- 8.8.3 Unregistered Shareholders can also send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity

Shares tendered, distinctive numbers, folio number, together with the original Equity Share certificates, valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired their Equity Shares, either by hand delivery or by registered post, so that the same are received on or before 5:00 pm on Tuesday, August 11, 2015, i.e. Closure of the tendering period. Valid share transfer deed(s), as received from the market, duly executed in favour of the unregistered owner(s) as the proposed transferee(s) along with self- attested copy of PAN card of all the transferees, should be submitted along with the application. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance. An additional valid share transfer deed should be duly signed by the unregistered owner(s) as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor's bank. No indemnity is required from the unregistered Shareholders. In case the Equity Share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the Equity Share certificate(s) and the transfer deed(s). The Shareholders should ensure that the Equity Share certificate(s) and above documents reach the designated collection centre on or before 5:00 pm on Tuesday, August 11, 2015, i.e. Closure of the tendering period.

- 8.8.4 The Shareholders should also provide all relevant documents, which are necessary to ensure transfer of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:
- a. duly attested death certificate and succession certificate/probate/letter of administration (in case of single Shareholder) if the original Shareholder is no more;
 - b. duly attested power of attorney if any person apart from the Shareholder has signed the application form and/or transfer deeds;
 - c. in case of companies, the necessary corporate authorization (including certified copy of board resolutions) and specimen signatures of authorized signatories;
 - d. banker's certificate certifying inward remittances of funds for acquisition of Equity Shares; and
 - e. any other relevant documents.
- 8.8.5 In case of non-receipt of the Draft Letter of Offer, the eligible persons may send their acceptance to this Offer to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, distinctive numbers, folio number, together with the documents as mentioned above so as to reach the Registrar to the Offer on or before 5:00 pm on Tuesday, August 11, 2015, i.e. Closure of the tendering period, or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of Equity Shares held, number of Equity Shares tendered, 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 Depository Escrow Account, so as to reach the Registrar to the Offer, on or before 5:00 pm on Tuesday, August 11, 2015, i.e. Closure of the tendering period. In case of physical Equity Shares, original Equity Share certificate(s) and valid transfer deed(s), duly completed and signed, will also have to be submitted. The Shareholders

who have lodged their Equity Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of the Equity Shares. Shareholders who have sent their Equity Shares for dematerialization/re-materialization need to ensure that the process of getting Equity Shares dematerialized/rematerialized is completed well in time so that the credit in the Depository Escrow Account is received or physical Equity Share certificates are received by the Registrar to the Offer on or before 5:00 pm on Tuesday, August 11, 2015, i.e. Closure of the tendering period, else their application would be rejected.

- 8.8.6 If the Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs) had required any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to accept this Offer. If, the Equity Shares are held under general permission of the RBI, the non-resident Shareholders should state that the Equity Shares are held under general permission and whether on repatriable or non-repatriable basis. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer. Apart from the above mentioned corporate approvals, as of the date of the Draft Letter of Offer, the Acquirers are not aware of any statutory approvals required by the Acquirers to complete this Offer or for effecting the transactions contemplated under the SPA..
- 8.8.7 In case of delay in receipt of any statutory approvals, which may be required by the Acquirers at a later date, as per Regulation 18(11) of the Takeover Regulations, SEBI may, if satisfied, that non receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirers agreeing to pay interest to the Shareholders for delay beyond 10 Working Days at such rate, as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all the Shareholders, the Acquirers will have the option to pay consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 8.8.8 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Form of Acceptance-cum-Acknowledgment in respect of the Equity Shares that are the subject of litigation, wherein the Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. The Draft Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
- 8.8.9 The Registrar to the Offer will hold in trust the Equity Shares held in physical form and in credit of the Depository Escrow Account, the Form of Acceptance-cum-Acknowledgement, if any, the transfer form(s) and other documents submitted on behalf of the Shareholders whose Equity Shares have been validly accepted in this Offer, till completion of formalities relating to this Offer. In case of Equity Shares tendered in physical form, where the original Equity Share certificates are required to be split, all the documents will be returned only upon receipt of the Equity Share certificates from the Target Company.
- 8.8.10 If the aggregate valid responses to this Offer by the Shareholders are more than the Equity Shares agreed to be acquired in this Offer, then the offers received from the Shareholders will be accepted on a proportionate basis, 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 and does not result in non-marketable lots, provided that acquisition of the Equity Shares from a Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot of the Target Company is 1 Equity Share.

- 8.8.11 Unaccepted Equity Share certificates, transfer deeds and other documents, if any, will be returned by registered / speed post at the Shareholders'/unregistered Shareholders' sole risk to the sole/first Shareholder. The unaccepted Equity Shares held in dematerialized form will be credited back to the same account from which they were tendered. It will be the responsibility of the Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. The Shareholders holding the Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. It is advised that the demat account is maintained till the completion of the formalities relating to this Offer.
- 8.8.12 Payment to those Shareholders whose Equity Shares and other documents are found valid and in order and are approved by the Acquirers, will be by way of a bankers' cheque/ demand draft/ direct credit/ NECS/ NEFT/ RTGS, so as to avoid fraudulent encashment in transit. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). For Equity Shares that are tendered in dematerialized form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the payment shall be processed with the said bank particulars and not from any details provided in the Form of Acceptance cum Acknowledgement. The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares; and/or (ii) the Equity Share certificates for any rejected Equity Shares, will be dispatched to the Shareholders by registered / speed post or by ordinary post as the case may be*, at the Shareholder's sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

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

- 8.8.13 For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected/not credited through NECS / NEFT / RTGS, due to technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through registered/speed post at the Shareholder's sole risk.
- 8.8.14 All bankers' cheques/demand drafts will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the bankers' cheque/demand draft.

8.9 COMPLIANCE WITH TAX REQUIREMENTS:

8.9.1 General

- a. As per the provisions of Section 195(1) of the Income Tax Act any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including

surcharge and education cess as applicable) at the applicable rate as per the Income Tax Act on any sum payable to such non-resident Equity Shareholder. The consideration received by the non-resident Equity Shareholders for the Equity Shares accepted in this Offer may be chargeable to tax in India either as capital gains under Section 45 of the Income Tax Act or as business profits, depending on the facts and circumstances of the case. The Acquirers are required to deduct tax at source (including surcharge and education cess as applicable) at the applicable rate as per the Income Tax Act, on such consideration payable to such non-resident Equity Shareholder. Further, the Acquirers are required to deduct tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on the payment of any interest (paid for delay in payment of the Offer Price) by Acquirers to a non-resident Equity Shareholder.

- b. As per the provisions of Section 194A of the Income Tax Act, the payment of any interest by Acquirers to a resident Equity Shareholder is subject to deduction of tax at source (including surcharge and education cess) at the applicable rate as per the Income Tax Act on such interest (paid for delay in payment of the Offer Price).
- c. Each Equity Shareholder shall certify its tax residency status (i.e. whether resident or non-resident) and its tax status (i.e. whether individual, firm, company, association of persons/body of individuals, trust, any other taxable entity). In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirers, it would be assumed that the Equity Shareholder is a non-resident Equity Shareholder and taxes shall be deducted treating the Equity Shareholder as a non-resident and at the rate as may be applicable, under the Income Tax Act, to the relevant category to which the Equity Shareholder belongs, on the entire consideration and interest if any, payable to such Equity Shareholder.
- d. Any non-resident Equity Shareholder claiming benefit under any DTAA between India and any other foreign country should furnish the Tax Residence Certificate (“**TRC**”) provided to him/it by the income tax authority of such other foreign country of which he/it claims to be a tax resident, which has been inserted as a mandatory requirement by the Finance Act, 2012. Any Equity Shareholder claiming benefit under DTAA should submit along with the TRC, a certificate for deduction of tax at lower or nil rate from the income tax authorities and taxes would be deducted by the Acquirers in accordance with such certificate. In the absence of TRC and a certificate for deduction of tax at lower or nil rate obtained from income tax authorities, the taxes would be deducted at the rates (including surcharge and education cess as applicable) as dealt with in the following paragraphs 8.9.2 and 8.9.3 for each category of the Equity Shareholder(s).
- e. All Equity Shareholders (including FIIs) are required to submit their PAN along with self-attested copy of the PAN card for income-tax purposes. If not, the Acquirers will arrange to deduct tax at the rate of 20% as per Section 206AA of the Income Tax Act or at such tax rate (including surcharge and education cess as applicable), as dealt with in the paragraphs b, c and d for each category of the Equity Shareholders, whichever is higher. The provisions of Section 206AA of the Income Tax Act would apply only where there is an obligation to deduct tax at source.
- f. The Acquirers will not accept any request from any Equity Shareholder, under any circumstances, for non-deduction of tax at source or deduction of tax at a lower or nil rate, on the basis of any self-computation/computation by any tax consultant, of capital gain or business income and/or interest, if any and tax payable thereon.
- g. Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.
- h. The provisions contained in clause c to e above are subject to anything contrary contained in paragraphs 8.9.2 to 8.9.5 below.

8.9.2 Tax Implications in case of non-resident Equity Shareholders (other than FII)

- a. In the case of non-resident Equity Shareholders (excluding FIIs), in order to claim the benefit of deduction of tax on net capital gains, as against the gross consideration, the shareholder should obtain a certificate from the appropriate income tax authorities certifying the net income chargeable to capital gains tax and the rate at which the taxes should be deducted by the Acquirers. The Acquirers will arrange to deduct taxes at source in accordance with such certificate. In the absence of such certificate, tax would be deducted at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross consideration payable to the Equity Shareholder, depending on whether the Equity Shareholder is an individual or a company etc.
- b. Interest, if any, payable to all non-resident Equity Shareholders (excluding FII) on account of any delay in payment of the Offer Price by the Acquirers, would also be subjected to deduction of tax at source at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross interest payable to the Equity Shareholder, depending on whether the Equity Shareholder is an individual or a company etc. However, if the Equity Shareholder provides a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirers will arrange to deduct taxes at source in accordance with such certificate.

8.9.3 Tax Implications in case of FII Equity Shareholder

- a. As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII, as defined in Section 115AD of the Income Tax Act. The Acquirers would not deduct at tax at source on the payments to FIIs, subject to the following conditions:
 - (i) FIIs are required to furnish the copy of the registration certificate issued by SEBI;
 - (ii) FIIs are required to certify the nature of their holding (i.e. whether held on capital account as investment or on trade account) of the Equity Shares. The benefits under Section 196D(2) are applicable in case the Equity Shares are held on capital account; and
 - (iii) FIIs shall also certify the nature of its income (i.e. whether capital gains or business income) on the sale of the Equity Shares. The benefits under Section 196D (2) of the Income Tax Act are applicable in case the nature of the FII's income is treated as capital gains.
- b. If the above conditions are not satisfied, the Acquirers shall deduct tax at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross consideration payable to the Equity Shareholder, depending on whether the Equity Shareholder is a company or a trust.
- c. If it is certified by the FII that Equity Shares are held on trade account, the Equity Shareholder should obtain a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities indicating the amount of income on which tax should be deducted and the applicable rate of tax. If such a certificate is provided, the Acquirers will arrange to deduct taxes at source in accordance with such certificate. In the absence of such a certificate, the Acquirers would deduct tax at the maximum tax rate (including surcharge and cess) applicable under the

Income Tax Act on the gross consideration payable to the Equity Shareholder, depending on whether the Equity Shareholder is a company or a trust.

- d. Interest payments by the Acquirers for delay in payment of the Offer Price, if any, would also be subjected to deduction of tax at source at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross interest payable to the Equity Shareholder, depending on whether the Equity Shareholder is a company or a trust. However, if the Equity Shareholder provides a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirers will arrange to deduct taxes at source in accordance with such certificate.

8.9.4 Tax Implications in case of resident Equity Shareholders

- a. There would be no deduction of tax at source from the consideration payable in respect of the transfer of Equity Shares by a resident Equity Shareholder.
- b. Interest payments by the Acquirers for delay in payment of the Offer Price, if any, would also be subjected to deduction of tax at source at the applicable tax rate (including surcharge and cess) under the Income Tax Act on the gross interest payable to the Equity Shareholder, depending on whether the Equity Shareholder is an individual or company or any other person. If the Equity Shareholder provides a certificate for deduction of tax at lower or nil rate from the appropriate income tax authorities under the Income Tax Act indicating the amount of interest on which tax should be deducted and the applicable rate of tax, the Acquirers will arrange to deduct taxes at source in accordance with such certificate.
- c. Notwithstanding anything contained in clause (b) above, no deduction of tax shall be made at source by the Acquirers where the total amount of interest payable to a resident Equity Shareholder does not exceed Rs. 5,000 or where a self-declaration in Form 15G or Form 15H (as provided in the Income Tax Rules, 1962), as may be applicable, and duly executed, has been furnished to the Acquirers. The self-declaration in Form 15G and Form 15H (as provided in the Income Tax Rules, 1962) will not be regarded as valid unless the resident Equity Shareholder furnished its PAN in such declaration.

8.9.5. Tax Implications in foreign jurisdictions

- a. Apart from the above, the Acquirers are entitled to withhold tax in accordance with the tax laws applicable in overseas jurisdictions where the non-resident Equity Shareholder is a resident for tax purposes (“**Overseas Tax**”). For this purpose, the non-resident Equity Shareholder shall furnish a self- declaration stating the quantum of the Overseas Tax to be withheld as per the relevant tax laws of the country in which the non-resident Equity Shareholder is a tax resident and the Acquirers will be entitled to rely on this representation at their sole discretion.
 - b. Notwithstanding the details given above, all payments will be made to Equity Shareholders subject to compliance with prevailing tax laws.
 - c. The tax deducted by the Acquirers while making payment to a Equity Shareholder may not be the final tax liability of such Equity Shareholder and shall in no way discharge the obligation of the Equity Shareholder to appropriately disclose.
- 8.10 Non-resident shareholders, who wish to tender their Equity Shares must submit the following Information along with the Form of Acceptance-cum-Acknowledgement:
- a) Self-attested Copy of PAN Card.

b) Appropriate No Objection Certificate (NOC) or Tax Clearance Certificate (TCC) from the Income Tax Authorities under sections 195(3) or 197 of the Income Tax Act, for deduction of tax at a lower or nil rates.

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

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

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

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

f) SEBI Registration Certificate for FII.

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

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

8.11 **General**

8.11.1 Public Shareholders who wish to tender their Shares must submit the information all at once as given in the Form of Acceptance-cum-Acknowledgement and those that may be additionally requested for by the Acquirers. The documents submitted by the Public Shareholders along with the Form of Acceptance-cum-Acknowledgement will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirers may not be accepted. In case the documents/information as requested in this Draft Letter of Offer/Form of Acceptance-cum-Acknowledgement are not submitted by a Public Shareholder, or the Acquirers considers the documents/information submitted by a Public Shareholder to be ambiguous/incomplete/conflicting, the Acquirers reserve the right to withhold tax on the gross consideration at the maximum marginal rate as applicable to the category of the shareholder.

8.11.2 Based on the documents and information submitted by the Public Shareholders, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirers.

8.11.3 Taxes once deducted will not be refunded by the Acquirers under any circumstances.

8.11.4 The Acquirers shall deduct tax (if required) as per the information provided and representation made by the Public Shareholders. In the event of any income tax demand (including interest,

penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Public Shareholders, such Public Shareholders will be responsible to pay such income tax demand (including interest, penalty, etc.) and provide the Acquirers with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority.

8.11.5 All Public 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 Acquirers and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Shareholders at the office of the Manager to the Offer at 1218, Maker Chamber V, Nariman Point, Mumbai – 400 021 (Tel. no.: +91-22-6618 6633 Fax no.+911-22-2204 9195) on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 11:00 a.m. to 4:00 p.m. during the period from the date of this Draft Letter of Offer, till date of expiry of the Tendering period on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 11:00 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer:

- Certificate of Incorporation and Memorandum of Association of Acquirer 1 and Certificate of Incorporation and Constitution of Acquirer 2;
- Certificate dated June 4, 2015 issued by M/s. Sanghavi & Co., Chartered Accountants having its Office at Bulbul, 1st Floor, Crescent Road, Bhavnagar – 364 001 (Tel.no. +91-278-242 3434, email id:Bhavnagar@sanghavi.com) certifying the net worth of the Acquirer 1 as on 31st March, 2015 and Copy of Certificate dated June 09, 2015 issued by Asif Beebeejaun, Partner, Clarksons & Associates., Chartered Accountants, Republic of Mauritius (*Business Registration No.C10097768*) having their office at Seneck Road, Reviere du Rempart, Mauritius, Tel: +230 265 6319 / +230 5737 3547, Email id: asif.beebeejaun@intnet.mu certifying the net worth of the Acquirer 2 as on 9th June, 2015;
- Certificate dated June 8, 2015 issued by M/s. Atul HMV & Associates, Chartered Accountants (*Membership No. 100283; FRN: 124043w*), certifying the Fair Value of Equity Shares of the Target Company;
- Letter from Kotak Mahindra Bank Ltd. (Escrow Bank Account 1) dated June 9, 2015 confirming the cash deposit of Rs. 17,64,67,820/- (Rupees Seventeen Crores Sixty Four Lacs Sixty Seven Thousand Eight Hundred Twenty only) in the Escrow Account and Letter from IndusInd Bank Ltd (Escrow Bank Account 2) dated June 10, 2015 confirming the cash deposit of Rs. 74,22,04,364/- (Rupees Seventy Four Crores Twenty Two Lacs Four thousand Three Hundred Sixty Four only) in the Escrow Account;
- Share Purchase Agreement - between Acquirers and Sellers dated June 8, 2015;
- Copy of Escrow Agreement between Bombay Minerals Limited (“Acquirer 1”), Pioneer Money Management Ltd. (the “Manager to the Offer”) and Kotak Mahindra Bank Ltd. (“Escrow Bank 1”);

- Copy of Escrow Agreement between Cura Global Holdings Limited (“Acquirer 2”), Pioneer Money Management Ltd. (the “Manager to the Offer”) and IndusInd Bank Ltd (“Escrow Bank 2”);
- Published Copy of the Recommendation of the Independent Directors dated
- Copy of Agreement between Registrar and Acquirers for the Open Offer;
- Copy of Client Master List of Ventura Securities Limited – DP, relating to Special Depository Account opened by the Registrar to the offer;
- Copy of Due Diligence certificate dated June 22, 2015 submitted to SEBI by Pioneer Money Management Ltd., Manager to the offer;
- A copy of Public Announcement dated June 8, 2015, and a published copy of the Detailed Public Statement dated June 15, 2015;
- Copies of Audited Accounts of Acquirer 1 for the last 3 years and Audited Accounts of Acquirer 2 for the period ended 31st December, 2014;
- Copies of Audited Accounts of the Target Company for the financial year ending March 31, 2015, 2014 and 2013;
- A copy of the SEBI Observation letter ref. no. _____ dated _____.

10 DECLARATION BY ACQUIRER 1 ACQUIRER 2 AND PAC

Unless stated otherwise, the Acquirers accept full responsibility for the information contained in the Draft Letter of Offer.

The Acquirers and PAC shall be jointly and severally responsible for ensuring fulfillment of their respective obligations under the SEBI (SAST) Regulations.

For and on behalf of the Acquirer 1

(Authorised signatory)

Place: Mumbai
Date: June 22, 2015.

For and on behalf of Acquirer 2

(Authorised signatory)

Place: Mauritius
Date: June 22, 2015.

For and on behalf of PAC

(Authorised Signatory)

Place: Curacao
Date: June 22, 2015.

Encl.:

1. Form of Acceptance-cum-Acknowledgement
2. Share Transfer Form (only to Equity Shareholders holding Equity Shares in physical form)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

FORM OF ACCEPTANCE-CUM –ACKNOWLEDGEMENT

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

ORIENT ABRASIVES LIMITED – OPEN OFFER

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

From

| | |
|--|--|
| Folio No./DP ID No. /Client ID No. | |
| Name of the first applicant | |
| Joint name(s) | |
| Address of the sole/first Applicant including Telephone no. fax no. and Email id | |

OPEN OFFER

OPEN OFFER OPEN ON WEDNESDAY JULY 29, 2015

OPEN OFFER CLOSSES ON TUESDAY AUGUST 19, 2015

| Please tick (√) Public Shareholders status(For taxation/TDS purpose | |
|---|--|
| <input type="checkbox"/> | Person resident in India who is an individual/HUF/Association of Persons, having an aggregate income up to Rs. 10,00,000 |
| <input type="checkbox"/> | Person resident in India who is an individual/HUF/Association of Persons, having an aggregate income exceeding Rs. 10,00,000 |
| <input type="checkbox"/> | Person resident in India who is a partnership firm |
| <input type="checkbox"/> | Person resident in India who is a domestic company |
| <input type="checkbox"/> | Person resident outside India who is a company |
| <input type="checkbox"/> | Person resident outside India who is an individual/association of persons having an aggregate income up to Rs. 10,00,000 |
| <input type="checkbox"/> | Person resident outside India who is an individual/association of persons having an aggregate income exceeding Rs. 10,00,000 |
| <input type="checkbox"/> | Domestic venture capital fund and mutual fund which is a domestic company |
| <input type="checkbox"/> | International venture capital fund which is a domestic company |
| <input type="checkbox"/> | International venture capital fund which is a foreign company |
| <input type="checkbox"/> | Overseas Corporate Bodies |
| <input type="checkbox"/> | Person resident outside India which is a partnership firm |
| <input type="checkbox"/> | Non-Resident Indian(s) |
| <input type="checkbox"/> | Foreign Institutional Investors |
| <input type="checkbox"/> | Multilateral Agency |
| <input type="checkbox"/> | Bilateral Development Financial Institution |
| <input type="checkbox"/> | Financial Institutions |
| <input type="checkbox"/> | Banks |
| <input type="checkbox"/> | Insurance Company |

| | |
|--|------------------|
| | Others (Specify) |
|--|------------------|

To
Link Intime India Private Ltd
 SEBI Regn No: INR000004058
 C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West,
 Mumbai – 400 078
 Tel: +91 22 6171 5400
 Fax: +91 22 2596 0329
 Website: www.linkintime.co.in
 Email: oal.offer@linkintime.co.in
 Contact Person: Mr. Ganesh Mhatre

Dear Sir/Madam,

Subject : Open Offer to acquire 3,11,06,192 fully paid-up equity shares of face value Rs. 1/- each, representing not more than 26% of the fully paid- up voting equity share capital of Orient Abrasives Limited ("Target Company") as of the tenth (10th) Working Day from the Closure of the Tendering Period of the Open Offer, from the Public Shareholders of the Target Company by Bombay Minerals Limited (“the Acquirer 1 ”) and Cura Global Holdings Limited (“the Acquirer 2”) , along with Lambasa Global Opportunity Fund BV, Curacao in its capacity as the person acting in concert with the Acquirer 2 (“the PAC”), at a price of Rs.29.50/- (Rupees Twenty Nine paise fifty only) (the “Open Offer Price”) per fully Equity Share, payable in cash, in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof (“SEBI (SAST) Regulations, 2011”).

I/We refer to the Public Announcement made on 8th June 2015, Detailed Public Statement made on 15th June 2015 and Draft Letter of Offer dated _____ for acquiring the Equity Shares held by me/us in the Target Company.

I/We, the undersigned, have read the aforesaid Public Announcement, Detailed Public Statement and the Draft Letter of Offer and understood their contents and unconditionally accepted the terms and conditions as mentioned therein.

EQUITY SHARES HELD IN PHYSICAL MODE

I/We, hold the following Equity Shares in physical mode and accept the Open Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Equity Shares as detailed below:

| S. No | Folio No. | Certificate No. | Distinctive No.(s) | | No. of Equity Shares |
|-------|-----------|-----------------|--------------------|----|----------------------|
| | | | From | To | |
| | | | | | |
| | | | | | |
| | | | | | |
| Total | | | | | |

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

EQUITY SHARES HELD IN DEMATERIALISED MODE

I/We, hold the following Equity Shares in dematerialized mode and accept the Open Offer and enclose a photocopy of the Delivery Instructions in “ Off-market” mode, duly acknowledged by my/our Depository Participant (“DP”) in

respect of my/our Equity Shares as detailed below:

| DP Name | DP ID | Client ID | Name of Beneficiary | No. of Equity Shares |
|---------|-------|-----------|---------------------|----------------------|
| | | | | |
| | | | | |

..... TEAR ALONG THIS LINE.....

Acknowledgment Slip **Orient Abrasives Limited – Open Offer** **Sr.No.** _____

Received from Mr/Ms/M/S. _____

Address: _____

Physical Equity Shares Demat Equity Shares
Folio No. _____ DP ID _____ Client ID _____

Form of Acceptance-cum-Acknowledgement along with:

| | | | |
|--|---|------------------------------------|---------------------|
| | Physical Equity Shares No. of Equity Shares _____ | No. of certificates enclosed _____ | Stamp of collection |
| | Demat Equity Shares Copy of delivery instruction for _____ | number of Equity Shares credited | |

(Tick whichever is applicable)
Signature of Official _____ Date of Receipt _____

I/we confirm that the Equity Shares of Orient Abrasives Limited which were tendered herewith by me/us under the Open Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/we have executed an off-market transaction for crediting the Equity Shares to the Special Depository Account with Ventura Securities Limited as the DP in NSDL styled '**LIPL– Orient Abrasives Limited Open Offer ESCROW DEMAT ACCOUNT**' whose particulars are:

| | | |
|---|-------------------------|----------------------------|
| DP Name : Ventura Securities Limited | DP ID : IN303116 | Client ID: 11695206 |
|---|-------------------------|----------------------------|

Public Shareholders having their beneficiary account with CDSL will have to use inter-depository slip for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL)

Enclosures (Please tick as appropriate, if applicable)

| | |
|--|--|
| | Duly attested Power of Attorney, if any person apart from the Public Shareholder, has signed the acceptance form or transfer deed(s) |
| | Corporate authorization in case of companies along with board resolution and specimen signatures of the authorized signatories |
| | |

| | |
|--|--|
| | No objection certificate & Tax Clearance Certificate under Income Tax Act from NRIs/OCBs/Foreign Public Shareholders as applicable |
| | Duly attested death certificate(s) of deceased Public Shareholder(s) those have expired in case of shares held in joint name(s) |
| | Duly attested death certificate(s) of deceased Public Shareholder(s) and succession certificate in case all / sole Public Shareholder(s) has/have expired. |
| | Form 15G/Form 15H (strike off whichever is not applicable) |
| | Other (please specify) |

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 Acquirer pays the purchase consideration as mentioned in the Draft Letter of Offer.

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

I/We authorize the Acquirer to send by registered post /speed post the draft/account payee cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

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

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

The Permanent Account Number (PAN) allotted under the Income Tax Act is as under

| | | | |
|-----|------------------------------------|------------------------------------|------------------------------------|
| | 1 st Public Shareholder | 2 nd Public Shareholder | 3 rd Public Shareholder |
| PAN | | | |

Public Shareholder(s) holding Equity Shares in physical form- So as to avoid fraudulent encashment in transit, should provide details of bank account of the first/sole Public Shareholder in the space given below (also attach a cancelled cheque) and the consideration cheque or demand draft will be drawn

| Sr. No | Particulars Required | Details |
|--------|--|---------|
| I | Bank Name | |
| II | Complete Address of the Bank branch | |
| III | Account Type (CA/SB/NRE/NRO/others) Please Mention | |
| IV | Account No. | |

| | | |
|----|-------------------------------------|--|
| V | 9 Digit MICR Code | |
| VI | IFSC Code (for RTGS/NEFT transfers) | |

Public Shareholder(s) holding Equity Shares in Demat form- The bank account details obtained from the beneficiary position downloaded to be provided by the depositories will be considered and the consideration payment will be issued with the said bank particulars only.

..... **TEAR ALONG THIS LINE**

All the future correspondence, if any, should be addressed to the Registrar to the Offer at the following Address

Link Intime India Private Ltd

SEBI Regn No: INR000004058

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West,

Mumbai – 400 078

Tel: +91 22 6171 5400

Fax: +91 22 2596 0329

Website: www.linkintime.co.in

Email: oal.offer@linkintime.co.in

Contact Person: Mr. Ganesh Mhatre

For NRIs/OCBs/FIIs/Foreign Public Shareholders

I/We confirm that the tax deduction on account of Equity Shares of Orient Abrasives Limited held by me/us is to be deducted on (select whichever is applicable)

- Long-term capital gains
- Short –term capital gains
- Trade Account

I/We have enclosed the following documents

- No Objection certificate/Tax clearance certificate from the Income Tax Authorities
- RBI approvals for acquiring Equity Shares of Orient Abrasives Limited hereby tendered in the Open Offer
- Self Attested Copy of PAN card
- Tax Residency Certificate

In order to avail the benefit of lower or nil rate of deduction under the DTAA entered into between India and your country of residence ,if any, kindly enclose a certificate for deduction of tax at lower or nil rate obtained from the concerned Income Tax authority under the Income Tax Act. In the absence of such certificate, tax would be deducted at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross consideration payable to the shareholder, depending on whether the shareholder is an individual or a company or a trust etc.

In order to claim the benefit of deduction of tax on net capital gains as against the gross consideration, the shareholder should obtain a certificate from the appropriate income tax authorities certifying the net income chargeable to capital gains tax and the rate at which the taxes should be deducted. In the absence of such certificate, tax would be deducted at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross consideration payable to the shareholder, depending on whether the shareholder is an individual or a company or a trust etc.

For FIIs Public Shareholders:

I/We confirm that the Equity Shares of Orient Abrasives Limited are held by me/us on (select whichever is applicable)

- Investment Capital Account
- Trade Account

In case the Equity Shares are held on trade account by FIIs, kindly enclose a certificate for deduction of tax at lower or nil rate obtained from the concerned income tax authority under the Income Tax Act. In the absence of such certificate, tax would be deducted at the maximum tax rate (including surcharge and cess) applicable under the Income Tax Act on the gross consideration payable to the shareholder, depending on whether the shareholder is a company or a trust.

Yours faithfully
Signed and Delivered,

| | Full name(s) of the holder | Signature |
|--|----------------------------|-----------|
| | | |

| | | |
|--------------------|--|--|
| First /Sole Holder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |

Note: In case of joint holdings, all holders must sign. In case of body corporate, the company seal should be affixed

Place :

Date:

PUBLIC SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS /EQUITY SHARES THAT ARE RECEIVED BY THE REGISTRAR TO THE OFFER AFTER THE CLOSURE OF THE OPEN OFFER i.e. BY 5.00 P.M. ON TUESDAY , AUGUST 11, 2015 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

INSTRUCTIONS

1. In the case of dematerialised Equity Shares, the Public Shareholders are advised to ensure that their Equity Shares are credited in favour of the Special Depository Account, before the closure of the Open Offer i.e. Tuesday, August 11, 2015. The Form of Acceptance-cum-Acknowledgement of such demat Equity Shares not credited in favour of the Special Depository Account, before the closure of the Open Offer will be rejected.
2. Public Shareholders should enclose the following:
 - a. 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, as per the records of the DP
 - Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by DP as per the instruction in the Draft Letter of Offer.
 - In case of non-receipt of the aforesaid documents, but receipts of the Equity Shares in the Special Depository Account, the Acquirer may deem the Open Offer to have been accepted by the Public Shareholder.
 - For each delivery instruction, the beneficial owner should submit separate Form of Acceptance-cum Acknowledgement.
 - b. For Equity Shares held in physical form :

Registered Public Shareholders should enclose

- Form of Acceptance-cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all the Public Shareholders whose name appear in the share certificate
- Original share certificate(s)
- Valid share transfer deed(s) duly signed as transferors by all registered Public Shareholders(In case of joint holdings) in the same order and as per specimen signatures registered with Orient Abrasives Limited and duly witnessed at the appropriate place. A blank share transfer deed is enclosed along with the Draft Letter of Offer.
Please do not fill in any other details in the transfer deed except name, signature and witness. Verification and Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorized to use the seal of his office.
The details of buyer should be left blank failing which the same will be invalid under the Open Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance-cum-Acknowledgement and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.
If the Registrar to the Offer does not receive the documents listed above but receives the original

share certificates and valid transfer deed from a registered Public Shareholder, then the Open Offer will be deemed to have been accepted by such Public Shareholders.

Unregistered Owners should enclose

- Form of Acceptance –cum- Acknowledgement duly completed and signed in accordance with the instruction contained therein.
 - Original Share Certificate(s)
 - Original broker contract note
 - Valid transfer deed(s) as received from the market leaving the details of the buyer blank. If the same is filled in then the Equity Share(s) are liable to be rejected.
3. The share certificate(s), share transfer deed(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to Link Intime India Private Limited, the Registrar to the Offer and not to the Manager to the Open Offer, the Acquirer, the PAC or the Target Company.
 4. The Public Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their Equity Shares in favour of the Special Depository Account with NSDL.
 5. While tendering the Equity Shares under the Open Offer, NRIs/OCBs/foreign Public Shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the Equity Shares of the Target Company and a no objection certificate/Tax Clearance Certificate from the Income-Tax authorities under the Income-tax Act, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered. In case the aforesaid no objection certificate/Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the currently prevailing rate as advised by their tax advisors on the entire consideration amount payable to such NRI/OCB/non-domestic companies/other persons who are not resident in India. In order to claim the benefit of computation of tax liability on the net capital gains (i.e. after reducing the cost of acquisition of Equity Shares), the Public Shareholder should obtain a Tax clearance Certificate from the assessing officer certifying the net income chargeable to capital gains tax. Alternatively, the Public Shareholders can submit a certificate from a Chartered Accountant certifying the cost of acquisition/net income that will be chargeable to capital gains. In the absence of the above tax would be deducted on the entire consideration paid to the Public Shareholders.
 6. All the Public Shareholders should provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
 - (a) Duly attested death certificate(s) of deceased Public shareholder(s) those have expired in case of shares held in joint name(s).
 - (b) Duly attested death certificate(s) of deceased Public Shareholder(s) and succession certificate in case all/sole Public Shareholder(s) has/have expired.
 - (c) Duly attested power of attorney if any person apart from the Public Shareholder has signed acceptance form or transfer deed(s).
 - (d) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
 7. Payment Consideration: Public Shareholders must note that on the basis of name of the Public Shareholders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Form of Acceptance-cum-Acknowledgement, the Registrar to the Offer will obtain, from the depositories, the Public Shareholders' demographic details including address, bank account details, the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf and occupation. These bank account details will be used to make payment to the Public Shareholders. Hence, the Public 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 in dispatch of payment or electronic transfer of funds, as applicable, and any such delay shall be at the Public Shareholders' sole risk and neither the Acquirer, the PAC, the Manager to the Open Offer, Registrar to the Offer nor the Escrow Bank

shall be liable to compensate the Public Shareholders for any losses caused to the Public Shareholder due to any such delay or liable to pay any interest for such delay.

8. The Form of Acceptance-cum-Acknowledgement and other related documents should be submitted at any of the collection centers of MAS Services Limited as mentioned below.

9. 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 to the Offer at any of the collection centers below on all days (excluding Sundays and Public holidays) during the business hours i.e. (Mondays to Fridays between 10.00 a.m. to 4.00 p.m.). All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.

| | City | Contact Person | Address | Tel. No. | Fax No. | E-mail ID | Mode of Delivery |
|---|------------------|-----------------------|--|----------------------------------|----------------------------|--|---------------------------------|
| 1 | Mumbai | Ganesh Mhatre | Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai - 400078. | 022-61715400 | 022-25960329 | oa.offer@linkintime.co.in | Hand Delivery & Registered Post |
| 2 | Ahmedabad | Hitesh Patel | Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009 Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009 | 079-2646 5179 | 079-2646 5179 (Telefax) | ahmedabad@linkintime.co.in | Hand Delivery |
| 3 | Bangalore | Nagendra Rao | Link Intime India Pvt. Ltd., 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560 019 | 080-26509004 | 080-26509004 (Telefax) | bangalore@linkintime.co.in linkblr@gmail.com | Hand Delivery |
| 4 | Baroda | Alpesh Gandhi | Link Intime India Pvt. Ltd., B Tower, 102 B & 103, Sangrila Complex, First Floor, Radhakrishna Char Rasta, Akota, Vadodara - 390020 | 0265-2356573 / 2356796 / 2356794 | 0265-2356791 | vadodara@linkintime.co.in | Hand Delivery |

| | | | | | | | |
|---|-------------------|------------------|--|-------------------------------|------------------------------|--|---------------|
| 5 | Coimbatore | S. Dhanalakshmi | Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028 | 0422-2314792 / 2315792 | 0422-2314792 (Telefax) | coimbatore@linkintime.co.in | Hand Delivery |
| 6 | 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 |
| 7 | New Delhi | Swapan Naskar | Link Intime India Pvt. Ltd., 44 Community Centre 2nd Floor, Nariana Industrial Area Phase I, Near PVR, Nariana, New Delhi 110 028 | 011-41410592/93/94 | 011-41410591 | delhi@linkintime.co.in | Hand Delivery |
| 8 | Pune | Rajeeva Koteswar | Link Intime India Pvt. Ltd, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001. | 020-26160084, 26161629 | 020 - 26163503 (Telefax) | pune@linkintime.co.in | Hand Delivery |
| 9 | Chennai | Ms. Solly Soy | C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai-600 017 | 044- 2815 2672, 044-4207 0906 | 044- 2815 2672 (Telefax) | chennai@saspartners.com | Hand Delivery |

Note: Business Hours: Monday to Friday 10:00 AM to 4:00 PM, except public holidays.