

## DETAILED PUBLIC STATEMENT IN TERMS OF REGULATIONS 13(4), 14(3) AND 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED, TO THE PUBLIC SHAREHOLDERS OF

## ISMT LIMITED

CIN: L27109PN1999PLC016417

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**OPEN OFFER ("THE OFFER") FOR THE ACQUISITION OF UP TO 7,52,86,269 EQUITY SHARES OF RS. 5 EACH FULLY PAID-UP REPRESENTING 25.05% OF THE EMERGING VOTING CAPITAL ("OPEN OFFER SHARES") OF ISMT LIMITED ("TARGET COMPANY"), FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) IN CASH AT PRICE OF RS. 31.84 PER EQUITY SHARE ("OFFER PRICE") BY KIRLOSKAR FERROUS INDUSTRIES LIMITED ("ACQUIRER") PURSUANT TO AND IN COMPLIANCE WITH REGULATION 3(1) AND 4 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AND SUBSEQUENT AMENDMENTS THERETO FROM TIME TO TIME ("SEBI (SAST) REGULATIONS"). NO OTHER PERSON IS ACTING IN CONCERT WITH THE ACQUIRER FOR THE PURPOSE OF THIS OPEN OFFER.**

This detailed public statement ("DPS") is being issued by Systematix Corporate Services Limited, the manager to the Open Offer ("Manager to the Open Offer"), for and on behalf of the Acquirer, to the Public Shareholders pursuant to and in compliance with Regulations 3(1) and Regulation 4 read with Regulations 13(4), 14(3) and 15(2), and other applicable regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto from time to time ("SEBI (SAST) Regulations"). This DPS is being issued pursuant to the public announcement ("PA") dated November 25, 2021, sent to BSE Limited ("BSE"), the National Stock Exchange of India Limited ("NSE"), Securities and Exchange Board of India ("SEBI") and the Target Company, in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations, pursuant to Regulation 14(1) and Regulation 14(2) of the SEBI (SAST) Regulations.

For the purposes of this DPS, the following terms have the meanings assigned to them below:

- a. **"Equity Shares"** shall mean the fully paid-up equity shares of the Target Company having a face value of Rs. 5 per share and having 1 vote per equity share.
- b. **"Emerging Voting Capital"** shall mean the total voting equity share capital of the Target Company on a fully diluted basis expected as of the 10th (Tenth) working day from the closure of the tendering period for the Open Offer. This shall be total voting equity share capital of Rs. 150,25,06,915 consisting of 30,05,01,383 Equity Shares of Rs. 5 each inclusive of 15,40,00,000 Equity Shares to be allotted by the Target Company to the Acquirer in terms of the SSA (as defined below), subject to the approval of the shareholders of the Target Company and other statutory/regulatory approvals.
- c. **"Public Announcement"** shall mean the public announcement made by the Manager to the Offer on behalf of the Acquirer on November 25, 2021, which was duly submitted with the Stock Exchanges, the SEBI and the Target Company in compliance with Regulation 14(1) of the SEBI (SAST) Regulations.
- d. **"Preferential Allotment"** shall mean proposed issue and allotment of 15,40,00,000 Equity Shares of the Target Company to the Acquirer in accordance with the Share Subscription Agreement dated November 25, 2021 ("SSA"), subject to requisite approvals as mentioned in the SSA.
- e. **"Public Shareholders"** shall mean all the public shareholders of the Target Company, who are eligible to tender their Equity Shares in the Open Offer, except the Acquirer, existing members of the promoter and promoter group of the Target Company and the parties to the underlying SSA (as defined below) and SHA (as defined below) including persons deemed to be acting in concert with such parties to the SSA and SHA, pursuant to and in compliance with the SEBI (SAST) Regulations.
- f. **"SEBI Act"** shall mean Securities and Exchange Board of India, 1992 and subsequent amendments thereto from time to time.
- g. **"Share Subscription Agreement"** or **"SSA"** shall mean the share subscription agreement dated November 25, 2021 entered into between the Acquirer, Target Company and the Taneja Group, pursuant to which 15,40,00,000 Equity Shares will be issued and allotted to the Acquirer at a price of Rs. 30.95 per Equity Share by way of preferential allotment for a total consideration of Rs. 4,76,63,00,000.
- h. **"Shareholders Agreement"** or **"SHA"** shall mean the shareholders' agreement dated November 25, 2021 entered into between the Acquirer and the Taneja Group. The SHA will only come into effect on and from the Control Date (i.e. the Effective Date (as defined in the SHA)).
- i. **"Subscription Share"** shall mean 15,40,00,000 Equity Shares of the Target Company representing 51.25% of the Emerging Voting Capital to be allotted to the Acquirer in terms and subject to the conditions of the SSA.
- j. **"Stock Exchanges"** shall mean BSE and NSE together.
- k. **"Taneja Group"** shall mean the members of Promoter and Promoter Group of the Target Company namely Indian Seamless Enterprises Limited, Baldevraj Topanram Taneja, B R Taneja (HUF), Alka Mehta, Salil Taneja, Laurus Tradecon Private Limited and Vishkul Enterprises Private Limited.

**I. ACQUIRER, TARGET COMPANY AND OFFER****1. Information about the Acquirer - Kirloskar Ferrous Industries Limited**

- 1.1 The Acquirer is a public company limited by shares and its equity shares are listed on BSE and are permitted to be traded on the NSE. The Acquirer was incorporated on September 10, 1991 in accordance with provisions of the Companies Act, 1956. There has been no change in the name of the Acquirer since its incorporation. The CIN of the Acquirer is L27101PN1991PLC063223.
- 1.2 The registered office of the Acquirer is situated at 13, Laxmanrao Kirloskar Road, Khadki, Pune, Maharashtra – 411 003, India. Tel. No.: +91 20 66084664, Fax No.: +91 20 25813208, Email: mayuresh.gharpure@kirloskar.com and Website: www.kirloskarferrous.com.
- 1.3 The Acquirer is presently in the business of manufacturing pig iron and grey iron castings. The Acquirer has 3 manufacturing facilities of which 2 are located at Koppal and Hinryur in Karnataka and 1 at Solapur in Maharashtra.
- 1.4 The Acquirer belongs to the Kirloskar group, which is based in Pune, Maharashtra. Kirloskar Industries Limited, a public limited company is the promoter or the holding company of the Acquirer.
- 1.5 The Shareholding Pattern of the Acquirer as on date is set out below:

Sr.No.	Name	No of Equity Shares	%
1.	Kirloskar Industries Limited	7,06,43,754	51.03
2.	Other Promoter and Promoter Group Members	1,11,40,068	8.05
3.	Other Public Shareholders	5,66,42,409	40.92
	<b>Total</b>	<b>13,84,26,231</b>	<b>100.00</b>

- 1.6 No person is acting in concert with the Acquirer for the purposes of this Open Offer. While persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations ("Deemed PACs"), however, such Deemed PACs are not acting in concert with the Acquirer for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.
- 1.7 The equity shares of the Acquirer are listed on BSE (Security ID: KIRLFER, Security Code: 500245) and are permitted to be traded on the NSE (Security Symbol: KIRLFER). The ISIN of the equity shares of the Acquirer is INE884B01025.
- 1.8 As on date of this DPS, there are no directors representing the Acquirer and its holding company on the board of directors of the Target Company.
- 1.9 The Acquirer supplies raw materials to the Target Company at the arm's length basis. The Acquirer had supplied total raw materials of Rs.34.53 crores during the Financial Year 2020-21 to the Target Company, which is 1.60% of the total revenue of the Acquirer as per the audited financials of the Acquirer.
- 1.10 The Acquirer was not holding any Equity Shares or voting rights in the Target Company as on date of the Public Announcement. The Acquirer has not acquired any Equity Shares of the Target Company between the date of the Public Announcement, i.e. November 25, 2021 and the date of this DPS.
- 1.11 The Acquirer has not been prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the Securities and Exchange Board of India Act, 1992, and subsequent amendments thereto from time to time, or any other regulations made under the SEBI Act.
- 1.12 Neither the Acquirer nor any of its directors have been categorized or declared: (i) a 'willful defaulter' by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI; or (ii) a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
- 1.13 Key financial information of the Acquirer based on its standalone audited financial statements for the financial years ended March 31, 2019, March 31, 2020 and March 31, 2021, and unaudited limited reviewed financial statements for the six month period ended on September 30, 2021, which has been subject to limited review by the independent statutory auditor of the Acquirer, is as below:

(In Rs. Crore, except for per share data. Figures have been rounded off to two integers after decimal.)

Particulars	Financial year ended March 31, 2019 <sup>(i)</sup> (Audited)	Financial year ended March 31, 2020 <sup>(i)</sup> (Audited)	Financial year ended March 31, 2021 <sup>(i)</sup> (Audited)	As at and for the six months ended September 30, 2021 <sup>(ii)</sup> (Limited Review)
Total Income <sup>(ii)</sup>	2,164.68	1,865.30	2,040.91	1,782.95
Net Income after tax	98.11	112.37	302.11	269.41
Earnings Per Share (Rs)	7.14	8.16	21.89	18.74
Shareholders' Funds/NetWorth*	658.11	721.98	999.37	1,218.22

\*Includes Equity and reserves and excluding revaluation reserves

Notes:

<sup>(i)</sup> Source: www.bseindia.com

<sup>(ii)</sup> Total income includes revenue from operations and other income.

**2. Information about the Target Company - ISMT Limited**

- 2.1 The Target Company is a public company limited by shares. The present form of the Target Company is a result of a number of mergers and amalgamations between the years 1993 and 2005, a summary of which is set out hereunder:
- a. The Indian Seamless Metal Tubes Limited was incorporated on July 29, 1977. With effect from April 1, 1993, "Seamless Tubes & Technologies (India) Limited" amalgamated into "The Indian Seamless Metal Tubes Limited". Thereafter, effective the appointed date of July 1, 1999, "The Indian Seamless Metal Tubes Limited" merged with a competing entity named "Kalyani Seamless Tubes Limited" but retained the name "The Indian Seamless Metal Tubes Limited".
- b. Indian Seamless Steels & Alloys Limited was incorporated on May 26, 1989 by the promoters of Indian Seamless Metal Tubes Limited.
- c. Jeju Steel & Alloys Limited was incorporated as "Gunjar Marketing Private Limited" on September 1, 1999 in the state of Maharashtra. With effect from June 7, 2000, Gunjar Marketing Private Limited changed its name to "Jeju Steel & Alloys Private Limited" which further changed its name to "Jeju Steel & Alloys Limited" with effect from February 17, 2002.
- d. The Hon'ble Bombay High Court vide its order dated February 26, 2002 approved the merger of "Indian Seamless Steels & Alloys Limited" with "Jeju Steel & Alloys Limited" and the resultant entity was named "Jeju Steel & Alloys Limited" which thereafter changed its name to "Indian Seamless Steels and Alloys Limited". Further, the Hon'ble Bombay High Court vide its order dated October 7, 2005 approved the merger of "The Indian Seamless Metal Tubes Limited" and "Indian Seamless Steels and Alloys Limited" and the resultant entity was named "Indian Seamless Steels and Alloys Limited". With effect from November 29, 2005 "Indian Seamless Steels and Alloys Limited" changed its name to ISMT Limited (i.e. the Target Company) and a fresh certificate of incorporation was issued to the Target Company.
- 2.2 The CIN of the Target Company is L27109PN1999PLC016417.
- 2.3 The registered office of the Target Company is situated at Panama House (earlier known as Lunkad Towers), Viman Nagar, Pune, Maharashtra, India – 411 014. Tel: +91-20-4143 4100/ 26630144, Fax: +91-20-26630779, Email: secretarial@ismt.co.in and Website: www.ismt.co.in.
- 2.4 The Target Company is engaged in the business of manufacturing of seamless tubes and engineering steels.
- 2.5 The Equity Shares of the Target Company are listed on the BSE (Security ID: ISMTLTD, Security Code: 532479) and the NSE (Symbol: ISMTLTD). The ISIN of the Equity Shares of the Target Company is INE732F01019. The entire issued, subscribed and paid up share capital of the Target Company is listed on the Stock Exchanges, except for 15,40,00,000 Equity Shares of the Target Company to be allotted under the proposed Preferential Issue which are not listed on the Stock Exchanges.
- 2.6 As on date of this DPS, the total Authorised Capital of the Company is Rs. 158,50,00,000 divided into 17,50,00,000 Equity Shares of Rs. 5 each aggregating to Rs. 87,50,00,000, and unclassified shares having aggregate value of Rs. 71,00,00,000 with the rights, privileges and conditions attaching thereto as are provided by the Articles of Association of the Target Company with the right to the Board of Directors of the Target Company to reclassify the Share Capital into any class including equity, preference or any other type of security permissible under the Companies Act. The total issued, subscribed and paid-up capital of the Target Company is Rs. 73,25,06,915 comprising of 14,65,01,383 Equity Shares.
- 2.7 The Equity Shares of the Target Company are frequently traded on NSE within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations as on date of the DPS.
- 2.8 As on date of this DPS, the Board of Directors of the Target Company comprises of the following:

Sr.No.	Name	Designation
1.	Baldevraj Topanram Taneja	Managing Director
2.	Rajiv Goel	Whole Time Director designated as Chief Financial Officer
3.	Omprakash Kakkur	Chairperson (Non-Executive Director)
4.	Deepa Mathur	Non-Executive Director
5.	Poornalingam Ramasubramaniam	Non-Executive Independent Director
6.	Kanakraj Madhavan	Non-Executive Independent Director

- 2.9 As on the date of the DPS, there are no: (a) partly paid-up Equity Shares of the Target Company; and/or (b) outstanding convertible securities which are convertible into Equity Shares of the Target Company (such as depository receipts, fully convertible debentures or warrants), issued by the Target Company.
- 2.10 Key financial information of the Target Company based on its audited consolidated financial statements as on and for the financial years ended March 31, 2019, March 31, 2020 and March 31, 2021, and unaudited limited reviewed financial statements for the quarter ended on June 30, 2021, which has been subject to limited review by the independent statutory auditor of the Target Company, is as below:

(In Rs. Crore, except for per share data. Figures have been rounded off to two integers after decimal.)

Particulars	Financial year ended March 31, 2019 <sup>(i)</sup> (Audited) (Consolidated)	Financial year ended March 31, 2020 <sup>(i)</sup> (Audited) (Consolidated)	Financial year ended March 31, 2021 <sup>(i)</sup> (Audited) (Consolidated)	As at and for the three months ended June 30, 2021 <sup>(ii)</sup> (Un-Audited) (Consolidated)
Total Income <sup>(ii)</sup>	1,861.02	1,336.98	1,299.62	481.08
Net Income/(Loss) after tax	(237.01)	(240.37)	(342.52)	(55.73)
Earnings Per Share (Rs)	(16.18)	(16.41)	(23.38)	(3.80)
Shareholders' Funds/NetWorth*	(869.72)	(1,114.38)	(1,457.93)	-

\*Includes Equity, Other Equity and Non-controlling Interest and excluding revaluation reserves

Notes:

<sup>(i)</sup> Source: www.bseindia.com.

<sup>(ii)</sup> On November 09, 2021, the Target Company informed Stock Exchanges that it will not be able to convene Board Meeting on or before November 14, 2021 for approving the financial results for the period ended September 30, 2021 due to delay in finalizing the aforesaid results.

<sup>(iii)</sup> Total income includes revenue from operations and other income.

**3. Information about the Sellers**

Not Applicable as the Offer is triggered due to the preferential allotment to the Acquirer in terms of the SSA and the SHA.

**4. Details of the Offer**

- 4.1 The Board of Directors of the Target Company, at its meeting held on November 25, 2021, subject to inter alia receipt of approval from the shareholders of the Target Company and receipt of other statutory/regulatory approvals, as the case may be, approved the issuance and allotment of 15,40,00,000 Equity Shares of the Target Company ("Subscription Shares"), representing 51.25% of the Emerging Voting Capital on preferential issue and private allotment basis, to the Acquirer at a price of Rs. 30.95 per Subscription Shares aggregating to Rs. 4,76,63,00,000 ("Subscription Amount"), to be paid in cash ("Preferential Issue"). In relation to the Preferential Issue, on November 25, 2021, the Acquirer, Target Company and Taneja Group entered into a Share Subscription Agreement ("SSA"), under which the Target Company will, subject to inter alia receipt of the shareholders' approval and receipt of the other statutory/regulatory approvals, as may be required, and fulfillment of certain other conditions precedent (unless waived by the Acquirer) issue and allot the Subscription Shares to the Acquirer.
- 4.2 Furthermore, (i) the Acquirer and Taneja Group have entered into a shareholders' agreement on November 25, 2021 ("SHA"), and (ii) the Acquirer and the Target Company have entered into an unsecured loan agreement on November 25, 2021.
- 4.3 The Open Offer is being made to the Public Shareholders in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the execution of the SSA. Please refer to "Background to the Open Offer" for further information on SSA. The PA announcing the Open Offer, under Regulations 3(1) and 4 read with Regulations 13(1) and 14(1) of the SEBI (SAST) Regulations was sent to the Stock Exchanges on November 25, 2021.
- 4.4 The Acquirer is making this Open Offer to acquire from the Public Shareholders up to 7,52,86,269 Equity Shares ("Offer Shares"), constituting 25.05% of the Emerging Voting Capital of the Target Company ("Offer Size") at an offer price of Rs. 31.84 per Equity Share ("Offer Price"), aggregating to Rs. 2,39,71,14,805 (assuming full acceptance) ("Offer Consideration").
- 4.5 This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 4.6 This Open Offer is not conditional on any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- 4.7 As of the date of this DPS, the Emerging Voting Capital of the Target Company is as follows:

Particulars	Number of shares	% of Emerging Voting Capital
Fully paid up Equity Shares as on date	14,65,01,383	48.75
Partly paid up Equity Shares, outstanding convertible instruments (such as depository receipts, fully convertible debentures or warrants)	Nil	0.00
Equity shares proposed to be allotted under the Preferential Issue	15,40,00,000	51.25
<b>Emerging Voting Capital</b>	<b>30,05,01,383</b>	<b>100.00</b>

- 4.8 The Offer Price will be paid in cash, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 4.9 To the best of the knowledge of the Acquirer, no statutory or other approvals are required to complete the underlying transactions contemplated under the SSA and the acquisition of the Offer Shares that are validly tendered pursuant to the Open Offer or to complete this Open Offer other than as indicated in "Statutory and Other Approvals". However, in case any other regulatory/statutory approvals become applicable and are required by the Acquirer at a later date before the closure of the tendering period, this Open Offer shall automatically be subject to receipt of such further approvals from the relevant statutory/regulatory authorities.
- 4.10 Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory and/or other approvals are required in order to complete this Open Offer.
- 4.11 The Acquirer will acquire sole control over the Target Company on the earlier of: (a) the Closing Date (as defined under the SSA) (i.e. the date falling after expiry of 21 Working Days from the date of publication of this DPS subject to the Acquirer having deposited the entire Offer Consideration in the Escrow Account as per the requirements under Regulation 22(2) of the SEBI (SAST) Regulations); or (b) the date falling after expiry of the offer period of the Open Offer, as determined in accordance with the SEBI (SAST) Regulations; in each case upon consummation of the transactions envisaged in the SSA. Such date of acquisition of sole control over the Target Company by the Acquirer to be referred to as "Control Date".
- 4.12 In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that, for reasons outside the reasonable control of the Acquirer, the approvals (whether in relation to the acquisition of the Offer Shares) specified in this DPS as set out in "Statutory and Other Approvals" below or those which become applicable prior to completion of the Open Offer are not received, then the Acquirer shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager to the Open Offer) shall, within 2 (two) working days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- 4.13 The Offer Shares will be acquired by the Acquirer fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared in relation thereto, and the tendering Public Shareholders shall have obtained all necessary consents required by them to sell the Equity Shares of the Target Company on the foregoing basis.
- 4.14 All the Equity Shares of the Target Company validly tendered by the Public Shareholders in this Open Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this DPS, and those which will be set out in the letter of offer to be sent to all Public Shareholders in relation to this Open Offer ("Letter of Offer").
- 4.15 In terms of the Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer has no intention to alienate any material assets of the Target Company or any subsidiaries ("Group") whether by way of sale, lease, encumbrance or otherwise for a period of 2 years from the closure of this Open Offer except: (a) in the ordinary course of business; and (b) on account of regulatory approvals or conditions or compliance with any law that is binding on or applicable to the operations of any of the entities forming part of the Group.
- 4.16 Subsequent to the completion of this Open Offer, the Acquirer reserves the right to streamline/restructure the operations, assets, liabilities and/or businesses of the Target Company and/or any of its subsidiaries through arrangement/reconstruction, restructuring, merger, demerger and/or sale/lease/encumbrance of assets or undertakings, at a later date. Further, in terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer may consider disposal of or otherwise encumbering any assets or investments of the Target Company and/or any of its subsidiaries, through sale, lease, creation of charge, reconstruction, restructuring and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, investments or liabilities of the Target Company and/or any of its subsidiaries, to improve operational efficiencies and for other commercial reasons. Decision on these matters will be based on the requirements of the business of the Target Company and/or its subsidiary(ies) and such decision will be taken in accordance with and as permitted by applicable laws.
- 4.17 As per Regulation 38A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, and subsequent amendments thereto from time to time ("SEBI (LODR) Regulations") read with Rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957, and subsequent amendments thereto from time to time ("SCRR"), the Target Company is required to maintain at least 25.00% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. However, pursuant to completion of this Open Offer and the underlying transactions contemplated in the SSA, the public shareholding in the Target Company may fall below the minimum public shareholding requirement as per Rule 19A of SCRR read with SEBI (LODR) Regulations. In such an event, the Acquirer will ensure compliance with the minimum public shareholding requirements in the manner and within the timeline prescribed under applicable law.
- 4.18 The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of this DPS. The Manager to the Open Offer further declares and undertakes not to deal on their account in the Equity Shares of the Target Company during the Open Offer period.

**II. BACKGROUND TO THE OPEN OFFER**

1. The Acquirer, the Target Company and Taneja Group, have entered into the SSA pursuant to which the Target Company will, subject to inter alia receipt of shareholders' approval and receipt of other statutory/regulatory approvals, as may be required, and fulfillment of certain other conditions precedent (unless waived by the Acquirer) issue and allot 15,40,00,000 Equity Shares (representing 51.25% of the Emerging Voting Capital) to the Acquirer. Further, the Acquirer and Taneja Group have also entered into the SHA. On and from the Control Date (i.e. the Effective Date (as defined under the SHA)) the Acquirer will be in sole control of the Target Company.
2. As a consequence of the execution of SSA, this Open Offer is a "Mandatory Offer" under the Regulations 3(1) and 4 of the SEBI (SAST) Regulations being made by the Acquirer to the Public Shareholders for substantial acquisition of Equity Shares and voting rights accompanied with effective management control of the Target Company. The Offer Price will be payable in cash by the Acquirer in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.
3. An Unsecured Loan Agreement dated November 25, 2021 entered into between the Acquirer and the Target Company ("Unsecured Loan Agreement") for granting an unsecured loan of Rs. 194,00,00,000 to the Target Company ("Unsecured Loan"). The Unsecured Loan Agreement is listed as a "transaction document" under the SSA and a specific obligation has been cast on the Acquirer under the SSA to extend this Unsecured Loan.
4. One Time Settlement Agreement is proposed to be entered into between the Target Company, Taneja Group and their Lenders for full and final settlement of all the Facilities (as defined in SSA) on or before December 20, 2021 or as mutually agreed between the Acquirer and the Target Company in writing ("One Time Settlement Agreement").

5. Salient features of the SSA, SHA and the Unsecured Loan Agreement are set out below:

**I. Salient Features of the SSA:**

- a) The obligations of the Acquirer to subscribe to the Subscription Shares and pay the Subscription Amount to the Target Company is conditional upon the Target Company fulfilling each of the conditions precedent set out under Clauses 3.1 and 3.3 of the SSA to the satisfaction of the Acquirer, unless waived by the Acquirer in writing, on or before the Long Stop Date (as defined in the SSA), which include, among others, the following conditions:
- (i) obtaining shareholder's approval for (1) preferential allotment of the Subscription Shares, (2) authorizing the issue of Subscription Shares, and (3) increase in the authorised share capital of the Company/reclassification of the share capital of the Company;
- (ii) complying with all necessary conditions required in relation to the preferential allotment of the Subscription Shares in compliance with Section 42 of the Companies Act, 2013, as may be required in relation to the transactions contemplated in SSA;
- (iii) there having been no breach of any of the Fundamental Warranties (as defined in the SSA) or breach in any material respect of any of the other Warranties (as defined in the SSA), as on November 25, 2021, and on the Closing Date (as defined in the SSA), other than as disclosed in the Updated Disclosure Letter (as defined in the SSA);
- (iv) there having been no material breach of the covenants, statements, obligations under the SSA required to be performed by the Target Company and/or the Taneja Group;
- (v) receipt of the in-principle approval of the Stock Exchanges for the issue and allotment of the Subscription Shares;
- (vi) comply with the Standstill Obligations (as defined in the SSA);
- (vii) no Material Adverse Effect (as defined in the SSA) subsisting on the Closing Date; and
- (viii) the Target Company and the lenders of the Target Company executing a One Time Settlement Agreement (as defined in the SSA) on or before December 20, 2021 or such other period as may be agreed by the Subscriber and the Company in writing.
- b) The obligation of the Target Company and Taneja Group to issue and allot the Subscription Shares to the Acquirer is subject to the Acquirer fulfilling each of the conditions precedent set out under Clauses 3.2 and 3.3 of the SSA to the satisfaction of the Target Company and Taneja Group, on or before the Long Stop Date (as defined in the SSA), the following conditions:
- (i) obtaining the consent of the Competition Commission of India for the transactions contemplated to be undertaken pursuant to the Transaction Documents (as defined in the SSA); and
- (ii) obtaining shareholder's approval for the transactions contemplated under the SSA including the Open Offer and Unsecured Loan (to be granted on the terms and conditions contained in the Unsecured Loan Agreement).
- c) Until the later of Control Date or Closing Date (as defined in the SSA), the Target Company and Taneja Group are subject to customary standstill covenants.
- d) The SSA contains inter alia provisions in relation to certain representations, warranties and indemnities provided by the Taneja Group and Target Company to the Acquirer.
- e) The Target Company shall utilize the Subscription Amount and the Unsecured Loan (i) for the settlement of the Facilities (as defined in the SSA), and (ii) after settling the Facilities (as defined in the SSA), for such matters as maybe approved by the Acquirer and thereafter the board of directors of the Target Company, post the Control Date.
- f) On the Control Date, the Target Company shall hold a meeting of its board of directors for inter alia approving the re-constitution of the board of directors of the Target Company.
- g) The SSA will stand terminated, at any time prior to the Closing Date (as defined in the SSA), upon the occurrence of certain events which inter alia include the following:
- (i) immediately, by mutual written agreement of the Acquirer, the Target Company and the Taneja Group;
- (ii) automatically, if (1) the conditions precedent set out at paragraph 5(i)(b)(i) or paragraph 5(i)(b)(ii) of this DPS are not fulfilled by the Acquirer, and (2) the conditions precedent set out at paragraph 5(i)(b)(i) of this DPS is not fulfilled by the Target Company, on or before the Long Stop Date;
- (iii) by the Acquirer, if the Closing Date (as defined in the SSA) has not occurred on or before the Long Stop Date;
- (iv) if the Lenders (as defined in the SSA) do not execute the One Time Settlement Agreement (as defined in the SSA) on or before December 20, 2021 or such other period as may be agreed by the Acquirer and the Target Company in writing; and
- (v) if in the opinion of the Acquirer, a Material Adverse Effect (as defined in the SSA) has occurred.
- h) The Taneja Group have agreed to certain non-compete and non-solicit obligations set out in the SSA. It is clarified that no separate consideration is payable for undertaking such obligation.

**II. Salient Features of the SHA:**

- a) On and from the Control Date (i.e. the Effective Date (as defined under the SHA)):
- (i) the Acquirer will be in sole control of the Target Company, and will be identified as and considered the 'promoter' of the Target Company under applicable law;
- (ii) the Taneja Group will continue to be identified as 'promoters' of the Target Company;
- (iii) the Taneja Group are under an obligation to vote along with the Acquirer at each meeting of the shareholders of the Target Company;
- (iv) the members of the Taneja Group shall not transfer any securities of the Target Company without the prior written consent of the Acquirer and after complying with certain additional conditions in the nature of 'Right of First Offer' in favour of the Acquirer (as described in the SHA);
- (v) the members of the Taneja Group are restricted from directly or indirectly, acquiring any Equity Shares of the Target Company, without the prior written consent of the Acquirer, save and except in case of (i) a bonus issuance made by the Target Company, or (ii) a rights issue by the Target Company;
- (vi) upon the occurrence of Cause (as defined under the SHA) or breach of the vote along obligation by any member of the Taneja Group, the Acquirer has a call option on the securities held by the relevant member of the Taneja Group.
- b) The Acquirer has agreed that pursuant to the completion of the Open Offer, if the aggregate shareholding of the Acquirer and certain members of the existing promoter and promoter group exceeds the minimum public shareholding requirements as prescribed under applicable law, then it shall be the sole obligation of the Acquirer to comply with the minimum public shareholding requirements prescribed under applicable law, and the said Promoters shall be under no obligation to ensure such compliance (including by causing a sale of their shares in the Target Company).
- c) The SHA may be terminated inter alia:
- (i) automatically, upon termination of the SSA;
- (ii) upon mutual agreement in writing by the Acquirer and the Promoter; and
- (iii) upon the Taneja Group members seeking to be re-classified as 'public' or 'non-promoter' shareholders.
- III. Salient Features of the Unsecured Loan Agreement:
- a) Simultaneously with the remittance of the Subscription Amount (as defined under the SSA) to the Target Company, the Acquirer will transfer the Unsecured Loan to the Designated Bank Account (as defined under the Unsecured Loan Agreement) of the Borrower.
- b) The Target Company shall utilize the Unsecured Loan (i) for the settlement of the Facilities (as defined in the SSA), and (ii) after settling the Facilities (as defined in the SSA), for such matters as maybe approved by the Acquirer and thereafter the board of directors of the Target Company, post the Control Date.
- c) The Tenure of the Unsecured Loan is granted for a period of 3 months commencing from the Closing Date (as defined in the SSA) and carries simple interest of 9% per annum. The Tenure can be extended by the Acquirer in its sole discretion. Target Company has the right to repay the Unsecured Loan, along with the interest accrued thereto, at any time during the Tenure of the Unsecured Loan.
- d) Upon the occurrence of an Event of Default (as defined under the Unsecured Loan Agreement) the Acquirer is entitled to declare the Unsecured Loan as being repayable 'on demand'.
6. The Acquirer aspires to be one of the notable players in the business segment that it operates in and intends to achieve turnover of 1 Billion USD by 2030 by expanding into new value added products, entering into new business segments and scaling the present manufacturing capacities. The Target Company is one of the largest integrated specialized seamless tubes manufacturers in India. This acquisition will enable the Acquirer to enter the business of steel manufacturing and seamless tubes. Further, considering the Target Company's presence in India and abroad and its manufacturing capacities, the acquisition helps accelerate and achieve the Acquirer's intent of expanding into business, which are complementary to its existing business. These synergies are expected to put the business on an accelerated growth path in coming years. With the completion of the Open Offer, the Acquirer intends to obtain the management of the Target Company and put in their efforts towards the sustained growth of the Target Company.

**III. SHAREHOLDING AND ACQUISITION DETAILS**

1. The current and proposed shareholding of the Acquirer in the Target Company and the details of the acquisition are as follows:

Particulars	Acquirer	
	No. of Equity Shares	Percentage (%) <sup>(i)</sup>
Shareholding as on the PA date	Nil	Nil
Equity Shares acquired between the date of the PA and the date of this DPS	Nil	Nil
Shareholding as of the date of this DPS	Nil	Nil
Equity Shares proposed to be acquired under the Preferential Allotment	15,40,00,000	51.25%
Equity Shares proposed to be acquired under the Open Offer	7,52,86,269	25.05%
Proposed shareholding after the Preferential Allotment and the Open Offer <sup>(ii)</sup>	22,92,86,269	76.30%

Notes:

<sup>(i)</sup> As a percentage of the Emerging Voting Capital.

<sup>(ii)</sup> Assuming



# Non-food bank credit grows at 6.9% in October: RBI data

PRESS TRUST OF INDIA  
Mumbai, November 30

**NON-FOOD CREDIT** growth of banks accelerated to 6.9% in October as against 5.2% in the same month of last year, the RBI data showed.

Loans to agriculture and allied activities continued to perform well, registering an accelerated growth of 10.2% in October 2021 as compared to 7.2% in October 2020, according to the RBI's Sectoral Deployment of Bank Credit - October 2021 data, released on Tuesday.

The growth in credit to



industry picked up to 4.1% in October 2021 from a contraction of 0.7% in October 2020.

Size-wise, credit to medium industries registered a robust growth of 48.6% in October 2021 as compared to 20.8% last year.

Advances to micro and small industries accelerated

to 11.9% in October 2021 from 0.7% a year ago. Credit growth to large industries stood at 0.5% in October 2021 as compared to a contraction of 1.8% a year ago, the data showed.

Slowdown in credit growth of services continued, as it decelerated to 2.9% in October from 8.6% a year ago.

Personal loans continued to grow at a robust rate of 11.7% in October 2021 vis-a-vis 8.7% in October 2020 primarily due to housing, vehicle loans and loans against gold jewellery, the data showed.

# Goldman sees India rate hikes possible next year on inflation

**INDIA'S CENTRAL BANK** could start tightening monetary policy from next fiscal year as consumer prices rise, according to Goldman Sachs Group.

"Inflation is going to determine what the RBI does over the course of next year," Santanu Sengupta, senior India economist at Goldman said in an interview with Juliette Saly and Rishaad Salamat on Bloomberg TV. "Input cost increases for the manufacturers will get passed on to consumers over a period of time as the economy reopens and pricing power comes back."

Companies in India have been seeing a pressure on their margins as supply side constraints and global commodity prices increase input costs.

— BLOOMBERG

# Fitch affirms ICICI Bank rating with negative outlook

PRESS TRUST OF INDIA  
Mumbai, November 30

**FITCH RATINGS** HAS affirmed ICICI Bank's ratings at 'BB+' with a negative outlook and retained the lender's viability rating at BB.

The negative outlook comes despite the agency recently revising upwards the operating environment outlook of domestic banks to stable from negative, citing better than expected recovery in business and economic activity following the Covid-19 second wave.

Economic momentum and regulatory measures should support modest improvements in the domestic banks' financial profiles over the next 12-24 months, even though challenges remain the agency said in a late Monday note.

Listing the key rating drivers, the agency said ICICI's long term rating of

'BB+' is support driven and linked to India's sovereign rating (BBB-/Negative).

This is due to its size and systemic importance, which stem from its large and growing market share (6.1% of system assets and 5.5% of deposits in FY20 and a sizeable retail deposit base).

ICICI is a systemically important bank, and the state has a record of supporting such banks, although ICICI has not required support to date. And the March 2020 rescue of Yes Bank, a mid-sized private-sector bank, reinforces our view.

The negative outlook on the ratings mirrors the agency's outlook on the sovereign rating, it said.

In the view of the agency, the bank's risk profile has a stronger impact than the operating environment on the assigned viability rating than what the weighting would suggest.

# McNally Sayaji: NCLAT dismisses KMB's appeal to set aside NCLT order

MITHUN DASGUPTA  
Kolkata, November 30

**THE NATIONAL COMPANY** Law Appellate Tribunal (NCLAT) has dismissed Kotak Mahindra Bank's appeal to set aside the insolvency proceedings order passed by the Kolkata bench of the NCLT against McNally Sayaji Engineering (MESL), a Williamson Magor Group company.

The Kolkata bench of the National Company Law Tribunal (NCLT) had admitted ICICI Bank's application under Section 7 of the IBC for

initiating the Corporate Insolvency Resolution Process (CIRP) against MESL for a default.

Following that, Kotak Mahindra Bank moved the NCLAT against the NCLT's order, submitting that ICICI Bank unilaterally filed the insolvency application before the tribunal during the pendency of deliberations in the Joint Lenders Meeting on the restructuring of account of McNally Sayaji.

In its application, Kotak Mahindra Bank further said five banks i.e. Kotak Mahindra



Bank, ICICI Bank, DBS Bank, IDBI Bank and State Bank of India had advanced loan to the company, but the NCLT "failed to appreciate" that more than 50% members of lenders of the consortium had opposed

the initiation of CIRP, as they were considering the restructuring of loan outside the scheme of the Insolvency and Bankruptcy Code (IBC).

"According to them the restructuring of loan is more beneficial to the creditors as they were not taking the haircut. In the eventuality of a resolution plan being implemented or liquidation process being initiated, the financial creditors, including Kotak Mahindra Bank, will have to take a haircut," Kotak Mahindra Bank said in its appeal before the appellate

tribunal.

Kotak Mahindra Bank's appeal was resisted by the ICICI Bank on a variety of grounds. ICICI Bank submitted before the appellate tribunal that Kotak Mahindra Bank has "no locus standi" to file this appeal as the lender was one of the financial creditors to the debt-ridden company. It said KMB was aware of the pendency of Section 7 application from the very inception, however, no impleadment/intervention application was filed before the adjudicating authority.

## ARVIND FASHIONS

Registered Office: Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad-380025, Gujarat, India, Phone: +91 79 6826 8000, Email ID: investor.relations@arvindbrands.co.in, Website: www.arvindfashions.com

## ARVIND FASHIONS LIMITED

CIN: L52399GJ2016PLC085595

### NOTICE OF POSTAL BALLOT

Notice is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Rule 20 & Rule 22 of Companies (Management and Administration) Rules, 2014 (the 'Rules') and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, the General Circular No. 22/2020 dated June 15, 2020, the General Circular No. 33/2020 dated September 28, 2020, the General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") that the Postal Ballot notice along with relevant Explanatory Statement, have been sent to the shareholders of the company to their registered e-mail ID's on Tuesday, November 30, 2021 for seeking their approval for re-appointment of Mr. Nilesh Dhirajlal Shah (DIN: 01711720), as an Independent Director of the Company for a term of Five (5) years commencing from February 7, 2022 by way of remote e-voting only.

Members are hereby informed that the notice has been sent only to those shareholders whose names appear on the Register of Members/ List of beneficial owners as received from the National Securities Depository Ltd (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, November 26, 2021 i.e. "the cut-off date". The voting rights shall be reckoned on the paid-up value of shares registered in the name of members as on Friday, November 26, 2021. A person who is not a member as on cut-off date should treat this notice for information purpose only.

In accordance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is providing facility to its members to exercise their votes electronically in respect of item(s) enlisted on the Postal Ballot notice through the remote e-voting facility provided by NSDL.

#### Details of Postal Ballot Schedule:

Sr. No.	Particulars	Schedule
1	Date of Completion of sending Postal Ballot Notice	November 30, 2021
2	Date of commencement of remote e-voting	December 1, 2021 [09:00 a.m.]
3	Date of end of remote e-voting	December 30, 2021 [05:00 p.m.]

**Any remote e-voting done by the members beyond the date of end of voting mentioned above shall be treated as invalid. The remote e-voting shall be disabled by NSDL at 05.00 P.M on December 30, 2021.**

All the members are therefore hereby informed that:

- Members are provided with only remote e-voting facility. No other mode of voting is made available. In case Members cast their votes through any other mode, the same would be treated as invalid.
- Mr. Hitesh Buch, (CP No.: 8195), Proprietor, Hitesh Buch & Associates, Practicing Company Secretaries has been appointed as Scrutinizer for conducting remote e-voting in accordance with the law in fair and transparent manner.
- For any queries/grievances, in relation to voting through electronic means, members may contact Registrar and Transfer Agent (RTA) i.e. Link Intime India Pvt. Ltd. at ahmedabad@linkintime.co.in.

Members are requested to carefully read the instructions given as part of the Postal Ballot Notice to cast their votes through e-voting within the stipulated time. The result of the voting will be announced on or before December 31, 2021 at the registered office and the said results along with scrutinizer's report will also be displayed on the Website of the Company at www.arvindfashions.com, besides being communicated to the Stock Exchanges i.e. NSE & BSE.

Place: Bengaluru  
Date: November 30 2021

**For Arvind Fashions Limited**

Sd/-  
Vijaykumar BS  
Company Secretary

(Continue from Page 1....)

Sr. No.	Particulars	Rs. per Equity Share
A	The highest negotiated price per share of the Target Company for any acquisition under the agreement entitling the obligation to make a public announcement of an open offer: <ul style="list-style-type: none"><li>• Price under the SSA: 30.95</li><li>• Price under the SHA: NIL</li></ul>	30.95
B	The volume weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer, during the fifty-two weeks immediately preceding the date of the PA.	Nil
C	The volume weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer, during the fifty-two weeks immediately preceding the date of the PA.	Nil
D	The volume-weighted average market price of such shares for a period of 60 (sixty) trading days immediately preceding the date of PA as traded on NSE, being the stock exchange where the maximum volume of trading in the Equity Shares is recorded during such period, provided such shares are frequently traded.	31.84
E	Where the shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies.	Not Applicable
F	The per share value computed under sub-regulation (5), if applicable.	Not Applicable

(Source : www.nseindia.com)

- In view of the parameters considered and presented in the table in paragraph 4 above, the minimum offer price per Equity Share under Regulation 8(2) of the SEBI (SAST) Regulations is the highest of item numbers A to F above i.e. Rs. 31.84 per Equity Share. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations.
- There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, reduction, etc. where the record date for effecting such corporate actions falls between the date of this DPS up to 3 (three) working days prior to the commencement of the tendering period of the Open Offer, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
- In the event of any acquisition of Equity Shares of the Target Company by the Acquirer during the Open Offer period, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(9) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares of the Target Company after the 3rd (third) working day prior to the commencement of the tendering period of this Open Offer and until the expiry of the tendering period of this Open Offer.
- As on the date of this DPS, there is no revision in the Offer Price or Offer Size. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of 1 (one) working day before the commencement of the tendering period of this Open Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. This revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the escrow amount (ii) make public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously notify the Stock Exchanges, the SEBI and the Target Company at its registered office, of such revision.
- If the Acquirer acquires any Equity Shares of the Target Company during the period of 26 weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Open Offer within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

## V. FINANCIAL ARRANGEMENTS

- The total fund requirement for the Open Offer (assuming full acceptance), i.e. for the acquisition of 7,52,86,269 Equity Shares of the Target Company at the Offer Price, is Rs. 2,39,71,14,805.
- The Acquirer has furnished an unconditional, irrevocable and on demand bank guarantee dated November 29, 2021 in favour of the Manager to the Offer from Kotak Mahindra Bank Limited acting through its Trade Finance Department, Kotak House, Ground Floor, No-22, M G Road, Bangalore - 560001 branch having bank guarantee No. 0721IGF210026464 for an amount of Rs. 60,00,00,000 (the "Bank Guarantee") in terms of Regulation 17(3)(b) of the SEBI (SAST) Regulations, which is more than the minimum prescribed amount of 25% of the Offer Size calculated in accordance with Regulation 17(1) of the SEBI (SAST) Regulations. The Manager to the Offer has been duly authorised to realize the value of the Bank Guarantee in terms of the SEBI (SAST) Regulations.
- Further, the Acquirer and the Manager to the Offer have, entered into an escrow agreement dated November 26, 2021 with Kotak Mahindra Bank Limited acting through its branch at 5 C/ II, Mittal Court, 224, Nariman Point, Mumbai, Maharashtra 400021 (the "Escrow Bank"), in terms of which the Acquirer has opened a cash escrow account (the "Escrow Account") with the Escrow Bank. The Acquirer has deposited a sum of Rs. 2,40,00,000 in the Escrow Account being higher than the amount required under Regulation 17(4) of the SEBI (SAST) Regulations (i.e. 1% (one per cent) of the Offer Consideration). The Manager to the Offer has been authorized by the Acquirer to operate and realize the monies lying to the credit of the Escrow Account in terms of the SEBI (SAST) Regulations.
- The Acquirer has authorized the Manager to the Open Offer to operate and realize the value of the Escrow Account and the Special Escrow Account in terms of the SEBI (SAST) Regulations.
- The sources of funds for the Acquirer are cash, cash equivalents, internal accruals and debt raised from third parties. The Acquirer has made firm financial arrangements for fulfilling the payment obligations under this Open Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, and the Acquirer is able to implement this Open Offer.
- Kirtane & Pandit LLP, Chartered Accountants (FRN: 105215W/100057) (Suhud Lele, Partner, membership no.: 121162), vide their certificate dated November 27, 2021 certified that the Acquirer has adequate financial resources for fulfilling their obligations under the underlying transactions contemplated under the SSA and this Open Offer.
- Based on the above, the Manager to the Open Offer is satisfied, (a) about the adequacy of resources to meet the financial requirements for the Open Offer and the ability of the Acquirer to implement the Open Offer in accordance with the SEBI (SAST) Regulations; and (b) that firm arrangements for payment through verifiable means are in place to fulfill the Open Offer obligations.
- In case of any upward revision in the Offer Price or Offer Size, the corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

## VI. STATUTORY AND OTHER APPROVALS

- As on the date of the DPS, to the best knowledge of the Acquirer, the following statutory or other approvals are required to complete the Open Offer ("Statutory Approval"):
  - Approval from the Competition Commission of India (or such approval being deemed to have been granted) in accordance with the Indian Competition Act, 2002.
  - In-principle approval of the Stock Exchanges to be obtained by the Target Company for the issue and allotment of the Equity Shares (either unconditionally, or in a form satisfactory to the Acquirer), applicable only for the underlying transaction under the SSA.

- Except as mentioned above, as on the date of this DPS, to the best knowledge of the Acquirer, there are no other statutory approvals required by the Acquirer to complete the Open Offer. However, in case any further statutory or other approval becomes applicable prior to completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.
- In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that the approvals specified in this DPS as set out in "Statutory and Other Approvals" above or those which become applicable prior to completion of the Open Offer are not received, for reasons outside the reasonable control of the Acquirer, then the Acquirer shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager to the Open Offer) shall, within 2 (two) working days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
  - Non-resident Indians ("NRIs"), erstwhile overseas corporate bodies ("OCBs") and other non-resident holders of the Equity Shares of the Target Company, if any, must obtain all requisite approvals/exemptions required (including without limitation, the approval from the Reserve Bank of India ("RBI"), if any, to tender the Equity Shares held by them in this Open Offer and submit such approvals/exemptions along with the documents required to accept this Open Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, foreign institutional investors ("FIIs") and foreign portfolio investors ("FPIs") had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Open Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer.
  - Public Shareholders classified as OCBs, if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer.
  - Subject to the receipt of the statutory and other approvals, if any, the Acquirer shall complete payment of consideration within 10 (ten) working days from the closure of the tendering period to those Public Shareholders whose documents are found valid and in order and are approved for acquisition by the Acquirer.
  - In case of delay/non-receipt of any statutory and other approvals referred to in this Part VI, as per Regulation 18(1) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(1) of the SEBI (SAST) Regulations.

## VII. TENTATIVE SCHEDULE OF ACTIVITIES

Sr.No.	ACTIVITY	Schedule (Day and Date)*
1.	Date of PA	Thursday, November 25, 2021
2.	Date of publication of this DPS	Wednesday, December 01, 2021
3.	Last date of filing of the draft letter of offer with SEBI	Wednesday, December 08, 2021
4.	Last date for public announcement for competing offer(s)	Wednesday, December 22, 2021
5.	Last date for receipt of SEBI observations on the draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Open Offer)	Wednesday, December 29, 2021
6.	Identified Date#	Friday, December 31, 2021
7.	Last date by which the Letter of Offer is to be dispatched to the Public Shareholders whose names appear on the register of members on the Identified Date	Friday, January 07, 2022
8.	Last date of publication of recommendations by the committee of the independent directors of the Target Company to the Public Shareholders in relation to the Open Offer	Wednesday, January 12, 2022
9.	Last date for upward revision of the Offer Price/the size of the Open Offer	Thursday, January 13, 2022
10.	Date of publication of opening of Open Offer public announcement in the newspapers in which this DPS has been published	Thursday, January 13, 2022
11.	Date of commencement of the tendering period ("Offer Opening Date")	Friday, January 14, 2022
12.	Date of closure of the tendering period ("Offer Closing Date")	Friday, January 28, 2022
13.	Last date of communicating the rejection/acceptance and completion of payment of consideration or return of Equity Shares to the Public Shareholders	Friday, February 11, 2022
14.	Last date for publication of post-Open Offer public announcement in the newspapers in which this DPS has been published	Friday, February 18, 2022

\* The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of statutory/regulatory approvals and may have to be revised accordingly. To clarify, the actions set out above may be completed prior to their corresponding dates subject to compliance with the SEBI (SAST) Regulations.

# Identified Date is only for the purpose of determining the names of the Public Shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all holders (registered or unregistered) of Equity Shares (except the Acquirer or the persons acting in concert with them) are eligible to participate in the Open Offer any time before the Offer Closing Date.

## VIII. PROCEDURE FOR TENDERING THE EQUITY SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER

- All the Public Shareholders, holding Equity Shares of the Target Company whether in dematerialised form or physical form, registered or unregistered, are eligible to participate in this Open Offer at any time during the period from Offer Opening Date and Offer Closing Date ("Tendering Period") for this Open Offer.
- Persons who have acquired Equity Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date i.e. the date falling on the 10th (tenth) working day prior to the commencement of the Tendering Period, or unregistered owners or those who have acquired Equity Shares of the Target Company after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Open Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Open Offer in any way.
- The Public Shareholders may also download the Letter of Offer from the SEBI's website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer (detailed at Part IX (Other Information) of this DPS) on providing suitable documentary evidence of holding of the Equity Shares and their folio number, DP identity-card identity, current address and contact details.
- In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer are more than the number of Equity Shares agreed to be acquired in this Open Offer, the Acquirer shall accept those Equity Shares validly tendered by such Public Shareholders on a proportionate basis in consultation with the Manager to the Open Offer.

- The Open Offer will be implemented by the Acquirer through stock exchange mechanism made available by the Stock Exchanges in the form of separate window ("Acquisition Window") as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI and as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.
- BSE Limited shall be the designated stock exchange for the purpose of tendering Equity Shares in the Open Offer.
- The Acquirer has appointed Systematix Shares and Stocks (India) Limited ("Buying Broker") as their broker for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:

### SYSTEMATIX GROUP

Investments Re-defined

**Systematix Shares and Stocks (India) Limited**  
The Capital, A-Wing, No. 603-606, 6th Floor,  
Plot No. C-70, G-Block, Bandra-Kurla Complex, Bandra (East),  
Mumbai 400 051, Maharashtra, India  
Telephone: +91-22-6704 8000  
Fax: +91-22-6704 8029  
Email: compliance@systematixgroup.in  
Contact Person: Mr. Rajkumar Gupta

- Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to intimate their respective stock brokers ("Selling Broker") within the normal trading hours of the secondary market, during the Tendering Period.
- The Acquisition Window will be provided by the BSE Limited to facilitate placing of sell orders. Before placing the bid, the concerned Public Shareholder/Selling Broker would be required to transfer the tendered Equity Shares to the special account of Indian Clearing Corporation Limited ("Clearing Corporation"), by using the settlement number and the procedure prescribed by the Clearing Corporation.
- Shareholders who wish to bid/offer their physical shares in the Open Offer are requested to send their original documents as mentioned in the Letter of Offer to the Registrar to the Open Offer so as to reach them within 2 (two) days from Offer Closing Date. It is advisable to first email scanned copies of the original documents mentioned in the Letter of Offer to the Registrar to the Open Offer and then send physical copies to the address of the Registrar to the Open Offer as provided in the Letter of Offer.
- In the event the Selling Broker of a shareholder is not registered with BSE Limited, then that shareholder can approach the Buying Broker and tender the shares through the Buying Broker, after submitting the details as may be required by the Buying Broker in compliance with the SEBI regulations.
- The cumulative quantity tendered shall be made available online to the market throughout the trading session at specific intervals by the Stock Exchanges during the tendering period on the basis of shares transferred to the special account of the Clearing Corporation.
- The detailed procedure for tendering the Equity Shares in the Open Offer will be available in the Letter of Offer, which shall be available on website of SEBI (www.sebi.gov.in).
- Equity Shares should not be submitted/ tendered to the Manager to the Open Offer, the Acquirer or the Target Company.

## IX. OTHER INFORMATION

- The Acquirer and its directors in their capacity as directors of the Acquirer accepts the responsibility for the information contained in the PA, and this DPS (other than as specified in paragraph 2 below) and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations in respect of the Open Offer.
- All the information pertaining to the Target Company contained in the PA or DPS or Letter of Offer or any other advertisement / publications / corrigendum made in connection with the Open Offer has been compiled from information published or publicly available sources or provided by the Target Company. The Acquirer does not accept any responsibility with respect to any information provided in the PA or this DPS or the Letter of Offer pertaining to the Target Company.
- In this DPS, all references to "INR" or "Rupees" or "Rs." are references to the Indian National Rupee(s).
- In this DPS, any discrepancy in figures as a result of multiplication or totalling is due to rounding off.
- This DPS and the PA shall also be available on SEBI's website (http://www.sebi.gov.in).

Issued on behalf of the Acquirer by the Manager to the Open Offer

### SYSTEMATIX GROUP

Investments Re-defined

**Systematix Corporate Services Limited**  
The Capital, A-Wing, 603-606, 6th Floor, Plot No. C-70, G-Block,  
Bandra Kurla Complex, Bandra (East), Mumbai - 400 051,  
Maharashtra, India  
Telephone: +91 22 6704 8000  
Fax: +91 22 6704 8022  
E-mail: csm@systematixgroup.in  
Website: www.systematixgroup.in  
Contact Person: Amit Kumar  
SEBI Registration Number: INM000004224

Registrar to the Open Offer

### KFINTECH

Selenium Tower-B, Plot 31 & 32, Gachibowli, Financial District,  
Nanakramguda, Serilingampally, Hyderabad - 500 032,  
Telangana, India  
Telephone: +91 40 6716 2222  
Fax: +91 40 2343 1551  
E-mail: ism.openoffer@kfinitech.com  
Website: www.kfinitech.com  
Contact Person: M Murali Krishna  
SEBI Registration No.: INR000000221

Advisors to the Transaction

### SINGHI ADVISORS

Where Deals Get Done

Singhi Advisors & Financial Services LLP  
1307, Crescenzo, Opp MCA Club, Bandra-Kurla Complex,  
Mumbai-400051  
E-mail: business@singhi.com  
Website: www.singhi.com

On behalf of Kirloskar Ferrous Industries Limited (Acquirer)

Sd/-  
R. V. Gumaste  
Managing Director

Place: Pune  
Date: November 30, 2021.